



TABLE OF CONTENTS FOR FINANCE AND PLANNING COMMITTEE

Committee Meeting: 11/4/2004

Austin, Texas

Board Meeting: 11/5/2004

Austin, Texas

Woody L. Hunt, Chairman

John W. Barnhill, Jr.

H. Scott Caven, Jr.

Cyndi Taylor Krier

Robert B. Rowling

	Committee Meeting	Board Meeting	Page
Convene	5:30 p.m. <i>Chairman Hunt</i>		
1. U. T. System: Approval of <u>Docket No. 119</u>	Not on Agenda	Action	16
2. U. T. System: Report of the Energy Utility Task Force for Fiscal Year 2004	5:30 p.m. Report <i>Mr. Aldridge</i>	Not on Agenda	16
3. U. T. System: Permanent University Fund quarterly update	5:35 p.m. Report <i>Mr. Aldridge</i>	Not on Agenda	17
4. U. T. Board of Regents: Report on Investments for quarter ended August 31, 2004, and Performance Report by Ennis Knupp + Associates	5:45 p.m. Report <i>Mr. Boldt</i> <i>Mr. Voss</i> <i>Mr. Sebastian</i>	Report	18
5. U. T. Board of Regents: Approval to amend The University of Texas Investment Management Company (UTIMCO) Liquidity Policy	5:55 p.m. Action <i>Chairman Hunt</i> <i>Mr. Boldt</i>	Action	19
Adjourn	6:00 p.m.		

1. **U. T. System: Approval of Docket No. 119**

RECOMMENDATION

It is recommended that Docket No. 119, printed on green paper at the back of the Agenda Book beginning on Page Docket - 1, be approved.

It is also recommended that the Board confirm that authority to execute contracts, documents, or instruments approved therein has been delegated to appropriate officials of the respective institution involved.

2. **U. T. System: Report of the Energy Utility Task Force for Fiscal Year 2004**

REPORT

Mr. Philip R. Aldridge, Associate Vice Chancellor for Finance, will provide the annual report on the progress of the Energy Utility Task Force for Fiscal Year 2004 using materials attached on Pages 16.1 - 16.5. The Energy Utility Task Force was created in February 2001 to evaluate and recommend strategies for U. T. System institutions to reduce energy consumption, better manage commodity price risk, and leverage its purchasing power to reduce energy costs.

Initial recommendations and energy consumption reduction goals were presented to the Board in November 2001. A 2-4% reduction in System-wide energy use per square foot was targeted for Fiscal Year 2003 and was achieved. A 5-10% reduction in energy usage is targeted for Fiscal Year 2006. The estimated reduction in energy usage through Fiscal Year 2004 is 5.4%. An annual update is presented to the Finance and Planning Committee of the Board each year.

Energy Utility Task Force (EUTF)

- The EUTF was created in February 2001 to evaluate and recommend strategies for U. T. System institutions to:
 1. Reduce energy consumption
 2. Better manage commodity price risk
 3. Leverage System-wide purchasing power

- In order to facilitate the achievement of these goals, a series of recommendations and energy consumption reduction goals were presented to the Board of Regents in November 2001.

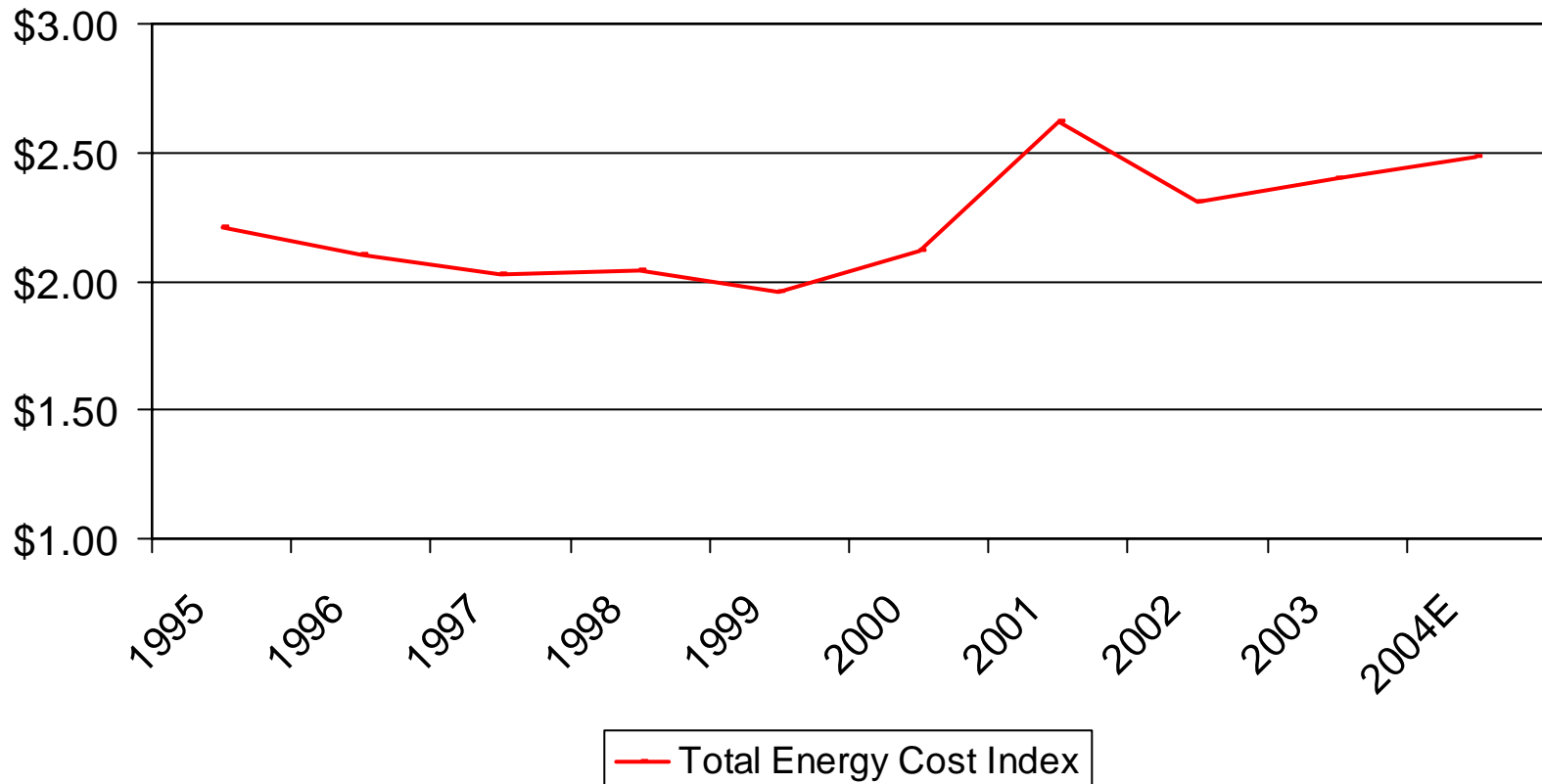
- Energy Management Plans were completed by each institution in FY 2002. These serve as the “road map” for accomplishing the objectives of the EUTF.

FY 2004 Major Accomplishments

- A 5.0% - 10.0% reduction in System-wide energy use per square foot was targeted by the EUTF by FY 2006. The current FY 2004 estimate shows a 5.4% reduction from baseline levels.
- Several dozen discrete energy conservation projects were completed. These projects range in size from a few thousand dollars to \$25 million.
- U. T. Southwestern Medical Center - Dallas, U. T. Arlington, U. T. Dallas, U. T. Permian Basin, U. T. Tyler and U. T. Health Center - Tyler signed a three-year contract with Constellation NewEnergy, Inc. to provide a discounted rate for electricity. The contract resulted in estimated savings in the first year of \$3.5 million.
- U. T. Austin extended a natural gas contract with the General Land Office that provides a low fixed price for most of its natural gas usage in FY 2005.

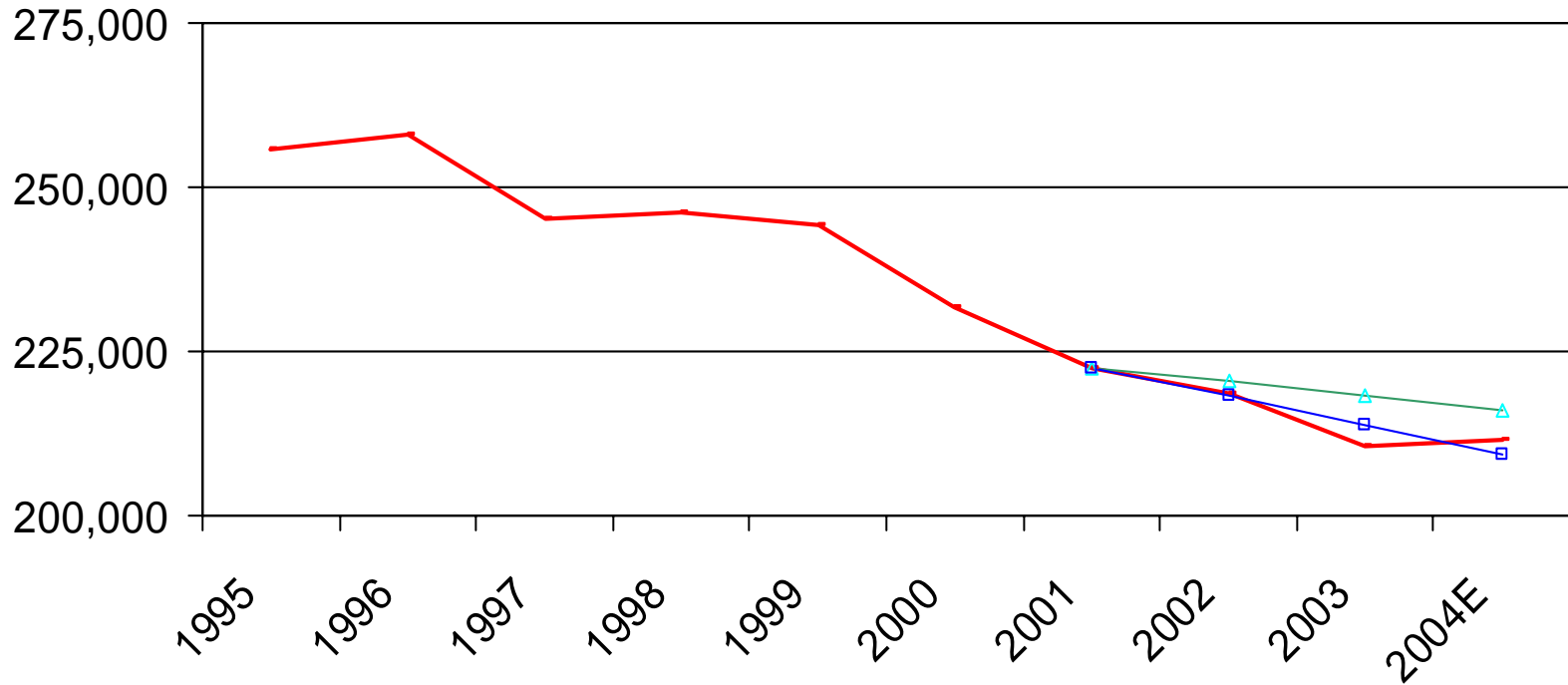
Updated Energy Cost Index (ECI)

(\$ / ft² /year)



Updated Energy Utilization Index (EUI)

(Btu / ft² /year)



- Stretch Goal of 10% Decline by FY 2006
- △— Threshold Goal of 5% Decline by FY 2006
- Total Energy Utilization Index

Updated Energy Consumption and Costs

Fiscal Year	Electricity Usage (Kwh)	Natural Gas Usage (Mcf)	Electricity Cost (\$/Kwh)	Natural Gas Cost (\$/Mcf)	Total Electricity Cost	Total Natural Gas Cost	Other Energy (MMBtu)	Other Energy Cost	Total Energy Cost	Gross Square Footage	Total Energy Utilization Index (Btu/ft2/yr.)
1993	758,530,624	5,853,351	\$0.051	\$2.51	\$38,935,177	\$14,694,160	13,089	\$20,417,665	\$99,749,453	43,375,329	258,909
1994	769,038,496	6,206,141	\$0.053	\$2.49	\$40,904,405	\$15,460,025	337	\$22,402,366	\$104,788,726	43,557,612	265,283
1995	808,741,916	6,042,415	\$0.049	\$1.93	\$39,375,137	\$11,668,437	40,677	\$24,128,388	\$97,624,796	44,255,704	256,234
1996	827,474,008	6,339,050	\$0.043	\$2.38	\$35,713,888	\$15,056,131	52,915	\$22,256,631	\$95,411,303	45,326,560	258,282
1997	929,746,528	6,773,047	\$0.045	\$2.74	\$41,591,080	\$18,539,034	27,059	\$24,583,570	\$97,767,351	48,182,721	244,161
1998	1,003,307,037	7,146,175	\$0.045	\$2.72	\$45,026,159	\$19,451,796	49,426	\$26,131,767	\$101,093,039	49,657,076	245,876
1999	1,006,136,057	6,972,357	\$0.044	\$2.48	\$44,763,535	\$17,305,073	28,863	\$25,298,997	\$99,614,128	50,881,399	243,204
2000	1,059,087,750	7,057,246	\$0.046	\$3.40	\$48,672,004	\$24,017,260	7,804	\$27,862,519	\$114,201,844	53,881,962	234,887
2001	1,054,912,766	7,173,448	\$0.057	\$5.95	\$60,042,574	\$42,701,958	13,640	\$28,682,667	\$149,021,376	56,944,770	223,851
2002	1,084,142,327	7,161,616	\$0.056	\$3.82	\$61,164,480	\$27,316,386	9,853	\$31,269,056	\$136,272,824	58,815,769	218,459
2003	1,111,095,048	6,865,339	\$0.056	\$5.02	\$62,231,156	\$34,414,715	13,551	\$30,863,465	\$144,883,219	60,303,662	210,507
2004E	1,176,072,787	7,426,526	\$0.057	\$5.06	\$67,222,035	\$37,568,335	12,200	\$33,963,643	\$158,001,586	63,712,858	211,539

16.5

3. U. T. System: Permanent University Fund quarterly update

Mr. Philip R. Aldridge, Associate Vice Chancellor for Finance, will update the Committee on changes in the forecasted distributions from the Permanent University Fund (PUF) to the Available University Fund (AUF) and the resulting impacts on remaining PUF debt capacity, U. T. Austin Excellence Funds, and the AUF balance.

REPORT

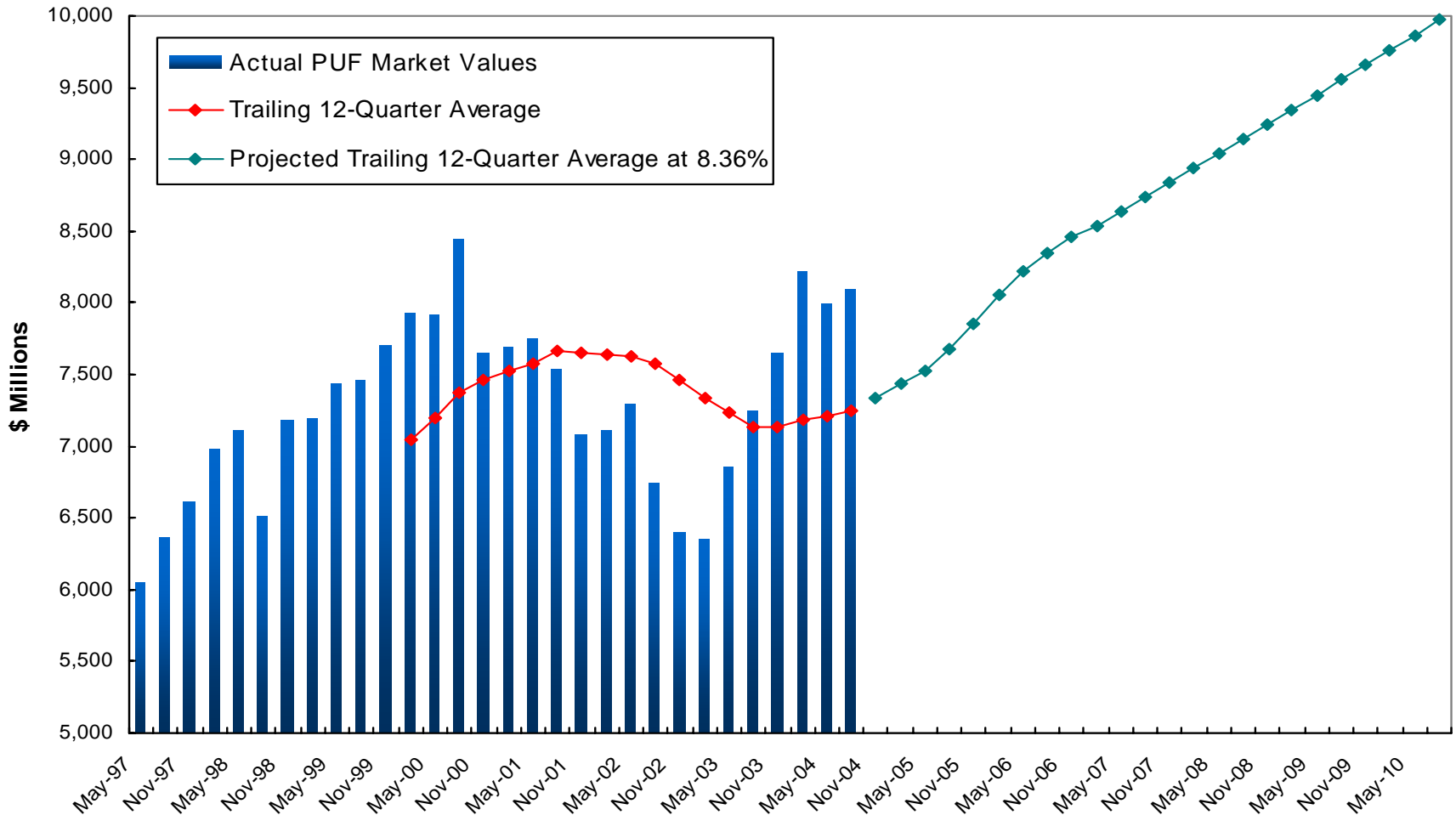
A summary of the assumptions used in calculating the PUF debt capacity is provided on Page 17.1. As of August 31, 2004, the market value of the PUF was \$8.1 billion compared to \$8.0 billion as of May 31, 2004 (Figure A on Page 17.2). During Fiscal Year 2005, \$341.2 million will be distributed to the AUF, compared to \$348 million in Fiscal Year 2004 (Figure B on Page 17.3). PUF distributions to the AUF are projected to steadily increase beginning in Fiscal Year 2006 and are not projected to be capped due to constitutional purchasing power restrictions.

Assuming a 8.36% investment return (Figure C on Page 17.4), there is an estimated \$308 million of additional debt capacity through Fiscal Year 2010 beyond the PUF projects currently approved if the updated PUF distribution forecast and the new debt structure as a result of the PUF Bonds, Series 2004A&B transaction and the \$60 million cash defeasance transaction completed in August are incorporated. This PUF debt capacity incorporates the impact of the \$100 million Library, Equipment, Repair and Rehabilitation (LERR) appropriation for Fiscal Year 2005. PUF debt capacity is affected by various factors, some of which are determined by the Board while others are dependent on future market conditions (Figure D on Page 17.5).

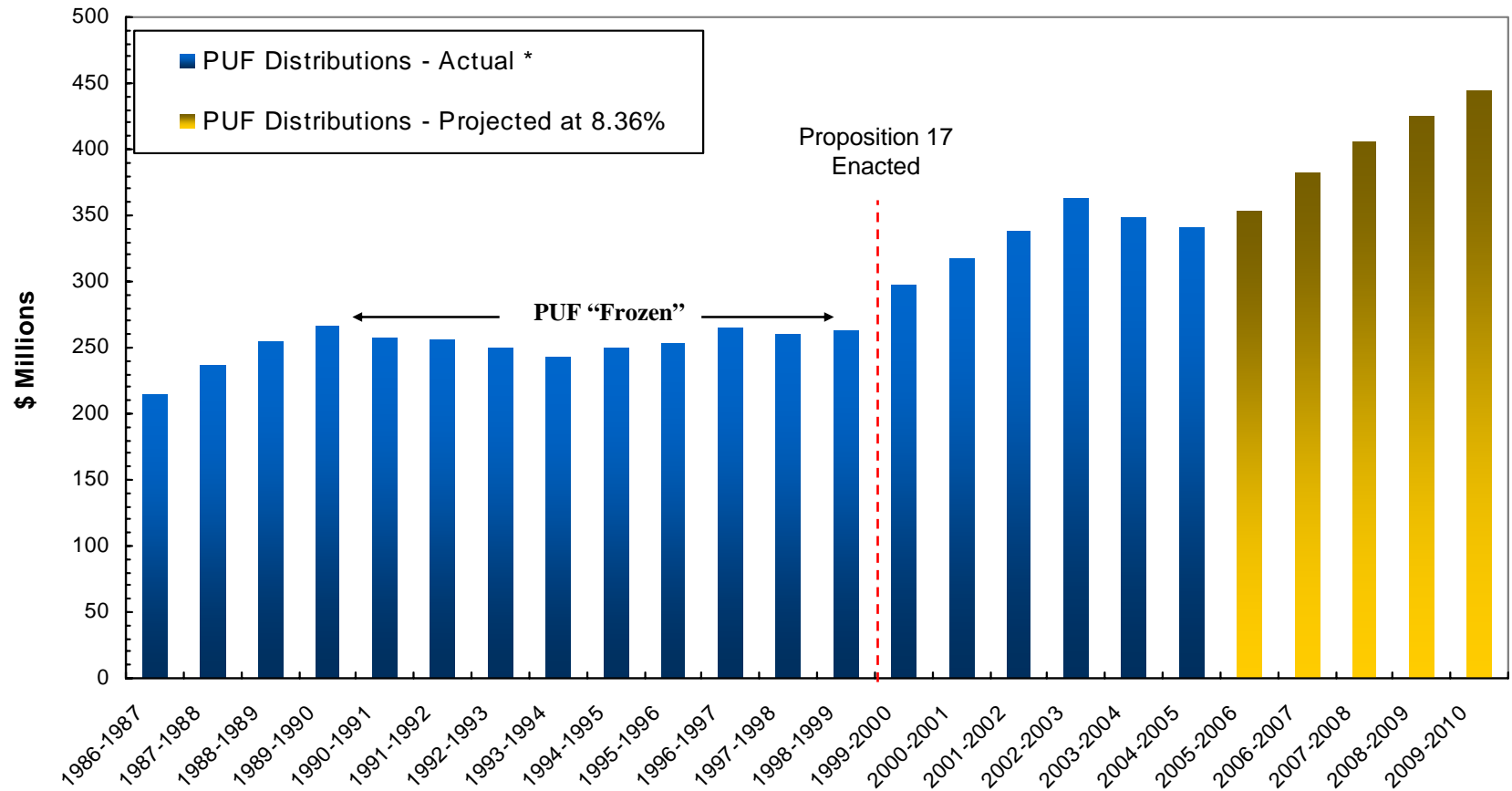
PUF Debt Capacity Base Case Assumptions

- PUF Distribution equals 4.75% of the average PUF net asset value for the trailing 12 quarters, unless restricted by Constitutional purchasing power requirements.
- U. T. Austin Excellence Funds equal 45% of the income available to U. T. System.
- Includes all PUF projects approved through August 2004.
- Forecasted PUF distribution amounts provided by UTIMCO based on long-term expected average annual rate of return of 8.36% starting from the PUF market value as of August 31, 2004.
- Annual LERR appropriations of \$30 million are projected to continue from FY 2006 through FY 2010, excluding projected additional \$10 million LERR appropriation to U. T. Dallas in FY 2006 associated with Project Emmitt.
- New PUF debt service structured as 20-year, tax-exempt debt with level debt service.

Projected Trailing 12-Quarter PUF Market Value Average



Permanent University Fund Distributions



* Effective September 1, 1997, a statutory amendment changed the distribution of income from cash to an accrual basis, resulting in a one-time distribution adjustment to the AUF of \$47.3 million, which is not reflected.

PUF Debt Capacity-Base Case at 8.36%

	Actual	Projected						
Statement Forecast Data (\$ Millions)	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FYE 10
Additional PUF Debt Capacity (\$307.7 Million)			\$150.6	\$0.0	\$0.0	\$62.8	\$49.2	\$45.1
Cumulative Additional PUF Debt Capacity			\$150.6	\$150.6	\$150.6	\$213.5	\$262.6	\$307.7
PUF Distribution Amount	\$363.0	\$348.0	\$341.2	\$353.3	\$382.5	\$405.4	\$424.5	\$443.9
Surface & Other Income	6.5	7.6	6.4	6.4	6.7	6.7	6.7	6.7
Divisible Income	369.6	355.6	347.6	359.7	389.2	412.0	431.2	450.6
UT System Share (2/3)	246.4	237.1	231.7	239.8	259.5	274.7	287.5	300.4
AUF Interest Income	5.1	3.0	2.2	2.8	3.5	4.0	4.5	4.9
Income Available to U.T.	251.5	240.1	233.9	242.7	263.0	278.7	291.9	305.3
TRANSFERS:								
UT Austin Excellence Funds (45%)	(114.8)	(108.3)	(105.3)	(109.2)	(118.3)	(125.4)	(131.4)	(137.4)
PUF Debt Service on Approved Projects	(69.7)	(72.1)	(80.7)	(100.0)	(102.7)	(105.2)	(107.6)	(110.3)
PUF Cash Defeasance	-	(60.0)	-	-	-	-	-	-
PUF Debt Service on Add. Debt Capacity	-	-	(11.8)	(11.8)	(11.8)	(17.0)	(21.2)	(25.0)
System Administration	(29.1)	(27.9)	(27.7)	(28.4)	(29.1)	(29.9)	(30.6)	(31.4)
Other	(1.6)	(4.5)	(1.1)	(1.1)	(1.1)	(1.1)	(1.2)	(1.2)
Debt Service (Bldg Rev)	(3.4)	(3.4)	-	-	-	-	-	-
Net Surplus/(Deficit)	32.8	(36.2)	7.3	(7.9)	(0.2)	0.0	0.0	0.0
Ending AUF Balance - System	82.0	45.8	53.1	45.2	45.0	45.0	45.0	45.0
PUF Debt Service Coverage	3.61:1	3.33:1	2.53:1	2.17:1	2.30:1	2.28:1	2.27:1	2.26:1

17.4

PUF Debt Capacity Sensitivities at 8.36%

	Board-Determined	Board-Determined	Board-Determined	Market-Dependent	Market-Dependent	Additional Debt Capacity (\$ Millions)						TOTAL	Projected PUF
	Annual LERR	U.T. Austin Excellence	PUF Distribution Rate	PUF Investment Return	Change in Tax-Exempt Rates	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY 2005-FY 2010	Market Value in FY 2030
	\$30 Million	45.0%	4.75%	8.36%	NA	150.6	0.0	0.0	62.8	49.2	45.1	307.7	22,433,215,864
17.5	\$30 Million	45.0%	4.75%	8.36%	NA	150.6	0.0	0.0	62.8	49.2	45.1	307.7	22,433,215,864
	\$20 Million	45.0%	4.75%	8.36%	NA	160.6	10.0	10.0	72.8	59.2	55.1	367.7	22,433,215,864
	\$10 Million	45.0%	4.75%	8.36%	NA	170.6	20.0	20.0	82.8	69.2	65.1	427.7	22,433,215,864
	None	45.0%	4.75%	8.36%	NA	180.6	30.0	30.0	92.8	79.2	75.1	487.7	22,433,215,864
	\$30 Million	40.0%	4.75%	8.36%	NA	303.5	0.0	11.4	74.7	57.0	53.0	499.7	22,433,215,864
	\$30 Million	45.0%	4.75%	8.36%	NA	150.6	0.0	0.0	62.8	49.2	45.1	307.7	22,433,215,864
	\$30 Million	50.0%	4.75%	8.36%	NA	0.0	0.0	0.0	19.3	59.4	37.2	115.8	22,433,215,864
	\$30 Million	45.0%	4.50%	8.36%	NA	90.4	0.0	0.0	26.6	47.7	45.0	209.7	23,814,850,330
	\$30 Million	45.0%	4.75%	8.36%	NA	150.6	0.0	0.0	62.8	49.2	45.1	307.7	22,433,215,864
	\$30 Million	45.0%	5.00%	8.36%	NA	195.4	0.0	45.1	69.0	50.3	44.7	404.5	21,119,738,500
	\$30 Million	45.0%	4.75%	7.36%	NA	147.7	0.0	0.0	45.5	30.8	24.8	248.7	17,466,554,591
	\$30 Million	45.0%	4.75%	8.36%	NA	150.6	0.0	0.0	62.8	49.2	45.1	307.7	22,433,215,864
	\$30 Million	45.0%	4.75%	9.36%	NA	152.4	0.0	3.3	78.0	67.7	66.0	367.4	28,716,037,367
	\$30 Million	45.0%	4.75%	8.36%	+ 50 bps	137.2	0.0	0.0	56.7	46.1	42.4	282.3	22,433,215,864
	\$30 Million	45.0%	4.75%	8.36%	NA	150.6	0.0	0.0	62.8	49.2	45.1	307.7	22,433,215,864
	\$30 Million	45.0%	4.75%	8.36%	-50 bps	165.0	0.0	0.0	69.3	52.5	48.0	334.7	22,433,215,864

4. U. T. Board of Regents: Report on Investments for quarter ended August 31, 2004, and Performance Report by Ennis Knupp + Associates

REPORTS

Pages 18.1 - 18.7 contain the Summary Reports on Investments for the three months ended August 31, 2004.

Item I on Pages 18.1 - 18.2 reports summary activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the three months was .75% versus its composite benchmark return of 1.43%. The PUF's net asset value increased by \$89.9 million since the beginning of the quarter to \$8,087.9 million. This change in net asset value includes increases due to contributions from PUF land receipts and net investment return.

Item II on Pages 18.3 - 18.5 reports summary activity for the General Endowment Fund (GEF), the Permanent Health Fund (PHF), and Long Term Fund (LTF). The GEF's net investment return for the three months was .65% versus its composite benchmark return of 1.43%. The GEF's net asset value increased \$39.0 million since the beginning of the quarter to \$4,207.6 million.

Item III on Page 18.6 reports summary activity for the Short Intermediate Term Fund (SITF). Total net investment return on the SITF was 1.18% for the three months versus the SITF's performance benchmark of 1.20%. The SITF's net asset value decreased by \$11.2 million since the beginning of the quarter to \$1,178.0 million. This decrease in net asset value includes withdrawals from the SITF and distributions.

Item IV on Page 18.7 presents book and market value of cash, debt, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of component operating funds held in the Dreyfus money market fund, decreased by \$182.4 million to \$2,293.7 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$56.1 million versus \$56.0 million at the beginning of the period; equities: \$325.0 million versus \$308.8 million at the beginning of the period; and other investments: \$16.1 million versus \$2.2 million at the beginning of the period.

An Executive Summary of the Performance Report on investments for the quarter ended August 31, 2004, as prepared by Ennis Knupp + Associates is attached on Pages 18.8 - 18.15.

I. PERMANENT UNIVERSITY FUND (1)

a.) Summary Investment Report at August 31, 2004 (2)

(\$ millions)

	FY02-03	FY03-04				
	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year-to-Date
Beginning Net Assets	6,738.3	7,244.8	7,655.1	8,218.9	7,998.0	7,244.8
PUF Lands Receipts (3)	102.1	27.8	23.7	67.3	27.9	146.7
Investment Return	787.6	475.9	634.3	(107.7)	67.7	1,070.2
Expenses	(20.2)	(6.4)	(7.2)	(6.5)	(5.7)	(25.8)
Distributions to AUF	(363.0)	(87.0)	(87.0)	(174.0)	-	(348.0)
Ending Net Assets	<u>7,244.8</u>	<u>7,655.1</u>	<u>8,218.9</u>	<u>7,998.0</u>	<u>8,087.9</u>	<u>8,087.9</u>
AUF Distribution:						
From PUF Investments	338.4	87.0	87.0	174.0	-	348.0
From Surface Income	8.1	0.8	2.3	1.2	3.3	7.6
Total	<u>346.5</u>	<u>87.8</u>	<u>89.3</u>	<u>175.2</u>	<u>3.3</u>	<u>355.6</u>
Total Net Investment Return	12.02%	6.60%	8.34%	-1.39%	0.75%	14.73%

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

(2) General - The Investment Summary Report excludes PUF Lands mineral and surface interests with estimated August 31, 2004 values of \$722.1 million and \$164.0 million, respectively.

(3) PUF Land Receipts - As of August 31, 2004: 1,111,684 acres under lease; 514,430 producing acres; 3,097 active leases; and 2,065 producing leases.

I. PERMANENT UNIVERSITY FUND (continued)

b.) Comparison of Asset Allocation Versus Endowment Neutral Policy Portfolio and Net Investment Return for the three months ended August 31, 2004

	Asset Allocation	Endowment Neutral Policy Portfolio	Actual Net Investment Return	Endowment Neutral Policy Portfolio Return (1)	Benchmark
Cash and Cash Equivalents	3.7%	0.0%	0.31%	0.31%	90 Day T-Bills Average Yield
U.S. Equities	27.5%	25.0%	0.62%	1.11%	80% Russell 3000 Index plus 20% Wilshire Real Estate Securities Index
Global Equities	18.2%	17.0%	0.05%	-0.02%	Morgan Stanley Capital International - All Country World Free ex U.S
Equity Hedge Funds	8.2%	10.0%	0.63%	1.31%	90 Day T-Bills Average Yield plus 4%
Absolute Return Hedge Funds	13.1%	15.0%	0.95%	1.06%	90 Day T-Bills Average Yield plus 3%
Commodities	4.7%	3.0%	-2.20%	-1.55%	Goldman Sachs Commodity Index minus 100 basis points
Fixed Income	14.8%	15.0%	2.91%	3.56%	66.7% Lehman Brothers Aggregate Bond Index plus 33.3% Lehman Brothers US Index Treasury Inflation Protected Securities
Total Marketable Securities	90.2%	85.0%	0.72%	1.28%	
Private Capital	9.8%	15.0%	1.04%	2.30%	Venture Economics' Periodic IRR Index
Total	100.0%	100.0%	0.75%	1.43%	

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

II. GENERAL ENDOWMENT FUND (1) (2)

a.) Summary Investment Report at August 31, 200

(\$ millions)

	FY02-03		FY03-04									
	Full Year		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year-to-Date					
Beginning Net Assets	3,293.2		3,584.8	3,952.6	4,244.5	4,168.6	3,584.8					
Net Contributions	(79.0)		209.5	135.8	106.9	107.3	559.5					
Investment Return	423.5		257.5	327.1	(57.5)	31.9	559.0					
Expenses	(5.8)		(2.6)	(2.6)	(2.1)	(2.3)	(9.6)					
Allocations (3)	(47.1)		(96.6)	(168.4)	(123.2)	(97.9)	(486.1)					
Ending Net Assets	3,584.8		3,952.6	4,244.5	4,168.6	4,207.6	4,207.6					
Net Asset Value per Unit	102.539		109.488	118.428	116.778	117.595	117.595					
Units and Percentage Ownership (End of Period):												
PHF	7,263,383	20.8%	7,174,022	19.9%	7,091,271	19.8%	7,007,471	19.6%	6,923,785	19.4%	6,923,785	19.4%
LTF	27,696,705	79.2%	28,926,791	80.1%	28,749,330	80.2%	28,688,862	80.4%	28,857,142	80.6%	28,857,142	80.6%
Total	34,960,088	100.0%	36,100,813	100.0%	35,840,601	100.0%	35,696,333	100.0%	35,780,927	100.0%	35,780,927	100.0%
Total Net Investment Return	12.81%		6.83%	8.22%	-1.37%	0.65%	14.77%					

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

(2) On March 1, 2001, the Permanent Health Fund (PHF) and Long Term Fund (LTF) purchased units in the newly created General Endowment Fund (GEF). The initial number of units was based on the PHF's and LTF's contribution of its net values as of February 28, 2001.

(3) The GEF allocates its net investment income and realized gain (loss) to its unit holders based on their ownership of GEF units at month end. The allocated amounts are reinvested as GEF contribution. The allocation is proportional to the percentage of ownership by the unit holders, and therefore no additional units are purchased.

II. GENERAL ENDOWMENT FUND (continued)

b.) Unit Holders' Summary Investment Report at August 31, 2004 (1)

(\$ millions)

	FY02-03	FY03-04				
	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year-to-Date
PERMANENT HEALTH FUND						
Beginning Net Assets	698.2	745.0	785.6	840.0	818.5	745.0
Investment Return	86.0	50.4	64.2	(11.7)	5.7	108.6
Expenses	(0.7)	(0.2)	(0.1)	(0.2)	(0.2)	(0.7)
Distributions (Payout)	(38.5)	(9.6)	(9.7)	(9.6)	(9.6)	(38.5)
Ending Net Assets	745.0	785.6	840.0	818.5	814.4	814.4
Net Asset Value per Unit (2)	0.908489	0.958104	1.024378	0.998166	0.993200	0.993200
No. of Units (End of Period)	820,000,000	820,000,000	820,000,000	820,000,000	820,000,000	820,000,000
Distribution Rate per Uni	0.04700	0.01175	0.01175	0.01175	0.01175	0.047000
Total Net Investment Return	12.67%	6.76%	8.15%	-1.41%	0.68%	14.60%
LONG TERM FUND						
Beginning Net Assets	2,595.1	2,839.8	3,167.0	3,404.6	3,350.1	2,839.8
Net Contributions	59.6	165.1	17.2	33.8	60.4	276.5
Investment Return	332.1	204.4	260.5	(47.8)	24.0	441.1
Expenses	(3.1)	(3.3)	(0.9)	(1.0)	(0.9)	(6.1)
Distributions (Payout)	(143.9)	(39.0)	(39.2)	(39.5)	(40.3)	(158.0)
Ending Net Assets	2,839.8	3,167.0	3,404.6	3,350.1	3,393.3	3,393.3
Net Asset Value per Unit (2)	5.114	5.388	5.761	5.613	5.585	5.585
No. of Units (End of Period)	555,329,487	587,747,101	591,003,265	596,861,244	607,622,749	607,622,749
Distribution Rate per Uni	0.25800	0.066125	0.066125	0.066125	0.066125	0.264500
Total Net Investment Return	12.78%	6.76%	8.14%	-1.41%	0.68%	14.59%

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

(2) The asset allocation of the PHF and LTF is representative of the asset allocation for the GE
A nominal amount of cash is held in PHF and LTF to pay expenses incurred separately by these func

II. GENERAL ENDOWMENT FUND (continued)

c.) Comparison of Asset Allocation Versus Endowment Neutral Policy Portfolio and Net Investment Return for the three months ended August 31, 2004

	Market Exposure	Endowment Neutral Policy Portfolio	Actual Net Investment Return	Endowment Neutral Policy Portfolio Return (1)	Benchmark
Cash and Cash Equivalents	2.3%	0.0%	0.31%	0.31%	90 Day T-Bills Average Yield
U.S. Equities	27.0%	25.0%	0.53%	1.11%	80% Russell 3000 Index plus 20% Wilshire Associates Real Estate Securities Index
Global Equities	18.7%	17.0%	0.05%	-0.02%	Morgan Stanley Capital International - All Country World Free ex U.S
Equity Hedge Funds	8.5%	10.0%	0.61%	1.31%	90 Day T-Bills Average Yield plus 4%
Absolute Return Hedge Funds	13.6%	15.0%	0.95%	1.06%	90 Day T-Bills Average Yield plus 3%
Commodities	4.8%	3.0%	-2.18%	-1.55%	Goldman Sachs Commodity Index minus 100 basis points
Fixed Income	15.2%	15.0%	2.74%	3.56%	66.7% Lehman Brothers Aggregate Bond Index plus 33.3% Lehman Brothers US Treasury Inflation Protected Securities
Total Marketable Securities	90.1%	85.0%	0.68%	1.28%	
Private Capital	9.9%	15.0%	0.42%	2.30%	Venture Economics' Periodic IRR Index
Total	100.0%	100.0%	0.65%	1.43%	

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

III. SHORT INTERMEDIATE TERM FUND (1)

Summary Investment Report at August 31, 2004

(\$ millions)

	FY02-03	FY03-04				
	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year-to-Date
Beginning Net Assets	1,435.9	1,435.3	1,366.5	1,106.2	1,189.2	1,435.3
Net Contributions (Withdrawals)	26.6	(73.4)	(267.4)	98.4	(18.9)	(261.3)
Investment Return	25.8	12.9	14.6	(8.5)	14.2	33.2
Expenses	(0.7)	(0.2)	(0.1)	(0.2)	(0.1)	(0.6)
Distributions of Income	(52.3)	(8.1)	(7.4)	(6.7)	(6.4)	(28.6)
Ending Net Assets	1,435.3	1,366.5	1,106.2	1,189.2	1,178.0	1,178.0
Net Asset Value per Unit	9.917	9.947	10.000	9.863	9.927	9.927
No. of Units (End of Period)	144,736,640	137,378,810	110,618,420	120,565,911	118,671,708	118,671,708
Total Net Investment Return	1.64%	0.88%	1.20%	-0.77%	1.18%	2.49%

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

IV. SEPARATELY INVESTED ASSETS

Summary Investment Report at August 31, 2004

(\$ thousands)

ASSET TYPES	FUND TYPE												
	CURRENT PURPOSE				ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		OPERATING FUNDS		BOC
	DESIGNATED		RESTRICTED		BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	
Cash & Equivalents:	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOC
Beginning value 05/31/04	3,039	3,039	2,379	2,379	76,605	76,605	677	677	2	2	2,393,465	2,393,465	2,476
Increase/(Decrease)	7	7	3,545	3,545	(2,781)	(2,781)	(138)	(138)	(2)	(2)	(183,065)	(183,065)	(182)
Ending value 08/31/04	3,046	3,046	5,924	5,924	73,824	73,824	539	539	-	-	2,210,400	2,210,400	2,294
Debt Securities:													
Beginning value 05/31/04	-	-	263	197	39,544	40,318	15,187	15,510	-	-	-	-	54
Increase/(Decrease)	-	-	-	10	(494)	(414)	45	495	-	-	-	-	-
Ending value 08/31/04	-	-	263	207	39,050	39,904	15,232	16,005	-	-	-	-	54
Equity Securities:													
Beginning value 05/31/04	40	10,130	5,914	5,328	38,859	42,102	20,887	21,127	-	-	258,038	230,150	326
Increase/(Decrease)	6	(1,522)	(4,007)	(4,032)	300	(1,289)	(46)	233	-	-	28,284	22,808	24
Ending value 08/31/04	46	8,608	1,907	1,296	39,159	40,813	20,841	21,360	-	-	286,322	252,958	350
Other:													
Beginning value 05/31/04	-	-	2,109	2,109	5	5	185	63	-	-	-	-	2
Increase/(Decrease)	15,000	15,000	(1,107)	(1,107)	(2)	(2)	5	-	-	-	-	-	16
Ending value 08/31/04	15,000	15,000	1,002	1,002	3	3	190	63	-	-	-	-	18

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

18.7

U.T. System Board of Regents
Report on Investments

Fiscal Year and Quarter Ending
August 31, 2004

As of August 31, 2004

CHANGE IN MARKET VALUE

(\$ in millions)

	PUF	GEF	Total Endowments (PUF + GEF)	Operating Funds	Total
Beginning Market Value (5/31/04)	\$7,998	\$4,169	\$12,167	\$3,813	\$15,980
Contributions	+28	+75	+103	+44	+147
Distributions & Withdrawals	-6	-68	-74	-227	-301
Changes due to Transfers:	+22	+7	+29	-183	-154
Income	+35	+18	+53	+7	+60
Appreciation/Depreciation	+33	+14	+47	+4	+51
Changes from Investment Activities:	+68	+32	+100	+11	+111
Ending Market Value (8/31/04)	\$8,088	\$4,208	\$12,296	\$3,641	\$15,937
Change in Market Value	\$90	\$39	\$129	-\$172	-\$43

- As illustrated above, the PUF (\$90 million) and GEF (\$39 million) both saw increases in market value during the fourth fiscal quarter, while the Operating Funds experienced a \$172 million decline.

RETURN SUMMARY

ENDING 8/31/04¹

	Quarter Ending 8/31/2004	1 Year Ending 8/31/2004	3 Years Ending 8/31/2004	5 Years Ending 8/31/2004
Permanent University Fund	0.7%	14.7%	6.0%	4.9%
Endowment Performance Benchmark ²	1.4	15.8	6.9	4.7
Long Term Fund	0.7	14.6	6.3	5.7
Endowment Performance Benchmark ²	1.4	15.8	6.9	4.7
Permanent Health Fund	0.7	14.6	6.3	4.8
Endowment Performance Benchmark ²	1.4	15.8	6.9	4.7
Short Term Fund	0.3	1.0	1.6	3.2
ML 90-day T-Bill	0.3	1.1	1.6	3.2
Short Intermediate Term Fund	1.2	2.5	2.6	4.5
Performance Benchmark	1.2	2.3	3.8	5.3
BGI U.S. Debt Index Fund	3.5	6.1	6.3	7.7
LB Aggregate Bond Index	3.5	6.1	6.2	7.7
BGI Equity Index Fund	-1.0	11.5	0.8	-2.0
S&P 500 Index	-1.0	11.4	0.8	-2.1

- The Permanent University Fund, Long Term Fund, and Permanent Health Fund all underperformed the Endowment Performance Benchmark during the fourth fiscal quarter, and have posted below benchmark trailing 1 and 3 year returns. Over the trailing 5 year period, however, all three funds have outperformed the Endowment Performance Benchmark.

¹ Rates of return greater than one year are annualized. UTIMCO reports its performance data net of all costs.

² Reflects the U.T. System Board of Regents approved asset allocation policy targets and benchmarks beginning January 1, 2004. Performance prior to January 1, 2004, represents historical endowment policy portfolio data provided by UTIMCO. The Endowment Performance Benchmark shown here does not agree with benchmark data shown in UTIMCO reports. UTIMCO made certain retroactive changes in its benchmark reporting that have not been approved by the Board of Regents.

As of August 31, 2004

PUF POLICY COMPLIANCE
 ASSET ALLOCATION AS OF 8/31/04
 (\$ in millions)

	Total	Percent Of Total	Policy	Policy Ranges	In Compliance?
Traditional US Equities	\$1,779	22.0%	20%	15-45%	Yes
REITs	442	5.5	5%	0-10	Yes
U.S. Equity	\$2,222	27.5%	25%	15-45%	Yes
Non-U.S. Developed Equity	\$1,322	16.3%	10%	5-15%	No
Emerging Markets Equity	150	1.9	7%	0-10	Yes
Global ex-U.S. Equity	\$1,472	18.2%	17%	5-25%	Yes
Total Traditional Equity	\$3,694	45.7%	42%	20-60%	Yes
Equity Hedge Funds	\$664	8.2%	10%	5-15%	Yes
Absolute Return Hedge Funds	1,057	13.1	15%	10-20	Yes
Total Hedge Funds	\$1,721	21.3%	25%	5-25%	Yes
Private Equity	\$677	8.4%	9%	0-10%	Yes
Venture Capital	117	1.4	6%	5-15	No
Total Private Capital	\$794	9.8%	15%	5-15%	Yes
Commodities	\$381	4.7%	3%	0-5%	Yes
Traditional Fixed Income	\$810	10.0%	10%	10-30%	Yes
TIPS	386	4.8	5%	0-10	Yes
Total Fixed Income	\$1,195	14.8%	15%	10-30%	Yes
Cash	\$302	3.7%	--	0-5%	Yes
Total Permanent University Fund	\$8,088	100.0%	100%		
Liquidity Requirement					Yes

- During the fourth fiscal quarter, the allocation to U.S. equity was reduced while the allocation to fixed income was increased. These moves brought the PUF's asset class allocations closer to their policy targets. However, the allocation to venture capital remained below the allowable minimum, and the allocation to non-U.S. developed equity exceeded the allowable maximum.

As of August 31, 2004

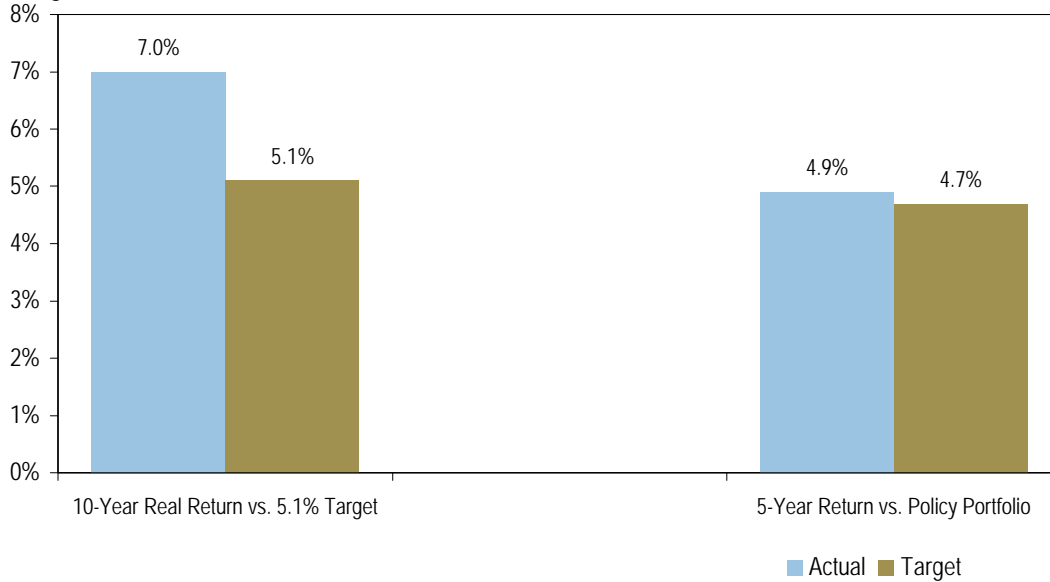
GEF POLICY COMPLIANCE
 ASSET ALLOCATION AS OF 8/31/04
 (\$ in millions)

	Total	Percent Of Total	Policy	Policy Ranges	In Compliance?
Traditional US Equities	\$904	21.5%	20%	15-45%	Yes
REITs	230	5.5	5%	0-10	Yes
U.S. Equity	\$1,134	27.0%	25%	15-45%	Yes
Non-U.S. Developed Equity	\$691	16.4%	10%	5-15%	No
Emerging Markets Equity	95	2.3	7%	0-10	Yes
Global ex-U.S. Equity	\$786	18.7%	17%	5-25%	Yes
Total Traditional Equity	\$1,920	45.6%	42%	20-60%	Yes
Equity Hedge Funds	\$358	8.5%	10%	5-15%	Yes
Absolute Return Hedge Funds	573	13.6	15%	10-20	Yes
Total Hedge Funds	\$931	22.1%	25%	15-25%	Yes
Private Equity	\$343	8.2%	9%	0-10%	Yes
Venture Capital	74	1.8	6%	5-15	No
Total Private Capital	\$417	9.9%	15%	5-15%	Yes
Commodities	\$203	4.8%	3%	0-5%	Yes
Traditional Fixed Income	\$435	10.3%	10%	10-30%	Yes
TIPS	205	4.9	5%	0-10	Yes
Total Fixed Income	\$640	15.2%	15%	10-30%	Yes
Cash	\$96	2.3%	--	0-5%	Yes
Total General Endowment Fund	\$4,208		100%		
Liquidity Requirement					Yes

- During the fourth fiscal quarter, the allocation to U.S. Equity was reduced while the allocation to fixed income was increased. These moves brought the GEF's asset class allocations closer to their policy targets. However, the allocation to venture capital remained below the allowable minimum, and the allocation to non-U.S. developed equity exceeded the allowable maximum.

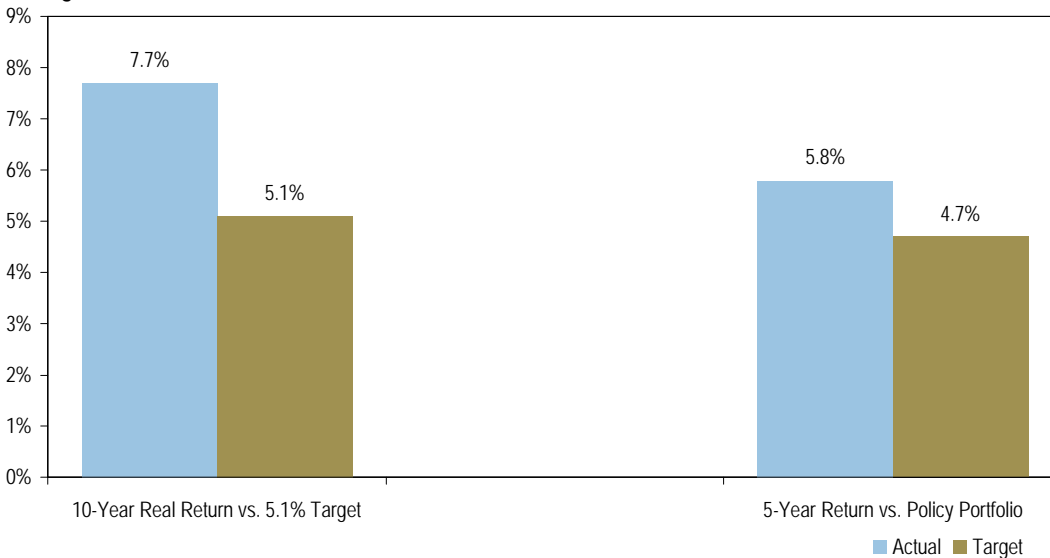
As of August 31, 2004

**Permanent University Fund
Analysis of Investment Objectives
Ending 8/31/04**



- The primary investment objective of the PUF and GEF is to preserve the purchasing power of their respective assets and annual distributions by earning an average annual real return of 5.1% over rolling ten-year periods or longer. The secondary fund objective is to generate a fund return in excess of the Policy Portfolio benchmark over rolling five-year periods or longer. These objectives have been met over the periods analyzed.

**General Endowment Fund
Analysis of Investment Objectives
Ending 8/31/04**



- An additional objective of the GEF is to outperform the median fund in a universe of similar endowments. The LTF and the PHF (the two components of the GEF) have both produced returns above the median of a Cambridge universe of endowments over the three-year period ending June 30, 2004. Over the 5- and 10- year periods, the LTF has also achieved this goal.

As of August 31, 2004

Permanent University Fund**RETURN SUMMARY**

ENDING 8/31/04

	Quarter Ending 8/31/2004	1 Year Ending 8/31/2004	3 Years Ending 8/31/2004	5 Years Ending 8/31/2004	Since Inception	Inception Date
Permanent University Fund	0.7%	14.7%	6.0%	4.9%	9.4%	8/31/1991
Endowment Performance Benchmark ¹	1.4	15.8	6.9	4.7	10.9	
U.S. Equity	0.6	13.6	3.2	2.5	10.5	8/31/1991
U.S. Equity Performance Benchmark	1.1	14.9	3.3	-0.3	10.6	
Global Ex U.S. Equity	0.1	19.8	7.5	-1.2	5.9	3/31/1993
MSCI AC World Ex-U.S. Free Index	0.0	22.7	6.2	0.0	6.0	
Equity Hedge Funds	0.6	--	--	--	4.3	12/31/2003
90-Day T-Bill + 4%	1.3	--	--	--	3.4	
Absolute Return Hedge Funds	1.0	13.1	9.6	--	12.2	2/29/2000
Absolute Return Benchmark	1.1	4.5	5.5	--	7.0	
Private Capital²	1.0	13.0	-3.6	2.4	9.7	1/31/1989
Private Capital Benchmark	2.3	26.8	9.6	5.0	16.1	
Commodities	-2.2	--	--	--	11.7	12/31/2003
Goldman Sachs Commodity Index - 1%	-1.5	--	--	--	16.0	
Total Fixed Income	2.9	9.5	7.7	7.8	9.0	8/31/1985
Fixed Income Benchmark	3.6	7.0	6.5	7.8	8.6	

- The Permanent University Fund underperformed the Endowment Performance Benchmark by 0.7 percentage points in the fiscal quarter ending August 31, 2004. Each asset class underperformed its respective benchmark, with the exception of global Ex U.S. equity, which modestly outperformed.
- One-year performance lagged the benchmark by 1.1 percentage points. U.S. equity, global ex U.S. equity, and private capital all underperformed, with private capital lagging significantly. Absolute return hedge funds and fixed income added value.

¹ Reflects the U.T. System Board of Regents approved asset allocation policy targets and benchmarks beginning January 1, 2004. Performance prior to January 1, 2004, represents historical endowment policy portfolio data provided by UTIMCO.

² Actual returns for the private capital component are presented on a time-weighted basis. The Private Capital benchmark represents the Venture Economics Private Capital Benchmark beginning January 1, 2004; returns December 31, 2003 represent the Dow Jones Wilshire 5000 +4%.

As of August 31, 2004

General Endowment Fund**RETURN SUMMARY**

ENDING 8/31/04

	Quarter Ending 8/31/2004	1 Year Ending 8/31/2004	3 Years Ending 8/31/2004	5 Years Ending 8/31/2004	Since Inception	Inception Date
General Endowment Fund	0.7%	14.8%	6.4%	5.8%	10.0%	8/31/1991
Endowment Performance Benchmark ¹	1.4	15.8	6.9	4.7	10.9	
U.S. Equity	0.5	13.3	3.3	2.8	10.5	8/31/1991
U.S. Equity Performance Benchmark	1.1	14.9	3.3	-0.3	10.6	
Global Ex U.S. Equity	0.0	19.9	7.5	-0.5	5.2	3/31/1993
MSCI AC World Ex-U.S. Free Index	0.0	22.7	6.2	0.0	6.0	
Equity Hedge Funds	0.6	--	--	--	4.3	12/31/2003
90-Day T-Bill + 4%	1.3	--	--	--	3.4	
Absolute Return Hedge Funds	1.0	13.1	9.6	13.0	10.8	7/31/1998
Absolute Return Benchmark	1.1	4.5	5.5	7.2	7.6	
Private Capital²	0.4	12.1	-4.6	1.9	9.7	11/30/1986
Private Capital Benchmark	2.3	26.8	9.6	5.0	16.1	
Commodities	-2.2	--	--	--	11.8	12/31/2003
Goldman Sachs Commodity Index - 1%	-1.5	--	--	--	16.0	
Total Fixed Income	2.7	9.6	7.8	8.0	11.1	8/31/1981
Fixed Income Benchmark	3.6	7.0	6.5	7.8	10.5	

- The General Endowment Fund underperformed the Endowment Performance Benchmark by 0.7 percentage points in the fiscal quarter ending August 31, 2004. Each asset class underperformed its respective benchmark, with the exception of global ex U.S. equity, which approximated its benchmark.
- One-year performance lagged the benchmark by 1.0 percentage points. U.S. equity, global Ex U.S. equity, and private capital all underperformed, with private capital lagging significantly. Absolute return hedge funds and fixed income added value.

¹ Reflects the U.T. System Board of Regents approved asset allocation policy targets and benchmarks beginning January 1, 2004. Performance prior to January 1, 2004, represents historical endowment policy portfolio data provided by UTIMCO.

² Actual returns for the private capital component are presented on a time-weighted basis. The Private Capital benchmark represents the Venture Economics Private Capital Benchmark beginning January 1, 2004; returns December 31, 2003 represent the Dow Jones Wilshire 5000 +4%.

As of August 31, 2004

Operating Funds

RETURN SUMMARY

ENDING 8/31/04

	Quarter Ending 8/31/2004	1 Year Ending 8/31/2004	3 Years Ending 8/31/2004	5 Years Ending 8/31/2004	Since Inception	Inception Date
Short Term Fund	0.3%	1.0%	1.6%	3.2%	4.2%	8/31/1992
ML 90-day T-Bill	0.3	1.1	1.6	3.2	4.1	
Short Intermediate Term Fund	1.2	2.5	2.6	4.5	5.1	2/28/1993
Performance Benchmark ¹	1.2	2.3	3.8	5.3	5.4	
BGI U.S. Debt Index Fund	3.5	6.1	6.3	7.7	7.2	5/31/1999
LB Aggregate Bond Index	3.5	6.1	6.2	7.7	7.1	
BGI Equity Index Fund	-1.0	11.5	0.8	-2.0	-1.6	5/31/1999
S&P 500 Index	-1.0	11.4	0.8	-2.1	-1.6	

- The Short Term Fund approximated the performance of the benchmark during the periods shown above.
- The Short Intermediate Term Fund approximated the return of the Index during the fiscal quarter, and outperformed over the trailing one-year period. Longer term performance is below-benchmark.
- The BGI U.S. Debt Index approximated the performance of the benchmark during the periods shown above. Participants investing in the BGI U.S. Debt Index liquidated their positions during April of 2004.
- The BGI Equity Index Fund approximated the performance of its benchmark during the periods shown above.

¹Returns for this benchmark from inception through July 31, 2004 have been supplied by UTIMCO. The composition of the benchmark is understood as including six government bond components obtained from Bloomberg in a weighted average composite. Beginning August 1, 2004 returns are those of the Merrill Lynch 1-3 Year Treasury Index.

5. **U. T. Board of Regents: Approval to amend The University of Texas Investment Management Company (UTIMCO) Liquidity Policy**

RECOMMENDATION

The Board of Directors of The University of Texas Investment Management Company (UTIMCO) recommends that the U. T. Board of Regents approve the proposed changes to the UTIMCO Liquidity Policy as set out in congressional style on Pages 20.1 - 20.5 and as referenced in the Background Information of this item.

BACKGROUND INFORMATION

The proposed amendments to the Liquidity Policy were approved by the UTIMCO Board of Directors on September 29, 2004, and are recommended for approval by the U. T. Board with the following comments:

- The UTIMCO Board advises that the purpose of the Liquidity Policy is to establish limits on the overall liquidity profile of investments in the Permanent University Fund (PUF) and General Endowment Fund (GEF).
- The established liquidity profile limits will act in conjunction with, but do not supersede, the Investment Policies adopted by the U. T. Board of Regents.
- The Liquidity Policy is being amended to
 - Clarify that swaps, derivatives, or other third party arrangements may alter an investment's liquidity status rather than create liquidity;
 - Clarify the responsibility that the Liquidity Committee has in reviewing new investments made in the 20% to 30% trigger zone. The Liquidity Committee will supplement, rather than replace, the procedures the UTIMCO Board has in place for the approval of new investments.
 - Require certification of the accuracy of the monthly liquidity reports by each managing director, risk manager, chief compliance officer, and president
 - Clarify that either the UTIMCO Board or the Liquidity Committee may review and approve certain actions
 - Propose revised charts reporting liquidity to clarify the range for the liquid investments

- Include minor editorial changes such as correction to the dates of establishment and approval.

The proposed UTIMCO Liquidity Policy has been reviewed by U. T. System staff. The Liquidity Policy was first approved by the U. T. Board on August 7, 2003, and was amended on December 19, 2003.

The University of Texas Investment Management Company

Liquidity Policy

Original Effective Date of Policy: August 7, 2003~~December 19, 2003~~

Original Date Approved by UTIMCO Board: June 26, 2003~~December 4, 2003~~

Dates revised by UTIMCO Board: September 29, 2004 and December 4, 2003

Purpose:

The purpose of ~~the~~this Liquidity Policy is to establish limits on the overall liquidity profile of investments in the Permanent University Fund (PUF) and the General Endowment Fund (GEF), hereinafter referred to as the Funds. For the purposes of this policy, “liquidity” is defined as a measure of the ability of an investment position to be converted into a cash position. The established liquidity profile limits will act in conjunction with, but do not supercede, the Investment Policies ~~adopted~~established by The University of Texas Investment Management Company (UTIMCO) Board and approved by the U. T. Board of Regents.

Objective:

The objective of ~~the~~this Liquidity Policy is to control the element of total risk exposure of the Funds stemming from the uncertainties associated with the ability to convert longer term investments to cash to meet immediate needs or to change investment strategy, and ~~to~~ the potential cost of that conversion. ~~This element of total risk is referred to as “Liquidity Risk” in this Policy.~~

Scope:

This Liquidity Policy applies to all PUF and GEF investments made by The University of Texas Investment Management Company (UTIMCO), both by internal and by external managers. Policy implementation will be managed at the aggregate UTIMCO level and will not be a responsibility of individual internal or external managers managing a portion of the aggregate assets.

Definition of Liquidity Risk:

“Liquidity Risk” is defined as that element of total risk resulting from the uncertainty associated with both the cost and time period necessary to convert existing investment positions to cash (or cash equivalents). Liquidity risk can result in lower than expected returns and reduced opportunity to make changes in investment positions to respond to changes in capital market conditions. Modern finance theory asserts that liquidity risk is a systematic risk factor that is incorporated into asset prices such that future longer-term returns will be higher for assets with higher liquidity risk, although that may not be the case in the short term.

Liquidity Risk Measurement-The Liquidity Profile:

Capital market theory does not provide a precise technique to measure liquidity risk. For the purposes of this Liquidity Policy, potential liquidity risk will be ~~defined and~~ monitored by measuring the aggregate liquidity profile of the Funds. All individual investments within the Funds will be segregated into two categories:

- **Liquid:** Investments that could be converted to cash within a period of one day to three months in an orderly market at a discount of 10% or less.
- **Illiquid:** Investments that could be converted to cash in an orderly market over a period of more than three months or in a shorter period of time by accepting a discount of more than 10%.

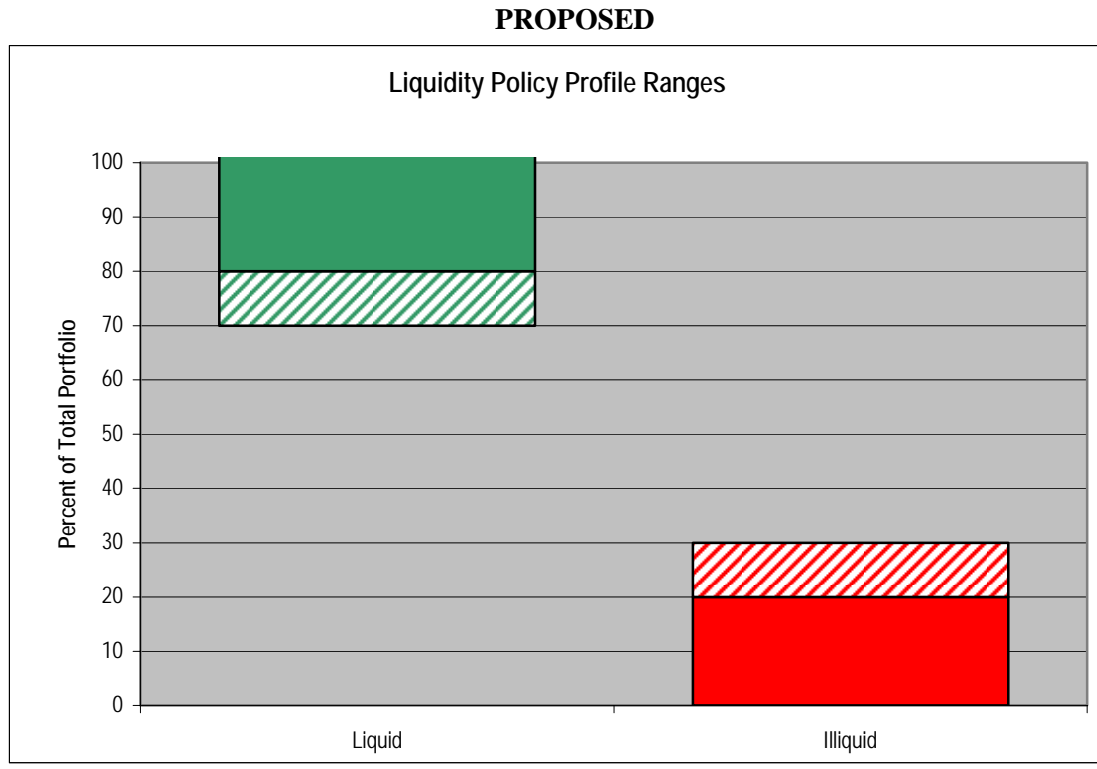
The measurements necessary to segregate all investments into one of the two categories assume normally functioning capital markets and cash market transactions. In addition, swaps, derivatives, or other third party arrangements to alter the status of an investment classified as illiquid create liquidity may be considered, with the approval of the UTIMCO Board or the Liquidity Committee, in determining the appropriate liquidity category for each investment. ~~upon approval of the UTIMCO Board or Board designated subcommittee.~~

The University of Texas Investment Management Company Liquidity Policy

The result of this liquidity risk measurement process will be a liquidity profile for the Funds which indicates the percentage of the total portfolio assets within each liquidity category. This Liquidity Policy defines the acceptable range of percentage of total assets within each liquidity category, specifies “trigger zones” requiring special review by UTIMCO staff and Board, and specifies the method of monitoring and presenting actual versus policy liquidity profiles.

Liquidity Policy Profile:

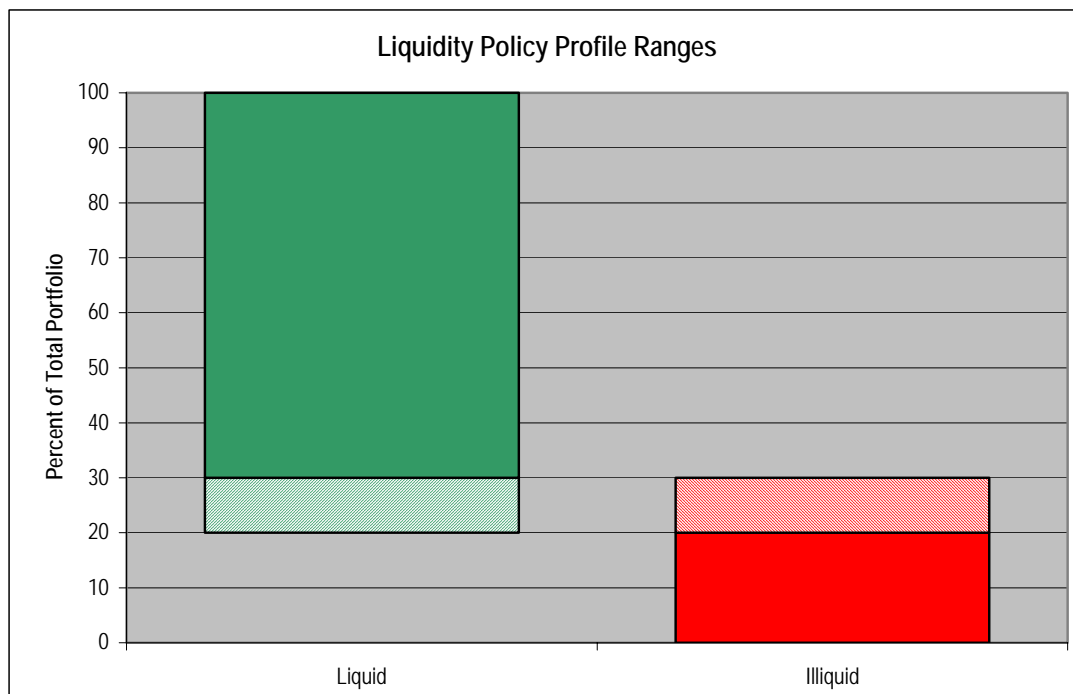
The current Liquidity Policy Profile ranges and trigger zones are defined by the chart below:



The University of Texas Investment Management Company

Liquidity Policy

CURRENT



The green bar indicates the Policy range for investments categorized as “Liquid” by the definition presented earlier. The red bar indicates the Policy range for investments categorized as “Illiquid” by earlier definition. The shaded sections of the green and red bars indicate trigger zones requiring special action by the UTIMCO Board or the Liquidity Committee or Board designated subcommittee. For example, the allowable range for “Illiquid” investments is 0% to 30% of the total portfolio, however, any investments made in the 20% to 30% range of total portfolio assets require special prior approval by the UTIMCO Board or subcommittee. For example, the allowable range for illiquid investments is 0% to 30% of the total portfolio. However, any illiquid investments made in the 20% to 30% trigger zone requires prior approval by the Liquidity Committee or the UTIMCO Board. Liquidity Committee review of new investments in the illiquid trigger zone will supplement, rather than replace, the procedures established by the UTIMCO Board for the approval of new investments.

Documentation and Controls:

Managing Directors responsible for each asset class are responsible for determining the liquidity category for each investment in that class. These classifications will be reviewed by the Risk Manager and must receive final approval from the Chief Investment Officer. Classifications and weights within each liquidity category will be updated and reported on a monthly basis. The monthly liquidity reports will include certification by each Managing Director, the Risk Manager, the Chief Compliance Officer, and the President of UTIMCO, that all investments are properly categorized and reported. All new investments considered will be categorized by liquidity category, and a statement regarding the effect on overall liquidity of the addition of the new investment must be an element of the due diligence process and will be a part of all the recommendation reports to the UTIMCO Board.

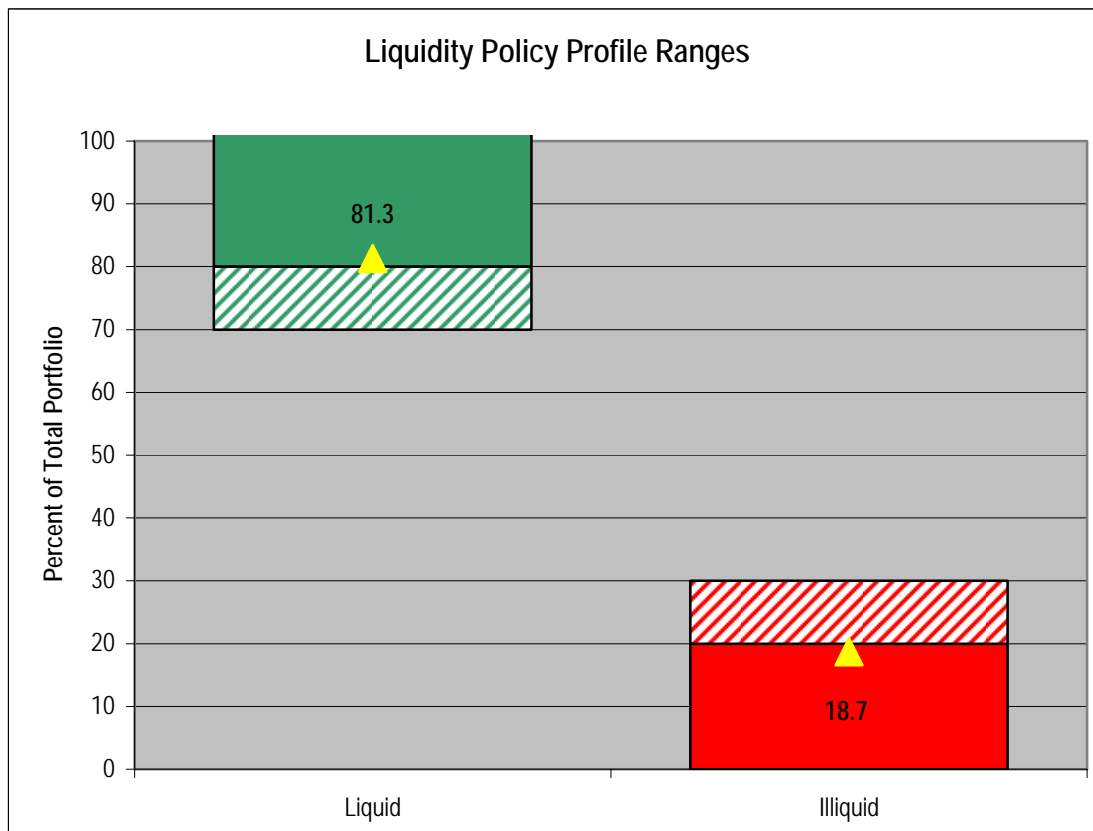
The University of Texas Investment Management Company Liquidity Policy

As additional safeguards, trigger zones have been established as indicated above to trigger required review and action by the UTIMCO Board or the Liquidity Committee in the event any investment action would cause ~~any liquidity measure~~ the actual investment position in illiquid investments to enter ~~any of the~~ designated trigger zones, or in the event market actions caused ~~measures~~ the actual investment position in illiquid investments to move into trigger zones. In addition, any proposed investment actions which would ~~change any single liquidity category percentage~~ increase the actual investment position in illiquid investments in either the PUF or the GEF by 10% or more of the total asset value of either Fund would also require ~~UTIMCO Board~~ review and action by the UTIMCO Board or the Liquidity Committee prior to the change. Any actual positions in any trigger zones or outside the policy ranges will be communicated to the Chief Investment Officer immediately. The Chief Investment Officer will then determine the process to be used to eliminate the exception and report promptly to the UTIMCO Board and the Liquidity Committee the circumstances of the deviation from Policy and the remedy to the situation.

Reporting:

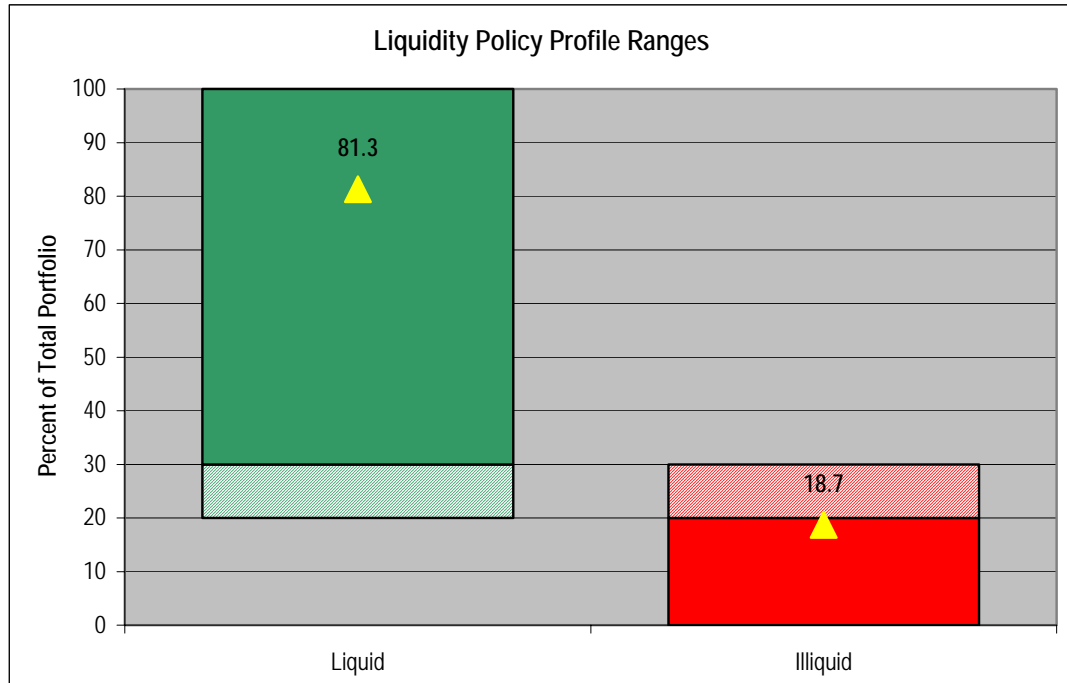
The actual Liquidity Profile of the Funds and compliance with ~~the~~ this Liquidity Policy will be reported to the UTIMCO Board on at least a quarterly basis. Any exception to ~~the~~ this Liquidity Policy and actions taken to remedy the exception will be reported promptly. An example of the method of reporting is shown below where the yellow points and number labels indicate current actual exposure levels within each Liquidity Policy Range (numbers shown are examples only). For example, in this illustration the current exposure to “Liquid” investments is 81.3%, while exposure to “Illiquid” investments is 18.7% and both are within their respective allowable policy ranges and not in defined trigger zones.

PROPOSED



The University of Texas Investment Management Company
Liquidity Policy

CURRENT



**THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
DOCKET NO. 119**

October 13, 2004

TO MEMBERS OF THE FINANCE AND PLANNING COMMITTEE:

Woody L. Hunt, Chairman
John W. Barnhill, Jr.
H. Scott Caven, Jr.
Cyndi Taylor Krier
Robert B. Rowling

The Docket for The University of Texas System Administration and the Dockets recommended by the Presidents concerned and prepared by the institutions listed below are submitted for approval as appropriate at the meeting of the U. T. Board of Regents on November 5, 2004. The Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel, and I concur in these recommendations.

<u>Institutions</u>	<u>Pages</u>
The University of Texas System Administration	Docket 1 - 3
The University of Texas at Arlington	Docket 4 - 6
The University of Texas at Austin	Docket 7 - 12
The University of Texas at Dallas	Docket 13 - 17
The University of Texas at El Paso	Docket 18 - 21
The University of Texas - Pan American	Docket 22 - 24
The University of Texas of the Permian Basin	Docket 25 - 26
The University of Texas at San Antonio	Docket 27 - 28
The University of Texas Southwestern Medical Center at Dallas	Docket 29 - 36
The University of Texas Medical Branch at Galveston	Docket 37 - 46
The University of Texas Health Science Center at Houston	Docket 47 - 49
The University of Texas Health Science Center at San Antonio	Docket 50
The University of Texas M. D. Anderson Cancer Center	Docket 51 - 54
The University of Texas Health Center at Tyler	Docket 55

Mark G. Yudof
Chancellor

xc: Other Members of
the Board

TABLE OF CONTENTS

U. T. System Administration	1
Contracts	1
General Contracts.....	1
Appointment, Reappointment, Or Promotion Of Relatives	2
Real Estate Report	3
U. T. Arlington	4
Changes To Admission Criteria	4
Amendments To The 2004-05 Budget.....	5
Appointments And Promotions	5
Amendments To The 2003-04 Budget.....	6
Transfers Of Funds	6
U. T. Austin	7
Gifts	7
Contracts	8
General Contracts.....	8
Amendments To The 2004-05 Budget.....	9
Appointments And Promotions	9
Amendments To The 2003-04 Budget.....	11
Transfers Of Funds	11
U. T. Dallas	13
Contracts	13
General Contracts.....	13
Amendments To The 2004-05 Budget.....	14
Appointments And Promotions	14
Amendments To The 2003-04 Budget.....	15
Appointments And Promotions	15
Transfers Of Funds	16
Other Fiscal Items	17
Employment Agreements.....	17
U. T. El Paso	18
Gifts	18
Contracts	19
General Contracts.....	19
Amendments To The 2003-04 Budget.....	20
Appointments And Promotions	20

U. T. Pan American	22
Amendments To The 2004-2005 Budget.....	22
Appointments And Promotions	22
Other Fiscal Items	23
Employment Agreements.....	23
U. T. Permian Basin	25
Amendments To The 2004-05 Budget.....	25
Appointments And Promotions	25
Appointment, Reappointment, Or Promotion Of Relatives	26
U. T. San Antonio	27
New Tenure Appointments And Promotions Within Tenure Ranks	27
U. T. Southwestern Medical Center - Dallas	29
Gifts	29
Contracts	30
General Contracts.....	30
Amendments To The 2003-04 Budget.....	32
Appointments And Promotions	32
U. T. Medical Branch - Galveston	37
Gifts	37
Contracts	38
General Contracts.....	38
Amendments To The 2004-05 Budget.....	40
Appointments And Promotions	40
Amendments To The 2003-04 Budget.....	43
Appointments And Promotions	43
Other Fiscal Items	46
Membership Rates.....	46
U. T. Health Science Center - Houston	47
Amendments To The 2003-04 Budget.....	47
Appointments And Promotions	47
Other Matters	49
Approval Of Dual Positions Of Honor, Trust, Or Profit	49
U. T. Health Science Center - San Antonio	50
Gifts	50

U. T. M. D. Anderson Cancer Center	51
Gifts	51
Amendments To The 2003-04 Budget.....	52
Appointments And Promotions	52
U. T. Health Center - Tyler	55
Contracts	55
General Contracts.....	55

U. T. SYSTEM ADMINISTRATION

CONTRACTS

The following contract has been awarded, has been administratively approved by the Executive Vice Chancellor for Business Affairs and is recommended for approval by the U. T. Board of Regents:

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Stericycle, Inc.
Funds: Potentially \$2,250,000
Period: September 1, 2004 through May 31, 2009
Description: Upon request, Stericycle, Inc. provides for transportation and disposal of medical waste for institutions on a nonexclusive basis. Stericycle, Inc. was selected from five bidders: Med Waste Services of America, LLC from Bellaire, Texas; Enviroclean Management Services, Inc. from Dallas, Texas; Stericycle, Inc. from Conroe, Texas; Positive Impact Waste Solutions, Inc. from Odessa, Texas; and U. S. Med-Disposal, Inc. from Athens, Texas, following a competitive bid process.

2. Agency: JPMorgan Securities, Inc. (JPMorgan)
Funds: Approximately \$836,000
Period: Effective upon approval
Description: JPMorgan has been selected to underwrite the issuance of the Revenue Financing System Bonds, Series 2004D pursuant to the 14th Supplemental Resolution authorized by the Board of Regents on August 12, 2004. JPMorgan was selected from a group of 23 firms that responded to a Request for Information. During 2004, only the top six respondents were selected to serve as senior manager of an underwriting syndicate. On behalf of the underwriting syndicate, JP Morgan is expected to purchase the Series 2004D Bonds from the Board less an underwriting discount. The underwriter's spread per \$1,000 of bonds will not exceed \$4.75. The principal amount of the Series 2004D Bonds and the underwriting discount will be determined at the time of pricing and allocated among members of the underwriting syndicate based on practices of the bond market.

**APPOINTMENT, REAPPOINTMENT, OR PROMOTION OF RELATIVES
AND MARRIAGE OF CERTAIN EMPLOYEES**

The following personnel action involving the appointment, reappointment, or promotion of relatives has been administratively approved by the Chancellor. This personnel action is consistent with the provisions of Section 573.001 of the Texas Government Code and the Regents' Rules and Regulations, Part One, Chapter III, Section 5.

College, Department, Title, Name

College, Department, Title, Name

REAPPOINTMENT

Office of the Chancellor
Chancellor
Mark G. Yudof

RELATIVE

Office of the Chancellor
Special Associate for Outreach
Judy Yudof (spouse)*

* Mrs. Yudof is not listed in the budget as her service is without compensation.

REAL ESTATE REPORT

THE UNIVERSITY OF TEXAS SYSTEM REAL ESTATE ASSETS

Managed by U. T. System Real Estate Office

Summary Report at August 31, 2004

FUND TYPE

	Current Purpose Restricted		Endowment & Similar Funds		Annuity & Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
Land & Buildings:								
Ending Value 5/31/04	\$ 5,355,013	\$ 23,188,538	\$ 24,744,921	\$ 202,943,096	\$ 1,249,644	\$ 858,515	\$ 31,349,578	\$ 226,990,149
Increase or Decrease	0	(40,000)	0	291,058	(576,000)	(260,000)	(576,000)	(8,942)
Ending Value 8/31/04	\$ 5,355,013	\$ 23,148,538	\$ 24,744,921	\$ 203,234,154	\$ 673,644	\$ 598,515	\$ 30,773,578	\$ 226,981,207
Other Real Estate:								
Ending Value 5/31/04	\$ 131,877	\$ 131,877	\$ 340,015	\$ 340,015	\$ 0	\$ 0	\$ 471,892	\$ 471,892
Increase or Decrease	(622)	(622)	(10,639)	(10,639)	0	0	(11,261)	(11,261)
Ending Value 8/31/04	\$ 131,255	\$ 131,255	\$ 329,376	\$ 329,376	\$ 0	\$ 0	\$ 460,631	\$ 460,631

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

Details of individual assets by account furnished on request.

U. T. ARLINGTON

CHANGES TO ADMISSION CRITERIA

The following listing summarizes the changes proposed to admission criteria to be included in the Graduate Catalog of The University of Texas at Arlington. The changes have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. Board of Regents:

Summary of Changes to Graduate Admission Criteria

Addition: Admission Policy in compliance with Texas Education Code Section 51.801 et seq. This policy describes the requirements for entrance and selection factors used in the selection of students at The University of Texas at Arlington.

The University of Texas at Arlington proposes modifying the requirement for admission to a doctoral program. In the U. T. Arlington Graduate Catalog, this requirement currently reads as follows:

“To be admitted to a doctoral program, an applicant must have completed a master's degree or at least 30 semester credit hours of graduate coursework.”

It is proposed to allow students holding only a baccalaureate degree to be admitted to a doctoral program at U. T. Arlington:

“To be admitted to a doctoral program, an applicant must have completed a bachelor's degree from a regionally accredited institution in the United States or provide proof of equivalent training from a foreign institution. Some departments, programs, or schools may require additional academic information.”

The University is seeking this policy change because applicants (particularly from science and engineering) are often confused about the current language describing the doctoral entrance requirements. Moreover, a survey of admission policies concluded that current policy is out of alignment with the policy of the majority of public universities in Texas and with many other U. S. institutions.

If approved, baccalaureate-level students admitted to a doctoral program at U. T. Arlington will continue to be classified in university reporting as master's students for purposes of formula funding until they earn a master's degree or have accumulated 30 semester hours of graduate level work. Hours against the 99 doctoral hour cap will not begin to accumulate until the student has been reclassified as a doctoral student for formula funding purposes. Thus, this policy change only clarifies who is eligible to apply for doctoral degree programs, degree track classification and does not change their funding status.

AMENDMENTS TO THE 2004-05 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF BUSINESS ADMINISTRATION Professor and Eunice and James L. West Chair of Private Enterprise and Entrepreneurship					
1. Deepak K. Datta (T)	9/1-5/31	100	09	120,000	211
	9/1-5/31	SUPLT	09	55,000	

AMENDMENTS TO THE 2003-04 BUDGET

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
VICE PRESIDENT FOR FINANCE AND ADMINISTRATION		
1. Amount of Transfer:	2,837,212	87
From: VPFA – Institutional Projects		
To: VPFA – Designated Tuition		
To transfer balance in preparation of debt service payoff.		

U. T. AUSTIN

GIFTS

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

1. Donor Name: McCombs Foundation Inc.
College/School/ Department: School of Business
Purpose: Payment on a \$50 million pledge
Asset Type: Cash
Value: \$6,000,000

CONTRACTS

The following contract has been administratively approved by the President or his delegate and the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Texas Department of Family and Protective Services
Funds: \$1,939,560
Period: September 1, 2004 through August 31, 2005
Description: Amendment extending the time period the School of Social Work will provide training certification and program support through its Protective Services Training Institute.

FUNDS GOING OUT

2. Agency: Austin Energy
Funds: Approximately \$4.5 million annually
Period: Beginning 30 days after signed by U. T. Austin through December 31, 2013
Description: U. T. Austin, as lessor for Sematech, Inc., will participate in Austin Energy's GreenChoice program.

AMENDMENTS TO THE 2004-05 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF EDUCATION					
Educational Administration					
Associate Professor					
1. Patricia A. Somers (T)	9/1-5/31	100	09	75,000	142
COLLEGE OF FINE ARTS					
Art and Art History					
Linda and David Schele Chair in the Art and Writing of MesoAmerica and Professor					
2. David B. Stuart (T)	9/1-5/31	100	09	100,000	143
	9/1-5/31	SUPLT	09	20,000	
Professor					
3. Paul E. Bolin (T)	9/1-5/31	100	09	65,000	146
Music					
Associate Professor					
4. Marianne Gedigian (T)	9/1-5/31	100	09	70,000	149
SCHOOL OF LAW					
Hayden W. Head Regents Chair for Faculty Excellence and Professor					
5. Bernard S. Black (T)	9/1-5/31	100	09	206,111	151
	9/1-5/31	SUPLT	09	10,000	

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF LIBERAL ARTS					
Geography					
Professor					
6. Leo E. Zonn (T)	9/1-5/31	100	09	110,000	194
History					
Professor					
7. Ann Twinam (T)	9/1-5/31	100	09	117,500	152
Philosophy					
Professor					
8. George Bealer (T)	9/1-5/31	100	09	150,000	153
Spanish and Portuguese					
Associate Professor					
9. J. Arroyo Martinez (T)	1/16-5/31	100	09	65,000	195
COLLEGE OF NATURAL SCIENCES					
Geological Sciences and Institute for Geophysics					
10. Mrinal K. Sen (T)					197
From:	Lecturer and				
	Senior Research Scientist	0	09	87,218	
	Institute for Geophysics	100	12	116,291	
	Geology Foundation	SUPLT	12	7,543	
To:	Professor and Research				
	Professor	50	09	93,300	
	Institute for Geophysics	50	09	93,300	
	Geology Foundation	SUPLT	12	12,712	

AMENDMENTS TO THE 2003-04 BUDGET

TRANSFERS OF FUNDS

Description	\$ Amount	RBC #
SERVICE DEPARTMENTS FUNDS		
General Libraries		
1. Amount of Transfer:	3,897,388	145
From: Library Resource Sharing Project Operating Income		
To: Library Resource Sharing Project Books		
Transfer resource fee service charge income to expense account for payment of an invoice from Science Direct for a database to which all participating U. T. schools have access.		
Information Technology Services		
2. Amount of Transfer:	875,000	143
From: U. T. System Office of Telecommunication Services Operating Income		
To: U. T. System Office of Telecommunication Services Maintenance, Operation, and Equipment		
Transfer network fee income to expense account for payment of invoice to National LamdaRail Inc., who will manage development of a fiber-optic network.		
AUXILIARY ENTERPRISES FUNDS		
Intercollegiate Athletics		
3. Amount of Transfer:	1,500,000	137
From: Intercollegiate Athletics for Men Operating Income		
To: Intercollegiate Athletics for Men		
Wages	500,000	
Other Expenses	750,000	
Travel	250,000	

Adjust 2003-04 budget for actual revenues in excess of amount originally budgeted to cover and fund additional expenditures incurred.

AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)

TRANSFERS OF FUNDS (CONTINUED)

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
AUXILIARY ENTERPRISES FUNDS (Continued)		
Intercollegiate Athletics		
4. Amount of Transfer:	1,000,000	146
From: Intercollegiate Athletics for Men Operating Income		
To: Intercollegiate Athletics for Men Other Expenses		

Adjust annual budget for actual revenues in excess of amount originally budgeted to cover and fund additional expenditures incurred.

PLANT FUNDS

Texas Union

5. Amount of Transfer:	500,000	130
From: Texas Union Auxiliary Services Operating Income		
To: Texas Union – Fire Alert Systems All Expenses		

This transfer is to establish an account to fund the first phase of mandated fire protection and life safety improvements to the Texas Union as identified by the report produced by Schirmer Engineering Corporation for the University.

Kinsolving Dormitory

6. Amount of Transfer:	500,000	129
From: Housing & Food General Repair/Replacement Allocation for Budget Adjustment		
To: Physical Plant – KIN – Reconfigure Lobby & Computer Lab – All Expenses		

Supplemental funding to cover job costs, including contingency costs, for the reconfiguration of the lobby and computer laboratory in Kinsolving Dormitory.

U. T. DALLAS

CONTRACTS

The following contract has been administratively approved by the President or his delegate and the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. Board of Regents:

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: General Land Office (GLO)
Funds: \$1,800,000
Period: September 1, 2003 through August 31, 2005
Description: GLO agrees to sell, and U. T. Dallas agrees to buy, the natural gas requirements of the University.

AMENDMENTS TO THE 2004-05 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF ARTS & HUMANITIES					
Art & Aesthetic Studies					
Professor					
Margaret McDermott					
Distinguished Chair					
1. Richard R. Bretell (T)	9/1-5/31	100	09	73,000	233

AMENDMENTS TO THE 2003-04 BUDGET

APPOINTMENTS AND PROMOTIONS

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF BEHAVIORAL AND BRAIN SCIENCES					
Speech Pathology					
Professor					
1. Anne E. Van Kleeck (T)	7/1-8/31	100	09	95,000	17
SCHOOL OF MANAGEMENT					
Accounting					
Ashbel Smith Professor					
2. Ashiq Ali (T)	7/1-8/31	100	09	180,000	19
3. William M. Cready (T)	7/1-8/31	100	09	180,000	15

AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
VARIOUS SOURCES		
4. Amount of Transfer:	1,787,000	20
From:		
Unallocated – Physical Plant	140,000	
Unallocated – Building Maintenance	110,000	
Unallocated – Other Utilities	100,000	
Unallocated – Institutional Programs	50,307	
Deferred Maintenance	100,000	
Repairs and Rehabilitation of Buildings	100,000	
E & G – Unexpended Budgets	819,000	
Designated – Unexpended Budgets	105,000	
Campus Equipment	100,000	
Purchased Utilities	100,000	
Auxiliary – Activity Center	26,374	
Auxiliary – Student Union	32,014	
Auxiliary – Food Service	4,305	

To: Electrical Outage (775266)

U. T. Dallas experienced power outages on 8/12/04 to twelve key buildings housing classrooms, research labs, and student services. Sixteen emergency generators were rushed to campus. Both underground electric feeder cables that run the length of the campus and supply electricity to these twelve buildings required replacement, as well as some associated equipment. The project was completed on 9/1/04 after campus power shutdowns nightly and over the weekends for the three-week period.

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

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

1. Item: Head Volleyball Coach
Funds: \$39,140 annually
Period: September 1, 2004 through August 31, 2005
Description: Agreement for employment of Head Volleyball Coach, Marci Sanders, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

U. T. EL PASO

GIFTS

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

1. Donor Name: Gerald J. and Stanlee N. Rubin
College/School/ Department: Institution
Purpose: Renovation of Seamon Hall to house the Stanlee and Gerald Rubin Center for Visual Arts
Asset Type: Cash
Value: \$1,000,000

CONTRACTS

The following contract has been administratively approved by the President or her delegate and the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: The Pepsi Bottling Group
Funds: \$3,435,000
Period: September 1, 2004 through August 31, 2011
Description: The Pepsi Bottling Group agrees to furnish and provide beverage services to the University including concessionaires, food service contractors, and vending machines on the campus. The vendor was selected from two respondents: Magnolia Coca-Cola Bottling Company, El Paso, Texas, and Pepsi Bottling Group, Phoenix, Arizona, following a competitive bid process.

AMENDMENTS TO THE 2003-04 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF BUSINESS ADMINISTRATION					
Accounting					
1. Gary J. Mann (T)					156
From: Professor, Chair		100	09	97,000	
El Paso Community	SUPLT	09	2,000		
Professorship in Accounting		SUPLT	09	3,825	
To: Office of the Dean –					
Interim Dean	7/1-8/31	100	12	152,000	
Professor and	7/1-8/31	0	09	97,000	
El Paso Community					
Professorship in					
Accounting	7/1-8/31	SUPLT	09	3,825	
COLLEGE OF ENGINEERING					
Electrical Engineering					
2. Gregory B. Lush (T)					174
From: Professor		100	09	77,108	
To: Graduate School –					
Associate Dean and	6/1-8/31	33	12	116,000	
Professor	6/1-8/31	67	09	85,000	

AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF ENGINEERING (Continued)					
Metallurgical and Materials Engineering					
3. Walter W. Fisher (T)					159
From: Professor		100	09	81,596	
To: Office of the Dean –					
Associate Dean and	4/1-8/31	50	12	120,043	
Professor	4/1-8/31	50	09	90,033	
COLLEGE OF SCIENCE					
Mathematical Science					
4. Nancy C. Marcus (T)					205
From: Associate Professor		100	09	57,931	
To: Office of the Dean –					
Associate Dean and	6/1-8/31	50	12	79,241	
Professor	6/1-8/31	50	09	57,931	
VICE PRESIDENT FOR ACADEMIC AFFAIRS					
5. Pablo Arenaz (T)					175
From: Associate Vice President		100	12	103,000	
Biological Sciences –		0	09	79,211	
Professor					
To: Associate Vice President,	8/1-8/31	100	12	125,000	
Interim Vice President, and	8/1-8/31	SUPLT	12	15,000	
Professor	6/1-8/31	0	09	79,211	

U. T. PAN AMERICAN
AMENDMENTS TO THE 2004-2005 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF SOCIAL AND BEHAVIORAL SCIENCES					
1. Jose R. Hinojosa					144
From: Associate Professor (T)		50	09	61,868	
To: Professor Emeritus	09/01-08/31	0	12	0	
COLLEGE OF BUSINESS ADMINISTRATION					
2. Rubik Atamian (T)					212
From: Associate Professor		100	09	71,556	
To: Associate Professor	09/01-08/31	100	09	74,056	

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

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

1. Item: Men's Head Golf Coach
Funds: \$31,000 annually
Period: July 1, 2004 through June 30, 2005
Description: Agreement for employment of Men's Head Golf Coach, Andrew Scott, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

2. Item: Head Men's/Women's Track and Cross Country Coach
Funds: \$42,848 annually
Period: July 1, 2004 through June 30, 2005
Description: Agreement for employment of Head Men's/Women's Track and Cross Country Coach, Ricky Vaughn, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

EMPLOYMENT AGREEMENTS (CONTINUED)

3. Item: Head Men's Baseball Coach
Funds: \$50,000
Period: July 1, 2004 through June 30, 2005
Description: Agreement for employment of Head Men's Baseball Coach, Willie Gawlik, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

4. Item: Women's Head Golf Coach
Funds: \$31,209
Period: July 1, 2004 through June 30, 2005
Description: Agreement for employment of Head Women's Golf Coach, Barbara Odale, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

U. T. PERMIAN BASIN

AMENDMENTS TO THE 2004-05 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF BUSINESS					
1. Corbett Gauden (T)					136
From: Professor		100	09	82,222	
To: Professor and Graduate Coordinator	9/1-8/31	75 25	09 12	82,222 109,630	
COLLEGE OF ARTS & SCIENCES					
2. Lois S. Hale (T)					137
From: Professor and Assistant Dean		75 25	09 12	48,002 21,334	
To: Interim Dean	9/1-8/31	100	12	95,000	
JOHN BEN SHEPPERD PUBLIC LEADERSHIP INSTITUTE					
Director					
3. Jack D. Ladd (T)	9/1-8/31	100	12	120,000	138
COLLEGE OF ARTS & SCIENCES					
4. Richard D. Spence (T)					139
From: Associate Professor		100	09	47,126	
To: Associate Professor and Interim Assistant Dean	9/1-8/31	75 25	09 12	54,777 73,036	

**APPOINTMENT, REAPPOINTMENT, OR PROMOTION OF RELATIVES
AND MARRIAGE OF CERTAIN EMPLOYEES**

The following personnel actions involving the appointment, reappointment, or promotion of relatives have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions are consistent with the provisions of Section 573.001 of the Texas Government Code and the Regents' Rules and Regulations, Part One, Chapter III, Section 5.

College, Department, Title, Name

College, Department, Title, Name

PROPOSED REAPPOINTMENT

RELATIVE

1. College of Arts & Sciences
Interim Dean
Lois S. Hale

College of Arts & Sciences
Math and Science Professor
REACH Director
Douglas Hale (spouse)

2. Academic Affairs
Vice President
William R. Fannin

Behavioral Science
Student Tutor & Grader
Valerie F. Fannin (spouse)

U. T. SAN ANTONIO

NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS

The following personnel actions involving new tenure appointments and promotion within tenure ranks have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2005 Annual Operating Budget of each component institution and are consistent with the Regents' Rules and Regulations, Part One, Chapter III, Section 6, Section 6.2, Subsection 6.25.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
College of Business		
Office of the Dean		
Bruce Bublitz	Dean (T)	Associate Provost (T)
Lynda de la Vina	New	Interim Dean and Professor (T)
College of Education and Human Development		
Counseling, Educational Psychology & Higher Education		
Gerald Juhnke	New	Professor (T)
Thelma Duffey	New	Associate Professor (T)
Interdisciplinary Studies & Curriculum and Instruction		
Christine Moseley	New	Associate Professor (T)
Priscilla Pate	New	Associate Professor (T)
Office of the Dean		
Betty Merchant	Associate Professor (T)	Interim Dean (T)
College of Engineering		
Mechanical Engineering & Biomechanics		
Tachung Yih	New	Chair and Professor (T)
College of Fine Arts & Humanities		
Anthropology		
Benjamin Blount	New	Professor (T)
Modern Languages & Literatures		
Francisco Marcos-Marin	New	Professor (T)

**NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS
(CONTINUED)**

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
College of Fine Arts & Humanities (continued)		
Office of the Dean Daniel Gelo	Interim Dean (T)	Dean (T)
College of Sciences		
Biology Deborah Armstrong	Interim Dean (T)	Professor (T)
Graduate School		
Dorothy Flannagan	Interim Dean (T)	Dean (T)
School of Architecture		
Marc Giaccardo	New	Associate Professor (T)

U. T. SOUTHWESTERN MEDICAL CENTER - DALLAS

GIFTS

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

1. Donor Name: The Cain Foundation
College/School/ Department: Institution
Purpose: To support research activities on mobility disorders for the Spinal Cord Injury Clinical Research Center
Asset Type: Cash
Value: \$500,000

2. Donor Name: Roche Laboratories, Inc.
College/School/ Department: Continuing Education
Purpose: To support the continuing education activity entitled, "Research Rounds XIX," held July 30 – August 3, 2004
Asset Type: Cash
Value: \$1,462,588

3. Donor Name: St. Paul Fund for Advanced Heart & Lung Disease
College/School/ Department: Cardiovascular and Thoracic Surgery
Purpose: To support the expansion of the Heart, Lung and Vascular Service Line at St. Paul University Hospital
Asset Type: Cash
Value: \$1,200,000

4. Donor Name: William A. and Elizabeth B. Moncrief Foundation
College/School/ Department: Radiation Oncology
Purpose: Construction of the Moncrief Radiation Oncology Center
Asset Type: Cash
Value: \$3,750,000 (represents the third installment on a total commitment of \$7,500,000)

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. Board of Regents:

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Aztec Facility Management
Funds: Approximately \$2,112,090 annually based on services provided
Period: September 1, 2001 with annual extensions through August 31, 2006
Description: Aztec Facility Management agrees to provide custodial housekeeping services on the campus. A Request for Proposal was issued June 2001. The vendor was selected from thirteen respondents: Aztec Facility Management from Houston, Texas; Tecom, Inc. from Austin, Texas; Pritchard Industries Southwest, Inc. from Houston, Texas; BPA Building Services from Dallas, Texas; Vanguard Resources, Inc. from Grapevine, Texas; McLemore Building Maintenance, Inc. from Houston, Texas; Members Building Maintenance Corporation from Dallas, Texas; Onesource Facility Services, Inc. from Houston, Texas; Sanitor of Texas from Austin, Texas; Varsity Contractors from San Angelo, Texas; United Building Maintenance, Inc. from Dallas, Texas; Service Master from Longview, Texas; ABM Janitorial from Dallas, Texas.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

2. Agency: Medical Environment Development Corporation
Funds: Approximately \$2,068,798 annually based upon services provided
Period: September 1, 2000 with annual renewals through August 31, 2005
Description: Medical Environment Development Corporation agrees to provide construction labor on the campus. An Invitation to Bid was released July 2000. Medical Environment Development Corporation from Dallas, Texas was the only bidder and was selected following a competitive bid process. Twenty-one firms were informed of the Invitation to Bid, and only four firms attended the mandatory pre-award meeting.

AMENDMENTS TO THE 2003-04 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SOUTHWESTERN MEDICAL SCHOOL					
Center for Biostatistics and Clinical Science					
1. Milton Packer (T)	6/1-8/31	100	12	300,000	26
Director, Professor of Internal Medicine and the Gayle and Paul Stoffel Distinguished Chair in Cardiology					
Physiology					
2. Donald W. Hilgeman (T)					28
From: Professor		100	12	131,600	
To: Professor, Roy and Christine Sturgis Chair in Biomedical Research	8/1-8/31	100	12	131,600	

AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SOUTHWESTERN MEDICAL SCHOOL (Continued)					
Pharmacology					
3. Alfred G. Gilman (T)					29
From: Professor, Chairman, Interim Dean of Southwestern Medical School and the Raymond and Ellen Willie Distinguished Chair in Molecular Neuro- pharmacology in Honor of Harold B. Crasilneck, Ph.D. Regental Professor		100	12	445,000	
To: Professor, Chairman, Interim Dean of Southwestern Medical School, Raymond and Ellen Willie Distinguished Chair in Molecular Neuro- pharmacology in Honor of Harold B. Crasilneck, Ph.D. Regental Professor and the Atticus James Gill, M.D. Chair in Medical Science	8/1-8/31	100	12	445,000	
Neurology					
4. Steven Vernino (T)	8/23-8/31	100	12	164,000	31
Associate Professor					
5. Ronald G. Haller (T)					32
From: Professor		100	12	162,800	
To: Professor, Mary Quincy Parsons and Kelsey Louise Wright Professorship in Mitochondrial Disease Research	8/1-8/31	100	12	162,800	

AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SOUTHWESTERN MEDICAL SCHOOL (Continued)					
Radiology					
6. Craig R. Malloy (T)					33
From: Professor		100	12	262,100	
To: Professor, Richard A. Lange Chair in Cardiology	8/1-8/31	100	12	262,100	
7. Nancy K. Rollins (T)					34
From: Professor		100	12	410,800	
To: Professor and Charles Cameron Sprague, M.D. Chair in Medical Science	8/1-8/31	100	12	410,800	
INSTITUTIONAL SUPPORT					
Office of the Vice President for Clinical Operations					
8. John D. Rutherford (T)					35
From: Professor, Vice President, and Gail Griffiths Hill Chair in Cardiology		100	12	266,000	
To: Professor, Vice President, and Jonsson-Rogers Chair in Cardiology	8/1-8/31	100	12	266,000	
SOUTHWESTERN MEDICAL SCHOOL					
Internal Medicine					
9. Jonathan C. Cohen (T)					36
From: Associate Professor		100	12	95,200	
To: Associate Professor and C. Vincent Prothro Distinguished Chair in Human Nutrition Research	8/1-8/31	100	12	95,200	

AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SOUTHWESTERN MEDICAL SCHOOL (Continued)					
Internal Medicine (Continued)					
10. Eugene P. Frenkel (T)					37
From: Professor and Raymond D. and Patsy R. Nasher Distinguished Chair in Cancer Research, in Honor of Eugene P. Frenkel, M.D. and the A. Kenneth Pye Professorship in Cancer Research		100	12	235,000	
To: Professor, Raymond D. and Patsy R. Nasher Distinguished Chair in Cancer Research, in Honor of Eugene P. Frenkel, M.D., A. Kenneth Pye Professorship in Cancer Research, and the Elaine Dewey Sammons Chair in Cancer Research in Honor of Eugene P. Frenkel, M.D.	8/1-8/31	100	12	235,000	
11. Ronald G. Victor (T)					38
From: Professor and Dallas Heart Ball Chair in Hypertension and Heart Disease		100	12	190,300	
To: Professor, Dallas Heart Ball Chair in Hypertension and Heart Disease, and the Norman and Audrey Kaplan Chair in Hypertension	8/1-8/31	100	12	190,300	

AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SOUTHWESTERN MEDICAL SCHOOL (Continued)					
Psychiatry					
12. Robin B. Jarrett (T)					40
From: Professor		100	12	157,600	
To: Professor and Elizabeth H. Penn Professorship in Clinical Psychology	8/1-8/31	100	12	157,600	

U. T. MEDICAL BRANCH - GALVESTON

GIFTS

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

1. Donor Name: The Sealy & Smith Foundation
College/School/
Department: John Sealy Hospital
Purpose: Payment in full of the \$6,877,037 grant for the purchase of hospital equipment
Asset Type: Cash
Value: \$6,877,037

2. Donor Name: The Sealy & Smith Foundation
College/School/
Department: John Sealy Hospital
Purpose: Payment against the \$4,000,000 grant for the renovation of the Rebecca Sealy Hospital
Asset Type: Cash
Value: \$2,300,000

3. Donor Name: The Sealy & Smith Foundation
College/School/
Department: John Sealy Hospital
Purpose: Payment against the \$3,000,000 grant for the purchase of the Positron Emission Tomography Technology
Asset Type: Cash
Value: \$2,600,000

4. Donor Name: The Sealy & Smith Foundation
College/School/
Department: John Sealy Hospital
Purpose: Payment against the \$3,000,000 grant for the implementation of the Private Adult Community Practice (Harborside Medical Group)
Asset Type: Cash
Value: \$1,000,000

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs, and are recommended for approval by the U. T. Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Department of Assistive and Rehabilitation Services
Funds: \$1,329,872
Period: September 1, 2004 through August 31, 2005
Description: U. T. Medical Branch – Galveston will continue a program of early childhood intervention services for children with developmental delays in the approved service areas and respite services for families of children enrolled in early childhood intervention.

2. Agency: The Geo Group, Inc. (GEO)
Funds: \$4,131,921
Period: August 1, 2004 through February 28, 2009
Description: U. T. Medical Branch – Galveston will provide primary care services and required hospital services to inmates incarcerated in the North Texas Intermediate Sanction Facility located in Fort Worth, Texas operated by GEO.

3. Agency: The Gulf Coast Center
Funds: \$1,824,900
Period: September 1, 2004 through August 31, 2005
Description: U. T. Medical Branch – Galveston will provide regional community psychiatric hospital services for those individuals 18 years and older who reside in Galveston and Brazoria Counties and who are served by The Gulf Coast Center or who meet the admission criteria.

CONTRACTS (CONTINUED)

FUNDS GOING OUT

4. Agency: A-S 56 IH-45 South-FM 646, L. P.
Funds: \$2,628,800
Period: September 1, 2004 through August 31, 2014
Description: U. T. Medical Branch – Galveston will lease 9,920 square feet of office space located in League City, Texas for a women’s health care medical office to be operated by the Obstetrics and Gynecology Department.

AMENDMENTS TO THE 2004-05 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE					
Pediatric Cytogenetics					
1. Bobbye M. Rouse					204
From: Professor (T)		100	12	115,000	
To: Professor Emeritus	9/1-8/31	0	0	0	
Anatomy and Neurosciences; Obstetrics and Gynecology Research					
2. Chandrasekha Yallampalli (T)					134
From: Professor		100	12	207,788	
To: Obstetrics and Gynecology Distinguished Professorship in Research and Mentoring Excellence and Professor	9/1-8/31	100	12	207,788	

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE; GRADUATE SCHOOL OF BIOMEDICAL SCIENCES Microbiology; Office of the Dean of Graduate School					
3. Dorian H. Coppenhaver (T)					127
From: Associate Professor; Assistant Dean for Student Affairs & Associate Director for Basic Biomedical Science		100	12	86,095	
To: Associate Professor; Associate Dean for Student Affairs & Associate Director for Basic Biomedical Science	9/1-8/31	100	12	100,000	
SCHOOL OF MEDICINE; SCHOOL OF ALLIED HEALTH Internal Medicine-Geriatrics; Preventive Medicine & Community Health-Epidemiology & Biostatistics; Division of Rehabilitation Sciences					
4. Jean L. Freeman (T)					129
From: Professor		100	12	95,400	
To: Grace Bucksch Gnitzinger Distinguished Professorship in Aging and Professor	9/1-8/31	100	12	95,400	

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE; SCHOOL OF ALLIED HEALTH (Continued) Psychiatry & Behavioral Sciences; Preventive Medicine & Community Health-Epidemiology & Biostatistics; Office of Biostatistics; Division of Rehabilitation Sciences					
5. Daniel H. Freeman, Jr. (T)					128
From: Professor and Director		100	12	156,468	
To: Edgar Gnitzinger Distinguished Professorship in Aging and Professor; Director	9/1-8/31	100	12	156,468	

AMENDMENTS TO THE 2003-04 BUDGET

APPOINTMENTS AND PROMOTIONS

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE					
Internal Medicine					
1. Randall J. Urban (T)					30
From: Nelda C. and H. J. Lutcher Stark Distinguished Chair in Internal Medicine and Professor		90	12	193,500	
To: Nelda C. and H. J. Lutcher Stark Distinguished Chair in Internal Medicine and Professor; Chair Ad Interim	7/1-8/31	90	12	333,333	
Department of Ophthalmology The Robertson-Poth Distinguished Chair in Ophthalmology and Professor and Chair					
2. Kent W. Small (T)	7/1-8/31	100	12	370,000	29
Anatomy and Neurosciences; Physiology and Biophysics; Marine Biomedical Institute					
3. Henry F. Epstein (T)					27
From: Professor and Chair; Professor and Chair Ad Interim; Interim Director		100	12	275,000	
To: Cecil H. and Ida M. Green Distinguished University Chair in Neuroscience and Cell Biology, Professor, and Chair; Professor and Chair Ad Interim; Interim Director	4/1-8/31	100	12	275,000	

AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE (Continued)					
Internal Medicine; Physiology and Biophysics; MD-PhD Combined Degree Program					
4. Steven A. Weinman (T)					26
From: Professor		100	12	169,250	
To: John Sealy Distinguished Chair for MD/PhD Combined Degree Studies in Honor of Dr. Truman G. Blocker and Professor	5/1-8/31	100	12	169,250	
Pharmacology; Sealy Center for Environmental Health and Medicine					
5. James R. Halpert (T)					25
From: The Chauncey Leake Distinguished Professorship in Pharmacology, Professor, and Chair; Interim Director		100	12	187,296	
To: The Mary Gibbs Jones Distinguished Chair in Environmental Toxicology, Professor, and Chair; Interim Director	7/1-8/31	100	12	187,296	

AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE (Continued) GRADUATE SCHOOL Anatomy and Neurosciences; Physiology and Biophysics; Marine Biomedical Institute 6. William D. Willis, Jr. (T)					28
From: Professor; Member		100	12	248,031	
To: Cecil H. and Ida M. Green Distinguished Chair in Neuroscience and Professor; Member	5/1-8/31	100	12	248,031	

OTHER FISCAL ITEMS

MEMBERSHIP RATES

The following Alumni Field House membership rate increases, effective upon approval, have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. Board of Regents:

<u>Quarterly Rate</u>	<u>Present Rate \$</u>	<u>Proposed Rate \$</u>	<u>Percent Increase</u>
Employee	115	120	4.35%
Employee/Family	180	190	5.56%
<u>Semiannual Rate</u>			
Employee	190	200	5.26%
Employee/Family	295	310	5.08%
<u>Yearly Rate</u>			
Employee	330	345	4.55%
Employee/Family	510	535	4.90%
Student/Family	180	190	5.56%

U. T. HEALTH SCIENCE CENTER - HOUSTON

AMENDMENTS TO THE 2003-04 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
DENTAL BRANCH					
Dean Diagnostic Sciences Pediatric Dentistry Oral Pathology Laboratory					
1. Catherine Flaitz (T)					
From: Interim Dean, Professor, and Chairman		100 SUPLT	12 12	135,000 29,200	48
To: Dean, Professor, and Chairman	8/1-8/31	100 SUPLT	12 12	214,200 50,000	
MEDICAL SCHOOL					
Dean					
2. Stanley G. Schultz (T)					
From: Professor and Interim Dean		100 SUPLT	12 12	178,000 57,000	40
To: Dean and Professor, Fondren Chair in Cellular Signaling	6/1-8/31	100 SUPLT	12 12	250,000 57,000	

AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF PUBLIC HEALTH					
Internal Medicine (Continued)					
3. Bruce Kone (T)					41
From: James T. and Nancy B. Willerson Distinguished Chair, and Professor - Internal Medicine – Nephrology, General Instruction – GSBS, and Internal Medicine – Renal Diseases		100 SUPLT	12 12	194,478 87,500	
To: James T. and Nancy B. Willerson Distinguished Chair, Chairman of Internal Medicine, and Professor of Integrative Biology and Pharmacology, Internal Medicine – Nephrology, General Instruction – GSBS, and Internal Medicine – Renal Diseases	5/1-8/31	100 SUPLT	12 12	194,478 132,500	
Environmental Sciences					
4. Lawrence W. Whitehead (T)					39
From: Associate Professor		100	12	86,883	
To: Associate Professor and Interim Director	7/1–8/31	100 SUPLT	12 12	86,883 15,000	

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' Rules and Regulations, Part One, Chapter III, Section 13 and is submitted for approval by the U. T. Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas System and there is no conflict between holding this position and the appointment of Mr. Untermeyer with The University of Texas Health Science Center at Houston. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas System and there is no conflict between the position and the University appointment.

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| Name: | Mr. Charles Graves Untermeyer |
| Title: | Vice President for Governmental Relations and Professor of Public Policy |
| Position: | Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Qatar |
| Period: | August 10, 2004 through August 31, 2005 |
| Compensation: | \$150,000 |
| Description: | Mr. Untermeyer will be on unpaid leave of absence while serving as Ambassador to Qatar. |

U. T. HEALTH SCIENCE CENTER - SAN ANTONIO

GIFTS

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

- | | |
|-----------------|--|
| 1. Donor Name: | SBC Foundation |
| College/School/ | Office of the Vice President and Chief Information Officer |
| Department: | Department of Telecommunications and Networking |
| Purpose: | SBC Foundation's fifth payment toward a \$5 million grant commitment payable over ten years (2000-2009) in support of the Virtual Campus Health Science Center technology project. |
| Asset Type: | Cash |
| Value: | \$500,000 |

- | | |
|-----------------|--|
| 2. Donor Name: | Robert J. Kleberg, Jr. and Helen C. Kleberg Foundation |
| College/School/ | Graduate School of Biomedical Sciences |
| Department: | Department of Biochemistry |
| Purpose: | First annual installment toward a \$1.5 million grant from the Robert J. Kleberg, Jr. and Helen C. Kleberg Foundation for "Bacteriophages - Understanding Viruses that Kill Bacteria" in support of a three-year research project of South Texas Bacteriophages. |
| Asset Type: | Cash |
| Value: | \$500,000 |

U. T. M. D. ANDERSON CANCER CENTER

GIFTS

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

1. Donor Name: The Commonwealth Foundation for Cancer Research
College/School/ Department: Institution
Purpose: Cancer research
Asset Type: Cash
Value: \$1,250,000
2. Donor Name: The Farmer Family Foundation
College/School/ Department: Institution
Purpose: Innovative cancer research
Asset Type: Cash
Value: \$800,000
3. Donor Name: Baylor College of Medicine
College/School/ Department: Institution
Purpose: Auditorium construction
Asset Type: Cash
Value: \$965,000
4. Donor Name: Estate of Rebecca M. Brown
College/School/ Department: Institution
Purpose: To aid people with cancer
Asset Type: Common Stock
Value: \$623,561

AMENDMENTS TO THE 2003-04 BUDGET

APPOINTMENTS AND PROMOTIONS

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
U. T. M. D. ANDERSON CANCER CENTER - MEDICAL STAFF					
Anesthesiology					
Chair, Professor					
1. David L. Brown (T)	8/30-8/31	100	12	400,000	57
Lymphoma/Myeloma					
Associate Professor					
2. Qing Yi (T)	7/26-8/31	100	12	110,000	59
Melanoma Medical Oncology					
3. Patrick Hwu (T)					49
From: Chair, Professor		100	12	270,000	
To: Chair, Professor and the Robert R. Herring Professorship in Clinical Research	7/1-8/31	100	12	270,000	
Gynecologic Oncology					
4. David Gershenson (T)					50
From: Chair, Professor and Ann Rife Cox Chair		100	12	445,620	
To: Chair, Professor and the J. Taylor Wharton, M.D. Distinguished Chair	7/1-8/31	100	12	445,620	

AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
U. T. M. D. ANDERSON CANCER CENTER - MEDICAL STAFF (Continued)					
Clinical Cancer Prevention					
5. Scott M. Lippman (T)					51
From: Chair, Professor, and Anderson Clinical Faculty Chair for Cancer Treatment and Research		100	12	270,000	
To: Chair, Professor and Ellen F. Knisely Distinguished Chair in Colon Cancer Research	7/1-8/31	100		12270,000	
Anesthesiology and Critical Care					
6. Thomas Feeley (T)					55
From: Division Head, Professor and Helen Shafer Fly Distinguished Professorship of Anesthesiology		100		12411,876	
To: Executive Vice-President and Chief Operating Office - Division Head, Special Assistant to Chief Operating Office Ad Interim, Professor and Helen Shafer Fly Distinguished Professorship of Anesthesiology	7/1-8/31	100	12	411,876	
	5/1-8/31	SUPLT	12	10,000	

AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
U. T. M. D. ANDERSON CANCER CENTER - RESEARCH					
Immunology					
Associate Professor					
7. Chen Dong (T)	7/1-8/31	100	12	110,000	58
Molecular Therapeutics					
8. Gordon B. Mills (T)					52
From: Chair, Professor and Olga Keith and Harry Carothers Wiess Chair for Cancer Research		100	12	252,253	
To: Chair, Professor and Ann Rife Cox Chair in Gynecology	7/1-8/31	100	12	252,253	
Experimental Therapeutics					
9. Elizabeth A. Grimm (T)					53
From: Professor		100		12175,000	
To: Professor and Frances King Black Memorial Professorship for Cancer Research	7/1-8/31	100	12	178,000	

U. T. HEALTH CENTER - TYLER

CONTRACTS

The following contracts or agreements have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

- Agency: Custom Food Group L.P.
Funds: Contractor shall pay to University, as a royalty, the percentages of gross receipts (before exclusion of sales tax) of the amount per unit sold or other basis as indicated in Exhibit "D" (the "Royalty").
Period: September 1, 2004 through August 31, 2006
Description: Custom Food Group L.P. will provide vending machine operations on the U. T. Health Center – Tyler campus for the sale of beverages, snack foods, and fresh food products. The vendor was selected from three bidders: Custom Food Group L.P. from Tyler, Texas; Canteen from Tyler, Texas; and Tyler Beverage from Tyler, Texas, following a competitive bid process.

FUNDS GOING OUT

- Agency: Morrison Management Specialists, Inc. ("Morrison")
Funds: \$2,071,918
Period: Effective September 1, 2003 through August 31, 2006
Description: Morrison is an experienced and qualified food service company for full service food and certain beverage services and will provide these services to the University.