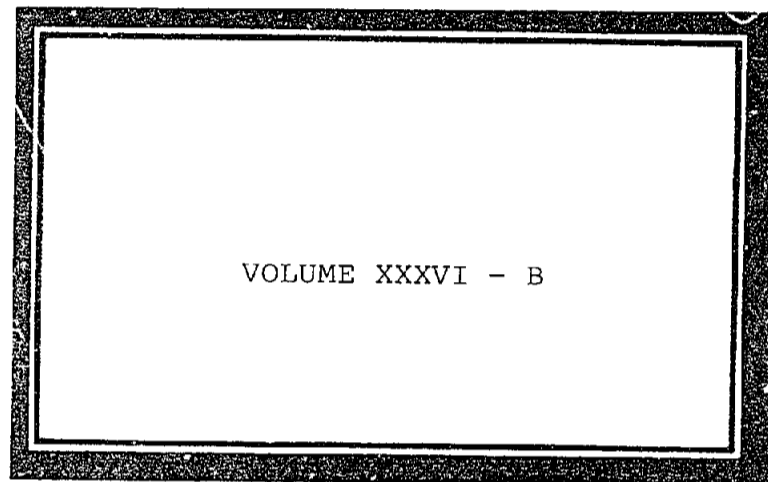


Meeting No. 837

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



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December 8, 1988

Austin, Texas

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OF
THE UNIVERSITY OF TEXAS SYSTEM
DECEMBER 8, 1988
AUSTIN, TEXAS

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MEETING NO. 837

THURSDAY, DECEMBER 8, 1988.--The members of the Board of Regents of The University of Texas System convened in regular session at 12:05 p.m. on Thursday, December 8, 1988, in the Regents' Meeting Room on the ninth floor of Ashbel Smith Hall in Austin, Texas, with the following in attendance:

ATTENDANCE.--

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

Executive Secretary Dilly

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

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

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

RECONVENE.--At 1:50 p.m., the Board reconvened in open session.

U. T. SYSTEM: INTRODUCTION OF MR. R. DAN BURCK, VICE CHANCELLOR FOR BUSINESS AFFAIRS.--Chairman Blanton introduced and welcomed Mr. R. Dan Burck as he attended his first Board meeting as Vice Chancellor for Business Affairs of The University of Texas System.

U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF SPECIAL MEETING HELD ON SEPTEMBER 14, 1988, AND REGULAR MEETING HELD ON OCTOBER 7, 1988.--Upon motion of Vice-Chairman Roden, seconded by Regent Hay, the Minutes of the special meeting of the Board of Regents of The University of Texas System held on September 14, 1988, in Austin, Texas, and the regular meeting held on October 7, 1988, in Arlington, Texas, were approved as distributed by the Executive Secretary. The official copies of these Minutes are recorded in the Permanent Minutes, Volume XXXVI, Pages 1 - 721.

*Vice-Chairman Ratliff was excused because of a previous commitment.

U. T. SYSTEM: STATEMENT BY CHAIRMAN BLANTON REGARDING GRADUATE STUDENT INSURANCE PREMIUM SHARING.--Chairman Blanton presented the following statement related to graduate student insurance premium sharing in The University of Texas System:

Statement by Chairman Blanton

I wish to acknowledge the presence today of a delegation of graduate students from The University of Texas at Austin and from other campuses in the U. T. System who have expressed interest in the matter of graduate student insurance premium sharing.

The Board agenda for today's meeting does not include recommendations or proposals regarding the matter. However, I can assure those present, and the many other students statewide who are affected by the loss of premium sharing, that this issue is included as a priority item on the U. T. System agenda for the 71st legislative session. Further, the U. T. System Administration, the campus administrations and this Board are completely aware of the urgency and importance of this issue to the employees affected and to our ability to attract and employ quality graduate students.

May I also take a moment to express my appreciation for the extensive dialogue between student representatives and the campus administrations. Both the ad hoc committee appointed by President Cunningham and the Council of Graduate Students at U. T. Austin under President Stan Gaines have contributed to the dialogue and have provided excellent data and support for the effort that lies before us. I look forward to continued support from the graduate student community as we work together in addressing this important matter during the legislative session.

U. T. EL PASO: COMMENDATION TO FOOTBALL TEAM (MINERS) AND COACH BOB STULL.--On behalf of the Board, Chairman Blanton congratulated The University of Texas at El Paso football team and Coach Bob Stull for their most successful season in history -- a 10 and 2 season.

Chairman Blanton noted that this record had resulted in the "Miners" first post-season bowl invitation in 21 years and on December 23, 1988, Coach Stull and his team would take the field against Southern Mississippi in the Independence Bowl in Shreveport, Louisiana.

He reported that the Board was pleased to note the excellent response of the El Paso community to this winning season and pointed out that average home game attendance exceeded 40,000, more than doubling the attendance of the 1985 season.

On behalf of the Board, Chairman Blanton asked President Natalicio to convey the Board's congratulations to all who are associated with this "Miners" team and extended best wishes for a successful Independence Bowl game.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 1:55 p.m., the Board recessed for the meetings of the Standing Committees and Chairman Blanton announced that at the conclusion of each committee meeting, the Board would reconvene to approve the report and recommendations of that committee.

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

REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

REPORT OF EXECUTIVE COMMITTEE (Pages 4 - 19).--In compliance with Section 7.14 of Chapter I of Part One of the Regents' Rules and Regulations, Chairman Blanton reported to the Board for ratification and approval all actions taken by the Executive Committee since the last meeting. Unless otherwise indicated, the recommendations of the Executive Committee were in all things approved as set forth below:

1. U. T. System: Authorization to Assess an Investment Fee for All Non-Permanent University Fund Endowments and Trusts; Establishment of the Quasi-Endowment for Investment Excellence; and Authorization for the Executive Vice Chancellor for Asset Management to Administer Salary Supplements and to Reform the Terms of Certain Bequests (Exec. Com. Letter 89-6).--The Charter for the Common Trust Fund does not prohibit the imposition of a reasonable fee for investment services with regard to the endowments and trusts managed by the Office of Asset Management and the professional investors employed by The University of Texas System.

Therefore, upon recommendation of the Executive Committee, the Board:

- a. Authorized the assessment of an investment fee for all non-Permanent University Fund endowments and trusts managed by the Office of Asset Management at an annual rate of one-tenth of one percent of the funds' market value, as determined on quarterly evaluation dates
- b. Established the Quasi-Endowment for Investment Excellence to be funded by the investment fee assessed to these funds and withdrawn from the gross cash income of these funds on a quarterly basis
- c. Authorized the Executive Vice Chancellor for Asset Management, after obtaining approval of the Land and Investment Committee, to use the income from the Quasi-Endowment for Investment Excellence to provide a monthly supplement to the salaries of professionals employed by the Office of Asset Management, using the past performance of the staff as the indicator for the appropriate amount of such supplement
- d. Authorized the Executive Vice Chancellor for Asset Management to take appropriate action to reform the terms of any bequest that has an express prohibition against the imposition of a charge against income.

2. U. T. Austin - Balcones Research Center - Campus Utilities Improvement Work for Microelectronics and Engineering Research Building (Project No. 102-660): Award of Construction Contract to Reddico Construction Co., Inc., Austin, Texas (Exec. Com. Letter 89-7).--The Board, upon recommendation of the Executive Committee, awarded a construction contract for Extension of Campus Utilities for the Microelectronics and Engineering Research Building at the Balcones Research Center at The University of Texas at Austin to the lowest responsible bidder, Reddico Construction Co., Inc., Austin, Texas, for the Base Bid in the amount of \$426,760.50.

3. U. T. Austin - Research/Laboratory Facility (Project No. 102-696): Authorization for Executive Committee to Approve Final Plans; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; and Additional Appropriation Therefor (Exec. Com. Letter 89-8).--Upon recommendation of the Executive Committee, the Board:

- a. Authorized the Executive Committee to approve final plans and specifications for construction of The University of Texas at Austin Research/Laboratory Facility at an estimated total project cost of \$2,000,000 in conjunction with an Administrative/Support Services Facility for the Texas Permian Basin Foundation, Inc. (combined total project cost of \$4,500,000), both to be located at The University of Texas of the Permian Basin Center for Energy and Economic Diversification
- b. Authorized the Office of Facilities Planning and Construction to advertise for bids upon completion of final review
- c. Authorized the Executive Committee to award all contracts associated with this project within the authorized total project cost
- d. Appropriated \$1,850,000 from Permanent University Fund Bond Proceeds for total project funding of the U. T. Austin Research/Laboratory Facility. Previous appropriations had been \$150,000 from the same source. The funding for the Administrative/Support Services Facility (\$2,500,000) is to be provided by the Texas Permian Basin Foundation, Inc.

The Research/Laboratory Facility will accommodate a U. T. Austin research presence at the U. T. Permian Basin Center for Energy and Economic Diversification while the Administrative/Support Services Facility will provide headquarters and related support activities for the Center. The combined Center facilities include 31,500 gross square feet of space. The Research/Laboratory Facility to be dedicated to U. T. Austin constitutes 18,900 gross square feet and the Administrative/Support Services Facility to be constructed by the Texas Permian Basin Foundation, Inc. and administered by U. T. Permian Basin includes 12,600 gross square feet. The facilities will be constructed on a site of approximately 28 acres in Midland County conveyed to the Texas Permian Basin Foundation, Inc. by the Scharbauer Brothers and Company.

Permanent University Fund Bond Proceeds totaling \$2,000,000 allocated for the U. T. Austin Research/Laboratory Facility are within the scope of the Capital Improvement Program approved by the U. T. Board of Regents in October 1987.

4. U. T. Dallas: Approval of Ground Lease Agreement with the City of Richardson, Texas, and Authorization for the Executive Vice Chancellor for Academic Affairs to Execute Agreement (Exec. Com. Letter 89-5).--The Board approved the ground lease agreement set forth on Pages 7 - 18 by and between the Board of Regents of The University of Texas System, for and on behalf of The University of Texas at Dallas, and the City of Richardson, Texas, wherein the City of Richardson will lease for a nominal consideration 4.8761 acres of land on the U. T. Dallas campus for an original term of five (5) years and authorized the Executive Vice Chancellor for Academic Affairs to execute the ground lease agreement.

In November 1975, the U. T. Board of Regents authorized a ground lease for approximately 5.07 acres to the City of Richardson for a period of ninety-nine (99) years for the purpose of developing a city park to serve students, faculty and staff of U. T. Dallas. Use of the park is limited by the lack of parking at the site and vehicular access is down a narrow alley serving rear lot garages to area private residences.

The City of Richardson will use the 4.8761 acres of land to provide direct access to the park from Floyd and Renner Roads and to construct parking spaces for the existent park, thereby making the park more accessible and alleviating the alley congestion problem.

GROUND LEASE AGREEMENT
THE BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM
AND
THE CITY OF RICHARDSON, TEXAS

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS THAT:
COUNTY OF COLLIN §

THIS LEASE AGREEMENT is made and entered into this 3th day of December, 1988, by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, for and on behalf of The University of Texas at Dallas, hereinafter referred to as Lessor, and THE CITY OF RICHARDSON, TEXAS, hereinafter referred to as Lessee.

ARTICLE 1. DEMISE OF LEASED PREMISES

Lessor for and in consideration of the rents, covenants and promises herein contained to be kept, performed, and observed by Lessee, does hereby lease and demise to Lessee, subject to the terms set forth below, and Lessee does hereby rent and accept from Lessor, that real property, referred to as the leased premises and more particularly described in Exhibit "A", attached hereto and made a part hereof.

TO HAVE AND TO HOLD the said leased premises, together with all rights, privileges, easements, and appurtenances, belonging to or in any way appertaining to said leased premises.

ARTICLE 2. LEASE TERM

2.01. This lease shall be for a term of five (5) years, referred to as the "lease term", commencing on December 31, 1988, and ending on December 31, 1993; subject, however, to earlier termination as hereinafter provided. After the five (5) year initial term, the lease shall be automatically extended each year for an additional one (1) year term unless cancelled by either party hereto in writing, thirty (30) days prior to the expiration of the existing term.

2.02. This lease shall terminate and become null and void without further notice on the expiration of the term specified, and any holding over by Lessee after the expiration of said term shall not constitute a renewal hereof or give Lessee any rights hereunder in or to the leased premises.

ARTICLE 3. RENT

3.01. Lessee agrees to pay to Lessor as rental for the use and occupancy of the leased premises under this lease the sum of ONE (\$1.00) DOLLAR per year, payable in advance, on the first business day of November, of each year during the term of this lease.

3.02. All installments of rent hereunder, when and as the same become due and payable, shall be paid in lawful money of the United States at the time to the Office of the Vice President for Business Affairs (or his successor in function) of The University of Texas at Dallas, Richardson, Texas.

ARTICLE 4. UTILITIES AND TAXES

Lessee shall pay or cause to be paid all charges for water, heat, electricity, sewers, and any and all other utilities used on the leased premises throughout the term of this lease, including any connection fees. Lessee shall pay all property taxes assessed against the leased premises during the term(s) of this Lease.

ARTICLE 5. LIMITED USE OF PREMISES

5.01. The right of Lessee to use the leased premises is expressly limited to the development and maintenance of a City Park and to the construction and maintenance on the leased premises of facilities related to such use and used in connection with the existing and adjacent Point North Park also situated on property leased by Lessor to Lessee.

5.02. The City Park shall be open to the public, pursuant to the Ordinances of Lessee and pursuant to the Rules and Regulations of Lessee's Parks and Recreation Department.

5.03. It is expected that the City Park facilities to be developed will be in full accord with the usual high standards of the City of Richardson and will be for the use of the citizens of the City of Richardson, Texas, and the students, faculty and staff of The University of Texas at Dallas.

ARTICLE 6. CONSTRUCTION BY LESSEE

6.01. Subject to the limited right of use set out in Article 5, Lessee shall have the right at any time and from time to time during the term of this lease, to erect, maintain, alter, remodel, reconstruct, rebuild, replace, and remove buildings and other improvements on the leased premises, and correct and change the contour of the leased premises, subject to the following general conditions:

(1) The cost of any such construction, reconstruction, demolition, or of any change, alteration, or improvements, shall be borne and paid for by Lessee.

(2) The leased premises shall at all times be kept free of mechanics' and materialmen's liens.

(3) Any improvements constructed on the leased premises shall be removed at the end of the Lease term by Lessee if Lessor so desires. Lessee shall pay any expense incurred in the removal and the leased premises shall be restored to the original condition, reasonable wear and tear excepted.

6.02. (1) In order to provide for the more orderly development of the leased premises, it may be necessary, desirable, or required that street, water, sewer, drainage, gas, power lines and other easements, and dedications, and similar rights be granted or dedicated over or within portions of said leased premises. Provided that, in Lessor's judgment, the request is reasonable and not unduly burdensome to the Property, Lessor shall, upon request of Lessee, join with Lessee in executing and delivering such documents, from time to time, and throughout the term of this lease, as Lessor deems appropriate, reasonable, and

as may be required by other governmental agencies, public utilities, and companies for the purpose of granting such easements and dedications.

(2) Lessor hereby grants to Lessee any necessary landowner approval for zoning on the leased premises to comport with the limited use provisions of Article 5 and for the term of the lease only. Lessor will not be bound by any zoning placed on the property upon the termination of the Lease for any reason.

6.03. Lessee expects to commence development of park facilities within two months after possession is delivered to Lessee.

6.04. It is expressly understood and agreed that any and all buildings, improvements, fixtures, machinery, and equipment of whatsoever nature at any time constructed, placed, or maintained on any part of the leased premises shall be and remain the property of Lessee; Lessee shall have the right at any time during Lessee's occupancy of the leased premises to remove any and all buildings, improvements, machines, fixtures, and all equipment owned or placed by Lessee, in, under, or on the leased premises, during the lease term. Lessee shall remove all said improvements within sixty (60) days following the request of the Lessor at the expiration or cancellation of this lease. However, if Lessor does not request removal, any buildings, improvements, fixtures, or equipment which are not removed voluntarily by Lessee within sixty (60) days after the expiration or cancellation of this lease shall become the property of Lessor.

6.05. Lessee further agrees not to use the Leased Space so as to cause, suffer, or allow any contamination of soil, ground water, surface water or natural resources on or adjacent to the Leased Space resulting from any cause, including but not limited to any spills, leaks of oil, gasoline, hazardous materials or other chemical compounds. Lessee acknowledges that Lessee is solely responsible for cleanup of or damages resulting from any

kind of contamination that may result in violation of this lease provision.

ARTICLE 7. REPAIRS

7.01. Lessee, at Lessee's own cost and expense at all times during the term of this lease, agrees to keep and maintain, or cause to be kept and maintained, all buildings and improvements which may be erected on the leased premises in a good state of appearance and repair, reasonable wear and tear excepted.

7.02. (1) Lessee shall not suffer or permit any mechanics' liens or other liens to be filed against the fee of the leased premises nor against Lessee's leasehold interest in the land nor any buildings or improvements on the leased premises by reason of any work, labor, services, or materials supplied or claimed to have been supplied to Lessee.

(2) If any such mechanics' liens or materialmen's liens shall be recorded against the leased premises, or any improvements thereon, Lessee shall cause the same to be removed or, in the alternative, if Lessee in good faith desires to contest the same, Lessee shall be privileged to do so, but in such case Lessee hereby agrees to indemnify and save Lessor harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said mechanics' lien, cause the same to be discharged and removed prior to the execution of such judgment.

ARTICLE 8. INSURANCE AND INDEMNIFICATION

8.01. Lessor shall not be liable for any loss, damage, or injury of any kind or character to any person or property arising from any use of the leased premises, or any part thereof, or caused by any defect in any building structure, or other improvement thereon or in any equipment or other facility therein, or caused by or arising from any act or omission of Lessee, or of any of his agents, employees, licensees, or invitees, or by or from any accident on the land or fire or other casualty thereon,

or occasioned by the failure of Lessee to maintain the premises in safe condition, or arising from any other cause whatsoever; and Lessee hereby waives on its behalf all claims and demands against Lessor for any such loss, damage, or injury of Lessee, and hereby agrees to indemnify and hold Lessor entirely free and harmless from all liability for any such loss, damage, or injury of other persons, and from all costs and expenses arising therefrom.

ARTICLE 9. ASSIGNMENT AND SUBLEASE

Lessee may not sell, assign or sublease his leasehold estate or any portion thereof without the prior written approval of Lessor, and any said sale, assignment or sublease without written approval shall terminate this Lease at the option of the Lessor.

ARTICLE 10. DEFAULT AND REMEDIES

10.01. Should Lessee default in the performance of any covenant, condition, or agreement in this lease, and such default is not corrected within ten (10) days after receipt of written notice from Lessor, Lessor may declare this lease, and all rights and interest created by it, to be terminated. Upon Lessor electing to terminate, this lease shall cease and come to an end as if that were the day originally fixed herein for the expiration of the term hereof. Lessor, his agent or attorney, may resume possession of the premises.

10.02. Any termination of this lease as herein provided shall not relieve Lessee from the payment of any sum or sums that shall then be due and payable to Lessor hereunder, or any claim for damages then or theretofore accruing or to accrue against Lessee hereunder, and any such termination shall not prevent Lessor from enforcing the payment of any such sum or sums or claim for damages by any remedy provided for law, or from recovering damages from Lessee for any default thereunder. All rights, options, and remedies of Lessor contained in this lease shall be construed and held to be cumulative and no one of them

shall be exclusive of the other, and Lessor shall have ⁺ he right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this lease. No waiver by Lessor of a breach of any of the covenants, conditions, or restrictions of this lease shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other covenant, condition, or restriction herein contained.

ARTICLE 11. WARRANTIES

11.01. Lessor hereby represents and warrants that he is the owner in fee simple absolute of the leased premises subject to covenants, conditions, restrictions, easements, and other matters of record.

11.02. Lessor covenants and agrees that Lessee on paying the rent and other charges herein provided for and observing and keeping the covenants, conditions, and terms of this lease on Lessee's part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the leased premises during the term of this lease without hindrance of Lessor or any person claiming under Lessor.

ARTICLE 12. GENERAL PROVISIONS

12.01. The relationship between Lessor and Lessee at all times shall remain solely that of landlord and tenant and not be deemed a partnership or joint venture.

12.02. It is expressly understood and agreed that if the curing of any default (other than failure to pay rent or insurance premiums) or the performance of any other covenant, agreement, obligation, or undertaking herein contained is delayed by reason of war, civil commotion, act of God, governmental restrictions (other than those of Lessor), fire or other casualty, or any other circumstances beyond Lessee's control or beyond the control of the party obligated or permitted under the terms hereof to do or perform the same, regardless of whether any such

circumstance is similar to any of those enumerated or not, each such party shall be excused from doing or performing the same during such period of delay.

12.03. No waiver by Lessor of any default or breach of any covenant, condition, or stipulation herein contained shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition, or stipulation hereof.

12.04. In the event Lessor shall sell or transfer the leased premises or any part thereof and as a part of such transaction shall assign its interest as Lessor in and to this lease, then from and after the effective date of such sale, assignment, or transfer, Lessor shall have no further liability under this lease to Lessee except as to matters of liability which shall have accrued and are unsatisfied as of such date, it being intended that the covenants and obligations contained in this lease on the part of the Lessor shall be binding on Lessor and its successors and assigns only during and in respect of their respective successive periods of ownership of the fee.

ARTICLE 13. MISCELLANEOUS

13.01. All rents or other sums, notices, demands, or requests from one party to another may be personally delivered or sent by mail, certified, or registered, postage prepaid, to the addresses stated in this section and shall be deemed to have been given at the time of personal delivery or at the time of mailing.

All payments, notices, demands, or requests from Lessee to Lessor shall be given to Lessor at the Office of the Vice President for Business Affairs, P. O. Box 830688, Richardson, Texas 75083-0688, or at such other address as Lessor shall request in writing.

All payments, notices, demands, or requests from Lessor to Lessee shall be given to Lessee at the Office of the City Manager, P. O. Box 309, Richardson, Texas 75080, or at such other address as Lessee shall request in writing.

13.02. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns where permitted by this agreement.

13.03. This agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Dallas and Collin Counties, Texas.

13.04. In case any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

13.05. No amendment, modification, or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

13.06. The rights and remedies provided by this lease agreement are cumulative and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies.

Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.


THIS LEASE has been executed by the parties on the date and year first above written.

ATTEST:



Arthur H. Dilly
Executive Secretary

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM



Dr. James P. Duncan
Executive Vice Chancellor
for Academic Affairs

APPROVED AS TO FORM:

E. Janice Summer

E. Janice Summer
University Attorney
Office of General Counsel

APPROVED AS TO CONTENT:

Robert L. Lovitt

Robert L. Lovitt
Vice President for
Business Affairs

ATTEST:

CITY OF RICHARDSON

By: Virginia Greben
Secretary

By: Bob Hughey
City Manager

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on the 30th day of SEPTEMBER, 1988, by Dr. James P. Duncan, Executive Vice Chancellor for Academic Affairs of the University of Texas System on behalf of the Board of Regents of the University of Texas System.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 30th day of SEPTEMBER, 1988.

Holly Wright
Notary Public, State of Texas

My Commission Expires:
2-22-89

HOLLY WRIGHT
Type or print notary's name

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 23 day of August, 1988, by Bob Hughey.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 23 day of August, 1988.

Zee Adams
Notary Public, State of Texas

My Commission Expires:
11/29/90

Zee Adams
Type or print notary's name

EJS-4: GRND-LSE.UTD

CITY OF RICHARDSON
GROUND LEASE
4.8761 ACRE TRACT
CITY OF RICHARDSON, COLLIN COUNTY, TEXAS

FIELD NOTES

BEING a tract or parcel of land situated in the City of Richardson, Collin County, Texas; and being part of the J.C. Campbell Survey, Abstract No. 241; and being part of the third tract of land conveyed to the Board of Regents of The University of Texas System by the Excellence in Education Foundation by deed dated February 27, 1975 and recorded in Volume 947, Page 439 of the Deed Records of Collin County, Texas; and being more particularly described as follows:

BEGINNING at a point for corner at the intersection of the southeasterly right-of-way line of Renner Road (100.0 feet wide) with the northeasterly line of the Gulf, Colorado and Santa Fe Railroad right-of-way (200.0 feet wide);

THENCE North $34^{\circ}20'45''$ East along the southeasterly right-of-way line of Renner Road a distance of 219.61 feet to a point for corner;

THENCE North $37^{\circ}46'46''$ East continuing along the southeasterly right-of-way line of Renner Road a distance of 200.36 feet to a point for corner;

THENCE North $34^{\circ}20'45''$ East continuing along the southeasterly right-of-way line of Renner Road a distance of 200.00 feet to a point for corner at the beginning of a curve to the right;

THENCE in a northeasterly direction continuing along the southeasterly right-of-way line of Renner Road and along said curve to the right having a radius of 488.00 feet, a central angle of $05^{\circ}49'35''$, and an arc length of 49.62 feet to a point for corner at the end of said curve to the right; said point also being in the southwesterly line of a 1.43 acre remainder of said third tract of land as conveyed to the said University of Texas System;

THENCE South $49^{\circ}49'40''$ East along the southwesterly line of the said 1.43 acre tract a distance of 31.06 feet to a point at the northwesterly corner of a 7.00 acre tract of land owned by the City of Richardson;

THENCE South $00^{\circ}46'45''$ West along the westerly line of the said 7.00 acre tract a distance of 795.10 feet to a point at the southwesterly corner of said 7.00 acre tract; said point also being the northwesterly corner of a 5.07 acre tract that the University of Texas at Dallas is leasing to the City of Richardson;

THENCE South $55^{\circ}20'45''$ West along the northwesterly line of the said 5.07 acre tract a distance of 177.08 feet to a point for corner in the northeasterly line of the said Gulf, Colorado and Santa Fe Railroad right-of-way;

THENCE North $34^{\circ}39'15''$ West along the said northeasterly Railroad right-of-way line a distance of 451.58 feet to the POINT OF BEGINNING and containing 212,403 square feet or 4.8761 acres, more or less.

Exhibit "A" - Page 2 of 2

5. U. T. San Antonio - Campus Site Improvement Work for Engineering Building - Phase I (Project No. 401-616): Award of Construction Contract to Kunz Construction Company, Inc., San Antonio, Texas (Exec. Com. Letter 89-4).--The Executive Committee recommended and the Board awarded a construction contract for Campus Service and Access Roadway at the Arts Building, Engineering Building - Phase I at The University of Texas at San Antonio to the lowest responsible bidder, Kunz Construction Company, Inc., San Antonio, Texas, for the Base Bid and Alternate Bid Item No. 1 in the amount of \$325,500.

6. U. T. Health Science Center - San Antonio: Appointment of Mr. Michael E. Patrick, Executive Vice Chancellor for Asset Management, or his Delegate as Regental Representative on the Board of Directors of Osteotex, Inc., a Delaware Corporation, San Antonio, Texas (Exec. Com. Letter 89-7).--At its April 1988 meeting, the U. T. Board of Regents approved a joint venture agreement among The University of Texas Health Science Center at San Antonio, Rorer Group, Inc., a Pennsylvania corporation, and Gregory R. Mundy, M.D. Since that time, the joint venture has been incorporated as Osteotex, Inc., a Delaware Corporation doing business in San Antonio, Texas. The joint venture agreement provided that the U. T. Board of Regents would receive 10% of the original issue of the common stock of Osteotex, Inc. and would have the right to appoint a member on the Board of Directors of Osteotex, Inc.

In accordance therewith and upon recommendation of the Executive Committee, the Board appointed Mr. Michael E. Patrick, Executive Vice Chancellor for Asset Management, or his delegate, as its Regental representative on the Board of Directors of Osteotex, Inc.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND AUDIT COMMITTEE (Pages 20 - 21).--Committee Chairman Roden reported that the Finance and Audit Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Finance and Audit Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. System: Approval of Chancellor's Docket No. 43 (Catalog Change).--Upon recommendation of the Finance and Audit Committee, the Board approved Chancellor's Docket No. 43 in the form distributed by the Executive Secretary with the exception of Item 30 on Page HD-43 which was withdrawn. It is attached following Page 134 in the official copies of the Minutes and is made a part of the record of this meeting.

It was expressly authorized that any contracts or other documents or instruments approved therein had been or shall be executed by the appropriate officials of the respective institution involved.

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

Regent Hay abstained from voting on items within the Docket related to Exxon Corporation due to a possible conflict of interest.

2. U. T. Board of Regents - Regents' Rules and Regulations, Part Two: Amendments to Chapter VI, Sections 4 (Group Hospitalization and Medical Benefit Plan) and 6 (Health Maintenance Organizations) and Repeal of Procedures for Inclusion of Health Maintenance Organizations.--Approval was given to amend the Regents' Rules and Regulations, Part Two, Chapter VI, Sections 4 (Group Hospitalization and Medical Benefit Plan) and 6 (Health Maintenance Organizations) to read as set forth below:

Sec. 4. Group Hospitalization and Medical Benefit Plan.

- 4.1 A person employed at least one-half time for at least four and one-half months may elect optional group hospitalization and medical insurance coverage under a System-wide contract approved by the U. T. Board of Regents.
- 4.2 Employees who do not enroll within 60 days of eligibility may do so only in the annual enrollment period during the month of September.
- 4.3 The anniversary date of the contract is September 1 of each year.
- 4.4 An employee enrolled for group hospitalization and medical coverage is automatically enrolled for group dental coverage.

- 4.5 To ensure that all carriers have an opportunity to bid, The University of Texas System shall advertise its intent to solicit bids on its employee Group Insurance Program. Specifications encompassing at least the basic coverage standards shall be submitted to any authorized carrier responding to the advertisement; expressing an interest in bidding on the Group Insurance Program; or requesting the specifications.

Sec. 6. Health Maintenance Organizations.

- 6.1 The Vice Chancellor for Business Affairs, with the concurrence of the Executive Vice Chancellor for Health Affairs and the Executive Vice Chancellor for Academic Affairs, will review and analyze bid specification responses submitted by qualified organizations and recommend health maintenance organizations to the U. T. Board of Regents for award of contracts to provide HMO services. Recommendations will include consideration of requirements of federal and state law concerning the HMO option.
- 6.2 A person eligible to enroll in the group hospitalization and medical benefit plan may, as an option, elect to enroll in a health maintenance organization under a contract approved by the U. T. Board of Regents.
- 6.3 Employees who do not enroll within 60 days of eligibility may do so only in the annual enrollment period during the month of September.
- 6.4 The anniversary date of the contract is September 1 of each year.
- 6.5 An employee enrolled in a health maintenance organization is automatically enrolled for group dental coverage.

These amendments clarify procedures to bid the employee group insurance plan and institute similar competitive bid procedures for the selection of health maintenance organizations, an option required by federal law.

Further, the Board repealed the current Procedures for Inclusion of Health Maintenance Organizations since the amendments to Section 6 (Health Maintenance Organizations) obviated the need for a separate U. T. Board of Regents' policy.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 22 - 38).--Committee Chairman Baldwin reported that the Academic Affairs Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Academic Affairs Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendment to Chapter VI, Section 6, Subsection 6.12 (Use of University-Owned Facilities).--In order to allow the component institutions of The University of Texas System to implement a policy permitting University approved acknowledgements and advertisements in athletic facilities, the Board, upon recommendation of the Academic Affairs Committee, amended the Regents' Rules and Regulations, Part One, Chapter VI, Section 6, Subsection 6.12, concerning solicitation, by adding a new Subdivision 6.12(11) to read as set out below:

Sec. 6. Use of University-Owned Facilities.

6.12 No solicitation shall be conducted in any building, structure, or facility of any component institution of the System, provided, however, that the following activities shall be deemed not to be solicitations prohibited by this Subsection if they are conducted in a manner that will not disturb or interfere with the academic or institutional programs being carried on in a building, structure or facility, or do not interfere with entry to or exit from a building, structure or facility:

. . . .

(11) The acknowledgement or advertisement by scoreboard, electronic message or banner displayed at athletic facilities pursuant to an institutional policy concerning approval and selection of advertisement.

2. U. T. Arlington: Authorization to Establish a Ph.D. in Nursing Administration and to Submit the Program to the Coordinating Board for Approval (Catalog Change).--Following opening remarks by President Nedderman, authorization was granted to establish a Ph.D. in Nursing Administration at The University of Texas at Arlington and to submit the program to the Texas Higher Education Coordinating Board for approval.

This program, which will be administered within the current administrative structure of the existing multi-track Ph.D. in Administration degree, will provide an option in Nursing Service Administration or Nursing Education Administration. The major objectives for the

nursing service administration curriculum are to (1) prepare the nurse executive/administrator for managing the nursing services in a hospital or community agency setting and (2) provide an opportunity for the student to acquire the essential knowledge base for developing and applying management and research skills in the nursing service setting. The major objectives for the nursing education administration curriculum are to (1) prepare the nurse dean/director in managing the academic unit in a college or university and (2) provide an opportunity for the student to acquire the essential knowledge base for developing and applying management and research skills in the academic setting.

It was noted that library resources to support this program are strong. There is no need for additional specialized equipment or supplies for this program at this time nor is there any anticipated need to add, renovate or alter existing facilities to support the program. No additional funds for research are required to support this program. However, it is anticipated that the research budget will be significantly expanded from externally generated contract and grant funds.

No additional faculty are required to initiate the program. However, three full-time equivalent faculty positions will be added by the fifth year to accommodate projected enrollment growth. The new faculty will teach in the undergraduate and master's program to allow existing faculty to have time to teach in the Ph.D. program.

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

This degree program is included in the U. T. Arlington strategic plan and is within the role and scope statement approved by the Board in June 1984.

3. U. T. Austin: Appointment of Initial Holders to Endowed Academic Positions in the (a) College of Engineering, (b) College of Natural Sciences and (c) College of Pharmacy Effective as Indicated.--The Board approved the following initial appointments to endowed academic positions at The University of Texas at Austin effective as indicated with the understanding that the professors would vacate any currently held endowed positions on the effective date of the new appointment:

a. College of Engineering

Dr. Joe C. Campbell, Supervisor of the Lightwave Photodetectors Group for AT&T Bell Laboratories, Holmdel, New Jersey, to the Third Cockrell Family Regents Chair in Engineering effective January 16, 1989

b. College of Natural Sciences

Dr. William E. Drummond, Professor of Physics and Director of the Fusion Research Center, to the Texas Atomic Energy Research Foundation Professorship effective immediately

c. College of Pharmacy

Dr. Laurence H. Hurley, James E. Bauerle Centennial Professor in Drug Dynamics, to the George H. Hitchings Professorship in Drug Design effective September 1, 1989.

4. U. T. Austin: Approval to Name Room 2.212 in the Chemical and Petroleum Engineering Building in the College of Engineering the W. Pat Biggs Classroom (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--In accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings, approval was given to name Room 2.212 in the Chemical and Petroleum Engineering Building in the College of Engineering at The University of Texas at Austin the W. Pat Biggs Classroom.

The naming of this classroom is in recognition of gifts from colleagues, friends and students of Mr. W. Pat Biggs who was a Senior Lecturer in the Department of Petroleum Engineering at U. T. Austin from 1978 to 1986.

See Page 79 related to the establishment of the W. Pat Biggs Classroom Endowment.

5. U. T. Austin and U. T. San Antonio: Report on Agreement to Cooperatively Administer a Ph.D. Program in Educational Administration.--It was reported that The University of Texas at Austin and The University of Texas at San Antonio had agreed to cooperatively administer a Ph.D. program in Educational Administration in order to better serve the San Antonio region. The program will be offered under the degree program authority of U. T. Austin with portions of the program taught on the U. T. San Antonio campus. A detailed proposal for cooperative administration of the program has been approved by the graduate councils of both institutions and by their respective presidents.

The proposal as approved by the respective institutions calls for a three stage development over a period of several years. During the first stage, students will enroll primarily in U. T. Austin courses, although courses taken on either campus may count towards the residency requirement. In the second stage, U. T. San Antonio will offer sufficient doctoral level courses to allow a student to meet all residency requirements in San Antonio and will take greater responsibility for supervising dissertations. The third stage will occur when U. T. San Antonio is prepared to offer the full program independently, subject to appropriate U. T. Board of Regents and Texas Higher Education Coordinating Board authority.

The development of this program is an outgrowth of negotiations concerning cooperative programs in Educational Administration between U. T. San Antonio and Texas A&M University in December 1986. At that time, the U. T. Board of Regents requested that U. T. Austin consider ways of meeting this San Antonio need. Since that time, the faculties of U. T. Austin and U. T. San Antonio have worked together to develop plans for this cooperative

program. The two universities estimate that between 25 and 30 students will be enrolled in the program within four years of its initiation. The program will be administered by existing faculty and staff until such time as enrollment growth warrants recruitment of additional faculty.

The addition of a doctoral program in Education is included in the U. T. San Antonio strategic plan and is within the role and scope statement approved by the Board in June 1984.

6. U. T. Dallas, U. T. Permian Basin and U. T. Tyler: Approval of Undergraduate Admission Requirement Effective with the Fall Semester 1989 (Catalog Change).--In order for The University of Texas at Dallas, The University of Texas of the Permian Basin and The University of Texas at Tyler (upper-level institutions) to comply with the academic skills testing provisions of the Texas Education Code (Subsection 51.306) adopted in 1987 by the 70th Legislature and testing implementation guidelines subsequently approved by the Texas Higher Education Coordinating Board, the Board adopted the following additional undergraduate admission requirement to be effective with the Fall Semester 1989:

Applicants are required to provide official evidence they have met the minimum standards for passage of the Texas Academic Skills Program (TASP) tests in reading, writing, and mathematics unless they are exempt by law from the requirement of passing the tests by virtue of having earned at least three semester credit hours of college level work, or the equivalent, prior to the Fall Semester 1989.

It was ordered that the next appropriate institutional catalogs published at U. T. Dallas, U. T. Permian Basin and U. T. Tyler be amended to reflect this action.

7. U. T. El Paso: Appointment of Dr. Gary Sullivan as Initial Holder of the Betty M. MacGuire Professorship in Business Administration Effective Immediately.--The Academic Affairs Committee recommended and the Board appointed Dr. Gary Sullivan, Associate Professor in the College of Business Administration, as initial holder of the Betty M. MacGuire Professorship in Business Administration at The University of Texas at El Paso effective immediately.

8. U. T. El Paso: Approval of Memoranda of Agreement with La Universidad Regiomontana, Monterrey Nuevo Leon, Mexico, and La Universidad de Guanajuato, Guanajuato, Mexico, and Authorization for the Executive Vice Chancellor for Academic Affairs to Execute Agreements.--

Approval was given to the two memoranda of agreement set out on Pages 27 - 33 by and between The University of Texas at El Paso and the following Mexican facilities:

- a. La Universidad Regiomontana, Monterrey Nuevo Leon, Mexico
- b. La Universidad de Guanajuato, Guanajuato, Mexico.

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

These general agreements are designed to promote academic and research cooperation between U. T. El Paso and the named Mexican facilities.

MEMORANDUM OF AGREEMENT

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

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

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

IT IS MUTUALLY AGREED AS FOLLOWS:

Section 1. Goals

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

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

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

Section 2. Planning

Both institutions agree:

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

Section 3. Future Agreements

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

EXECUTION

Executed on the _____ day of _____, 19____, in
duplicate originals.

ATTEST:

Universidad Regiomontana

By: _____

Title: _____

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

Recommend for Approval:

Diana S. Natalicio

President

FORM APPROVED:

CONTENT APPROVED:

Office of General Counsel

The University of Texas

System

James P. Duncan

Executive Vice Chancellor

for Academic Affairs

MEMORANDUM OF AGREEMENT

Between

UNIVERSITY OF GUANAJUATO
and
THE UNIVERSITY OF TEXAS AT EL PASO

In the interest of educational cooperation and in the spirit of agreement to contribute to the international and intercultural education of people, Guanajuato University of Mexico and The University of Texas at El Paso of the United States of America enter into this agreement to develop cultural and educational relationships.

GENERAL DECLARATIONS

- I. The principal institutional functions of the University of Guanajuato and The University of Texas at El Paso are:
 - (a) the transmission and advancement of learning and wisdom;
 - (b) the conduct of research in different spheres of human knowledge; and
 - (c) the dissemination and extension of the benefits of culture.
- II. In light of their common nature, interests, and objectives, both universities acknowledge the desirability of establishing and promoting close academic and cultural ties to allow them to enrich their teaching and research.
- III. In awareness of the goals set forth below, both institutions hereby enter into this agreement, in accordance with the following principal clauses:

PRINCIPAL CLAUSES

- I. The University of Guanajuato and The University of Texas at El Paso will collaborate in an academic and cultural

- exchange program on the basis of mutual obligations and rights in regard to the exchange of students, academic personnel, bibliographic material, and scientific and cultural information and events.
- II. All final provisions in this agreement shall be compatible with the by-laws, regulations, policies, and economic capacities of both institutions.
 - III. Each institution shall designate a coordinator to execute the university resolutions and administer programs that may be created within the framework of this agreement.
 - IV. Each exchange or cooperative project resulting from this agreement shall be integrated into the activities of each institution, and will be subject to a specific agreement which will include: technical, economic, and human resources necessary for implementation; general procedures and framework of operation; duration of the project and conditions for its renewal (see Enclosure #1).
 - V. Both universities may wish to share use of equipment, materials, and facilities under the supervision of the host institution, with no other restriction than the availability of resources and compatibility with institutional policies and regulations.
 - VI. Results of the exchange, which both institutions consider of value, will be published by mutual accord, giving due credit to all those concerned.
 - VII. Both universities agree to give the projects which arise from this agreement adequate support in their communities.
 - VIII. This agreement shall take effect from the date of signature

and shall be ratified or revised every four years. In addition, the agreement may be suspended or terminated after either party issues a petition with two months notice, though termination shall not harm any project already in progress.

IX. Aspects not contemplated in the present agreement shall be subject to separate agreements.

The relationship, through this cooperative interchange, will serve to bring the faculties of the two universities and the students and peoples they serve closer in their pursuit of educational ideals.

EXECUTION

Executed on the _____ day of _____, 19____,
in duplicate originals.

Attest:

University of Guanajuato

By: _____

Rector

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

Recommend for Approval:

Diana S. Natalicio, President

FORM APPROVED:

CONTENT APPROVED:

Office of General Counsel
The University of Texas System

James P. Duncan
Executive Vice Chancellor for
Academic Affairs

ENCLOSURE #1

**Content and Specifications of Particular Exchange Agreements
between the University of Guanajuato
and
The University of Texas at El Paso**

- Legal Framework (General Agreement)
- Schools and Departments of Both Universities Involved in the Agreement
- Definition of Type of Exchange (Personnel, Academic, Student, Information, etc.)
- Program Goals
- Content of Program
- Minimum Academic Requirements to be Part of Procedures of Selection of Candidates for Exchange
- Forms of Assistance and Advising to the Beneficiaries of the Program by the Host Institution
- Forms of Financing
- Technical and Material Contributions of Each Institution
- Initiation and Duration of the Program
- Condition of Renovation

9. U. T. San Antonio: Approval of Private Fund Campaign to Support Development of Doctoral Degree Programs in Science and Engineering (Regents' Rules and Regulations, Part One, Chapter VII, Section 2, Subsection 2.44).-- Upon recommendation of the Academic Affairs Committee, the Board approved a private fund campaign to support the development of doctoral degree programs in science and engineering at The University of Texas at San Antonio, pursuant to the Regents' Rules and Regulations, Part One, Chapter VII, Section 2, Subsection 2.44.

The campaign goal is for \$10 million by the year 2000 and is to be conducted under the leadership of a consortium of San Antonio organizations to include the Greater San Antonio Chamber of Commerce, the San Antonio Economic Development Foundation and the Texas Research and Technology Foundation. It is anticipated that certain facilities other than buildings will be named for donors, or individuals named by donors, making significant contributions through the fund campaign. Report of specific gifts and recommended facility names will be subject to subsequent U. T. Board of Regents' approval, pursuant to the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsections 1 and 2.

Funds raised are to assist with financing facilities construction, laboratory equipment acquisition, library resources acquisition, funding endowed academic positions and with operational costs during the initial years of these planned programs. The specific doctoral programs and projected timetable for initial implementation are as follows:

<u>Program</u>	<u>Year</u>
Ph.D. in Biology	Fall 1989
Ph.D. in Computer Science	Fall 1990
Ph.D. in Engineering	Fall 1991

Further, the Board endorsed the development of the doctoral programs with the understanding that each program will be presented to the U. T. Board of Regents for review and approval prior to submission to the Coordinating Board for consideration and approval.

The private fund campaign goal of \$10 million includes an initial goal of \$7 million by 1995 to provide start-up operational costs for the three doctoral programs projected for implementation and to assist with financing new building construction and equipment. The remaining goal of \$3 million to be raised not later than the year 2000 is to create at least one endowed academic chair for each of the proposed doctoral programs. Although the fund campaign is to be a combined community/institutional effort, the consortium of San Antonio organizations will assume primary responsibility for \$5 million of the initial fund goal and the \$3 million to endow academic positions. A simultaneous U. T. San Antonio development effort will raise an additional \$2 million to complete the total fund goal. These private sector funds will augment \$27.8 million in Permanent University Fund Bond Proceeds now reserved or committed in the U. T. System Capital Improvement Program for science/engineering building additions on the U. T. San Antonio campus.

Committee Chairman Baldwin recognized President Wagener who introduced the following leaders from the San Antonio community and acknowledged their support of the graduate degree programs in the College of Sciences and Engineering at U. T. San Antonio:

Greater San Antonio Chamber of Commerce

Mr. Charles E. Cheever, Jr., Chairman
of the Board
Mr. Joe Krier, President
Ms. Kathy Obriotti Green, Chair,
Governmental Affairs/Education Council

San Antonio Economic Development Foundation

Ms. Stephanie Coleman, President

Texas Research and Technology Foundation

Mr. John F. D'Aprix, President and
Chief Executive Officer

State Legislature

Senator Cyndi Taylor Krier
Representative Jeff Wentworth

Mr. Baldwin called the Board's attention to a letter dated December 6, 1988, from the Greater San Antonio Chamber of Commerce, San Antonio Economic Development Foundation and Texas Research and Technology Foundation which verified the new commitment of support for the graduate degree programs at U. T. San Antonio. This letter is on file in the Office of the Board of Regents.

Committee Chairman Baldwin pointed out that the dedicated cooperation of the San Antonio community exhibited by this pledge along with the administrative and academic leadership of U. T. San Antonio combine to form a partnership that is essential if the U. T. System is to meet its educational objectives for this great city and to extend the foundation for academic science and research in the area. On behalf of the Board, Committee Chairman Baldwin expressed gratitude and pledged the Board's best efforts in developing these needed doctoral programs for San Antonio, consistent with the academic enrichment funds to be available as a result of this fund campaign.

Chairman Blanton noted that the representatives from the San Antonio community are the same individuals who stand so very strong and effectively for all of the institutions in San Antonio and acknowledged their support in bringing those institutions to their present strength and direction.

10. U. T. San Antonio: Authorization to Establish a Doctor of Philosophy Degree in Biology and to Submit the Program to the Coordinating Board for Approval (Catalog Change).--Following brief remarks by President Wagener, the Board authorized The University of Texas at San Antonio to establish a Doctor of Philosophy (Ph.D.) degree in Biology and to submit the program to the Texas Higher Education Coordinating Board for approval. The goal for program implementation is Fall 1989 or shortly after Coordinating Board approval.

This program is to be administered by the Division of Life Sciences within the College of Sciences and Engineering at U. T. San Antonio in conjunction with the Division of Life Sciences Committee on Graduate Studies. The program will involve the expertise of existing faculty in Life Sciences as well as scientists and graduate faculty from The University of Texas Health Science Center at San Antonio and military and research institutions in the area. The program is designed to provide advanced training and course work at the doctoral level for persons involved in high technology biological fields with emphasis on neurobiology and bioprocessing. The program will build on the only master's degree program in biotechnology in Texas and an established base of outstanding faculty research.

This doctoral level program in Biology is intended to address the long-term personnel needs for the growing high technology biosciences industry in San Antonio and other areas of Texas.

No new faculty, facilities or equipment will be required to initiate the program. As enrollment in the program increases over the first few years, the addition of as many as five new faculty positions is anticipated with funding to come from the formula related to the semester credit hours generated by the program. The faculty, which currently hold approximately \$1.3 million in research grants and contracts, anticipates receiving as much as \$3 million more in support of research activities with the addition of the doctoral program.

Although library holdings are generally adequate, \$26,000 from institutional resources will be spent in the first two years of the program to supplement existing library resources. Existing equipment is adequate for initiation of the program, although new research initiatives will likely require additional equipment which is expected to cost approximately \$40,000 in each of the first five years, for a total of \$200,000 to be requested from the U. T. System Capital Improvement Program equipment reserves. The expansion of the current Science and Engineering Building has already been planned to house additional classrooms, teaching laboratories, research laboratories and offices to service this program.

This program is consistent with U. T. San Antonio's role and scope statement and its current strategic plan.

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

11. U. T. San Antonio: Authorization to Establish Master of Science Degree Programs in Civil, Electrical and Mechanical Engineering and to Submit the Proposals to the Coordinating Board for Approval (Catalog Change).-- The Board, upon recommendation of the Academic Affairs Committee, established Master of Science degree programs in Civil Engineering, Electrical Engineering and Mechanical Engineering at The University of Texas at San Antonio and authorized submission of the proposals to the Texas Higher Education Coordinating Board for approval. If approved by the Coordinating Board, implementation will be in the Fall of 1989.

These programs will be administered by the College of Sciences and Engineering at U. T. San Antonio in conjunction with graduate studies committees in each of the program areas of Civil, Electrical and Mechanical Engineering. The Master's degree programs have grown out of a cooperative program between U. T. San Antonio and The University of Texas at Austin in which students have studied in residence in San Antonio and received degrees (M.S. and Ph.D. degrees in civil, electrical and mechanical engineering) from U. T. Austin. The new programs are not intended to be a simple continuation of the previous programs of study but are intended to provide emphases which are directed to specific needs of the area served by U. T. San Antonio and to take advantage of the local military and civilian research activities. Program objectives are to provide organized, graduate level training and research for specific specialized areas within each of the three engineering disciplines.

The program objectives will be accomplished through course work on the U. T. San Antonio campus and thesis research done on campus or in the community. Faculty who serve the existing undergraduate degree programs in engineering and related science disciplines and adjunct faculty drawn from qualified professionals in the San Antonio area will initiate the programs. Additional faculty may be recruited as enrollment and course demand warrants.

Most of the faculty positions required for all three programs already exist within the College of Sciences and Engineering. A total of only three new faculty positions will be added in the first five years with funding expected to come from appropriations based on additional semester credit hours generated by the programs. Library holdings are generally adequate although selected new periodicals and backfiles will require a total of \$11,000 in expenditures over the first five years. Minimal expenditures for supplies and materials will total \$74,000 over the five-year period. The requirements for new equipment, other than from grants and contracts, will be paid from Permanent University Fund Bond proceeds reserved in the U. T. System Capital Improvement Program for equipment and total \$100,000 in five years. Existing facilities, including access to research facilities in government and industry laboratories, are adequate for initiation of the programs. Construction of a new Engineering Building, approved by the Coordinating Board on July 22, 1988, will provide adequate laboratory and equipment space to initiate these programs.

These programs are within U. T. San Antonio's role and scope statement and are included in the University's strategic plan.

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

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 39 - 69).--Committee Chairman Yzaguirre reported that the Health Affairs Committee had met in open session to consider those items on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Health Affairs Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. Southwestern Medical Center - Dallas: Dr. Johann Deisenhofer Designated Regental Professor (Regents' Rules and Regulations, Part One, Chapter III, Subsection 1.86).--On October 19, 1988, Dr. Johann Deisenhofer, Investigator at the Howard Hughes Medical Institute and Professor in the Department of Biochemistry at The University of Texas Southwestern Medical Center at Dallas, was awarded the Nobel Prize in Chemistry. In recognition of this prestigious achievement, the Board designated Dr. Deisenhofer as Regental Professor. As specified in the Regents' Rules and Regulations, Part One, Chapter III, Subsection 1.86, this special academic recognition is reserved for those who have been awarded the Nobel Prize.

In addition, the Board allocated \$500,000 over the next five years to further the efforts of this Nobel laureate. From funds under the control of the Board, Professor Deisenhofer will be granted \$100,000 annually, \$50,000 for general programmatic and research support and \$50,000 for equipment purchases.

2. U. T. Medical Branch - Galveston (U. T. Allied Health Sciences School - Galveston): Approval of an Additional Curricular Option in Substance Abuse Counseling and Therapy Program Administration within the Department of Health Related Studies, Division of Health Care Administration and Authorization to Submit the Option to the Coordinating Board for Approval (Catalog Change).--Upon recommendation of the Health Affairs Committee, the Board approved an additional curricular option in Substance Abuse Counseling and Therapy Program Administration within the Department of Health Related Studies, Division of Health Care Administration of the U. T. Allied Health Sciences School - Galveston at The University of Texas Medical Branch at Galveston. This option will be submitted to the Texas Higher Education Coordinating Board for approval and, if approved by the Coordinating Board, will be implemented in the Summer of 1989.

Four new substance abuse counseling course electives consisting of three hours each will be offered in the existing Health Care Administration baccalaureate curriculum. The purpose of this program is to offer a specific area of study for individuals interested in the field of substance abuse counseling and therapy program administration. Prior to admission, students will have received the Associate of Arts degree in Alcoholism and Drug Abuse.

Upon completion of course requirements, students will receive a certificate in Substance Abuse Counseling and Therapy Program Administration along with their baccalaureate degree in Health Care Sciences from the U. T. Allied Health Sciences School - Galveston.

The program proposal draws upon existing faculty and support personnel and no additional funds are required for salaries, equipment, travel or institutional memberships.

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

3. U. T. Medical Branch - Galveston: Approval of Amended and Restated Affiliation Agreement with Shriners Hospitals for Crippled Children, Galveston, Texas, and Authorization for the Executive Vice Chancellor for Health Affairs to Execute Agreement.--The Board approved the Amended and Restated Affiliation Agreement set out on Pages 41 - 58 by and between the Board of Regents of The University of Texas System, for and on behalf of The University of Texas Medical Branch at Galveston, and Shriners Hospitals for Crippled Children, Galveston, Texas, and authorized the Executive Vice Chancellor for Health Affairs to execute the agreement.

Since 1963, the U. T. Board of Regents has had an affiliation agreement with the Shriners Hospitals for Crippled Children. Under that agreement, U. T. Medical Branch - Galveston faculty has provided medical, scientific and support services to the Shriners Hospital Galveston Unit of the Shriners Burns Institute. In conjunction with the construction by Shriners Hospitals of a new \$40 million hospital facility in Galveston, an Amended and Restated Affiliation Agreement has been negotiated.

Upon approval by all parties, this agreement will continue the previous relationship between the institution and facility while refining it in certain areas.

AMENDED AND RESTATED AFFILIATION AGREEMENT

BETWEEN

SHRINERS HOSPITALS FOR CRIPPLED CHILDREN

AND

THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

THIS AGREEMENT made and entered into by and between THE BOARD OF REGENTS of the UNIVERSITY OF TEXAS SYSTEM on behalf of the UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON, a component institution of the University of Texas System, hereinafter sometimes referred to as "MEDICAL BRANCH," and SHRINERS HOSPITALS FOR CRIPPLED CHILDREN, a Colorado corporation, owning and operating the SHRINERS BURNS INSTITUTE, GALVESTON UNIT, hereinafter sometimes referred to as "SHRINERS HOSPITALS:"

WITNESSETH:

WHEREAS, SHRINERS HOSPITALS and the MEDICAL BRANCH have heretofore entered into an Affiliation Agreement on July 24, 1963, along with operating addenda thereto; and

WHEREAS, both SHRINERS HOSPITALS and the MEDICAL BRANCH recognize the mutual benefits associated with coordinated patient care, teaching and research activities; and

WHEREAS, both SHRINERS HOSPITALS and the MEDICAL BRANCH desire to continue their affiliation by this Amended and Restated Affiliation Agreement; and

WHEREAS, SHRINERS HOSPITALS and the MEDICAL BRANCH have, among others, the following common objectives:

1. Optimum and compassionate coordinated medical care and treatment for burned children;
2. The promotion of health education; and
3. The promotion of research related to the medical care and treatment of burned patients.

NOW, THEREFORE, in consideration of the aforesaid premises and the mutual covenants and agreements contained herein, the parties agree to continue their affiliation as follows:

1. DEFINITIONS:

As used herein, the following words shall have the following definitions:

- a. "Shriners Hospitals" shall refer to Shriners Hospitals for Crippled Children, a Colorado corporation.
- b. "Galveston Unit" shall refer to the Shriners Galveston Burns Institute which is wholly owned and operated by Shriners Hospitals for Crippled Children.
- c. "Board of Trustees" shall refer to the Board of Trustees of Shriners Hospitals for Crippled Children.
- d. "Board of Directors" shall refer to the Board of Directors of Shriners Hospitals for Crippled Children.
- e. "Board of Governors" shall refer to the Board of Governors of the Galveston Unit of Shriners Hospitals for Crippled Children.
- f. "Medical Branch" shall refer to the University of Texas Medical Branch in Galveston, Texas.
- g. "Chief of Staff" shall refer to the Chief of Staff of the Galveston Unit, as used in the Medical Staff Bylaws and Hospital Regulations of the Board of Trustees.
- h. "Administrator" shall refer to the Administrator of the Galveston Unit, as used in the Hospital Regulations of the Board of Trustees.
- i. "Burns Advisory Board" shall refer to the Burns Advisory Board of Shriners Hospitals for Crippled Children.
- j. "Regulations" shall be the Hospital Regulations as promulgated from time to time by the Board of Trustees of Shriners Hospitals for Crippled Children.
- k. "Profit" as the term is utilized in paragraph 13 shall include overhead costs which are indirectly related to the provision of services for which the cost, expense or value is being computed.

2. EXTENT OF AFFILIATION:

The purpose of this Agreement is to establish a broad framework of policy to facilitate interaction and cooperation between the Medical Branch and Shriners Hospitals. The Agreement ensures a definite relationship between the health care services and research at Shriners Hospitals and the instructional and research programs of the Medical Branch. The facilities of Shriners

Hospitals, its techniques, its patient care and treatment procedures and access to its patients shall be made available to the Medical Branch for teaching and research purposes, insofar as the same may be consistent with good health care practices, proper patient care and treatment, and observance of any duty arising out of the relationships between doctor and patient or hospital and patient.

3. SEPARATE POWERS AND CONTROL OF GALVESTON UNIT FACILITIES:

It is agreed that the facilities of the Galveston Unit of Shriners Hospitals, in all respects and at all times, shall be independent and autonomous, and that the Galveston Unit shall be operated under all present and future regulations promulgated by the Board of Trustees. No regulation shall be adopted which diminishes or impairs the rights and obligations created under this Agreement. The Board of Trustees shall retain all jurisdictional powers incident to its separate ownership and control of the Galveston Unit.

The Board of Trustees shall be responsible for the maintenance of the Galveston Unit, all expenses of the hospitalization therein of patients, and all costs of support and maintenance personnel required to provide hospital services to such patients.

4. ADMISSIONS:

All admissions of patients to the Galveston Unit shall be under the direction of the Board of Governors of the Galveston Unit and in accord with the policies and procedures established from time to time by the Board of Trustees of Shriners Hospitals. Medical Branch faculty who are appointed to the staff of the Galveston Unit shall not admit private patients to the Galveston Unit. However, the Galveston Unit will cooperate with the Medical Branch in receiving such children, who otherwise meet the Galveston Unit's qualifications, and who require the specialized care and treatment for which its facilities are established.

5. NAME OF FACILITY:

The name under which the Galveston Unit shall be operated shall be such as will be determined from time to time by the Board of Trustees of Shriners Hospitals.

6. CHIEF OF STAFF:

The Chief of Staff of the Galveston Unit shall be appointed and shall thereafter be subject to periodic reappointment by the Chairman of the Board of Trustees, all subject to the approval of the Board of Trustees, upon recommendation of its Burns Advisory Board.

Since the Chief of Staff of the Galveston Unit is also the Chief of Burns Services at the Medical Branch, the Medical Branch should, of course, be consulted in advance when any decision not to reappoint is under consideration by the Board of Trustees of Shriners Hospitals. Similarly, the Board of Trustees of Shriners Hospitals should be consulted in advance when any decision by the Medical Branch not to reappoint the Chief of Burns Service is under consideration by the Medical Branch.

The exclusive authority for the appointment and reappointment of the Chief of Staff of the Galveston Unit shall be the Chairman of the Board of Trustees, subject only to the approval of the Board of Trustees.

In a similar manner, the exclusive authority for the appointment and reappointment of the Chief of Burns Services at the Medical Branch shall be the Chairman of the Department of Surgery subject only to the approval of the Dean of Medicine and President of the Medical Branch at Galveston and the Board of Regents of The University of Texas System.

It is the intent of both parties that the Chief of Staff at the Galveston Unit will also be a senior member of the Medical Branch faculty and will also be designated as the Chief of Burns Service at Medical Branch.

With respect to the two positions of Chief of Staff at Shriners Galveston Unit and of Chief of Burns Service at the Medical Branch, the parties agree as follows: Shriners Hospitals shall always retain full and final authority to appoint or reappoint the person of its choice to the position of Chief of Staff at Shriners Galveston Unit. The Medical Branch shall always retain full and final authority to appoint or reappoint the person of its choice to the position of Chief of Burns Service at the Medical Branch. It is the desire and the intention of the parties that, except in unusual circumstances which each party shall independently determine, the same person be chosen to fill both positions. Therefore, the search for and naming of a candidate to fill the two positions shall require that each party collaborate with the other from time to time, when either position or both become vacant,

to develop the stated requirements for the vacant position(s), the search procedure, an acceptable list of nominees from applications received, the process of narrowing this list of nominees, and the final selection. The positions of Chief of Staff at Shriners Galveston Unit and Chief of Burns Service at the Medical Branch are both critical to the Shriners Galveston Unit and the Medical Branch for the success of their programs and the strength of their relationship. Therefore, as long as these two positions are filled by one person, Shriners Galveston Unit and the Medical Branch shall respect the needs and authority of the other and conduct any search and appointment process in concert with the other.

7. MEDICAL AND SCIENTIFIC STAFFS:

Initial appointments and periodic reappointments of members of the Active, Associate, Consulting, Courtesy and Honorary categories of the Medical Staff and of members of the Active, Fellow and Trainee categories of the Scientific Staff of the Galveston Unit shall be accomplished in accordance with the Hospital Regulations of Shriners Hospitals, as promulgated from time to time by the Board of Trustees.

All members of the Medical and Scientific staffs must agree to abide by all provisions of the Medical Staff Bylaws and Procedural Rules, and Scientific Staff Bylaws, respectively, as well as the Hospital Regulations of Shriners Hospitals and any amendments thereto.

8. ACTIVE AND CONSULTING STAFF MEMBERS:

Members of the Medical Branch faculty are eligible and shall be duly considered for appointment to the Active and Consulting categories of the Medical Staff of the Shriners Galveston Unit upon the joint nomination of the Dean, School of Medicine of the Medical Branch, and Chief of Staff of the Galveston Unit. Appointments and periodic reappointments to the Active Staff will be made by the Chairman of the Board of Trustees, upon the recommendations of the Burns Advisory Board, Chief of Staff, and Board of Governors. Appointments and periodic reappointments to the Consulting Staff will be made by the Board of Governors upon the recommendation of the Chief of Staff through its Medical Executive Committee of the Galveston Unit. It is understood that individual appointments to the faculty of the Medical Branch shall be in accordance with the rules, regulations and procedures of the Board of Regents of The University of Texas System.

Non-faculty physicians are also eligible for appointment and periodic reappointment to either staff category at the Shriners Galveston Unit upon the recommendation of the Chief of Staff through its Medical Executive Committee, subject to the approvals listed above. Such appointments will be considered for concurrent faculty appointment in the appropriate school at Medical Branch by the Vice President for Academic Affairs upon the recommendation of the Chief of Staff in his capacity as Chief of Burns Service at Medical Branch and subject to the usual endorsement and approval procedures.

9. SEPARATE MEDICAL STAFF, APPOINTMENT, REAPPOINTMENT AND TERMINATION PROCEDURES:

It is understood that Shriners Hospitals has exclusive authority to make appointments and reappointments to the Medical and Scientific Staffs of the Galveston Unit and shall have the right to follow its own termination procedures independent of any Medical Branch faculty appointment or tenure. Similarly, the Medical Branch has exclusive authority to make Medical School and other faculty appointments, reappointments and promotions, and to provide for salary increases, tenure, separation or retirement of Medical Branch faculty as such.

The Medical Branch shall have the right to follow its own procedures with respect to faculty appointments, whether in the Medical School or otherwise, independent of any Shriners Hospitals appointment held by that faculty member. No procedure of Shriners Hospitals or Medical Branch shall be changed which diminishes or impairs the rights and obligations created under this Amended and Restated Affiliation Agreement, unless this Agreement is also changed.

10. SALARY AND FRINGE BENEFITS:

Salary and fringe benefits shall be derived in the following way for Medical Branch employees assigned by the Medical Branch to duties at the Galveston Unit in order to comply with the provisions of this Agreement.

It is understood by the parties that there are a number of medical and research personnel working full or part time at the Galveston Unit of Shriners Hospitals, and whose salaries and fringe benefits are reimbursed by Shriners Hospitals to the Medical Branch so that such personnel will have continuity in their fringe benefits program and be allowed in certain instances to have a tenured relationship with the Medical Branch. It is likewise

recognized by the parties: 1) that while all of these medical and research personnel are employees of the Medical Branch, Shriners Hospitals should have equal input with the Medical Branch on their salary scales; 2) that the salary scale of medical and research personnel so assigned at fifty (50%) percent or more time to the Galveston Unit of Shriners Hospitals must fall within the budgetary limitations set by the Board of Trustees; 3) that the salary cost to Shriners Hospitals for all such personnel shall meet with the approval of the Board of Governors; and 4) that the salary cost to Medical Branch for all such personnel shall meet with the approval of the Executive Vice President for Administration and Business Affairs at the Medical Branch.

In order for Shriners Hospitals to fully comply with this provision, the parties agree that the Administrator of Shriners Hospitals shall have access from time to time to all reasonable and pertinent information on salary scales and fringe benefits provided medical and research personnel by the Medical Branch. Likewise, the chief financial officer of the Medical Branch shall have access from time to time to all reasonable and pertinent information on salary scales and fringe benefits provided medical and research personnel by Shriners Hospitals.

The parties further agree that there shall be an annual review of the level of services performed, division of time between institutions, and extent of compensation paid for all medical and research personnel who work full or part time for Shriners Hospitals, but who are considered employees of the Medical Branch. This annual review shall be conducted by the Administrator and Chief of Staff of the Shriners Galveston Unit, in concert with the Vice President for Academic Affairs and the Executive Vice President for Business and Administrative Affairs of the Medical Branch by August 1 of each year, with all reasonable decisions concluded by August 15 of each year.

It is understood that the Medical Branch shall not charge Shriners Hospitals for any increase in salaries or fringe benefits of medical and research personnel during any calendar year except with reasonable advance written notice to Shriners Hospitals and with the advance written approval of the Board of Governors and the Chairman of the Board of Trustees, whose approvals shall not be unreasonably withheld if it is within the budgetary limitations established by the Board of Trustees.

For faculty members employed by the Medical Branch and assigned duties in the medical or scientific staffs at the Shriners Galveston Unit, Shriners Hospitals and the Medical Branch shall provide malpractice insurance, self-insurance or a corporate indemnification coverage for these individuals while working with Shrine patients, provided, however, Shriners Hospitals shall exclude from such malpractice coverage, faculty members of the Medical Branch who are paid for their services by Shriners Hospitals on a fee-for-service or per-consultation basis.

Physicians on the medical staff of the Shriners Galveston Unit, when assisting in the transporting of patients to or from the Shriners Galveston Unit, shall be covered under the Shriners Hospitals travel policy (which provides accidental death and dismemberment benefits) so long as Shriners Hospitals maintains such a policy in effect for its board members and hospital employees.

11. HOUSE STAFF:

Resident physicians for the Galveston Unit, in the numbers and at the levels of training deemed appropriate by the Chief of Staff, will be appointed in consultation with the Assistant Vice President for Clinical Affairs and the Chairman of the respective clinical department of the School of Medicine of the Medical Branch. Resident physicians shall be appointed by the Board of Governors of the Galveston Unit upon recommendation of the Chief of Staff. All resident physicians appointed by the Galveston Unit shall agree to abide by the Residents' Manual and its rules and regulations as well as the Medical Staff Bylaws and Hospital Regulations of Shriners Hospitals in effect and as amended from time to time. The Chairman of the Board of Governors, upon the recommendation of the Chief of Staff and after consultation with the respective clinical departmental chairman of the School of Medicine of the Medical Branch and Assistant Vice President for Clinical Affairs of the Medical Branch, may terminate the Galveston Unit hospital privileges of any resident physician found to be in violation of any residents' rules and regulations, the Medical Staff Bylaws or Hospital Regulations of Shriners Hospitals, or for other good cause. It is understood that the house staff at the Galveston Unit may include resident physicians from other universities or other approved residency training programs, when approved by the Board of Governors upon recommendation

of the Chief of Staff of the Shriners Galveston Unit (as well as the Assistant Vice president for Clinical Affairs of the School of Medicine at Medical Branch but only to the extent that it will avoid any adverse effect on residency accreditation).

Shriners Hospitals shall be responsible for the financial support of resident physicians appointed from the Medical Branch while in residency training at the Galveston Unit. Compensation for the services of the house staff shall be billed by the Medical Branch to Shriners Hospitals at the actual salary rate of the resident physicians involved, plus an amount to cover the usual and appropriate fringe benefits as are allowed house staff employed by the Medical Branch.

Resident physicians of the Medical Branch assigned to the Shriners Galveston Unit, when assisting in the transporting of patients to or from the Shriners Galveston Unit, shall be covered under the Shriners Hospitals travel accident policy (which provides accidental death and dismemberment benefits) so long as Shriners Hospitals maintains such a policy in effect for its board members and hospital employees.

Resident physicians of the Medical Branch shall not be deemed employees of Shriners Hospitals during their assignment to the Galveston Unit. Shriners Hospitals shall have no liability for any acts or alleged acts of negligence or malpractice on the part of such physicians. As between the Shriners Hospitals and the Medical Branch, the Medical Branch shall be primarily responsible for any liability or alleged liability for the tortious conduct of Medical Branch residents. It is understood by the parties that as of September 1, 1988, any recovery for any liability for the tortious conduct of the Medical Branch residents is provided solely by the provisions of Chapters 101 and 104 of the Texas Civil Practice and Remedies Code, or any additional coverage thereafter provided by Texas Statute or by the Medical Branch.

Shriners Hospitals shall be kept apprised of all proposed and actual changes involving the Medical Branch which may thereafter provide resident physicians of the Medical Branch with malpractice liability insurance.

12. STUDENTS:

Medical, Nursing, and other allied health students from the Medical Branch, as designated by the Medical Branch, may be assigned to the Galveston Unit as part of their clinical learning experience in patient care, but only with the approval of the Chief of Staff or Administrator. If, in the judgment of the Chief of Staff or Administrator, any student of the Medical Branch so assigned is or becomes unsatisfactory, then after consultation with the respective clinical departmental chairman and Vice President of Academic Affairs of the Medical Branch, the Chief of Staff or Administrator shall remove the student from the Galveston Unit. The students are not employees of Shriners Hospital during their period of training at the Galveston Unit; and, therefore, they are not entitled to any benefits of employees, such as Social Security or Workers' Compensation.

No medical or other student shall in any way render any medical or other care or treatment to any patient at the Galveston Unit, except under the personal supervision of a qualified practitioner of the profession for which such student is training. The Medical Branch agrees to require liability coverage for the patient care activities of assigned Medical Branch medical students through a plan of self-insurance known as The University of Texas System Professional Medical Malpractice Self Insurance Plan. The Medical Branch shall require its other, non-medical students to have appropriate liability insurance. The parties recognize that separate student clinical learning experience agreements may be executed.

It is understood by the Medical Branch that Shriners Hospitals may encourage other universities and training programs to designate students from their respective universities or training programs for training at the Galveston Unit.

13. SUPPORT AND SPECIAL SUPPORT SERVICES:

Either party to this Agreement may utilize the support and special support services available through the other party as needed, consistent with the efficient and economical operation of both the Medical Branch and Shriners Hospitals. Each party will encourage its program directors to assist the other party in furnishing such support and special support services whenever possible.

When either party identifies the need for a support or special support service available from the other party, it shall advise the other party

of its interest in negotiating the terms and conditions under which such support or special support services shall be made available. Any agreement for the furnishing of support and special support services shall be reduced to writing and executed by authorized representatives of the parties to this Agreement. In computing the cost, expense or value of any support or special support services, or the use of any facility or personnel, which may be shared by the parties or which may be supplied by either party to the other in whole or in part, the party furnishing the services shall do so without profit as previously defined. In no event shall either party collect or receive a profit as previously defined from the other by reason of any division of costs or expense. It is understood and agreed by the parties that all no-profit expense determinations may be reviewed by the auditing personnel of the party receiving the service upon reasonable notice and at reasonable times.

It is also understood and agreed that either party may obtain support or special support services from sources other than the other party.

14. OPERATING ADDENDA:

Shriners Hospitals and the Medical Branch have in the past and may, from time to time in the future, enter into agreements (hereinafter called "operating addenda") concerning specific matters or relationships between them. Such operating addenda shall not be effective nor binding upon the parties until reduced to writing and executed with the same formality as this Agreement. All future operating addenda shall be separately numbered, shall refer to this Agreement and shall, by reference, incorporate its terms. Whether or not such specific reference is made, each operating addendum shall be subject to the terms of this Agreement.

Each operating addendum shall remain in force and effect until: 1) expressly terminated by mutual agreement; or 2) either party gives at least three (3) months written notice to the other party. The termination of one operating addendum shall not affect others which are not terminated.

It is understood by the parties that those operating addenda not contradicting this Agreement which are now in force shall continue in force after the date of execution of this Amended and Restated Affiliation Agreement. Copies of all these currently in force operating addenda* are attached to this Agreement. This Agreement shall govern in any situation where an operating addendum contradicts this Agreement.

* Operating addenda not on file in the Office of the Board of Regents.

15. RESEARCH FACILITIES AND PROJECTS:

a. Joint research projects between Medical Branch and Shriners Hospitals:

Before any joint research project can be effectuated, authorized representatives of the parties shall execute a separate written agreement dealing with space utilization, equipment, personnel and the financial arrangements. All such agreements which are executed by Shriners Hospitals shall require the signature of the Chairman, Board of Trustees, after receiving recommendations from the Chief of Staff, Administrator and Board of Governors.

b. Research projects of Shriners Hospitals:

As to proposed Shriners Hospitals research projects or protocols that will be performed at Shriners Hospitals using their research equipment, totally funded by Shriners Hospitals and involving patients of Shriners Hospitals, these research projects or protocols shall be under the sole control of Shriners Hospitals. The Institutional Review Board of the Medical Branch agrees to review all such proposed research projects or protocols as a courtesy to Shriners Hospitals to assure compliance with all appropriate federal guidelines and regulations. In the event that research involves the activities of Medical Branch faculty members, approval by the Institutional Review Board shall be mandatory. It is understood that as to such research projects or projects involving investigational drugs, the parties may utilize a jointly developed informed consent form.

Use of animals in research must be approved by the Medical Branch Animal Care and Use Committee to assure compliance with all appropriate federal guidelines and regulations. Review by the Animal Care and Use Committee should also continue to include regular inspection and approval of animal research and care facilities to ensure adherence to all federal guidelines. Such inspection is carried out by the

committee under existing agreements between the Medical Branch and the Galveston Unit.

Nothing in this subsection shall be construed to preclude either party from undertaking independent research projects utilizing its own personnel and its own facilities.

16. JOINT PUBLIC RELATIONS ANNOUNCEMENTS:

a. Research Activities:

In instances where Shriners Hospitals has funded the entire, or substantially all, of a research activity or project where a public relations announcement relating to discoveries, results or developments is deemed appropriate, Shriners Hospitals shall have the sole prerogative of making such announcement and may exclude any reference to the Medical Branch. As used herein, "substantially all" shall mean defraying ninety (90%) percent or more of the cost of such research.

In instances where the Medical Branch has funded the entire, or substantially all, of a research activity or project where a public relations announcement relating to discoveries, results, or developments is deemed appropriate, Medical Branch shall have the sole prerogative of making such announcement and may exclude any reference to Shriners Hospitals. As used herein, "substantially all" shall mean defraying ninety (90%) percent or more of the cost of such research.

In instances where both Shriners Hospitals and the Medical Branch have substantially contributed to research activities, where either party deems it appropriate to issue a public relations announcement with respect to discoveries, results or developments of such research activity, authorized representatives of Shriners Hospitals and Medical Branch shall consult with each other prior to the release of any such announcement and shall approve, in writing, a mutually acceptable public relations announcement which shall give joint credit to both parties as the sponsoring organizations of such

research activity. As used herein "substantially contributed" shall mean contributing more than ten (10%) percent of the cost of such research resulting in the announcement.

The parties understand and acknowledge that the present and future funding of research projects at the Galveston Unit or at the Medical Branch is predicated upon compliance with the provisions of this Section 16.

As used in this Section 16, the term "funded" or "substantially contributed" includes payment for personnel, materials, supplies and support services, as well as the furnishing space and facilities where such research is performed.

b. Personnel:

Where a distinguished person becomes a member of the medical or scientific staff of Shriners Hospitals or the Medical Branch, and the non-employing entity is making reimbursement to the employing entity for all or part of the salary and fringe benefits of such person, any announcement concerning such person's employment, promotion, receipt of award(s), or other matters of equal import shall be approved by both parties and both Shriners Hospitals and the Medical Branch shall share in and be recognized by any such announcement.

17. INSURANCE AND INDEMNIFICATION:

- a. Each party warrants to the other that it has made provision, by insurance, self-insurance, indemnification or otherwise, to deal with the perils of public liability claims, including malpractice.
- b. Medical Branch, insofar as authorized by the laws and constitution of the State of Texas, shall indemnify Shriners Hospitals and its officers, directors, employees, and shall hold it and them harmless from any and all claims, liability, judgments, costs and expenses, but not attorneys fees, from any negligent acts or omissions of the Medical Branch's employees or of the Medical Branch's residents or students assigned to

the Galveston Unit pursuant to this Amended and Restated Affiliation Agreement, provided, however, the Medical Branch shall not indemnify and hold harmless Shriners Hospitals for such actions or omissions of persons not under the direct or indirect oversight and/or control of the Medical Branch or members of its faculty.

- c. Shriners Hospitals shall indemnify Medical Branch and its officers, directors, employees, and shall hold it and them harmless from any and all claims, liability, judgments, costs and expenses, but not attorneys fees, from any negligent acts or omissions of Shriners Hospitals' employees or students from other than the Medical Branch or residents from other than the Medical Branch, provided, however, that Shriners Hospitals shall not indemnify and hold harmless the Medical Branch for such actions or omissions of persons not under the direct or indirect oversight and/or control of Shriners Hospitals.

18. JOINT LIAISON COMMITTEE:

The parties hereto agree that a productive and harmonious relationship between the two institutions requires effective channels of communication. The parties anticipate that routine matters will be handled and decided mutually through continuous contacts at the program level.

Joint Liaison Committee consisting of eight (8) members shall be appointed. Four (4) of the members shall be appointed by the President of the Medical Branch and four (4) by the Board of Governors of the Galveston Unit, with the approval of the Board of Trustees. The Committee shall act in a purely advisory capacity only to the Medical Branch and the Galveston Unit. Its purpose and duties shall be:

- a. To monitor the relationship between the Galveston Unit and Medical Branch and make recommendations as to policy and/or changes, if any, in this Agreement, or addenda hereto, to the end that the relationship shall be effective, continuous and amicable.
- b. To consider and make recommendations relative to the purchase of research supplies and equipment and the formulation of research projects, taking into consideration current monies available.

- c. To consider the needs of medical and health sciences education and to make recommendations in relation thereto.
- d. To exercise such duties as may be expressly conferred upon it jointly, from time to time, by the authorized representatives of the parties to this Amended and Restated Affiliation Agreement.

The Joint Liaison Committee shall meet at least quarterly, or more often if needed, and shall submit reports semi-annually, or more frequently as required, to the President of the Medical Branch and to the Dean of the Medical School of the Medical Branch and to the Chairman of the Board of Governors of the Galveston Unit.

19. NOTICE:

All notices to be given under this Agreement shall be in writing and shall be deemed to have been given and served on the date of delivery when delivered in person or five (5) days after it has been mailed, postage prepaid, to the following:

TO SHRINERS HOSPITALS AT:

Shriners Hospitals for Crippled Children
Post Office Box 31356
Tampa, Florida 33631-3356
Attention: Secretary, Board of Trustees

and

Shriners Burns Institute, Galveston Unit
610 Texas Avenue
Galveston, Texas 77550-2788
Attention: Administrator

TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AT:

The Board of Regents of the University of Texas System
201 West Seventh Street
Austin, Texas 76701
Attention: Arthur Dilly, Executive Secretary

and

The University of Texas Medical Branch at Galveston
Suite J12 John Sealy Hospital (South Addition)
Galveston, Texas 77550
Attention: Office of the Vice President for Hospital Affairs

Each party shall have the right, from time to time, to designate a different address by notice given in conformity with this section. Such redesignation shall be effective fifteen (15) days after notice has been given.

20. AMENDMENT, MODIFICATION OR WAIVER:

An amendment, modification or waiver of any of the provisions of this Agreement shall be effective only if made in writing and executed by authorized representatives of the parties to this Agreement. The failure of either party to insist upon strict performance of any of the provisions of this Agreement shall not be construed as a waiver of any subsequent default of the same or similar nature.

21. ASSIGNMENT:

This Agreement shall not be assigned by one party without prior written consent of the other party.

22. ORDINARY MEANING OF WORDS:

All words used in this Agreement are to be given their usual and ordinary meaning unless specific definitions are otherwise included in this Amended and Restated Affiliation Agreement.

23. APPLICABLE LAW:

This Agreement is executed and delivered in the State of Texas, and it shall be construed and administered in accordance with the laws of the State of Texas.

24. USE OF CAPTIONS:

The title and divisions of this Agreement into sections and paragraphs and the use of captions and headings in connection therewith are solely for convenience, and shall have no legal effect in construing the provisions of this Agreement.

25. COUNTERPARTS:

This Agreement has been executed by the parties in several counterparts, each of which shall be deemed to be an original copy.

26. NON-ASSUMPTION OF LIABILITIES; NO PARTNERSHIP; NO JOINT VENTURE:

Nothing contained herein shall be construed nor shall any provision herein constitute any assumption by either party of the liabilities of the other party. Nothing contained herein shall be construed nor shall any provision contained herein constitute a partnership or joint venture between the parties.

27. ENTIRE AGREEMENT:

Upon execution, this Amended and Restated Affiliation Agreement shall constitute the entire agreement between the parties.

28. TERMINATION:

If serious, unresolvable problems develop between the parties, either party shall have the right to terminate this Agreement upon not less than five (5) years' notice in writing to the other party.

Subject to the foregoing provision, this Agreement shall be and remain in force and effect on an annual basis, commencing upon execution and continuing thereafter unless terminated as hereinabove provided.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on _____, 1988, by their respective authorized officers.

SHRINERS HOSPITALS FOR CRIPPLED CHILDREN,
a Colorado corporation

By: _____
GENE BRACEWELL, President

By: _____
JOHN W. DEAN, III, Secretary

THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS
SYSTEM ON BEHALF OF THE UNIVERSITY OF TEXAS
MEDICAL BRANCH AT GALVESTON

ATTEST:

ARTHUR H. DILLY
Executive Secretary
Board of Regents

By: _____
CHARLES B. MULLINS, M.D.
Executive Vice Chancellor for Health Affairs

APPROVED AS TO FORM:

RECOMMENDED FOR APPROVAL:

Attorney
Office of General Counsel
University of Texas System

THOMAS N. JAMES, M.D., President
University of Texas Medical Branch at Galveston

4. U. T. Health Science Center - Houston: Development Board - Approval of Nominee Thereof.--A nominee for membership to the Development Board at The University of Texas Health Science Center at Houston was approved for a two-year term to expire in 1990.

The name of the nominee will be reported for the record after she has been contacted and her acceptance has been received.

5. U. T. Health Science Center - Houston (U. T. Nursing School - Houston): Authorization to Establish a Doctor of Science in Nursing and to Submit the Program to the Coordinating Board for Approval (Catalog Change).--Following brief remarks and an audiovisual presentation by Interim President Ribble, authorization was granted to establish a Doctor of Science in Nursing (D.S.N.) in the U. T. Nursing School - Houston at The University of Texas Health Science Center at Houston and to submit the proposal to the Texas Higher Education Coordinating Board for approval. If approved by the Coordinating Board, implementation will be in the Fall of 1990.

The emphasis of the D.S.N. program is to upgrade clinical training for nurses. Graduates with the D.S.N. degree will extend and generate new nursing practice protocols for the purpose of improving health care. Graduates will be prepared to occupy such roles as clinical researcher, clinical administrator, collaborative practitioner with physicians, and joint appointee with hospitals and nursing schools.

The faculty at the U. T. Nursing School - Houston is fully qualified to provide this program and the degree program can be initially implemented at no additional cost to the State of Texas.

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

6. U. T. Health Science Center - Houston (U. T. Nursing School - Houston): Approval to Establish a Cooperative Master of Science in Nursing Degree with the Department of Nursing at Pan American University (PAU), Edinburg, Texas, and to Submit the Proposal to the Coordinating Board for Approval (Catalog Change).--Approval was granted to establish a cooperative Master of Science in Nursing (M.S.N.) degree program between the U. T. Nursing School - Houston at The University of Texas Health Science Center at Houston and the Department of Nursing at Pan American University (PAU), Edinburg, Texas. This proposal will be submitted to the Texas Higher Education Coordinating Board for approval and, if approved by the Coordinating Board, will be implemented in the Fall of 1989.

This program is designed as a joint endeavor between the U. T. Nursing School - Houston and the Department of Nursing at Pan American University and will be administered through, and the degree awarded by, the U. T. Nursing School - Houston. The degree emphasis will be on critical care clinical nursing.

PAU will provide the space and equipment for classes, registration and advisory services and elective courses in other areas. Courses will be taught by U. T. Nursing School - Houston faculty on the PAU campus in Edinburg and PAU students will have planned experience in Houston meeting program objectives and utilizing the resources of a health science center complex. It is anticipated that this program will significantly increase the number of Hispanic nurses in Texas with a master's degree.

This cooperative arrangement is scheduled to end at the conclusion of five years. During this five-year period, the faculty of the U. T. Nursing School - Houston will work collaboratively with PAU Department of Nursing faculty to plan and initiate a master's program in nursing at PAU.

Additional faculty, staff, equipment and library materials are necessary for implementation of this program. The U. T. Nursing School - Houston portion of the program is projected to cost \$697,625 for FY 1990 and \$666,395 for FY 1991. Funds have been requested through the legislative budget process for State appropriations to support this project. Both Federal and private grants will be sought once the project has been approved.

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

7. U. T. Health Science Center - San Antonio (U. T. Nursing School - San Antonio and U. T. G.S.B.S. - San Antonio): Establishment of a Doctor of Philosophy in Nursing and Authorization to Submit the Program to the Coordinating Board for Approval (Catalog Change).--Upon recommendation of the Health Affairs Committee, the Board established a Doctor of Philosophy (Ph.D.) in Nursing in the U. T. Nursing School - San Antonio and the U. T. G.S.B.S. - San Antonio at The University of Texas Health Science Center at San Antonio and authorized submission of the proposal to the Texas Higher Education Coordinating Board for approval. If approved by the Coordinating Board, implementation will be in the Fall 1989 or Spring 1990.

The program will prepare the graduate to engage in clinical nursing research by virtue of a curriculum composed of philosophy of science, research methods and techniques, nursing theories, and a mentorship program in a specific area of clinical nursing. The objective of the program is to prepare the student for a career as an independent researcher who will contribute to knowledge in professional, academic and clinical areas.

Although the Ph.D. is emphasized in this post-baccalaureate education program, a student may obtain the M.S. in Nursing prior to completion of the requirements for the Ph.D. degree program.

The faculty at the U. T. Nursing School - San Antonio is well qualified to offer this Ph.D. program which is in keeping with the role and scope statement of the U. T. Health Science Center - San Antonio as approved by the Board in June 1984 and complements the present doctoral programs in the U. T. G.S.B.S. - San Antonio.

The first year of funding for this program will be minimal and absorbed within funds from the U. T. Health Science Center - San Antonio.

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

8. U. T. Health Science Center - San Antonio: Approval of Bone Marrow Transplant Affiliation Agreement and Memorandum of Understanding with Southwest Texas Methodist Hospital, San Antonio, Texas.--Approval was given to the Bone Marrow Transplant Affiliation Agreement and Memorandum of Understanding set out on Pages 61 - 69 by and between The University of Texas Health Science Center at San Antonio and the Southwest Texas Methodist Hospital, San Antonio, Texas.

This agreement, executed by the appropriate officials of the institution and facility to be effective upon approval by the U. T. Board of Regents, will allow for the expanded services of bone marrow transplantation at the Southwest Texas Methodist Hospital and the memorandum of understanding will address various matters related to the hospital's medical staff and the limits of participation by residents and medical students.

Revised 5-17-88

BONE MARROW TRANSPLANT
AFFILIATION AGREEMENT

THIS AGREEMENT, made and entered into this 28th day of September 1988, by and between the ~~Board of Trustees~~ of SOUTHWEST TEXAS METHODIST HOSPITAL ("Hospital"), located at 7700 Floyd Curl Drive, San Antonio, Texas 78229, hereinafter referred to as "~~Board of Trustees~~" ^{HOSPITAL} and THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO, a component institution of the University of Texas System, for and on behalf of its School of Medicine, located at 7703 Floyd Curl Drive, San Antonio, Texas 78284, hereinafter referred to as "University," ^{P.W. JONES}

W I T N E S S E T H

WHEREAS, it is mutually recognized that ~~Board of Trustees~~ ^{HOSPITAL} and University have certain objectives in common, mainly:

- A. to provide additional medical care and opportunities to patients who require bone marrow transplantation;
- B. advancement of bone marrow transplantation;
- C. the education and training of medical and ancillary personnel; and
- D. advancement of medical knowledge through research.

and each can accomplish these objectives in larger measure and more effectively through an affiliated Bone Marrow Transplant Service, hereinafter referred to as "Service."

WHEREAS, the parties desire and intend that this Agreement between Hospital and University shall not obligate the parties to enter into agreements relating to other services and this contract shall not act as a precedent for any further relationships between the parties, nor be construed to create a partnership between the two entities.

NOW, THEREFORE, for and in consideration of the foregoing and in further consideration of the mutual benefits, the parties hereto agree as follows:

1. LOCATION AND ADMINISTRATION OF SERVICE:

- A. The Service shall be located in the facilities of Southwest Texas Methodist Hospital, San Antonio, Texas. The Service shall be available to appropriately credentialed appointees of the Medical Staff of Hospital as defined in the By-Laws of the Medical Staff of the Hospital. University physicians shall be appointed in accordance with Sec. 2A hereof.
- B. It is the intent of both parties that University and Hospital shall remain as separate entities. University shall retain all jurisdictional powers incident to separate ownership, including the power to determine the general and fiscal policies of the University and to appoint administrative, faculty and other personnel under their jurisdiction.
- C. Hospital shall retain for its facilities, all jurisdictional powers incident to separate ownership, including the powers to determine general and fiscal policies and to appoint its administrative officers and other personnel. ~~The Board of Trustees is not to be understood as intending, and neither is it~~ ^{P.W.} ~~the intent of this Agreement to obligate the Hospital to engage in~~ ^{IT IS NOT P.W.} any activities, research or otherwise beyond those necessary for accreditation of the Service, and neither is it the present intent of the ^{HOSPITAL} ~~Board of Trustees~~ ^{P.W.} to undertake activities, research or otherwise, which are properly the responsibility of University. ^{P.W.}
- D. ^{HOSPITAL} ~~The Board of Trustees~~ ^{P.W.} retains final jurisdiction over the administration and supervision of its facilities and over admission of patients and the assignment of beds therein, and will seek counsel and advice from the University when the exercise of such jurisdiction affects teaching and research related to the Service.

- HOSPITAL P.W. JHE
- E. ~~The Board of Trustees~~ will operate the Service in a manner and with standards consistent with Hospital and University accreditation requirements.
- F. In accordance with the Corporate Charter, part 3, dated July 30, 1973 (copy attached)*, patients admitted to the Service shall be admitted upon the same qualifications as any other patient to the Hospital. All patients admitted to the Service shall be responsible for paying their own hospital bill. The Hospital will not be responsible for the expenses incurred as a result of any medical complication of any research protocol.
- G. The Dean of University's School of Medicine and the Hospital's Administrator shall serve as liaison between the parties in order to facilitate effective communication.
- H. A representative from the Medical Staff of Hospital and a representative of the faculty of University shall act as co-directors of the Service. The Dean of University's School of Medicine and the Hospital's Administrator shall develop a position description for co-directors.
2. STAFF APPOINTEES FROM THE MEDICAL FACULTY AND STAFF:
- A. Physicians who are faculty of University may apply for appointment to the Medical Staff of Hospital as an appointee under the category of Consulting Staff under Article IV, Section 6(c) of the By-Laws of the Medical Staff. Post-graduate non-faculty physicians (Fellows) may apply for appointment to the Medical Staff of the Hospital under the category of Provisional Staff under Art. IV, section 5(d) of the Bylaws of the Medical Staff. Such application shall proceed in the usual manner and method required by the Bylaws and Rules and Regulations of the Medical Staff of the Hospital. Physicians accepted to the Medical Staff for BMT and related procedures will be part of the Hematology/Oncology Section of the Medicine Department. The Service is open to all appropriately trained physicians who comply with Hospital's criteria for privileges in the BMT service. Students of the University may participate in limited patient care under the direct supervision of a medical staff member in accordance with guidelines agreed upon by the co-directors.

* Not on file in the Office of the Board of Regents.

B. University will provide qualified physicians from its faculty who are Consulting appointees of the Hospital Medical Staff to supervise and direct professional services to patients admitted by faculty to the Service. Said faculty shall supervise all medical training and medical research activities originating from University which is conducted on the Service. All post-graduate physicians (Fellows) from University shall be under the supervision of University faculty in all of their medical care and activities on the Service. No faculty or post-graduate physicians (Fellows) from University shall be considered agents, servants, or employees of the Hospital. Both parties recognize that patients of faculty on the Service may be research subjects.

C. All research conducted on the Service shall be subject to review and approval under the Bylaws of the Board of Trustees of the Hospital and Medical Staff.

D. University and its faculty and staff agree to cooperate with the Hospital and abide by all applicable Bylaws, Rules and Regulations and policies of the Hospital and Medical Staff.

3. MEDICARE ACCESS:

University and its faculty and staff by and through its Board of Regents or duly elected officer agree that with respect to this Agreement and with respect to any subcontract with a related organization (x) through which University carries out any of its duties of this Agreement and (y) which subcontract has a value or cost of \$10,000.00 or more over any 12-month period, University will perform the obligations as may be from time to time specified for subcontractors in the Social Security Act, Sec. 1861(v) (1) (I) and the regulations promulgated and implementation thereof (initially codified at 42 C.F.R., Sec. 420.300 et seq). If any request for University's or its faculty's or staff's or related organization's books, documents and records is made pursuant to these statutory and regulatory provisions, University and its faculty and staff and any related organization shall immediately give notice of such request to Hospital and provide Hospital with a copy of such request, and University shall consult and cooperate with Hospital concerning the proper response to such request. Moreover, University and its faculty and staff or any related organization shall provide Hospital with a copy of each book, document and record made available to one or more of the persons and agencies referred to in these statutory and regulatory provisions, or shall identify each such book, document and record to Hospital and shall grant Hospital access thereto for review and copying.

4. TERM OF THE AGREEMENT:

- A. This Agreement shall be for a term of one (1) year from and after the effective date hereon. Furthermore, this Agreement shall subsequently be automatically renewed for one year periods. ^{P.W. 3} Unless a party hereto gives written notice to the other party ninety (90) days prior to the anniversary date that the Agreement is terminated. All notices, requests, demands or other communications provided for in this Agreement shall be in writing and shall be deemed to have been given at the time when personally delivered, or mailed in a registered or certified, prepaid envelope, return receipt requested, and addressed to the address of either party stated at the beginning of this Agreement.
- B. Either party may terminate this Agreement without cause after giving one year's (365 days) written notice to the other party.

5. INDEMNITY AGREEMENT:

- A. To the extent authorized by the Constitution and laws of the State of Texas, University agrees to indemnify and hold Hospital harmless against all loss, damage, costs and the expenses which it may hereinafter suffer or pay out by reason of any claims, action and rights of action, law or equity, arising out of this Bone Marrow Transplant Affiliation Agreement or Bone Marrow Transplant service and resulting from injuries or damages to, or caused in whole or in part by: (1) the University (or its employees, agents or servants), or (2) faculty or post-graduate physicians (Fellows) from the University, or (3) any person directly or indirectly employed by University, provided, however, University shall not be responsible for any action caused in whole or in part by persons not subject to its control or supervision.
- B. Hospital agrees to indemnify and hold University, its Board of Regents, and The University of Texas System Administration harmless against any and all loss, damage, costs and the expenses which it may hereinafter suffer or pay out by reason of any claims, action and rights of action, in law or equity, arising out of this Bone Marrow Transplant Affiliation Agreement or Bone Marrow Transplant Service and resulting from injuries or damages to, or caused in whole or in part by employees of Hospital. This in no way shall indemnify University for any acts of any physicians who may be Medical Staff appointees to the Hospital. Furthermore, this is not a representation that these physicians who are Medical Staff appointees of Hospital are the agents, servants or employees of Hospital. Medical Staff appointees are and will continue to be independent contractors not under the control or in the employ of Hospital.

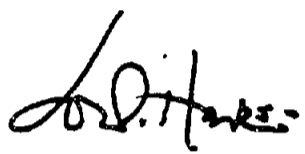
6. MISCELLANEOUS:

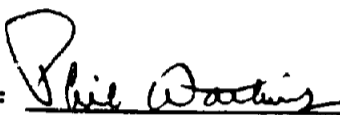
- A. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.
- B. This Agreement shall replace and supersede any previous agreements, oral or written, in effect prior to the date hereof.

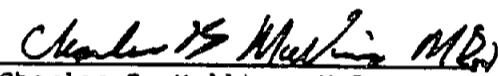
IN WITNESS WHEREOF, the parties have hereunto set their hands, the day and the year first above written.

THE UNIVERSITY OF TEXAS HEALTH
SCIENCE CENTER AT SAN ANTONIO

~~BOARD OF TRUSTEES~~
SOUTHWEST TEXAS METHODIST HOSPITAL

By: 
John P. Howe, III, M.D.
President

By: 
~~Bill Balchrope~~ Phil Watkins
President

Approved: 
Charles B. Mullins, M.D.
Executive Vice Chancellor
for Health Affairs
The University of Texas System

MEMORANDUM OF UNDERSTANDING

This document to accompany the Bone Marrow Transplant Affiliation Agreement addresses (1) Fellows and House Officers and (2) Clinical and Administrative Directors.

I. Clinical and Administrative Directors

^{P.w. 10/85}
The ~~draft~~ document, Bone Marrow Transplant Affiliation Agreement, in Section IH states the following:

"A representative from the Medical Staff of Hospital and a representative of the faculty of University shall act as co-directors of the Service. The Dean of University's School of Medicine and the Hospital's Administrator shall develop a position description for co-directors."

The following describes functions and duties of these co-directors. The Medical School physician's title shall be "Clinical Director." The Methodist active Medical Staff member's title shall be "Administrative Director."

Clinical Director

The Clinical Director will be appointed through the University of Texas Health Science Center at San Antonio and will be a full-time UTHSCSA faculty member. Normally this individual will be the Director of the Bone Marrow Transplant Service in the Division of Hematology, Department of Medicine at the Health Science Center. The Clinical Director will serve as Medical Director of the Unit and will assume primary responsibility for the clinical, scientific, and academic direction of the Bone Marrow Transplant Unit. In such capacity this individual will, in concert with Southwest Texas Methodist Hospital Nursing Service and the Hematology/Oncology Section, establish and implement standards of care for the Unit. The clinical director will suggest criteria for credentialing physicians and other personnel who will work on the Unit. He/she will integrate the function of the Methodist Hospital Unit with the overall goals of the HSC Bone Marrow Transplant Service and with the other various components of this program located at the Medical Center Hospital and Audie Murphy VA Hospital. The Clinical Director will act as liaison between the Service and the various support components of the program based at UTHSCSA including radiation therapy, dentistry, marrow processing laboratory, clinical pharmacology, and tissue typing. He/she will supervise UTHSC physicians and other Health Science Center personnel on the Unit and will be responsible for administration of bone marrow transplant funds allocated to UTHSCSA through extramural granting agencies and other HSC sources. The Clinical Director will be charged with establishing and maintaining a regular clinical forum at which plans for patient management may be discussed and formulated.

Administrative Director

The Administrative Director will be appointed through the Southwest Texas Methodist Hospital and will be a member of the active Medical Staff credentialed for hematology and/or oncology. It is expected that this position will normally be assumed by the Chief of Hematology/Oncology at the Methodist Hospital or his designee. The Administrative Director, in association with the Clinical Director, will plan and implement clinical, scientific, and academic goals of the Unit. In addition, the Administrative Director will serve as chief liaison between the Methodist Hospital and the UTHSCSA Bone Marrow Transplant Service. He/she will be charged specifically with integrating the Unit and Bone Marrow Transplant Service within other ongoing programs of the Methodist Hospital. In this capacity, this individual will coordinate the various support components for the Bone Marrow Transplant Service based at Methodist Hospital as well as interaction of the Unit with the Medical Staff.

II. Fellows and House Officers

Fellows

The Medical Staff Bylaws [Section 5, d. (1)-(5)], covers membership of Fellows on the Medical Staff as follows:

"Provisional Staff status shall also apply to an individual applying for Staff appointment who will be undergoing Fellowship training for a limited period of time, with the following exceptions:

- (1) The Fellow may not admit patients in his own name. He may participate in the care of the Preceptor's patients although patients must be properly informed of the Fellow's role in their care. The Preceptor is ultimately responsible for patient care.
- (2) The Fellow may not be the primary surgeon although he or she may be the official first assistant. With the approval of the Preceptor, the Fellow may operate with another Staff appointee who has surgical privileges.
- (3) The Fellow may participate in the completion of the Preceptor's patient medical records, i.e. history and physical, operative notes, progress notes and discharge summary. The Preceptor is responsible for the medical record and must cosign the history and physical, operative note and discharge summary. Progress notes and physician's orders do not require cosignature.
- (4) The Fellow may not be placed on the Emergency Room Consultants Roster. He may evaluate and treat the Preceptor's patients in the Emergency Room, but he may not care for unassigned patients. The patient must be informed of the Fellow's role in his care and give informed consent.

- (5) The Fellow's hospital privileges will be terminated upon the completion of his Fellowship unless he requests Provisional Staff appointment as outlined in a. and b. of this Section 5 of Article IV."

The Hospital agrees to provide support to the University for two Fellows who will serve on the Bone Marrow Transplant Service.

Residents and Students

Although Medical Students and Residents are not members of the Medical Staff, we have previously welcomed medical students and residents to exercise limited participation in the care of patients under the direct supervision of a Medical Staff member. Medical students and residents involved in the Bone Marrow Transplant Service will be treated in an identical fashion.

Once the affiliation is agreed upon, the Program established, and the service matures, the Medical Staff at Methodist Hospital will consider an expanded role for residents and students.

FOR THE UNIVERSITY:

FOR SWTMH:

[Signature]

[Signature]

6/8/88

September 28, 1988

Date

Date

Charles A. Mellin M.D.
7/18/88

REPORT AND RECOMMENDATIONS OF THE BUILDINGS AND GROUNDS COMMITTEE (Pages 70 - 75).--Committee Chairman Hay reported that the Buildings and Grounds Committee had met in open session to consider those items on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, all actions set forth in the Minute Orders which follow were recommended by the Buildings and Grounds Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. Board of Regents - General Revenue Subordinate Lien Notes: Declaration of Project Eligibility for U. T. Health Science Center - Houston Surface Parking Facility (Project No. 701-697) and Authorization to Pay Project Costs from Note Proceeds and to Pledge Surface Parking Facility Net Revenues.--Upon recommendation of the Buildings and Grounds Committee, the Board:
 - a. Declared The University of Texas Health Science Center at Houston Surface Parking Facility (Project No. 701-697) to be an eligible project for purposes of the Note Resolution authorizing the issuance of General Revenue Subordinate Lien Notes
 - b. Authorized the payment of any costs and expenses attributable to the construction of the project from Note proceeds
 - c. Approved as additional Pledged Revenues the U. T. Health Science Center - Houston Surface Parking Facility Net Revenues.

Final plans for the \$1,300,000 Surface Parking Facility were approved by the Board at its October 1988 meeting. It is anticipated that a note in the amount of \$1,300,000 will be issued at the beginning of the construction period with interest and issuance costs to be paid from pledged revenues and interest income on Note proceeds.

2. U. T. Austin - Andrews Dormitory and Kinsolving Dormitory - Phased Remodeling of Food Service Facilities - Phase I Andrews Dormitory: Approval of Preliminary Plans; Authorization for Preparation of Final Plans; and Additional Appropriation Therefor.--The Board, upon recommendation of the Buildings and Grounds Committee:
 - a. Approved preliminary plans for the Remodeling of Food Service Facilities - Phase I Andrews Dormitory at The University of Texas at Austin at an estimated total Phase I project cost of \$1,324,000
 - b. Authorized the Project Architect to complete final plans and specifications to be presented to the U. T. Board of Regents for consideration at a future meeting
 - c. Appropriated \$55,000 from U. T. Austin Housing and Food Reserve Funds for fees and miscellaneous expenses through completion of final plans. Previous appropriations had been \$69,000 from the same source.

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

3. U. T. San Antonio - U. T. Institute of Texan Cultures - San Antonio - Renovation of Public Areas, Third Segment (Project No. 404-614): Authorization to Increase Project Scope and Additional Appropriation Therefor.--Upon recommendation of the Buildings and Grounds Committee, the Board:
- a. Authorized an increase in the scope of the third segment of the Renovation of Public Areas at The University of Texas Institute of Texan Cultures at San Antonio from an estimated total project cost of \$787,000 to \$1,201,000 to accommodate previously unanticipated work and alleviate safety hazards
 - b. Appropriated an additional \$414,000 from Permanent University Fund Bond Proceeds for total project funding. A previous appropriation of \$787,000 from the same source was made in April 1988 for this segment.

The third segment of work includes replacement of projection screens and equipment in the dome area, replacement of building roof, carpet replacement and provision of additional paved drive area. A contract has been awarded for the carpet replacement. In preparing the plans and specifications for the replacement of projection screens and the additional paving, work not originally anticipated was discovered.

The planned paving project needs to be expanded to include modifications to alleviate significant safety hazards for children and handicapped persons moving from the building and parking areas to the exterior educational and exhibit area.

4. U. T. Medical Branch - Galveston - Medical Research Building (Project No. 601-665): Approval of Final Plans; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; Additional Appropriation Therefor; and Directive to Increase Local Fund Participation in the Cost of Construction.--The Buildings and Grounds Committee recommended and the Board:
- a. Approved final plans and specifications for the construction of the Medical Research Building at The University of Texas Medical Branch at Galveston at an estimated total project cost of \$25,000,000
 - b. Authorized the Office of Facilities Planning and Construction to advertise for bids upon completion of final review
 - c. Authorized the Executive Committee to award all contracts associated with this project within the authorized total project cost

- d. Appropriated \$20,000,000 from Permanent University Fund Bond Proceeds for total project funding. Previous appropriations had been \$5,000,000 from The Sealy & Smith Foundation grant funds.
- e. Directed Executive Vice Chancellor for Health Affairs Mullins and President James to develop a plan by which U. T. Medical Branch - Galveston local funds, hopefully in the amount of \$5,000,000, but certainly in the amount of \$2,500,000, will, during the two-year construction period for the building, be allocated to offset or replace an equal amount of Permanent University Fund Bond Proceeds.

In discussing Item e. above, Committee Chairman Hay noted that this requirement reflected the Board's view that increasingly there should be cooperative participation from the local community and/or the local institution's resources to fund construction projects. He added that only by such cooperative efforts could the resources of the Permanent University Fund be maximized to cover the needs of the entire U. T. System. Regent Hay emphasized that the Board was keeping its earlier commitment to President James but asking him to join in the total resourcing for this building.

Regent Moncrief suggested that The Sealy & Smith Foundation might be requested to contribute an additional \$5,000,000 toward this project. Regent Hay indicated that there was no objection to that technique. The goal is \$5,000,000 in locally generated funds which would certainly include contributions from the private sector.

This project is within the scope of the current Capital Improvement Program and was approved by the Texas Higher Education Coordinating Board in October 1988.

- 5. U. T. Health Science Center - Houston - Ambulatory Care Facility: Authorization for Project Analysis and Selection of a Professional Health Care Planning Consultant and Appropriation Therefor.--The Board, upon recommendation of the Health Affairs and Buildings and Grounds Committees:
 - a. Authorized a project analysis for a new Ambulatory Care Facility for The University of Texas Health Science Center at Houston to be presented to the U. T. Board of Regents at a future meeting
 - b. Authorized selection of a Professional Health Care Planning Consultant based upon recommendations which will be submitted for approval by Executive Committee Letter at a future date
 - c. Appropriated \$130,000 from U. T. Health Science Center - Houston MSRDP Funds for fees and miscellaneous expenses through completion of the Project Analysis.

In response to a question from Regent Beecherl, Interim President Ribble noted that the study will include: site selection -- including effect of parking and traffic on the site; programming of the functions and space to be included in the project; estimated total project cost; income estimated to be generated by the project; and possible sources of funding. Regent Beecherl suggested that alternatives involving private funding be included.

The U. T. Health Science Center - Houston has been engaged in a cooperative venture with Hermann Hospital to plan construction of an ambulatory care facility which was contained in the U. T. Board of Regents' Long-Range Capital Improvement Program.

The existing ambulatory care facility is inadequate. University practices are scattered throughout the Hermann Professional Building making patient flow impossible. The building does not contain space for adequate waiting rooms and lacks the amenities of the other medical office buildings located in the Texas Medical Center area. More importantly, the facility is not large enough to allow students to participate actively in the delivery of patient care and to learn from the faculty.

6. U. T. Health Science Center - San Antonio - Research Building (Project No. 402-666): Approval of Final Plans; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; and Additional Appropriation Therefor.--Upon recommendation of the Buildings and Grounds Committee, the Board:

- a. Approved final plans and specifications for the construction of the Research Building at The University of Texas Health Science Center at San Antonio at an estimated total project cost of \$20,000,000
- b. Authorized the Office of Facilities Planning and Construction to advertise for bids upon completion of final review
- c. Authorized the Executive Committee to award all contracts associated with this project within the authorized total project cost
- d. Appropriated \$9,050,000 from Permanent University Fund Bond Proceeds and \$10,000,000 from private gifts for total project funding. Previous appropriations had been \$950,000 from Permanent University Fund Bond Proceeds.

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

7. U. T. M.D. Anderson Cancer Center - Parking Garage: Authorization to Obtain Proposals for Private Enterprise Development.--In order to provide convenient and safe parking for patients and visitors of The University of Texas M.D. Anderson Cancer Center, the Board, upon recommendation of the Health Affairs and Buildings and Grounds Committees, authorized the U. T. M.D. Anderson Cancer Center Administration to obtain proposals from private sector enterprises for the design, construction and operation of a parking garage for the use of the U. T. M.D. Anderson Cancer Center, which will be presented to the U. T. Board of Regents for consideration at a future meeting.

At the August 1984 meeting, the U. T. Board of Regents authorized a project for the construction of a parking facility and appropriated \$1,000,000 from Unexpended Plant Funds Unappropriated Balances for the project. The balance of the project cost was to be financed with proceeds from the sale of revenue bonds. Although an architect was approved, project design was placed on hold while further study of parking problems ensued.

A study of alternatives not involving funding from The University of Texas System led to the consideration of development by private enterprises. The U. T. M.D. Anderson Cancer Center Administration will obtain proposals from private enterprises to conceptualize, design, construct and operate a parking garage on property owned by the U. T. Board of Regents on behalf of the U. T. M.D. Anderson Cancer Center. This property is situated in close proximity to the Anderson-Mayfair Hotel. It is envisioned that this garage will include a walkway to connect to the overhead walkway located near the Anderson-Mayfair Hotel and leading across Holcombe Boulevard.

8. U. T. Southwestern Medical Center - Dallas: Report by President Wildenthal on North Campus Master Plan/Land Use Study for the John D. and Catherine T. MacArthur Foundation Property.--At the conclusion of the meeting of the Buildings and Grounds Committee, Committee Chairman Hay called on President Wildenthal to present an informational report on the North Campus Master Plan for the 29.74 acres of land granted by the John D. and Catherine T. MacArthur Foundation, Chicago, Illinois, for future expansion of The University of Texas Southwestern Medical Center at Dallas.

With the aid of slides, President Wildenthal presented a comprehensive overview of the North Campus Master Plan as prepared by F&S Partners Incorporated, Dallas, Texas.

Dr. Wildenthal reported that the primary program focus for development of this land will be biomedical research and over a twenty-year period, U. T. Southwestern Medical Center - Dallas plans to develop over two million gross square feet of facilities for research and research-related support. He noted that there are to be six major research buildings and these facilities are to be constructed in such a way as to foster interaction and cooperation between the buildings at each stage of construction and to complete research buildings in clusters so that the campus has a sense of completeness at

any point in its development. The estimated total project cost for all the buildings is \$300 million in 1988 dollars.

In developing the North Campus Master Plan, President Wildenthal pointed out that the master planning consultant was instructed to consider the following criteria: (a) any development on the new land must be compatible with the existing campus, (b) the institution would need to be a good neighbor to the private development in the area in terms of expansion, (c) maximum use of space for research services, (d) buildings are to be connected and (e) the plan is to be realistic as to the program needs and resources available.

President Wildenthal summarized the institution's medical research activities, research expenditures and shortage of research space and reiterated the need to begin construction of two of the research buildings at an early date.

Secretary's Note: A copy of the North Campus Master Plan as prepared by F&S Partners Incorporated is on file in the Office of the Board of Regents.

REPORT AND RECOMMENDATIONS OF THE LAND AND INVESTMENT COMMITTEE (Pages 76 - 105).--In the absence of Committee Chairman Ratliff, Regent Barshop reported that the Land and Investment Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, all actions set forth in the Minute Orders which follow were recommended by the Land and Investment Committee and approved in open session and without objection by the U. T. Board of Regents.

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

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

I. PERMANENT UNIVERSITY FUND

INVESTMENT MATTERS

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

	<u>August 1988</u>	<u>September 1988</u>	<u>Cumulative Through September of this Fiscal Year (1988-1989)</u>	<u>Cumulative Through September of Preceding Fiscal Year (1987-1988)</u>	<u>Per Cent Change</u>
Permanent University Fund					
Royalty					
Oil	\$ 4,129,095.51	\$ 3,542,964.17	\$ 3,542,964.17	\$ 5,005,887.63	-29.22%
Gas	1,910,628.21	1,603,451.84	1,603,451.84	1,913,122.39	-16.19%
Sulphur	0.00	0.00	0.00	10,000.00	-100.00%
Water	60,582.33	101,821.52	101,821.52	130,989.98	-22.27%
Brine	2,675.99	3,660.06	3,660.06	4,257.09	-14.02%
Trace Minerals	0.00	0.00	0.00	0.00	--
Rental					
Oil and Gas Leases	58,031.35	444,176.10	444,176.10	261,828.66	69.64%
Other	1,200.00	(700.00)	(700.00)	(200.00)	250.00%
Sale of Sand, Gravel, Etc.	0.00	0.00	0.00	604.80	-100.00%
Total University Lands Receipts Before Bonuses	<u>6,162,213.39</u>	<u>5,695,373.69</u>	<u>5,695,373.69</u>	<u>7,326,490.55</u>	<u>-22.26%</u>
Bonuses					
Oil and Gas Lease Sales	0.00	0.00	0.00	0.00	--
Amendments and Extensions to Mineral Leases	0.00	0.00	0.00	0.00	--
Total University Lands Receipts	<u>6,162,213.39</u>	<u>5,695,373.69</u>	<u>5,695,373.69</u>	<u>7,326,490.55</u>	<u>-22.26%</u>
Gain or (Loss) on Sale of Securities	\$ 5,345,659.25	\$ 6,608,138.98	\$ 6,608,138.98	\$21,853,034.59	-69.76%
TOTAL CLEARANCES	<u>\$11,507,872.64</u>	<u>\$12,303,512.67</u>	<u>\$12,303,512.67</u>	<u>\$29,179,525.14</u>	<u>-57.84%</u>

Oil and Gas Development - September 30, 1988

Acres Under Lease - 694,375

Number of Producing Acres - 549,684

Number of Producing Leases - 2,199

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2. Permanent University Fund: Report on Investments for the Fiscal Year Ended August 31, 1988.--Each member of the U. T. Board of Regents received prior to the meeting a report on Permanent University Fund investments for the fiscal year ended August 31, 1988. Upon motion of Regent Barshop, seconded by Regent Hay, the Board approved this report and directed its distribution to the Governor, members of the Legislature and other State Officials as required by Section 66.05 of the Texas Education Code.

It was reported that the Permanent University Fund experienced significant gains in book value and earnings during the year as shown below:

	<u>Fiscal Year Ended 8/31</u>		<u>Increase</u>	
	<u>1987</u>	<u>1988</u>	<u>Amount</u>	<u>%</u>
Book Value	\$2,919,540,498	\$3,082,118,711	\$162,578,213	5.57%
Investment				
Income	214,771,440	236,873,982*	22,102,542*	10.29%

Secretary's Note: The amounts indicated at * above have been corrected from those shown in the Material Supporting the Agenda.

II. TRUST AND SPECIAL FUNDS

GIFTS, BEQUESTS AND ESTATES

1. U. T. Arlington: Acceptance of Gifts from Mr. Thomas E. Dwyer, Garland, Texas, and Various Donors and Establishment of The Tracy Wagner Dwyer Scholarship in the School of Nursing.--Approval was given to accept a gift of Emerson Electric common stock valued at \$6,362.50 from Mr. Thomas E. Dwyer, Garland, Texas, and \$3,745.00 in gifts from various donors for a total of \$10,107.50 and to establish The Tracy Wagner Dwyer Scholarship at The University of Texas at Arlington.

Income earned from the endowment will be used to award scholarships to incoming or continuing students enrolled in a degree program offered by the U. T. Arlington School of Nursing based on merit and need.

2. U. T. Arlington: Approval to Accept Bequest from the Estate of Dora Ella Nichols, Dallas, Texas, and to Establish The Shakespeare Club of Arlington Scholarship.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$25,000 bequest from the Estate of Dora Ella Nichols, Dallas, Texas, and established The Shakespeare Club of Arlington Scholarship at The University of Texas at Arlington.

Income earned from this endowment will be used to award scholarships to incoming or continuing students enrolled in the English Department at U. T. Arlington. The scholarships will apply to tuition, fees and books.

3. U. T. Austin: Acceptance of Gift from Mr. J. R. Parten, Houston, Texas; Establishment of an Endowment for the Barker Texas History Center; and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Board accepted a \$500,000 gift from Mr. J. R. Parten, Houston, Texas, and established an endowed chair for the Barker Texas History Center at The University of Texas at Austin. An official name for the endowment will be submitted at a later date.

Income earned from this endowment will be used to fund a fellowship or professorship within the structure of the chair for the Director of the Barker Texas History Center and for programmatic purposes under general supervision of the Director. In the event the Barker Texas History Center is dissolved, the endowment income is to be used for the benefit of the General Libraries at U. T. Austin.

Further, \$250,000 in matching funds will be allocated under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment to a total of \$750,000.

4. U. T. Austin: Acceptance of Gifts from Various Donors and Establishment of the W. Pat Biggs Classroom Endowment in the College of Engineering.--The Land and Investment Committee recommended and the Board accepted gifts totalling \$5,480 from various donors and a \$4,520 transfer of previously reported gifts from current restricted funds for a total of \$10,000 and established the W. Pat Biggs Classroom Endowment in the Department of Petroleum Engineering, College of Engineering, at The University of Texas at Austin.

Income earned from the endowment will be used at the discretion of the Department of Petroleum Engineering to promote departmental-wide excellence.

See Page 24 related to naming a room in the Chemical and Petroleum Engineering Building at U. T. Austin.

5. U. T. Austin - T. J. Gibson, III Endowed Scholarship Fund in the School of Law: Acceptance of Additional Gifts from Various Donors and Redesignation as the T. J. Gibson, III Endowed Presidential Scholarship in Law.--The Board, upon recommendation of the Land and Investment Committee, accepted \$10,857 in gifts from various donors and a \$5,000 transfer of previously reported gifts from current restricted funds for a total of \$15,857 for addition to the T. J. Gibson, III Endowed Scholarship Fund in the School of Law at The University of Texas at Austin for a total endowment of \$25,857 and redesignated the Fund as the T. J. Gibson, III Endowed Presidential Scholarship in Law.

6. U. T. Austin: Acceptance of Gift from Mr. and Mrs. H. Irving Grousbeck, Portola Valley, California, and Establishment of the Anne Haskins Grousbeck Scholarship for Academic Accomplishment and Leadership, Team Spirit and Excellence in Women's Tennis in Intercollegiate Athletics for Women.--Approval was given to accept a \$15,000 gift from Mr. and Mrs. H. Irving Grousbeck, Portola Valley, California, and to establish the Anne Haskins Grousbeck Scholarship for Academic Accomplishment and Leadership, Team Spirit and Excellence in Women's Tennis in Intercollegiate Athletics for Women at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to female varsity tennis players with a minimum overall grade point average of 3.0 who demonstrate distinctive qualities of leadership, team spirit and athletic excellence.

7. U. T. Austin - The Ray Hall Advertising Fellowship in the College of Communication: Acceptance of Additional Gifts from Mrs. Mary Anne Hall, Houston, Texas, and Various Donors and Corporate Matching Funds from the AT&T Foundation, Wall, New Jersey, and Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$5,000 gift from Mrs. Mary Anne Hall, Houston, Texas, \$5,000 in corporate matching funds from the AT&T Foundation, Wall, New Jersey, and \$505 in gifts from various donors for a total of \$10,505 for addition to The Ray Hall Advertising Fellowship in the College of Communication at The University of Texas at Austin.

Further, \$5,000 in matching funds will be allocated under The Regents' Endowed Student Fellowship and Scholarship Program and will be used to increase the endowment to a total of \$27,505.

8. U. T. Austin: Approval to Accept Transfer of Funds and to Establish the William O. Huie Endowed Presidential Scholarship in Law in the School of Law.--At the request of the Law School Foundation (an external foundation), a \$15,000 transfer of previously reported gifts from current restricted funds to be held by the U. T. Board of Regents was accepted and the William O. Huie Endowed Presidential Scholarship in Law was established in the School of Law at The University of Texas at Austin in accordance with the Regents' Rules and Regulations. The remaining funding for this Scholarship in the amount of \$10,175 will be retained by the Foundation and will be administered per the agreement between the Foundation and the U. T. Board of Regents.

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

9. U. T. Austin: Acceptance of Gift from Houston Endowment Inc., Houston, Texas; Establishment of the Jesse H. Jones and Mary Gibbs Jones Endowed Presidential Scholarship in the Graduate School of Business; and Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program.--Approval was given to accept a \$25,000 gift from Houston Endowment Inc., Houston, Texas, and to establish the Jesse H. Jones and Mary Gibbs Jones Endowed Presidential Scholarship in the Graduate School of Business at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to deserving graduate students in the Graduate School of Business.

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

10. U. T. Austin - Kelly, Appleman, Hart & Hallman Faculty Fellowship in Law in the School of Law: Approval to Redesignate as the Kelly, Hart & Hallman Regents Faculty Fellowship in Law.--In accordance with the donors' request, the Board redesignated the Kelly, Appleman, Hart & Hallman Faculty Fellowship in Law in the School of Law as the Kelly, Hart & Hallman Regents Faculty Fellowship in Law at The University of Texas at Austin.

11. U. T. Austin: Approval to Accept a Gift of 4.3405 Acres of Undeveloped Land in the Joseph Klepper Survey, Abstract No. 213, Plano, Collin County, Texas, from Dr. and Mrs. C. L. Lundell, Dallas, Texas, and to Establish The Lundell Endowment, a Charitable Remainder Unitrust.--The Land and Investment Committee recommended and the Board accepted a gift of 4.3405 acres of undeveloped land in the Joseph Klepper Survey, Abstract No. 213, Plano, Collin County, Texas, from Dr. and Mrs. C. L. Lundell, Dallas, Texas, and established The Lundell Endowment, a charitable remainder unitrust, at The University of Texas at Austin. Based on the 1988 tax assessment, the value of the property is estimated to be in excess of \$1,800,000.

The charitable remainder unitrust will provide for the payment of 5% of the annual net fair market value of the trust assets or the actual income, whichever is less, to be paid quarterly to Cyrus Longworth Lundell and Amelia A. Lundell during their lives and then to the survivor during his or her lifetime. If in any year, the income is more than 5% of the net fair market value, excess income will be added to the corpus of the trust.

Upon the termination of the trust, the corpus and any accumulated or undistributed income will be used for the purpose of establishing The Lundell Endowment at U. T. Austin to provide income to the following charitable beneficiaries in the percentages indicated below:

Lundell Herbarium (LL)	40%
Lundell Library	30%
<u>Lundellia</u> , a scholarly journal of botany	20%
C. L. Lundell Chair of Systematic Botany	10%

12. U. T. Austin: Acceptance of Gift from The Eugene McDermott Foundation, Dallas, Texas, and Establishment of the Eugene McDermott Texas Excellence Award for Scholarship and Leadership.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$175,000 gift from The Eugene McDermott Foundation, Dallas, Texas, and established the Eugene McDermott Texas Excellence Award for Scholarship and Leadership at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to freshman students in accordance with the guidelines of the Executive Council of The Ex-Students' Association within the provisions of the Texas Excellence Awards for Scholarship and Leadership. Initial recipients will be eligible to receive additional scholarships provided they continue to meet the above guidelines.

13. U. T. Austin: Acceptance of Gift and Pledge from Uniden Corporation of America, Fort Worth, Texas, and Establishment of the Uniden Corporation of America Endowed Scholarships in Engineering in the College of Engineering (No Publicity).--The Board, upon recommendation of the Land and Investment Committee, accepted a \$250,000 gift and a \$750,000 pledge, payable by December 31, 1992, from Uniden Corporation of America, Fort Worth, Texas, for a total of \$1,000,000 with \$600,000 to be used to establish the Uniden Corporation of America Endowed Scholarships in Engineering in the College of Engineering and \$400,000 to be used to award current scholarships in the College of Engineering at The University of Texas at Austin.

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

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

14. U. T. San Antonio: Acceptance of Gift from William G. and Loyce Collenback, San Antonio, Texas, and Establishment of the William G. and Loyce Collenback Endowed Scholarship.--Approval was given to accept a \$10,000 gift from William G. and Loyce Collenback, San Antonio, Texas, and to establish the William G. and Loyce Collenback Endowed Scholarship at The University of Texas at San Antonio.

Income earned from the endowment will be used to award scholarships to deserving middle income students who have at least a 3.0 grade point average and are not eligible for financial aid or any other scholarship or grant.

15. U. T. Southwestern Medical Center - Dallas: Acceptance of Gift from Mr. and Mrs. S. Roger Horchow, Dallas, Texas, and Establishment of the S. Roger and Carolyn P. Horchow Professorship in Cardiac Research, in Honor of Jere H. Mitchell, M.D., and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$100,000 gift from Mr. and Mrs. S. Roger Horchow, Dallas, Texas, and established the S. Roger and Carolyn P. Horchow Professorship in Cardiac Research, in Honor of Jere H. Mitchell, M.D., at The University of Texas Southwestern Medical Center at Dallas.

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

16. U. T. Southwestern Medical Center - Dallas - Paul C. MacDonald Professorship in Obstetrics and Gynecology and the Mineral Metabolism Endowed Chair Fund: Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--It was ordered that the actual income earned on \$109,120 in previously reported gifts from various donors to the Paul C. MacDonald Professorship in Obstetrics and Gynecology and \$169,734 in previously reported gifts from various donors to the Mineral Metabolism Endowed Chair Fund at The University of Texas Southwestern Medical Center at Dallas be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code.

17. U. T. Southwestern Medical Center - Dallas: Acceptance of Gifts and Pledges from the Harry S. Moss Heart Trust, Dallas, Texas, an Anonymous Donor, Mr. Cecil Green, Dallas, Texas, and the Southwestern Medical Foundation, Dallas, Texas; Establishment of the Frank M. Ryburn, Jr., Distinguished Chair in Cardiothoracic Surgery and Transplantation; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--The Land and Investment Committee recommended and the Board accepted a \$500,000 gift from the Harry S. Moss Heart Trust, Dallas, Texas, a \$400,000 pledge from an anonymous donor, a \$50,000 pledge from Mr. Cecil Green, Dallas, Texas, and a \$50,000 pledge from the Southwestern Medical Foundation, Dallas, Texas (to be held in trust at the Southwestern Medical Foundation), all pledges payable by December 31, 1988, for a total of \$1,000,000 and established the Frank M. Ryburn, Jr., Distinguished Chair in Cardiothoracic Surgery and Transplantation at The University of Texas Southwestern Medical Center at Dallas.

Further, the actual income which will be earned on the \$500,000 gift and \$450,000 in pledges, as received, will be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code.

18. U. T. Southwestern Medical Center - Dallas: Acceptance of Gifts and Pledges from Various Donors; Establishment of the Donald W. Seldin Distinguished Chair in Internal Medicine; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--The Board, upon recommendation of the Land and Investment Committee, accepted gifts of \$595,699.16 and pledges of \$450,000.00, payable by December 31, 1988, from various donors for a total of \$1,045,699.16 and established the Donald W. Seldin Distinguished Chair in Internal Medicine at The University of Texas Southwestern Medical Center at Dallas.

Further, the actual income which will be earned on the \$1,045,699.16 in gifts and pledges will be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code.

19. U. T. Southwestern Medical Center - Dallas - Raymond and Ellen Willie Chair in Molecular Neuropharmacology: Acceptance of Gift and Pledges from Mr. and Mrs. Raymond Willie, Jr., Dallas, Texas, an Anonymous Donor, Mr. Cecil Green, Dallas, Texas, and the Southwestern Medical Foundation, Dallas, Texas; Redesignation as the Raymond and Ellen Willie Distinguished Chair in Molecular Neuropharmacology; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$250,000 gift from Mr. and Mrs. Raymond Willie, Jr., Dallas, Texas, a \$200,000 pledge from an anonymous donor, a \$25,000 pledge from Mr. Cecil Green, Dallas, Texas, and a \$25,000 pledge from the Southwestern Medical Foundation, Dallas, Texas (to be held in trust at the Southwestern Medical Foundation), all pledges payable by December 31, 1988, for a total of \$500,000 for addition to the Raymond and Ellen Willie Chair in Molecular Neuropharmacology and redesignated the endowment as the Raymond and Ellen Willie Distinguished Chair in Molecular Neuropharmacology at The University of Texas Southwestern Medical Center at Dallas.

Further, the actual income which will be earned on the \$250,000 gift and \$225,000 in pledges, as received, will be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code.

20. U. T. Southwestern Medical Center - Dallas: Authorization to Redesignate (a) the Cecil H. and Ida Green Chair in Reproductive Biology Sciences as the Cecil H. and Ida Green Distinguished Chair in Reproductive Biology Sciences; (b) the Stanton Sharp Chair in Psychiatry as the Stanton Sharp Distinguished Chair in Psychiatry; and (c) the Southland Financial Corporation Chair in Geriatrics as the Southland Financial Corporation Distinguished Chair in Geriatrics.--At the donors' request, approval was given to redesignate three endowed academic positions at The University of Texas Southwestern Medical Center at Dallas as indicated below:

- a. Cecil H. and Ida Green Chair in Reproductive Biology Sciences as the Cecil H. and Ida Green Distinguished Chair in Reproductive Biology Sciences

- b. Stanton Sharp Chair in Psychiatry as the Stanton Sharp Distinguished Chair in Psychiatry
- c. Southland Financial Corporation Chair in Geriatrics as the Southland Financial Corporation Distinguished Chair in Geriatrics.

21. U. T. Medical Branch - Galveston: Acceptance of Gifts from the Zelda Zinn Casper Foundation, Houston, Texas, and Establishment of the Zelda Zinn Casper Scholars Endowment.--The Land and Investment Committee recommended and the Board accepted a \$153,759.18 gift from the Zelda Zinn Casper Foundation, Houston, Texas, and \$27,300 in gifts from various family members for a total of \$181,059.18 and established the Zelda Zinn Casper Scholars Endowment at The University of Texas Medical Branch at Galveston.

Income earned from the endowment will be used to award a stipend equal to the University's established level for Graduate Assistantships plus a small travel award to an outstanding student at the U. T. G.S.B.S. - Galveston.

22. U. T. Medical Branch - Galveston: Acceptance of Gifts from Mrs. Edward J. Lefeber, Sr., Galveston, Texas, Nancy L. and Michael B. Hughes, Galveston, Texas, and Maryann Guill, M.D., Internal Medicine Associates, Galveston, Texas, and Establishment of the Edward J. Lefeber, Sr., M.D. Lectureship in Gerontology.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$16,000 gift from Mrs. Edward J. Lefeber, Sr., Galveston, Texas, a \$2,000 gift from Nancy L. and Michael B. Hughes, Galveston, Texas, and a \$2,000 gift from Maryann Guill, M.D., Internal Medicine Associates, Galveston, Texas, for a total of \$20,000 and established the Edward J. Lefeber, Sr., M.D. Lectureship in Gerontology at The University of Texas Medical Branch at Galveston.

Income earned from the endowment will be used to fund a regular program of guest lectures delivered by distinguished scholars and specialists on the topics of Gerontology and Geriatrics.

23. U. T. Health Science Center - Houston: Acceptance of Gifts from Various Donors and Establishment of The D. Jack Kilian Memorial Scholarship.--Approval was given to accept gifts totalling \$10,000 from various donors and to establish The D. Jack Kilian Memorial Scholarship at The University of Texas Health Science Center at Houston.

Income earned from the endowment will be used to award scholarships to worthy students in the U. T. Public Health School - Houston in the fields of Cytogenetics, Genetic Toxicology and Occupational Medicine.

24. U. T. Health Science Center - Houston: Acceptance of Gifts from Various Donors and Establishment of The UTMSH Alumni Association Scholarship Fund.--Upon recommendation of the Land and Investment Committee, the Board accepted gifts totalling \$10,000 from various donors and established The UTMSH Alumni Association Scholarship Fund at The University of Texas Health Science Center at Houston.

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

25. U. T. Health Science Center - San Antonio: Acceptance of Benefits in the Bennie W. Schreck Charitable Trust.--The Land and Investment Committee recommended and the Board accepted benefits from an undivided one-fourth interest in the Bennie W. Schreck Charitable Trust with the income therefrom designated for student financial aid. Frost National Bank of San Antonio is serving as trustee of the Trust which has a market value of \$387,000 and is expected to produce approximately \$6,000 annually for The University of Texas Health Science Center at San Antonio.

26. U. T. Health Science Center - San Antonio: Approval to Redesignate the Joseph Seitchik Professorship in Obstetrics and Gynecology as the Joseph Seitchik Chair in Obstetrics and Gynecology.--In accordance with the donors' request, the Board redesignated the Joseph Seitchik Professorship in Obstetrics and Gynecology as the Joseph Seitchik Chair in Obstetrics and Gynecology at The University of Texas Health Science Center at San Antonio.

27. U. T. M.D. Anderson Cancer Center: Deletion of Cicero Brown Chair (No Publicity).--Approval was granted to delete from the record the Cicero Brown Chair at The University of Texas M.D. Anderson Cancer Center since funding will not be available.

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

III. INTELLECTUAL PROPERTY

U. T. Austin: Approval of Sponsored Research Agreements #01474 and #01514 with Texas Instruments Incorporated (TI), Dallas, Texas.--Upon recommendation of the Land and Investment Committee, the Board approved Sponsored Research Agreements #01474 and #01514 set out on Pages 87 - 99 by and between The University of Texas at Austin and Texas Instruments Incorporated (TI), Dallas, Texas.

Pursuant to Sponsored Research Agreement #01474, TI will provide up to \$45,000 for a project that will define and develop a system to test the dimensionality of printed dots on a page with specific measurement accuracy.

With regard to Sponsored Research Agreement #01514, TI will provide up to \$20,000 for a project to develop mid-course mathematical algorithms for missiles based on flight mechanics optimal guidance problems.

It was noted that these agreements contain an exception to the U. T. System's general guidelines for such agreements in that TI is granted a "world-wide, unrestricted, royalty-free non-exclusive license" to utilize results of the TI-funded project.

#01474

THE UNIVERSITY OF TEXAS AT AUSTIN
AND
TEXAS INSTRUMENTS INCORPORATED

SPONSORED RESEARCH AGREEMENT

WHEREAS, TEXAS INSTRUMENTS INCORPORATED, acting through its PERIPHERAL PRODUCTS DIVISION, DATA SYSTEMS GROUP, with a principal place of business at 5701 AIRPORT ROAD, TEMPLE, TEXAS 76503, (hereinafter called "TI"), desires to enter into an agreement to sponsor the research or project as identified herein: and

WHEREAS, THE UNIVERSITY OF TEXAS AT AUSTIN, with a principal place of business at AUSTIN, TEXAS 78712, including all individuals who have its approved access to the project or to the project results while the project is under the terms of this Agreement, (hereinafter called "INSTITUTION"), desires to perform such services.

NOW THEREFORE, the parties agree as follows:

1. SCOPE OF WORK:

The INSTITUTION shall perform the research on a best effort basis as specified in the Statement of Work which is incorporated into this Agreement as Exhibit "A", and under the direction of the persons identified in Paragraph 8 (ADMINISTRATION AND COMMUNICATION).

2. TERMS OF AGREEMENT:

This Agreement shall be effective from July 1, 1988 through December 31, 1988, regardless of the date of execution hereof.

3. COMPENSATION:

The maximum total cumulative compensation permitted to the INSTITUTION under this Agreement shall not exceed FORTY-FIVE THOUSAND DOLLARS (\$45,000.00) without the prior written authorization of TI. Payment will be in one lump sum amount shortly after the execution of this Agreement by both parties.

4. SUPPLIES AND EQUIPMENT:

Any supplies and equipment to be provided by TI in addition to the compensation stated in Paragraph 3 (COMPENSATION) above are specified in the Statement of Work (Exhibit "A" of this Agreement).

5. REPORTS:

With respect to the research performed by the INSTITUTION according to this agreement, the INSTITUTION will deliver to TI detailed reports and documentation as may be required by TI, as specified in the Statement of Work (Exhibit "A" of this Agreement).

6. OWNERSHIP AND LICENSING OF INTELLECTUAL PROPERTY:

The INSTITUTION will provide TI and its subsidiaries a world-wide, unrestricted, fully paid up, non-exclusive license to utilize the results of this TI-funded project. This license will include all intellectual property that can be protected by patent, copyright or other form of protection, including inventions, works of authorship, mask works, and computer programs, and it will extend to the incorporation of the intellectual property in products sold by TI to third parties, end-users, OEMs, and distributors, and to any third parties who may work with TI on projects requiring use of these results. The INSTITUTION assures that all individuals who will be working on this TI-funded project will be under its direction sufficient for this condition to apply to each of them.

7. WARRANTIES:

The INSTITUTION will deliver to TI work product that to the best of its knowledge and belief does not infringe any patent, trademark, copyright, or other property right of any third party relating to proprietary or trade secret information.

8. ADMINISTRATION AND COMMUNICATION:

The persons designated below shall have cognizance of the services provided pursuant to this Agreement, and liaison and general administration of the Agreement for TI and the INSTITUTION shall be through them. All invoices, statements, and reports shall be sent directly to these individuals:

For TI:

J. W. KRUEGER
PRODUCTION ENGINEERING MANAGER, PERIPHERAL PRODUCTS DIVISION
MS 3223
P.O. BOX 6102
TEMPLE, TEXAS 76503
(817) 774-6373

For INSTITUTION:

DR. GLENN MASADA
ASSOCIATE PROFESSOR, DEPARTMENT OF MECHANICAL ENGINEERING
ETC II 5.160
AUSTIN, TEXAS 78712
(512) 471-3061

-or-

DR. ROBERT FLAKE
PROFESSOR, DEPARTMENT OF ELECTRICAL AND COMPUTER ENGINEERING
ENGINEERING SCIENCE BUILDING 541
AUSTIN, TEXAS 78712-1084
(512) 471-1014

9. PUBLICATION:

The INSTITUTION will provide the TI Project Director identified in Paragraph 8 (ADMINISTRATION AND COMMUNICATION) above with an advance copy of any intended publication resulting from work under this Agreement, for review to determine if there has been an inadvertent disclosure of TI furnished intellectual property or information that TI considers confidential as identified in Exhibit A. Section 7.0. Any concerns by TI regarding the contents of the document must be communicated in writing to the INSTITUTION within (60) days after receipt of the advance copy of the intended publication. In the event the intended publication contains any information believed to be TI furnished intellectual property or considered to be confidential as defined above, the INSTITUTION agrees not to publish the intended publication until TI and the INSTITUTION mutually agree in writing to the publishable contents of the document. INSTITUTION will be allowed to publish if TI and INSTITUTION cannot reach agreement within (90) days.

10. USE OF NAME:

Neither the INSTITUTION nor TI may use the name of the other in advertising, press releases, or any other manner without written consent from the other, except in those instances where use of the name is required by U.S. Government direction or requirement or applicable state law.

11. INDEPENDENT CONTRACTOR:

It is understood and agreed that the INSTITUTION shall be acting as an independent contractor and not as an agent or employee of TI. Accordingly, the INSTITUTION assumes all risks and hazards encountered in its performance under this Agreement or that of any agent, employee, or subcontractor engaged by the INSTITUTION.

12. BINDING AGREEMENT:

This Agreement shall be binding upon and inure to the benefits of the successors and assigns of TI and shall be binding upon and inure to the benefit of the INSTITUTION'S heirs, legal representatives, successors and assigns.

13. ASSIGNMENT:

This Agreement shall not be assignable by the INSTITUTION without the written consent of TI, and any purported assignment, including full or partial assignment or delegation to any agent or subcontractor, not permitted hereunder shall be void.

14. MODIFICATION:

This Agreement shall be modified only by an instrument in writing and signed by duly authorized representatives of the parties.

15. MERGER OF AGREEMENT:

This document together with the Statement of Work (Exhibit "A" of this Agreement) constitutes the entire Agreement between the parties with respect to the subject matter hereof, and supersedes all previous communications, representation, understandings and agreements, either oral or written between the parties or any official or representative thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the effective date hereof.


BY: 
THOMAS D. STRINGFELLOW

FOR: THE UNIVERSITY OF TEXAS
SYSTEM

TITLE: VICE PRESIDENT, DATA SYSTEMS GROUP
MANAGER, PERIPHERAL PRODUCTS DIVISION

Approved as to Content:

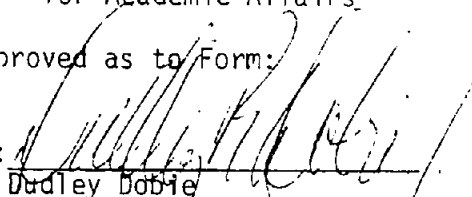
FOR: TEXAS INSTRUMENTS INCORPORATED

By: 
James P. Duncan
Executive Vice Chancellor
for Academic Affairs

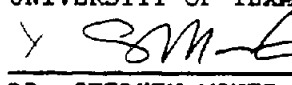
BY: 
FOR DR. RICHARD MKSAD

Approved as to Form:

TITLE: ASSOCIATE DEAN FOR RESEARCH
COLLEGE OF ENGINEERING

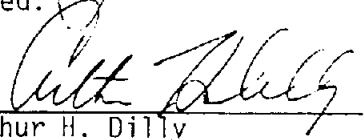
By: 
Dudley Dobie
Office of General Counsel

FOR: UNIVERSITY OF TEXAS AT AUSTIN

BY: 
DR. STEPHEN MONTI

Attested:

TITLE: VICE PROVOST

By: 
Arthur H. Dilly
Executive Secretary to the
Board of Regents

FOR: UNIVERSITY OF TEXAS AT AUSTIN

EXHIBIT A
VISION SYSTEM FOR MEASURING THE
DIMENSIONALITY OF PRINT DOTS

STATEMENT OF WORK

1.0 OVERVIEW

The objective of this project is to define and develop a system to test the dimensionality of printed dots on a page. The parameters that effect the ability to measure print effectively are spacing, alignment, dot size and shape, and the accuracy of the feed mechanism. The system should comprehend these parameters and provide a measurement accuracy of approximately .0005 inch.

2.0 SCHEDULE

Start date of July 1, 1988
Target date Dec. 31, 1988 with completion of reports no later than May, 1989

3.0 PROJECT COST

Total for salaries, wages, and equipment of \$45,000.00
Fabrication costs to be paid by Texas Instruments for any prototypes or special equipment needed.

4.0 TASK

The task is to design a vision system capable of measuring the location dots with sizes currently .006 to .014 inch in diameter on a page up to 11 x 14-7/8 inches in size with an accuracy of .0005 inch. The system must be able to determine centriodes, discriminate extraneous information from printed dots, and provide accurate dimensional data with the origin of the measurements at the edges of the paper or a preprinted target. The processing of data will be accomplished utilizing "C" language utilities.

5.0 SCOPE

The project scope will include development of the proposed system approach, the design and testing of a prototype system with the assistance of Texas Instruments, and the preparation of a final report to include but not limited to design and test data, material specifications, a copy of software developed, and a copy of any other published material which results from this research.

Technical reviews will be held approximately every four weeks or when deemed necessary.

6.0 HARDWARE

All equipment purchased by the University of Texas will remain the property of the University. All components supplied by Texas Instruments will remain the property of Texas Instruments.

7.0 CONFIDENTIALITY FOR PUBLICATION

TI considers the exact performance characteristics of their printers as to dot placement and print quality as TI Strictly Private and should not be disclosed in any publications as part of this project.

TEXAS INSTRUMENTS INCORPORATED
SPONSORED RESEARCH AGREEMENT

#01514

WHEREAS, TEXAS INSTRUMENTS INCORPORATED, acting through its DEFENSE SYSTEMS & ELECTRONIC GROUP, with a principal place of business at 13500 NORTH CENTRAL EXPRESSWAY, DALLAS, TX. 75243, (hereinafter called "TI"), desires to enter into an agreement sponsor the research or project as identified herein; and

WHEREAS, UNIVERSITY OF TEXAS AT AUSTIN, with a principal place of business at AUSTIN, TX. 78712, including all individuals that will be working on this project under the direction of its authority or who have its approved access to the project or to the project results while the project is under the terms of this Agreement, (hereinafter called "INSTITUTION"), desires to perform such services.

NOW THEREFORE, the parties agree as follows:

1. SCOPE OF WORK:

research on a best effort basis
accordance with
The INSTITUTION shall perform the ~~work as specified~~ in the Statement of Work which is incorporated into this Agreement as Exhibit "A", and under the direction of the persons identified in Paragraph 8 (ADMINISTRATION AND COMMUNICATION). ✓

2. TERM OF AGREEMENT:

This Agreement shall be effective from 1 MAY 1988 through 30 APRIL 1989, regardless of the date of execution hereof.

3. COMPENSATION:

The maximum total cumulative compensation permitted to the INSTITUTION under this Agreement shall not exceed (TWENTY THOUSAND DOLLARS) (\$20,000.00) without the prior written authorization of TI. Invoices may be submitted by the INSTITUTION according to the payment schedule included in the Statement of Work (Exhibit "A" of this Agreement).

4. SUPPLIES AND EQUIPMENT:

Any supplies and equipment to be provided by TI in addition to the compensation stated in Paragraph 3 (COMPENSATION) above are specified in the Statement of Work (Exhibit "A" of this Agreement).

5. REPORTS:

With respect to the services performed by the INSTITUTION according to this agreement, the INSTITUTION will deliver to TI detailed reports and documentation as may be required by TI, as specified in the Statement of Work (Exhibit "A" of this Agreement).

6. OWNERSHIP AND LICENSING OF INTELLECTUAL PROPERTY:

The INSTITUTION will provide Texas Instruments Incorporated and its subsidiaries a world-wide, unrestricted, royalty-free, non-exclusive license to utilize the results of this Texas Instruments funded project, including rights to sublicense use of such results to any third parties who may work with Texas Instruments on projects in which such results are used. This license will include all intellectual property that can be protected by patent, copyright or other form of protection, including inventions, works of authorship, mask works, and computer programs, and it will extend to the intellectual property use in commercial products of Texas Instruments as well as internal, non-commercial applications by Texas Instruments. The INSTITUTION assures that all individuals who will be working on this Texas Instruments funded project will be under its direction sufficient for this condition to apply to each of them.

7. WARRANTIES:

The INSTITUTION ~~warrants that it~~ ^{to the best of its knowledge and belief} will not deliver to TI work product that infringes any patent, trademark, copyright, or other property right of any third party relating to proprietary or trade secret information. YB

8. COMMUNICATION AND ADMINISTRATION:

The persons designated below shall have cognizance of the services provided pursuant to this Agreement, and liaison and general administration of the Agreement for TI and the INSTITUTION shall be through them. All invoices, statements, and reports shall be sent directly to these individuals:

For TI:

MR. JAMES L. TAYLOR
PROGRAM MANAGER
MS 3402
P.O. BOX 405-3402
LEWISVILLE, TX. 75067
(214) 466-4443

For INSTITUTION:

MR. ALVIN J. DUSEK
DIRECTOR
OFFICE OF SPONSORED PROJECTS
AUSTIN TX. 78712
(512) 471-4258

9. PUBLICATION:

The INSTITUTION will provide the TI Project Director identified in Paragraph 8 (ADMINISTRATION AND COMMUNICATION) above with an advance copy of any intended publication resulting from work under this Agreement, for review to determine if there has been an inadvertent disclosure of TI intellectual property, ~~or information that TI considers proprietary and/or sensitive.~~ Any concerns by TI regarding the contents of the document must be communicated in writing to the INSTITUTION within (60) days after receipt of the advance copy of the intended publication. In the event the intended publication contains ~~any information believed to be TI intellectual property or considered to be proprietary and/or sensitive,~~ the INSTITUTION agrees not to publish the intended publication until TI and the INSTITUTION mutually agree in writing to the publishable contents of the document.

10. USE OF NAME:

Neither the INSTITUTION nor TI may use the name of the other in advertising, press releases, or any other manner without written consent from the other, except in those instances where use of the name is required by U.S. Government direction or requirement or applicable state law.

11. INDEPENDENT CONTRACTOR:

It is understood and agreed that the INSTITUTION shall be acting as an independent contractor and not as an agent or employee of TI. Accordingly, the INSTITUTION assumes all risks and hazards encountered in its performance under this Agreement or that of any agent, employee, or subcontractor engaged by the INSTITUTION.

12. BINDING AGREEMENT:

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of TI and shall be binding upon and inure to the benefit of the INSTITUTION'S heirs, legal representatives, successors and assigns.

13. ASSIGNMENT:

the other party ^{either party} This Agreement shall not be assignable by ~~the INSTITUTION~~ without the written consent of ~~TI~~ and any purported assignment, including full or partial assignment or delegation to any agent or subcontractor, not permitted hereunder shall be void.

14. MODIFICATION:

This Agreement shall be modified only by an instrument in writing and signed by duly authorized representatives of the parties.

15. MERGER OF AGREEMENT:

This document together with the Statement of Work (Exhibit "A" of this Agreement) constitutes the entire Agreement between the parties with respect to the subject matter hereof, and supersedes all previous communications, representation, understandings and agreements, either oral or written between the parties or any official or representative thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the effective date hereof.

BY: <u>[Signature]</u>	BY: <u>[Signature]</u>
TITLE: <u>Purchasing Manager</u>	TITLE: <u>---EN A MONTI</u> <u>PROVOST</u>
FOR: TEXAS INSTRUMENTS INCORPORATED	FOR: UNIVERSITY OF TEXAS AT AUSTIN
DATE: <u>4/4/88</u>	DATE: <u>DEC 09 1988</u>

FOR: THE UNIVERSITY OF TEXAS SYSTEM

Approved as to Content:

[Signature]
James P. Duncan, Executive Vice Chancellor
for Academic Affairs

Approved as to Form:

[Signature]
Dudley Dobie, Office of General Counsel

Attested:

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

EXHIBIT A

Guidance Laws For Hypersonic Gliding Vehicles

Our objective is to develop energy efficient guidance laws for real-time operation for an atmospheric gliding vehicle such as a missile during the midcourse phrase of homing guidance. An explicit guidance law is to be developed where the vehicle is required to reach a prescribed downrange, crossrange, altitude, and flight path angle with minimum energy loss. To develop the atmospheric guidance law, reasonable approximations to the dynamics based upon the physics of the flight mechanics problem are determined which will allow the computational requirements of the solution to the optimization problem to be reduced. In particular, the approximate optimal trajectory is obtained by making approximations based upon small parameters associated with aerodynamic forces and inertial forces (forces which are not of aerodynamic origin). A key small parameter is the ratio of the atmospheric scale height to the radius of the Earth. An approximation is made assuming that the aerodynamic forces dominate over the inertial forces where this small parameter separates these forces.

For the zeroth-order solution where only aerodynamic forces are considered, the use of nonlinear transformations of the state variables of altitude, velocity, flight path angle and heading angle, and the elimination of time as the independent variable results in an integrable optimal control problem. This zeroth-order solution is used as the basis for asymptotic expansion of the dynamic programming equation (the Hamilton-Jacobi-Bellman (HJB) equation) using this small parameter. With only the first-order correction term, which requires only quadrature integrations, the approximate solution compares extremely well with the numerical optimum path. To include downrange and crossrange constraints in the formulation, singular perturbation theory is employed to decompose the state space into *two* groups of state variables, the time scale associated with this decomposition being related to the above small parameter. One group, called the slow solution, is composed of the downrange and crossrange where heading angle is the independent variable and the integral of energy rate is the performance criterion. The second group, called the fast solution, is composed of the velocity, heading angle, altitude, and flight path angle. A critical aspect of this procedure is the matching of the fast and slow solutions.

An important consideration in the development of guidance laws is the retention of performance in the presence of system and parameter uncertainties such as atmospheric density and aerodynamic coefficient uncertainties. By expanding the stochastic counterpart of the HJB equation in terms of the power spectral densities associated with the uncertain parameters, additional terms are obtained which modify the deterministic guidance law for improved robustness under uncertainty. Finally, important inequality constraints such as bounds on the aerodynamic controls and load factor are to be considered and included as needed. The development of robust atmospheric guidance laws in the presence of system and atmospheric uncertainty, and the inclusion of inequality constraints will be the subject of future research efforts.

Task Descriptions

This research project involves three major developments for investigation this year: the fast solution, the slow solution and the matched solution. The University of Texas will be supplied weight, surface area, and lift and drag polars and other data which reasonably characterize a typical missile system.

Task 1: Development of the Slow Solution

The development of the slow solution will begin immediately and continue throughout the project. Although the basic structure is reasonably formulated, detailed aspects of the algorithm have not been resolved. Inclusion of an expansion for the energy based upon a small parameter involving the inverse of the maximum lift-to-drag ratio needs attention. The resulting optimization of the approximate system reduces to the solution of quadratures where these quadratures are possible elliptic functions which are obtainable by procedures similar to evaluating trigonometric functions.

Task 2: Development of the Fast Solution

Development of the fast solution should be accomplished in the first six months. The essential change is to include in the performance index

aspects of the Hamiltonian associated with the slow solution in order to perform the matching.

Task 3: Matching Fast and Slow Solutions

Once the slow solution has been constructed, the fast dynamics are used to connect the initial states of altitude, flight path angle, velocity, and heading angle to the slow solution. The performance index associated with the fast solution seems to be composed of a linear combination of downrange, crossrange and total energy on the slow path. The particular linear combination is determined from the Lagrange multipliers obtained from the slow path. This task must be started at the beginning of the project to aid the development of the fast solution.

Task 4: Final Report

Research for this year will be summarized in a final report as a deliverable. Also, a University R & D Program Report Summary will be prepared and submitted.

PROPOSED BUDGET FOR MAY 1, 1988 - APRIL 31, 1989

<u>Salaries and Wages</u>	10,080
1 Graduate Research Assistant 1/2 time for 12 months at \$840/month	
<u>Fringe Benefits</u>	2,419
Fringe Benefits are direct costs under University accounting procedures and are computed at 24% of all Salaries and Wages.	
<u>Computer Time</u>	460
Cyber 170/750 for approximately 2 hour at \$230/hour.	
<u>Other Expenses</u>	585
Computer supplies, printing, postage, etc.	
<u>Travel</u>	300
<u>Total Direct Costs</u>	13,844
<u>BER Overhead (46% of Total Direct Costs - Computer)</u>	6,156
TOTAL COST	<u>20,000</u>

Payment Schedule:

Payment will be in one lump sum amount shortly after the execution of this Agreement by both parties.

IV. OTHER MATTERS

U. T. System: Approval to Amend the Investment Guidelines Section of the Permanent University Fund Investment Policy Statement and to Make Editorial Changes to the Common Trust Fund Investment Policy Statement and the Medical Liability Self-Insurance Fund Investment Policy Statement.--As a result of the passage of Proposition 3 at the November 1988 General Election, which amended the State Constitution to authorize the investment of the Permanent University Fund subject solely in accordance with the prudent person standard, the Board, upon recommendation of the Land and Investment Committee:

- a. Amended the Investment Guidelines section of the Permanent University Fund Investment Policy Statement to read as set out below:

PERMANENT UNIVERSITY FUND
INVESTMENT POLICY STATEMENT

INVESTMENT GUIDELINES

The Fund must be invested at all times in strict compliance with the State Constitution and other applicable law. The primary and constant standard for making investment decisions is the "Prudent Person Rule."

Investment restrictions include the following:

- All investments must be U. S. dollar denominated unless held by an investment manager retained to manage an international portfolio.
- No investments may be made in securities of the South African government, its government agencies, or firms headquartered in South Africa.
- Commercial paper must be rated in the two highest quality classes by Moody's Investors Service, Inc. (P1 or P2) or Standard & Poor's Corporation (A1 or A2).
- Negotiable certificates of deposit must be with a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Bankers' Acceptances must be guaranteed by an accepting bank with a minimum certificate of deposit rating of 1 by Duff & Phelps.
- Repurchase Agreements and Reverse Repurchase Agreements must be with a domestic dealer selected by the Federal Reserve as a primary dealer in U. S. Treasury securities; or a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.

- Investment policies of any unaffiliated liquid investment fund must be reviewed and approved by the Executive Vice Chancellor for Asset Management prior to investment of Fund monies in such liquid investment fund. No requirement exists that such funds conform to the above restrictions on money market instruments.
- Corporate bonds and preferred stocks must be rated a minimum of Baa3 by Moody's Investors Service, Inc. or BBB- by Standard & Poor's Corporation, respectively, when purchased. Bonds rated below A3 and A- shall not constitute an excessive portion of the total bond portfolio. Unrated bonds or preferred stocks may be purchased prior to review by the Land and Investment Committee if, in the opinion of the System's investment staff, they are at least equal in quality to publicly offered securities eligible for purchase. The cost of unrated bonds and preferred stocks which have not been reviewed by the Land and Investment Committee may not exceed 1% of the book value of the Fund.
- Less than five percent of the voting securities of a corporation may be owned.
- No securities may be purchased or held which would jeopardize the Fund's tax exempt status.
- No securities may be purchased on margin or leverage.
- No transactions in short sales will be made.
- Transactions in financial futures and options (other than those received as part of an investment unit) may only occur as part of a hedging program authorized by the Land and Investment Committee.
- Unaffiliated investment managers transacting solely within their assigned assets:
 - shall hold no more than 25% of their managed portfolio in any one industry at cost unless the manager was retained to concentrate in an industry or industries.
 - shall hold no more than 10% of their managed portfolio in the securities of one corporation at cost.
 - shall not hold investment in real estate, partnerships, and other such illiquid assets unless retained to manage this type of asset and shall hold no more than 10% of their managed portfolio at cost in any other asset category different than the type they were retained to manage. Short-term liquid investments are excluded from this limitation. Convertible securities are considered to be equity equivalents for purposes of this restriction.
 - shall hold no securities traded only in foreign markets unless they were retained to manage an international portfolio.

- b. Amended the Investment Guidelines sections of the Common Trust Fund Investment Policy Statement and the Medical Liability Self-Insurance Fund Investment Policy Statement to read as set out below:

COMMON TRUST FUND
INVESTMENT POLICY STATEMENT

INVESTMENT GUIDELINES

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

Investment restrictions include the following:

- All investments must be U. S. dollar denominated unless held by an investment manager retained to manage an international portfolio.
- No investments may be made in securities of the South African government, its government agencies, or firms headquartered in South Africa.
- Commercial paper must be rated in the two highest quality classes by Moody's Investors Service, Inc. (P1 or P2) or Standard & Poor's Corporation (A1 or A2).
- Negotiable certificates of deposit must be with a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Banker's Acceptances must be guaranteed by an accepting bank with a minimum certificate of deposit rating of 1 by Duff & Phelps.
- Repurchase Agreements and Reverse Repurchase Agreements must be with a domestic dealer selected by the Federal Reserve as a primary dealer in U. S. Treasury securities; or a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Investment policies of any unaffiliated liquid investment fund must be reviewed and approved by the Executive Vice Chancellor for Asset Management prior to investment of Fund monies in such liquid investment fund. No requirement exists that such funds conform to the above restrictions on money market instruments.
- Corporate bonds and preferred stocks must be rated a minimum of Baa3 by Moody's Investors Service, Inc. or BBB- by Standard & Poor's Corporation, respectively, when purchased. Bonds rated below A3 and A- shall not constitute an excessive portion of the total bond portfolio. Unrated bonds or preferred stocks may be

purchased prior to review by the Land and Investment Committee if, in the opinion of the System's investment staff, they are at least equal in quality to publicly offered securities eligible for purchase. The cost of unrated bonds and preferred stocks which have not been reviewed by the Land and Investment Committee may not exceed 1% of the book value of the Fund.

- Less than five percent of the voting securities of a corporation may be owned.
- No securities may be purchased or held which would jeopardize the Fund's tax exempt status.
- No securities may be purchased on margin or leverage.
- No transactions in short sales will be made.
- Transactions in financial futures and options (other than those received as part of an investment unit) may only occur as part of a hedging program authorized by the Land and Investment Committee.
- Unaffiliated investment managers transacting solely within their assigned assets:
 - shall hold no more than 25% of their managed portfolio in any one industry at cost unless the manager was retained to concentrate in an industry or industries.
 - shall hold no more than 10% of their managed portfolio in the securities of one corporation at cost.
 - shall not hold investment in real estate, partnerships, and other such illiquid assets unless retained to manage this type of asset and shall hold no more than 10% of their managed portfolio at cost in any other asset category different than the type they were retained to manage. Short-term liquid investments are excluded from this limitation. Convertible securities are considered to be equity equivalents for purposes of this restriction.
 - shall hold no securities traded only in foreign markets unless they were retained to manage an international portfolio.

MEDICAL LIABILITY SELF-INSURANCE FUND
INVESTMENT POLICY STATEMENT

INVESTMENT GUIDELINES

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

Investment restrictions include the following:

- All investments must be U. S. dollar denominated unless held by an investment manager retained to manage an international portfolio.
- No investments may be made in securities of the South African government, its government agencies, or firms headquartered in South Africa.
- Commercial paper must be rated in the two highest quality classes by Moody's Investors Service, Inc. (P1 or P2), or Standard & Poor's Corporation (A1 or A2).
- Negotiable certificates of deposit must be with a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Bankers' Acceptances must be guaranteed by an accepting bank with a minimum certificate of deposit rating of 1 by Duff & Phelps.
- Repurchase Agreements and Reverse Repurchase Agreements must be with a domestic dealer selected by the Federal Reserve as a primary dealer in U. S. Treasury securities; or a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Investment policies of any unaffiliated liquid investment fund must be reviewed and approved by the Executive Vice Chancellor for Asset Management prior to investment of Fund monies in such liquid investment fund. No requirement exists that such funds conform to the above restrictions on money market instruments.
- Corporate bonds and preferred stocks must be rated a minimum of Baa3 by Moody's Investors Service, Inc., or BBB- by Standard & Poor's Corporation, respectively, when purchased. Bonds rated below A3 and A- shall not constitute an excessive portion of the total bond portfolio. Unrated bonds or preferred stocks may be purchased prior to review by the Land and Investment Committee if, in the opinion of the System's investment staff, they are at least equal in quality to publicly offered securities eligible for purchase.

The cost of unrated bonds and preferred stocks which have not been reviewed by the Land and Investment Committee may not exceed 1% of the book value of the Fund.

- Less than five percent of the voting securities of a corporation may be owned.
- No securities may be purchased or held which would jeopardize the Fund's tax exempt status.
- No securities may be purchased on margin or leverage.
- No transactions in short sales will be made.
- Transactions in financial futures and options (other than those received as part of an investment unit) may only occur as part of a hedging program authorized by the Land and Investment Committee.
- Unaffiliated investment managers transacting solely with their assigned assets:
 - shall hold no more than 25% of their managed portfolio in any one industry at cost unless the manager was retained to concentrate in an industry or industries.
 - shall hold no more than 10% of their managed portfolio in the securities of one corporation at cost.
 - shall not hold investment in real estate, partnerships, and other such illiquid assets unless retained to manage this type of asset and shall hold no more than 10% of their managed portfolio at cost in any other asset category different than the type they were retained to manage. Short-term liquid investments are excluded from this limitation. Convertible securities are considered to be equity equivalents for purposes of this restriction.
 - shall hold no securities traded only in foreign markets unless they were retained to manage an international portfolio.

RECONVENE.--At 3:25 p.m., the Board reconvened as a committee of the whole to consider those items remaining on the agenda.

ITEM FOR THE RECORD

U. T. Austin - C. B. Smith, Sr. Centennial Chairs in United States - Mexico Relations: Report on Foreclosure of 19.9357 Acres of Land Out of the Santiago del Valle Grant, Austin, Travis County, Texas.--At the August 1984 meeting, the U. T. Board of Regents approved the sale of 19.9357 acres of land out of the Santiago del Valle Grant, Austin, Travis County, Texas, to Nash Phillips/Copus, Inc. (NPC), Austin, Texas, for \$2.75 per square foot with a total purchase price of \$2,388,097.25 for the benefit of the C. B. Smith, Sr. Centennial Chairs in United States - Mexico Relations at The University of Texas at Austin.

The Office of Asset Management reported that on October 4, 1988, The University of Texas System foreclosed on that property which had been tied up in legal proceedings since 1986 when NPC filed for bankruptcy. At the time of the foreclosure, \$2,367,051.14 was owed on the note. The property has been deeded back to the U. T. System so that ownership is represented by the land rather than a note. The land will be held for future sale at an appropriate time.

Relevant records are on file in the Office of the Board of Regents.

EXECUTIVE SESSION OF THE BOARD OF REGENTS

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

1. U. T. Southwestern Medical Center - Dallas: Proposed Settlement of Medical Liability Litigation - Constance Walters, et al (Withdrawn).--Chairman Blanton reported that the item related to the proposed settlement of medical liability litigation involving Constance Walters, et al, and The University of Texas Southwestern Medical Center at Dallas was withdrawn from consideration at this time.

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

The motion was duly seconded and carried without objection.
3. U. T. M.D. Anderson Cancer Center: Settlement of Medical Liability Litigation - James K. Hamel, et al.--Upon motion of Regent Yzaguirre, duly seconded, the Board authorized the Chancellor and the Office of General Counsel to settle on behalf of The University of Texas M.D. Anderson Cancer Center the medical liability lawsuit filed by James K. Hamel, et al, in accordance with the proposal presented in Executive Session.
4. U. T. Austin: Rejection of Real Estate Contract with Mr. Harry Montandon, Austin, Texas, Covering Land Located at 2600 North Interstate Highway 35, Austin, Travis County, Texas.--Regent Barshop moved that the proposed real estate contract between Mr. Harry Montandon, Austin, Texas, and the Board of Regents of The University of Texas System, for and on behalf of The University of Texas at Austin, covering 4,043 square feet located at 2600 North Interstate Highway 35, Austin, Travis County, Texas, be rejected.

Regent Hay seconded the motion which carried by unanimous vote.
5. U. T. Austin - Archer M. Huntington Fund: Authorization to Continue and Conclude Negotiations with U.S.A. Offshore Industries, Texas City, Texas, Related to Sale of Approximately 1523 Acres in Galveston County, Texas, and Authorization for Executive Vice Chancellor for Asset Management to Execute Documents Related Thereto.--Upon motion of Regent Barshop, duly seconded, the System Administration staff on behalf of the Archer M. Huntington Fund at The University of Texas at Austin was authorized to continue and conclude negotiations with U.S.A. Offshore Industries, Texas City, Texas, concerning the value and terms of the sale on approximately 1523 acres in Galveston County, Texas, within the parameters discussed in Executive Session and the Executive Vice Chancellor for Asset Management was authorized to execute the necessary documents after approval of such documents by the Office of General Counsel.
6. U. T. Health Science Center - Houston: Consideration of the Possible Election and Employment of a Chief Administrative Officer (President) (Withdrawn).--Chairman Blanton noted that this item was developed after the Material Supporting the Agenda was distributed but was included in the posting with the Secretary of State. He reported that, since negotiations with regard to a new Chief Administrative Officer (President) for The University of Texas Health Science Center at Houston were still in process, no Board action was appropriate at this time.

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

Regent Yzaguirre, a member of the Board for Lease of University Lands, submitted the following report on behalf of that Board:

Report

The Board for Lease of University Lands met on November 16, 1988, in Midland, Texas, and offered for sale by sealed bid oil and gas leases on 74,887 acres.

Total bonuses for the sale were \$2,554,000 for 74 of the 250 tracts offered. The average bid was \$117 per acre for the 21,698 acres approved for lease, and 53,187 acres received no bids. All tracts offered provide for 1/4th royalty and five-year terms.

The highest bonus per tract was purchased by Union Oil of California for \$108,000.00. This 315-acre tract in Andrews County brought \$342 per acre.

Following the foregoing report, Executive Vice Chancellor for Asset Management Patrick read and presented the following Certificate of Appreciation to Regent Yzaguirre in recognition of his dedicated and distinguished service to the Board for Lease of University Lands:

CERTIFICATE OF APPRECIATION

Presented to

MARIO YZAGUIRRE

with deep affection and gratitude
for outstanding dedication and service

as a member of the

Board for Lease of University Lands

1983 - 1989

(signed by members of the Board for Lease)

Regent Yzaguirre graciously accepted this accolade and expressed appreciation for the opportunity to serve on this Board.

REPORT OF SPECIAL COMMITTEES

1. U. T. Board of Regents - Special Committee on Merger with Pan American University: Adoption of Resolution and Statement of Intent Related to the Possible Merger with Pan American University.--Chairman Blanton reported that the Special Committee on the Merger with Pan American University (composed of Chairman Blanton and Regents Ratliff, Barshop and Yzaguirre) had met twice with the representatives of Pan American University to review and discuss the recommendations developed by the joint planning groups. He noted that documents detailing the current status of these negotiations were before the Board on yellow paper and then called on Chancellor Mark to outline these negotiations.

Following Chancellor Mark's report, the Board, upon motion of Regent Yzaguirre, seconded by Regent Hay, adopted the Resolution and Statement of Intent including exhibits as set forth on Pages 110 - 131 concerning the merger of Pan American University with The University of Texas System.

Chairman Blanton reported that the Board of Regents of Pan American University had approved this Resolution and Statement of Intent at its meeting on December 6, 1988, and acknowledged the presence of Mr. Nat Lopez, Chairman of that Board, and Representative Alex Moreno of Edinburg, Texas.

Mr. Lopez noted that this was a most historic time for higher education as well as the State of Texas and pledged his best efforts in presenting the proposed merger to the next session of the Legislature.

Chairman Blanton pointed out that these academic plans will bring a wide range of educational opportunity to the Rio Grande Valley and on behalf of the Board, expressed hope that the Legislature will authorize the merger and provide the resources to implement these new academic programs.

RESOLUTION AND STATEMENT OF INTENT

WHEREAS, Pan American University, Edinburg and Brownsville, ("the University") is governed, operated, managed, and controlled by the Board of Regents of Pan American University ("the University Board"); and

WHEREAS, The University of Texas System ("the System") and its component institutions are governed, operated, supported, and maintained by the Board of Regents of The University of Texas System ("the System Board"); and

WHEREAS, the Joint Legislative Committee on Higher Education in Texas has requested that the University Board and the System Board investigate the feasibility of merging the University with the System; and

WHEREAS, the respective Boards have studied the feasibility of merger by exchanging and analyzing relevant information and engaging in frank and informative discussions; and

WHEREAS, the System Board is impressed with the rich and unique historical, cultural, and academic roles played by the University; and

WHEREAS, the System Board believes that the University center at Brownsville is developing a significant presence and important role in higher education in the region that should be nurtured and eventually expanded; and

WHEREAS, the System Board concludes that merger of the University with the System is eminently feasible and will enhance the state, national, and international roles played by the System and further benefit the quality of higher education throughout the state; and

WHEREAS, the University Board acknowledges the reputation and achievements of the System and the role it has played in the development of higher education in this state; and

WHEREAS, the University Board believes that the goals and policies of the System and the System Board are compatible with those of the University and the University Board; and

WHEREAS, the University Board concludes that the merger is eminently feasible and that the advantages of merger are numerous and substantial, and include strengthening the academic and research programs and improving the administrative apparatus and efficiency of the University; now, therefore, be it

RESOLVED, that the University Board and the System Board jointly endorse the concept of merger of the University with the System and encourage its further consideration by the Joint Legislative Committee on Higher Education in Texas and the Seventy-First Regular Session of the Texas Legislature; and, be it further

RESOLVED, the University Board and the System Board enter into the following statement of intent concerning the exchange of information, degree of cooperation, and plan of transfer necessary to effectuate a merger:

In the event the legislature further pursues merger, the University Board and the System Board mutually agree to:

1. Exchange any information necessary to merge efficiently the University with the System, including but not limited to information relating to funds, bank accounts, lawsuits, real

property, personal property, trust agreements, contracts, bonds, inter-agency agreements, personnel, programs, courses, students, or handbooks, and to include the performance of an audit of all funds and accounts owned by the University;

2. Ensure that the administration and staffs of the University and the System cooperate fully in providing the mutual assistance and information necessary and appropriate to achieve the objectives of the respective boards concerning the merger; and,

3. Support legislation needed to achieve merger of the University with the System.

In the event merger of the University with the System is adopted by the legislature:

1. The University Board and System Board agree to perform any acts necessary to achieve and further legislative intent concerning merger, including but not limited to transfer of property, accounts, personnel, and governance and acceptance of property, accounts, personnel, and governance;

2. The System Board agrees to make fully available to the University the complete array of administrative and support services provided by the System, including but not limited to all functions performed by the Offices of Academic Affairs, Health Affairs, Business Affairs, General Counsel, and Government Relations, all of which are more fully described in Exhibit A attached hereto and incorporated herein, and agrees to govern the University in a manner consistent with laws of this state and rules and regulations of the System Board;

3. The System Board endorses the role and scope table of programs of the Higher Education Coordinating Board for the University and the Brownsville center, and agrees to support and assist the specific line item appropriations requests and related program development plans (attached as Exhibit B and incorporated herein) of the University and the center;

4. The System Board agrees to maintain and support the evolution and development of the Brownsville center into a free-standing institution, and to seek free-standing status at such time as is justified; and,

5. The System Board believes that the constitutional funds for higher education should be protected and perpetuated, but agrees to support inclusion of the University in the Permanent University Fund at such time as it is advantageous to the University and the System.

RESOLVED, that copies of this Resolution and Statement of Intent be presented to the Governor, Lieutenant Governor, Speaker of the House of Representatives, members of the Joint Legislative Committee on Higher Education in Texas, members of the Seventy-First Regular Session of the Texas Legislature, and other persons interested in the evolution and improvement of higher education in Texas.

Executed this the _____ day of _____, 1988 in _____, _____, County, Texas.

ATTEST:

PAN AMERICAN UNIVERSITY
BOARD OF REGENTS

By _____

APPROVED AS TO CONTENT:

APPROVED AS TO FORM:

President

Office of General Counsel

Executed this the _____ day of _____, 1988 in _____, _____, County, Texas.

ATTEST:

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By _____

APPROVED AS TO CONTENT:

APPROVED AS TO FORM:

Chancellor

Office of General Counsel

Exhibit A

CENTRALIZED ADMINISTRATIVE SERVICES AVAILABLE TO
COMPONENTS OF THE UNIVERSITY OF TEXAS SYSTEM

1. Academic Affairs - Presidents of the U. T. general academic institutions report to the Executive Vice Chancellor for Academic Affairs. Collaborative development of position statements on issues affecting general academic institutions and development of U. T. policies takes place through the Council of Academic Institutions, an official body consisting of all of the presidents of the U. T. general academic institutions and chaired by the Executive Vice Chancellor for Academic Affairs. The U. T. System Administration, through the Office of Academic Affairs, coordinates a strategic academic planning process for all institutions. These institutional plans provide the foundation for interaction with the U. T. Board of Regents and the Texas Higher Education Coordinating Board for new degree program approvals, construction project funding and approvals, and other similar matters.

2. Business Affairs - System Administration assists in setting policies for business affairs and provides for coordinated preparation and approval of operating and capital budgets. Other business services include indirect cost negotiations, grants and contract review, and provision of property and liability insurance.

3. Investments and Lands Management - The System's Asset Management Office oversees the investments of the endowments of the University as well as the management of the Permanent University Fund lands and other real estate properties of the System. As well, this office monitors the debt structure of the System to minimize debt service requirements and enhance bonding capacity.
4. Legal Matters - The System's Office of General Counsel provides legal services for the System including such matters as medical malpractice, construction, assistance with business contracts, accounts receivable management, and provision of counsel in matters involving litigation.
5. Governmental Relations - The System Administration monitors events of interest and provides direct representation for the University on the national, state and local governmental levels.
6. Audits and Financial Reporting - The System Administration, through the Office of the Comptroller, coordinates the internal audit function of the System and the annual financial reporting process.
7. Construction Management - The Office of Facilities Planning and Construction manages construction projects greater than \$300,000 as well as managing preliminary

design studies. It also works with architects in preparing final designs and provides general assistance to the component institutions.

8. Personnel Coordination - The System Administration oversees the design of staff benefit packages, the maintenance of a uniform classification plan, manages the System's group health insurance contract, and administers self-insurance programs for workers' compensation and unemployment compensation.
9. Police Training and Coordination - System Administration coordinates the University Police function including the provision of recruitment and training services.
10. Telecommunications and Computer Development - The System Administration coordinates the planning for and development of telecommunications and computer services. Such services include the provision of convenient access to the Cray supercomputer for academic users at the campus level and the provision of electronic library catalog access to the U. T. Austin libraries.
11. Development and Fund Raising - The System Administration provides direct assistance to component institutions in their development activities.

Exhibit B

PAN AMERICAN UNIVERSITY
(EDINBURG)

Pan American University is a four-year state supported institution. It is located in Edinburg, Texas. Founded in 1927 as a two-year junior college, it became a four-year institution in 1951 and was elevated to university status in 1971. Pan American University is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools. An overwhelming majority of its students are from the Lower Rio Grande Valley area.

For discussion purposes, new program proposals are presented in two categories. Phase I programs are those cooperative proposals of various University of Texas components and Pan American University for which appropriation requests have already been developed and submitted to the Legislature and Governor for funding in the upcoming biennium. Phase II programs are those new programs which Pan American University would hope to develop and implement over the next six years.

PHASE I PROGRAMS

The Phase I cooperative proposals have been developed. Joint requests for legislative funding have been agreed upon and submitted to the appropriate budget agencies. Development of operating agreements between the several parties and the execution of other approvals or certifications that may be required are in varying states of completion. Progress along these fronts is summarized below, in the order in which the programs are listed on Table 1:

...Lower Rio Grande Cooperative MSW Program (U.T. Arlington and Pan American University): A draft letter of agreement to cooperatively offer a Master of Science in Social Work program has been submitted to the presidents of both institutions, but remains to be signed. An application for accreditation of the program by the Council of Social Work Education is being developed. The Commission on Accreditation of the Council on Social Work Education will meet to consider same in Spring, 1989. Coordinating Board approval is required.

...Texas Centers for Border Economic and Enterprise Development (U.T. El Paso, Laredo State University and Pan American University): A letter of agreement to cooperatively administer the centers is being developed.

...Cooperative Undergraduate Engineering Programs (U.T. San Antonio and Pan American University): No written agreements of formal approvals have been obtained.

.....S. Nursing Program (Cooperative Nursing Education program, U.T. Health Science Center at Houston and Pan American University): A letter of agreement to

cooperatively offer a Master of Science in Nursing program while developing Pan American University's capacity to independently offer such a program, has been developed. Approval by the institutional Presidents is anticipated this month. Coordinating Board approval is required. The present target date for that approval is January, 1989.

...Graduate Program in International Business (U.T. Austin and Pan American University): A draft written agreement has been prepared.

PHASE II PROGRAMS

Table 2 illustrates the Phase II programs Pan American University would strive to implement over the next six years. Recent increases in enrollment at Pan American University, over 30% in the last six years, and the likelihood of continued, vigorous growth of not only the University but the region as well dictate that the University expand its capacity to meet the educational needs of the area (see Table 3). The programs planned for implementation over the next three biennia are proper areas of expansion on the part of Pan American University. Upon addition of these programs, the range of programs at Pan American University would be similar to the range at U.T. El Paso and U.T. San Antonio, two components of a size that Pan American University is rapidly approaching. Table 4 provides a comparison of the graduate programs presently offered by these three universities, as well as the proposed expansion at Pan American University.

The following comments address the Program areas as they are ordered on Table 2 and discuss selected facets of the planning process necessary to implement these programs. To realize the goal of actually implementing many of these programs will require legislative support and appropriations.

ALLIED HEALTH

- | | |
|---|--|
| Nursing M.S.N. | - Program will be developed with assistance of U.T. Health Science Center at Houston. |
| Physical Therapy, B.P.T.
Occupational Therapy,
B.S. | - Because of the critical aspect of providing adequate clinical training opportunities, these programs will be developed on a cooperative basis with selected U.T. Schools of Allied Health. |
| Other | - Other programs in this field will be developed by staff of Pan American University. |

ENGINEERING

- All - Programs in this field would be developed, initially, on a cooperative basis with U.T. San Antonio.

BUSINESS

- International Business, D.B.A. - Program will be developed on a cooperative basis with U.T. Austin.
- Other - Other programs in this field will be developed internally, by staff of Pan American University.

EDUCATION

- Educational Leadership, Ph.D. - This program will be developed on a cooperative basis.
- Other - Other programs in this field will be developed internally, by staff of Pan American University.

ARTS & SCIENCES

- Social Work, M.S.W. - This program will be developed on a cooperative basis with The University of Texas at Arlington.
- Other - At this time, no need for assistance from U.T. components has been identified regarding other programs in this field.

TABLE 1
 UNIVERSITY OF TEXAS/PAN AMERICAN UNIVERSITY
 COOPERATIVE PROGRAM
 PHASE I PROGRAM

	<u>Requested Biennial Increase</u>
Lower Rio Grande Cooperative MSW Program (U.T. Arlington and Pan American University)	\$ 195,800
Texas Centers for Border Economic and Enterprise Development (U.T. El Paso, Laredo State University, and Pan American University)	3,985,436
Cooperative Undergraduate Engineering Programs (U.T. San Antonio and Pan American University)	1,825,700
Texas Pre-Engineering Program (U.T. San Antonio)	306,500
M.S. Nursing Program (U.T. Health Science Center at Houston and Pan American University)	1,782,344
Graduate Program in International Business (U.T. Austin and Pan American University)	<u>267,500</u>
TOTAL	<u>\$8,363,280</u>

TABLE 2
 PAN AMERICAN UNIVERSITY, PHASE II
 PROGRAM DEVELOPMENT PROPOSAL
 (October 3, 1988)

PROGRAM AREA	DEGREE LEVEL	DATE	
		BEGIN TO DEVELOP	BEGIN INSTRUCTION
ALLIED HEALTH			
Nursing (generic)	B.S.N.	Fall, 89	Fall, 91
Nursing	M.S.N.	Fall, 91	Fall, 93
Physical Therapy	B.P.T.	Fall, 90	Fall, 92
Health Care Administration	B.A.	Fall, 89	Fall, 91
Medical Records Administration	B.S.	Fall, 90	Fall, 92
Occupational Therapy	B.S.	Fall, 90	Fall, 92
ENGINEERING			
Mechanical	B.S.E.	Fall, 89	Fall, 94
Electrical	B.S.E.	Fall, 89	Fall, 94
Industrial	B.S.E.	Fall, 89	Fall, 94
BUSINESS			
International Business	B.B.A.	Fall, 89	Fall, 90
International Business	D.B.A.	Fall, 89	Fall, 91
Accounting	M.S.	Fall, 89	Fall, 94
EDUCATION			
Early Childhood/Kindergarten	M.Ed.	Fall, 89	Spring, 91
Gifted/Talented	M.Ed.	Fall, 88	Spring, 90
School Psychology	M.Ed.	Spring, 89	Fall, 90
Educational Leadership	Ph.D.	Fall, 89	Spring, 93

TABLE 2 CONT'D

ARTS & SCIENCES			
Anthropology	B.A.	Fall, 88	Fall, 91
Anthropology	M.A.	Fall, 91	Spring, 93
Aquaculture(B)	B.S.	Fall, 90	Spring, 92
Deaf Education	B.A.	Fall, 90	Fall, 92
French	B.A.	Fall, 88	Spring, 90
Mexican-American Studies	B.A.	Fall, 89	Fall, 91
Art	M.A.	Spring, 89	Fall, 91
Communication			
a. Speech Communication	M.A.	Fall, 88	Fall, 89
b. Theatre	M.A.	Fall, 88	Fall, 89
Public Administration	M.P.A.	Fall, 86	Fall, 89
Psychology (generic)	M.S.	Spring, 89	Fall, 91
Spanish	M.A.	Fall, 88	Spring, 90
Mathematics	M.A.	Fall, 88	Fall, 91
Social Work	M.S.W.	Fall, 88	Fall, 91
Sociology	M.A.	Fall, 89	Fall, 91

TABLE 3
COMPARISON OF ENROLLMENT,
PAN AMERICAN UNIVERSITY AND SELECTED U.T. COMPONENTS

	FALL HEADCOUNT ENROLLMENT					
	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
U.T. El Paso	15,268	15,322	14,110	13,753	14,056	14,999
Change from Prior Year	-	.4%	(7.9%)	(2.5%)	2.2%	6.7%
U.T. San Antonio	11,890	12,612	12,137	12,413	12,879	13,134
Change from Prior Year	-	6.1%	(3.8%)	2.3%	3.8%	2.0%
Pan American University (Edinburg)	8,594	8,921	8,329	8,903	9,632	11,253
Change from Prior Year	-	3.8%	(6.6%)	6.9%	8.2%	16.8%

TABLE 4
GRADUATE DEGREES OFFERED

	U. T. El Paso	U. T. San Antonio	Pan American University
<u>Administration</u>	Master Bus. Admin. -- M.S. Accounting M.A. Economics --	Master Bus. Admin. MBA Interamerican Bus Master/Prof. Accounting -- D.B.A. (International Bus. proposed)	Master Bus. Admin. -- M.S. Accounting, (proposed) --
<u>Education</u>	Master of Ed. Ed. Administration Secondary Suprv Elementary Suprv Ed. Psych & Guidance Ed. Diagnostician Guidance & Counseling Curriculum Specialist Reading Instruc. Spec. M.S. Hlth Phys Ed Ph.D. (co-op w/Austin) (proposed)	Master of Ed. -- -- -- -- -- -- -- -- -- -- -- Ph.D. (co-op w/Austin) (proposed)	D.B.A. International Bus. (proposed) Master of Ed. Ed. Administration Secondary Ed. Elementary Ed. Counseling & Guidance Ed. Diagnostician Elem./Bilingual Bicultural Phys. Ed. Reading Supervision -- Ph.D. (proposed) M.Ed. Gifted/Talented, (proposed) M.Ed. Early Childhood/ Kindergarten, (proposed) M.Ed. School Psych., (proposed)
<u>Engineering/ Computer Science/ Mathematics</u>	M.S. Engineering M.S. Civil Engr M.S. Computer Sci. M.S. Computer Engr. M.S. Elec Engr. M.S. Industrial Engr. M.S. Mech. Engr. M.S. Metallurgical Engr. M.S. Math MAT Math M.S. Statistics Ph.D. Engineering (proposed) --	-- -- M.S. Comp.Sci/Sys.Des. -- -- -- -- -- M.S. Math -- -- Ph.D. Engineering (proposed) Ph.D. Comp. Science (proposed)	-- -- -- -- -- -- -- M.A. Math, (proposed) -- -- -- --
<u>Social & Policy Sciences</u>	M.A. History M.A. Sociology M.S. Psychology Ph.D. Psychology (proposed) -- M.A. Political Sci. M.P.A. Public Admin. Master of Music Ed. Master of Music Perf. M.A. Theatre Arts M.A. Communication M.A. Spanish M.A. Linguistics M.A. Applied English Linguistics -- M.A. English	M.A. History M.A. Anthropology -- -- M.S.W. Soc. Wrk, co-op/Aus. -- M.P.A. Public Admin. Master of Fine Arts Master of Music -- M.A. Communication M.A. Spanish -- -- M.A. Bicultural- Bilingual Studies M.A. English	M.A. History M.A. Anthropology, (proposed) M.S. Psychology, (proposed) -- M.S.W. Social Work, (proposed) -- M.P.A. Public Admin. (proposed) M.A. Art (proposed) -- M.A. Communication, (proposed) M.A. Spanish, (proposed) -- -- M.A. English as a Second Language M.A. English
<u>Life Sciences</u>	M.S.W. Nursing -- M.S. Speech Path. & Audiology M.S. Bio. Sci. -- M.S. Chemistry --	-- -- -- M.S. Biology M.A. Biotechnology M.S. Chemistry Ph.D. Biology (proposed)	M.S.W. Nursing (proposed) M.A. Comm. Disorders -- M.S. Biology -- -- --
<u>Physical Sciences</u>	M.S. Geological Sciences M.S. Geophysics M.S. Physics -- DGSC Geol. Sci.	M.S. Geology -- -- M.S. Natural Resources --	-- -- -- --
<u>Interdisciplinary</u>	M.S. Interdisci- plinary Studies M.A. Interdisci- plinary Studies	-- --	M.S. Interdisciplinary Studies M.A. Interdisciplinary Studies

PAN AMERICAN UNIVERSITY
AT BROWNSVILLE

Pan American University at Brownsville is an upper-level component of Pan American University. It is located at the site of Texas Southmost College, a community college in Brownsville. Most of the entering students at PAU-Brownsville are products of Texas Southmost College. Both PAU-Brownsville and Texas Southmost College have grown considerably in the last six years. Headcount enrollment at PAU-Brownsville has grown by over 41% since 1983, while the gain at Texas Southmost College approximates 16% for the same period. Table 1 illustrates these trends and contrasts them with that for Pan American University (Edinburg).

PAU-Brownsville, with Coordinating Board approval, may offer any degree program already authorized for Pan American University (Edinburg). Therefore, while PAU-Brownsville has its own Table of Programs, it is a subset of Pan American University's. Table 2 illustrates those new programs for which PAU-Brownsville would hope to obtain Coordinating Board approval to implement over the next four years.

Two principle factors argue for support of these program additions. The first of these concerns the fact that the population of Cameron County has grown at a rapid rate - an increase in population estimated to exceed 60% for the period 1970 through 1986. Therefore while the enrollment at PAU-Brownsville is small at present, and perhaps marginal with respect to supporting some of the proposed new programs, it is reasonable to assume that in the not-too-distant-future the institution's continued growth should result in enrollments sufficient to warrant these programs.

A second consideration is the result of the passage (in 1987) of Senate Bill 994 which alters elementary and secondary teacher certification requirements beginning in September, 1991. New teacher certifications after that date will require degrees in majors other than education. Since a substantial amount of the instructional effort has been in the area of teacher preparation (almost 1/3 of the undergraduate semester credit hours generated in FY 1987), the institution must now accommodate this demand in other substantive areas. The biology, math, liberal arts, and kinesiology degree programs have been proposed with this need, particularly, in mind. To a lesser extent, the chemistry and physics proposals would serve this clientele as well.

Given these factors, the institution should expand its offerings as proposed in Proposal I. If the need subsequently cannot be established and students are not forthcoming in these areas, continued offering of these programs should be reevaluated.

PAU-Brownsville administrators feel confident that the demand for these new programs is sufficient to warrant implementation. The following comments address the programs as ordered on Table 2 and discuss selected facets of the planning process necessary to implement these programs. To realize the goal of actually implementing some of these programs, in the desired time frame, may require legislative support and appropriations.

ARTS AND SCIENCES

Art, B.A.	Program needs additional development; additional faculty needed to implement.
Biology, B.S.	Program development virtually complete; faculty on hand to initiate; additional faculty needed to fully implement quality program.
Chemistry, B.S.	Program needs additional development; additional faculty needed to implement.
Corrections, B.S.C.J.	Program development virtually complete; faculty on hand to initiate; additional faculty needed to fully implement quality program.
Computer Science/Computer Information Systems, B.S.	Program development virtually complete; faculty on hand to initiate; additional faculty needed to fully implement quality program.
Liberal Arts, B.D.	Program ready to implement; all faculty on hand.
Mathematics, B.S.	Program to be developed on Pan American University (Edinburg) model, no difficulty anticipated; faculty recruitment presently underway.
Psychology, B.S.	Development work has yet to begin; additional faculty needed to implement.

EDUCATION

Kinesiology, B.S. & M.S.	Program development complete; faculty on hand to implement.
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Table 3 presents those degree programs presently offered by PAU-Brownsville as well as those planned for implementation in the next four years (Proposal 1).

Table 4 presents those programs presently identified by PAU-Brownsville as candidates for future expansion. The need for and the capacity to develop these programs has yet to be demonstrated. No representation is made regarding these plans.

TABLE 1
FALL HEADCOUNT ENROLLMENT

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
PAN AMERICAN UNIVERSITY (EDINBURG)	8,594	8,921	8,329	8,903	9,632	11,253
CHANGE FROM PRIOR YEAR	-	3.8%	(6.6%)	6.9%	8.2%	16.8%
PAN AMERICAN UNIVERSITY AT BROWNSVILLE	1,079	1,207	1,244	1,183	1,240	1,527
CHANGE FROM PRIOR YEAR	-	11.9%	3.1%	(4.9%)	4.8%	23.1%
TEXAS SOUTHMOST COLLEGE	4,764	4,893	4,761	5,101	5,224	5,509
CHANGE FROM PRIOR YEAR	-	2.7%	(2.7%)	7.1%	2.4%	5.5%

TABLE 2

PAN AMERICAN UNIVERSITY AT BROWNSVILLE

OCTOBER, 1988

**PROGRAM DEVELOPMENT PROPOSAL I
(PROGRAM DEVELOPMENT INITIATION - 1988-1991)**

PROGRAM AREA	DEGREE LEVEL	DATE BEGIN TO DEVELOP	DATE BEGIN INSTRUCTION
<u>ARTS & SCIENCES</u>			
ART	B.A.	FALL 1990	FALL 1991
BIOLOGY	B.S.	FALL 1988	FALL 1989
CHEMISTRY	B.S.	FALL 1991	FALL 1992
CORRECTIONS	B.S.C.J.	FALL 1989	FALL 1990
COMPUTER SCIENCE/ COMP INFO SYSTEMS	B.S.	FALL 1989	FALL 1990
LIBERAL ARTS	B.S.	FALL 1989	FALL 1990
MATHEMATICS	B.S.	FALL 1989	FALL 1990
PSYCHOLOGY	B.S.	FALL 1992	FALL 1993
<u>EDUCATION</u>			
KINESIOLOGY	B.S.	FALL 1988	FALL 1989
KINESIOLOGY	M.S.	FALL 1991	FALL 1992

TABLE 3
PAN AMERICAN UNIVERSITY AT BROWNSVILLE
PROGRAMS OFFERED

<u>CURRENT</u>	<u>PROPOSED (PROPOSAL 1)</u>
Bachelor of Arts English History Political Science Sociology Spanish	Art
Bachelor of Science Elementary Education	Biology Chemistry Computer Science/Computer Information Systems Liberal Arts Mathematics Physics Kinesiology
Bachelor of Applied Arts & Sciences	
Bachelor of Business Administration Accounting Finance General Business Management Marketing	
Bachelor of Criminal Justice Police Administration	Corrections
Master of Arts in Interdisciplinary Studies	
Master of Science in Interdisciplinary Studies	Master of Science Kinesiology
Master of Business Administration	
Master of Education	

TABLE 4

PAN AMERICAN UNIVERSITY AT BROWNSVILLE

OCTOBER, 1988

**PROGRAM DEVELOPMENT PROPOSAL II
(PROGRAM DEVELOPMENT INITIATION - 1992-1997)**

PROGRAM AREA	DEGREE LEVEL	BEGIN TO DEVELOP	DATE BEGIN INSTRUCTION
<u>ARTS & SCIENCES</u>			
NURSING	B.S.	1994	1995
PUBLIC ADMINISTRATION	B.S.	1993	1994
PHYSICS	B.S.	1992	1993
MATHEMATICS	M.S.	1993	1994
ENGLISH	M.A.	1993	1994
HISTORY	M.A.	1994	1995
POLITICAL SCIENCE	M.A.	1996	1997
SOCIOLOGY	M.A.	1997	1998
SPANISH	M.A.	1993	1994

2. U. T. Board of Regents - Report of Santa Rita Award Committee: Authorization to Present 1988 Santa Rita Award to an Individual Whose Identity Will be Announced Later.--Regent Hay presented the following report of the Santa Rita Award Committee (composed of Regents Baldwin, Blanton, Hay and Yzaguirre):

Report

On behalf of the Santa Rita Award Committee may I report that a 1988 honoree has been agreed to by the Board. I hope you will understand that, until he or she has been contacted and agreed to be the recipient of the highest honor that we as a Board may bestow, it would be inappropriate to release the name. A press announcement will be made at an early date.

May I also express the wish of this Committee that the Committee which will consider the Santa Rita Award in 1991 give serious thought to making that award to The Sealy & Smith Foundation with special reference to Mr. Ballinger Mills and Mr. Preston Shirley, two long-time directors of that Foundation. The U. T. Medical Branch - Galveston will celebrate its centennial in 1991 and it would be a very appropriate time to recognize, in this special way, the magnificent contributions of the Foundation to the growth and development of the U. T. Medical Branch - Galveston.

Regent Hay moved that Chairman Blanton communicate this decision to the honoree and subject to the honoree's acceptance, the Board proceed as planned. Regent Barshop seconded the motion which carried by unanimous vote.

Secretary's Note: On December 19, 1988, it was publicly announced that the 1988 Santa Rita Award recipient was Mr. Larry E. Temple of Austin, Texas.

OTHER MATTERS

U. T. System: Report by Chancellor Mark on Super Conductor Super Collider.--Chairman Blanton called on Chancellor Mark to present an informational report on the University's role in the acquisition of the Super Conductor Super Collider.

Chancellor Mark reported that the Super Conductor Super Collider, which will be located in Waxahachie, Ellis County, Texas, is a sophisticated particle accelerator which provides charged particles -- usually protons and electrons -- with high kinetic energies by accelerating particles in an electronic field. He noted that the cost of the Super Collider will be approximately \$4.4 billion and it will take ten years to complete construction.

Dr. Mark commended the following who were instrumental in the development of the Texas proposal for the Super Conductor Super Collider: Dr. Peter T. Flawn, President-Emeritus of The University of Texas at Austin; Dr. William Fisher, Professor Ed Bingler, Professor Priscilla Nelson and Professor Steven Weinberg of The University of Texas at Austin; and Professor Wendell Chen of The University of Texas at Arlington. Due to the close proximity to the Super Collider site, The University of Texas at Arlington, The University of Texas at Dallas and The University of Texas at Austin will be very active in physics and engineering research activities at the Super Collider.

In closing, Dr. Mark reemphasized that the construction of the Super Collider would enhance The University of Texas System's ability to provide the very best education and would assist the State to sustain its economic prosperity.

U. T. Board of Regents: Memorial Resolution to Mrs. Jean Mills.--Regent Hay presented the following memorial resolution in honor of Mrs. Jean Mills:

MEMORIAL RESOLUTION

WHEREAS, The Board of Regents of The University of Texas System records with profound sorrow the death of Mrs. Jean Mills on December 6, 1988;

WHEREAS, With her death both the Galveston community and The University of Texas Medical Branch at Galveston have lost a sincere friend and dedicated supporter; and

WHEREAS, Mrs. Mills, as the devoted wife of Ballinger Mills, President of The Sealy & Smith Foundation, joined with him in innumerable projects of great value to the U. T. Medical Branch - Galveston; now, therefore, be it

RESOLVED, That the Board of Regents of The University of Texas System meeting in Austin this 8th day of December, 1988, does pay tribute to the memory of this outstanding citizen and does recognize her many contributions; and, be it further

RESOLVED, That the Board of Regents does express its most sincere sympathy and condolences to Ballinger Mills and the members of the family. We share with them a deep sense of loss.

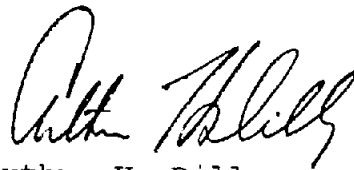
Upon motion of Regent Hay, seconded by Vice-Chairman Roden, the foregoing resolution was unanimously adopted.

SCHEDULED MEETINGS.--Chairman Blanton announced that the next meeting of the U. T. Board of Regents would be held on February 9, 1989, in Austin, Texas.

To avoid a conflict with a meeting of the Texas Higher Education Coordinating Board, it was ordered that the April 1989 meeting be rescheduled for April 6, 1989. The meetings of the U. T. Board of Regents for the calendar year 1989 are scheduled as set forth below:

<u>Dates</u>	<u>Locations/Hosts</u>
February 9, 1989	Austin (no host)
April 6, 1989	U. T. El Paso
June 8, 1989	To Be Determined
August 10, 1989	Austin (no host)
October 13, 1989	U. T. Dallas
December 7, 1989	U. T. Health Science Center - San Antonio

ADJOURNMENT.--There being no further business, the meeting was adjourned at 3:55 p.m.



Arthur H. Dilly
Executive Secretary

December 19, 1988