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**Committee Meeting: 2/4/2004**

**Board Meeting: 2/4/2004**  
U. T. Brownsville

Woody L. Hunt, Chairman  
John W. Barnhill, Jr.  
H. Scott Caven, Jr.  
James Richard Huffines  
Cyndi Taylor Krier

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	<i>8:00 a.m.</i> <i>Chairman</i> <i>Hunt</i>		
1. <b>U. T. System: Approval of <u>Docket No. 116</u></b>	Not on Agenda	<b>Action</b>	<b>15</b>
2. <b>U. T. System: Approval to amend Resolution regarding the list of individuals authorized to negotiate, execute, and administer classified government contracts (Key Management Personnel)</b>	<i>8:00 a.m.</i> <b>Action</b> <i>Mr. Aldridge</i>	<b>Action</b>	<b>15</b>
3. <b>U. T. System: Monthly Financial Report</b>	<i>8:01 a.m.</i> <b>Report</b> <i>Mr. Wallace</i>	Not on Agenda	<b>16</b>
4. <b>U. T. System: Report on Fiscal Year 2003 Annual Financial Report</b>	<i>8:05 a.m.</i> <b>Report</b> <i>Mr. Wallace</i>	Not on Agenda	<b>17</b>
5. <b>U. T. System: Report on the Analysis of Financial Condition</b>	<i>8:10 a.m.</i> <b>Report</b> <i>Mr. Wallace</i>	Not on Agenda	<b>18</b>
6. <b>U. T. System: Approval of the Fiscal Year 2005 Budget Preparation Policies and Calendar for budget operations</b>	<i>8:20 a.m.</i> <b>Action</b> <i>Mr. Wallace</i>	<b>Action</b>	<b>19</b>
7. <b>U. T. Board of Regents: Approval to amend the Regents' <u>Rules and Regulations</u> regarding employee group insurance and health benefits (Part One, Chapter I, Section 9, Subsection 9.2, Subdivision 9.22 and Part Two, Chapter VI, Section 5)</b>	<i>8:25 a.m.</i> <b>Action</b> <i>Ms. Brown</i>	<b>Action</b>	<b>22</b>

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
8. <b>U. T. System: Authorization to purchase a site license for Oracle Database Enterprise, Application Server, Management/Tuning Packs, and Real Application Clustering products</b>	8:30 a.m. <b>Action</b> <i>Dr. Goldsmith</i>	<b>Action</b>	<b>24</b>
9. <b>U. T. System: Adoption of Resolution to Zurich American Insurance Company and affiliates, Schaumburg, Illinois, to guarantee payments under Phase IV of a Rolling Owner Controlled Insurance Program (ROCIP)</b>	8:35 a.m. <b>Action</b> <i>Mr. Dendy</i>	<b>Action</b>	<b>24</b>
10. <b>U. T. System: Permanent University Fund quarterly update</b>	8:40 a.m. <b>Report</b> <i>Mr. Hull</i>	Not on Agenda	<b>26</b>
11. <b>U. T. Board of Regents: Report on Investments for quarter ended November 30, 2003, and Performance Report by Ennis Knupp</b>	8:45 a.m. <b>Report</b> <i>Mr. Boldt</i>	<b>Report</b>	<b>28</b>
12. <b>U. T. Board of Regents: Presentation of UTIMCO Performance Compensation Plan</b>	8:55 a.m. <b>Discussion</b> <i>Chairman Hunt</i> <i>Mr. J. Luther King, Jr.,</i> <i>UTIMCO Board</i> <i>Mr. Bruce Myers,</i> <i>Cambridge Associates</i> <i>Mr. Greg Smith,</i> <i>Mercer Human Resource Consulting</i>	Not on Agenda	<b>29</b>

**Adjourn**

1. **U. T. System: Approval of Docket No. 116**

RECOMMENDATION

It is recommended that Docket No. 116, printed on green paper at the back of the Agenda Book beginning on Page Docket - 1, be approved.

It is requested that the Committee 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: Approval to amend Resolution regarding the list of individuals authorized to negotiate, execute, and administer classified government contracts (Key Management Personnel)**

RECOMMENDATION

The Chancellor recommends approval of the resolution set out below to comply with Department of Defense National Industrial Security Program Operating Manual requirements. The resolution, which was last approved in February 2003, will update the roster of administrative officials of The University of Texas System authorized to negotiate, execute, and administer classified government contracts as shown in item a.:

BE IT RESOLVED:

- a. That those persons occupying the following positions among the officers of The University of Texas System shall be known as Key Management Personnel as described in the Department of Defense National Industrial Security Program Operating Manual for safeguarding classified information:

Mark G. Yudof, Chancellor, Chief Executive Officer, U. T. System  
Larry R. Faulkner, President, U. T. Austin  
Juan M. Sanchez, Vice President for Research, U. T. Austin  
Bobby C. McQuiston, Director, Office of Sponsored Projects, U. T. Austin;  
U. T. System a.k.a. U. T. Austin Facility Security Officer  
Rochelle R. Athey, Associate Director, Office of Sponsored Projects, U. T. Austin

- b. That the Chief Executive Officer and the Key Management Personnel have been processed or will be processed for a personnel clearance for access to classified information, to the level of the facility clearance granted to the institution, as

provided for in the aforementioned National Industrial Security Program Operating Manual, and all replacements for such positions will be similarly processed for security clearance

- c. That the said Key Management Personnel are hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified contracts of the Department of Defense, or User Agencies of its Industrial Security Program, awarded to the institutions of The University of Texas System
- d. That the members of the U. T. Board of Regents shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of The University of Texas System and, that they will not adversely affect the policies and practices of the institutions of The University of Texas System in the performance of classified contracts for the Department of Defense, or User Agencies of its Industrial Security Program, and that the need not be processed for personnel clearances.

### BACKGROUND INFORMATION

Amendments to the resolution substitute Mr. McQuiston as Director of the Office of Sponsored Projects following the retirement of Mr. Wayne K. Kuenstler and reference the members of the Board of Regents as a group rather than listing them individually under item d., which refers to those excluded from the list of those who require a security clearance for classified government contracts.

### **3. U. T. System: Monthly Financial Report**

The Monthly Financial Report has been prepared since 1990 to track the financial results of the U. T. System component institutions. The October Monthly Financial Report representing the operating results of the institutions follows on Pages 16.1 - 16.24.

### REPORT

The Monthly Financial Report compares the results of operations between the current year-to-date cumulative amounts and the prior year-to-date cumulative amounts. Explanations are provided for institutions having the largest variances in Adjusted Income (Loss) year-to-date as compared to the prior year both in terms of dollars and percentages.

# Monthly Financial Report

## (Unaudited)

**System Office:**

*The University of Texas  
System Administration*

**Academic Components:**

*The University of Texas  
at Arlington*

*The University of Texas  
at Austin*

*The University of Texas  
at Brownsville*

*The University of Texas  
at Dallas*

*The University of Texas  
at El Paso*

*The University of Texas –  
Pan American*

*The University of Texas  
of the Permian Basin*

*The University of Texas  
at San Antonio*

*The University of Texas  
at Tyler*

**Health Components:**

*The University of Texas  
Southwestern Medical Center  
at Dallas*

*The University of Texas  
Medical Branch at Galveston*

*The University of Texas Health  
Science Center at Houston*

*The University of Texas Health  
Science Center at San Antonio*

*The University of Texas  
M.D. Anderson Cancer Center*

*The University of Texas Health  
Center at Tyler*

## October 2003

**THE UNIVERSITY OF TEXAS SYSTEM**  
**MONTHLY FINANCIAL REPORT**  
**(Unaudited)**  
**FOR THE TWO MONTHS ENDING**  
**OCTOBER 31, 2003**

**UNAUDITED**  
**The University of Texas System**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<b>October Year-to-Date FY 2004</b>	<b>October Year-to-Date FY 2003 (Restated)</b>	<b>Variance of Current Year-to-Date to Prior Year-to-Date</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$152,426,716	\$137,764,344	\$14,662,372	10.64%
Sponsored Programs	356,672,251	335,171,947	21,500,304	6.41%
Net Sales and Services of Educational Activities	26,359,014	25,830,002	529,012	2.05%
Net Sales and Services of Hospitals	303,070,548	261,592,161	41,478,387	15.86%
Net Professional Fees	118,726,167	105,208,969	13,517,198	12.85%
Net Auxiliary Enterprises	44,293,872	46,490,084	(2,196,212)	-4.72%
Other Operating Revenues	35,728,093	38,459,125	(2,731,032)	-7.10%
<b>Total Operating Revenues</b>	<b><u>1,037,276,661</u></b>	<b><u>950,516,632</u></b>	<b><u>86,760,029</u></b>	<b><u>9.13%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	634,338,786	604,596,726	29,742,060	4.92%
Payroll Related Costs	148,105,817	149,035,740	(929,923)	-0.62%
Professional Fees and Contracted Services	26,109,222	23,528,261	2,580,961	10.97%
Other Contracted Services	52,707,968	52,531,990	175,978	0.33%
Scholarships and Fellowships	123,677,859	111,196,067	12,481,792	11.23%
Travel	12,369,652	12,297,372	72,280	0.59%
Materials and Supplies	131,948,802	123,296,823	8,651,979	7.02%
Utilities	25,218,558	24,152,627	1,065,931	4.41%
Telecommunications	9,321,722	8,958,110	363,612	4.06%
Repairs and Maintenance	17,214,418	15,298,769	1,915,649	12.52%
Rentals and Leases	11,532,539	12,381,788	(849,249)	-6.86%
Printing and Reproduction	5,605,604	6,060,956	(455,352)	-7.51%
Federal Sponsored Programs Pass-Throughs	3,915,199	4,057,645	(142,446)	-3.51%
Depreciation and Amortization	57,196,117	51,411,974	5,784,143	11.25%
Other Operating Expenses	74,740,250	69,838,283	4,901,967	7.02%
<b>Total Operating Expenses</b>	<b><u>1,334,002,513</u></b>	<b><u>1,268,643,131</u></b>	<b><u>65,359,382</u></b>	<b><u>5.15%</u></b>
<b>Operating Loss</b>	<b><u>(296,725,852)</u></b>	<b><u>(318,126,499)</u></b>	<b><u>21,400,647</u></b>	<b><u>6.73%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	270,902,534	275,019,632	(4,117,098)	-1.50%
Gift Contributions for Operations	24,269,674	30,601,907	(6,332,233)	-20.69%
Net Investment Income	51,204,270	59,832,708	(8,628,438)	-14.42%
Interest Expense on Capital Asset Financings	(22,085,540)	(17,927,720)	(4,157,820)	-23.19%
<b>Net Other Nonoperating Adjustments</b>	<b><u>324,290,938</u></b>	<b><u>347,526,527</u></b>	<b><u>(23,235,589)</u></b>	<b><u>-6.69%</u></b>
<b>Adjusted Income (Loss)</b>	<b>27,565,086</b>	<b>29,400,028</b>	<b>(1,834,942)</b>	<b>-6.24%</b>
<b>Adjusted Margin (as a percentage)</b>	<b>1.99%</b>	<b>2.23%</b>		
Long Term Fund Transfer	0	0	0	0.00%
Available University Fund Transfer	0	0	0	0.00%
Realized Investment Gains (Losses)	174,966,890	(153,460,595)	328,427,485	214.01%
<b>Adj. Inc. (Loss) with Transfers &amp; Realized Gains (Losses)</b>	<b>\$202,531,976</b>	<b>(\$124,060,567)</b>	<b>\$326,592,543</b>	<b>263.25%</b>
<b>Adj. Margin % with Transfers &amp; Realized Gains (Losses)</b>	<b>12.99%</b>	<b>-10.67%</b>		

**The University of Texas System**  
**Comparison of Year-to-Date FY 2004 Adjusted Income (Loss)**  
**to Year-to-Date FY 2003 Adjusted Income (Loss)**  
**For the Two Months Ending October 31, 2003**

	<b>Year-to-Date FY2004 Adjusted Income (Loss)</b>	<b>Year-to-Date FY2003 Adjusted Income (Loss) (Restated)</b>	<b>Variance of Current Year-to-Date to Prior Year-to-Date</b>	<b>Fluctuation Percentage</b>	
U. T. System Administration	\$2,644,901	\$7,102,297	(\$4,457,396)	-62.76%	(1)
U. T. Arlington	2,093,980	1,135,261	958,719	84.45%	
U. T. Austin	27,274,953	25,384,582	1,890,371	7.45%	
U. T. Brownsville	523,866	418,976	104,890	25.03%	
U. T. Dallas	(115,292) (2)	95,777	(211,069)	-220.38%	
U. T. El Paso	458,915	(247,573)	706,488	285.37%	(3)
U. T. Pan American	2,197,067	1,542,462	654,605	42.44%	
U. T. Permian Basin	41,868	(11,039)	52,907	479.27%	
U. T. San Antonio	138,463	484,464	(346,001)	-71.42%	
U. T. Tyler	(269,723) (4)	376,179	(645,902)	-171.70%	
U. T. Southwestern Medical Center - Dallas	4,033,313	374,362	3,658,951	977.38%	(5)
U. T. Medical Branch - Galveston	(8,353,534) (6)	(5,786,895)	(2,566,639)	-44.35%	
U. T. Health Science Center - Houston	4,419,417	873,834	3,545,583	405.75%	(7)
U. T. Health Science Center - San Antonio	965,576	5,303,908	(4,338,332)	-81.80%	(8)
U. T. M. D. Anderson Cancer Center	7,648,773	12,703,128	(5,054,355)	-39.79%	(9)
U. T. Health Center - Tyler	2,089,210	(464,695)	2,553,905	549.59%	(10)
Elimination of AUF Transfer	(18,226,667)	(19,885,000)	1,658,333	8.34%	
Total Adjusted Income (Loss)	<u>27,565,086</u>	<u>29,400,028</u>	<u>(1,834,942)</u>	<u>-6.24%</u>	
Realized Investment Gains (Losses)	<u>174,966,890</u>	<u>(153,460,595)</u>	<u>328,427,485</u>	<u>214.01%</u>	(11)
<b>Total Adjusted Income (Loss) with Transfers and Realized Gains (Losses)</b>	<b><u><u>\$202,531,976</u></u></b>	<b><u><u>(\$124,060,567)</u></u></b>	<b><u><u>\$326,592,543</u></u></b>	<b><u><u>263.25%</u></u></b>	



THE UNIVERSITY OF TEXAS SYSTEM  
EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT  
For the Two Months Ending October 31, 2003

Explanations are provided for institutions having the largest variances in adjusted income (loss) year-to-date as compared to the prior year, both in terms of dollars and percentages. Explanations are also provided for institutions with a current year-to-date adjusted loss.

- (1) U. T. System Administration – The \$4.5 million (62.8%) decrease in adjusted income over the same period last year was primarily due to the increase in the Long Term Fund (LTF) distribution. The LTF distribution is reflected as negative investment income by System Administration and positive investment income by the components. The distribution increased because the payout per LTF unit increased from 25.8 cents per unit to 26.5 cents per unit between the two years, and the number of units in the fund increased due to new endowment gifts.
- (2) U. T. Dallas – The \$115,000 year-to-date net loss is primarily due to increased depreciation expense from two new buildings being placed into service in 2003, the Callier North and the School of Management building. *U. T. Dallas* anticipates that tuition increases beginning in the spring will shift operating results to positive.
- (3) U. T. El Paso – The \$706,000 (285.4%) increase in adjusted income over the same period last year was primarily due to decreased salaries and benefits expenses. The decrease was due to a decline in group insurance premiums and premium sharing, changes in eligibility requirements and the implementation of a 90-day waiting period for new employee coverage.
- (4) U. T. Tyler – The \$270,000 year-to-date net loss is primarily due to two new buildings being placed into service in the first month of the year, the Herrington Patriot Center and the Braithwaite Nursing Building. The new buildings created higher materials costs from being outfitted with furniture and equipment and additional depreciation expense. *U. T. Tyler* anticipates ending the year with a \$1.1 million profit.
- (5) U. T. Southwestern Medical Center – Dallas – The \$3.7 million (977.4%) increase in adjusted income over the same period last year was primarily due to higher professional fees related to the opening of the Moncrief Radiation Oncology Center in September. The fees are related to volume increases in Internal Medicine, Surgery and Radiation Oncology. The remainder of the increase is due to rate increases in the practice plan.
- (6) U. T. Medical Branch – Galveston – The \$8.4 million year-to-date net loss was primarily due to expenses outpacing revenue growth. Annual payment increases on governmental and other programs, including Medicare, remain less than medical cost inflation. The national nursing and patient care provider shortage, coupled with high demand for hospital services is driving up labor costs. The high cost of medical supplies, including pharmaceuticals and implants, is an additional factor in increased expenses. *UTMB Galveston* anticipates ending the year with a \$25.9 million loss.
- (7) U. T. Health Science Center – Houston – The \$3.5 million (405.8%) increase in adjusted income over the same period last year was primarily due to decreased expenses resulting from staff reductions, lower professional liability insurance assessments and expense controls in place to limit spending as part of the cost-cutting plan.
- (8) U. T. Health Science Center – San Antonio – The \$4.3 million (81.8%) decrease in adjusted income over the same period last year was primarily due to increased expenses in benefits and materials and supplies. Benefits expenses are higher attributable to higher retirement contributions and research and clinical faculty salary market adjustments in the Graduate, Dental and Medical schools. Materials and supplies expenses are now at normal levels due to the prior year conversion to PeopleSoft, which caused departments to delay or halt spending activity for the first month of 2003. Current year activity is back to normal levels due to staff familiarity with the new financial system.
- (9) U. T. M. D. Anderson Cancer Center – The \$5.1 million (39.8%) decrease in adjusted income over the same period last year was primarily due to decreased gift contributions in the current fiscal year. In the first two months of 2003 there were non-recurring donations and pledges for the George and Cynthia Mitchell Building.

- (10) U. T. Health Center – Tyler – The \$2.6 million (549.6%) increase in adjusted income over the same period last year was primarily due to increased revenues in the net sales and services of hospitals and the net professional fees. The higher revenues are due to rate increases in August 2003. Additionally, gift contributions are up \$980,000 due to a large gift from the Emaline Chamblee estate.
- (11) Realized Investment Gains (Losses) – The \$328.4 million (214%) improvement in realized investment gains/(losses) over the same period last year was due to improved financial market conditions. Of the \$175 million year-to-date gains, \$117.3 million related to the Permanent University Fund (PUF), \$46.3 million related to the LTF and \$11.4 million related to the Permanent Health Fund (PHF).

## GLOSSARY OF TERMS

### **OPERATING REVENUES:**

**STUDENT TUITION AND FEES** – *All student tuition and fee revenues earned at the U.T. component institution for educational purposes.*

**SPONSORED PROGRAMS** – *Funding received from local, state and federal governments or private agencies, organizations or individuals. Includes amounts received for services performed on grants, contracts, and agreements from these entities for current operations. This also includes indirect cost recoveries and pass-through federal and state grants.*

**NET SALES AND SERVICES OF EDUCATIONAL ACTIVITIES** – *Revenues that are related to the conduct of instruction, research, and public service and revenues from activities that exist to provide an instructional and laboratory experience for students that create goods and services that may be sold.*

**NET SALES AND SERVICES OF HOSPITALS** – *Revenues (net of discounts, allowances, and bad debt expense) generated from U.T. health institution's daily patient care, special or other services, as well as revenues from health clinics that are part of a hospital.*

**NET PROFESSIONAL FEES** – *Revenues (net of discounts, allowances, and bad debt expense) derived from the fees charged by the professional staffs at U.T. health institutions as part of the Medical Practice Plans. These revenues are also identified as Practice Plan income. Examples of such fees include doctor's fees for clinic visits, medical and dental procedures, professional opinions, and anatomical procedures, such as analysis of specimens after a surgical procedure, etc.*

**NET AUXILIARY ENTERPRISES** – *Revenues derived from a service to students, faculty, or staff in which a fee is charged that is directly related to, although not necessarily equal to the cost of the service (e.g., bookstores, dormitories, dining halls, snack bars, inter-collegiate athletic programs, etc.).*

**OTHER OPERATING REVENUES** – *Other revenues generated from sales or services provided to meet current fiscal year operating expenses, which are not included in the preceding categories (e.g., certified non profit healthcare company revenues, donated drugs, interest on student loans, etc.)*

**TOTAL OPERATING REVENUES** – *U.T. component institutionally generated funding needed to meet current fiscal year operating expenses.*

### **OPERATING EXPENSES:**

**SALARIES AND WAGES** – *Expenses for all salaries and wages of individuals employed by the institution including full-time, part-time, longevity, hourly, seasonal, etc.*

**PAYROLL RELATED COSTS** – *Expenses for all employee benefits paid by the institution or paid by the state on behalf of the institution.*

**PROFESSIONAL FEES AND CONTRACTED SERVICES** – *Payments for services rendered on a fee, contract, or other basis by a person, firm, corporation, or company recognized as possessing a high degree of learning and responsibility. Includes such items as services of a consultant, legal counsel, financial or audit fees, medical contracted services, guest lecturers (not employees) and expert witnesses.*

**OTHER CONTRACTED SERVICES** – *Payments for services rendered on a contractual basis by a person, firm, corporation or company that posses a lesser degree of learning and responsibility than that required for Professional Fees and Contracted Services. Includes such items as temporary employment expenses, fully insured medical plans expenses, janitorial services, dry cleaning services, etc.*

**SCHOLARSHIPS AND FELLOWSHIPS** – *Payments made for scholarship grants to students authorized by law.*

**TRAVEL** – *Payments for travel costs incurred during travel by employees, board or commission members and elected/appointed officials on state business.*

**MATERIALS AND SUPPLIES** – *Payments for consumable items. Includes, but is not limited to: computer consumables, office supplies, paper products, soap, lights, plants, fuels and lubricants, chemicals and gasses, medical supplies and copier supplies. Also includes postal services, and subscriptions and other publications not for permanent retention.*

**UTILITIES** – *Payments for the purchase of electricity, natural gas, water, thermal energy and waste disposal.*

**TELECOMMUNICATIONS** - *Electronically transmitted communications services (telephone, internet, computation center services, etc.).*

**REPAIRS AND MAINTENANCE** – *Payments for the maintenance and repair of equipment, furnishings, motor vehicles, buildings and other plant facilities. Includes, but is not limited to repair and maintenance to copy machines, furnishings, equipment – including medical and laboratory equipment, office equipment and aircraft.*

RENTALS AND LEASES – *Payments for rentals or leases of furnishings and equipment, vehicles, land and office buildings (all rental of space).*

PRINTING AND REPRODUCTION – *Printing and reproduction costs associated with the printing/copying of the institution's documents and publications.*

BAD DEBT EXPENSE – *Expenses incurred by the university related to nonrevenue receivables such as non-payment of student loans.*

CLAIMS AND LOSSES – *Payments for claims from self-insurance programs. Other claims for settlements and judgments are considered nonoperating expenses.*

FEDERAL SPONSORED PROGRAMS PASS-THROUGHS – *Pass-throughs to other Texas state agencies, including other universities, of federal grants and contracts.*

STATE SPONSORED PROGRAMS PASS-THROUGHS – *Pass-throughs to other Texas state agencies, including Texas universities.*

DEPRECIATION AND AMORTIZATION – *Estimated depreciation and amortization expense.*

OTHER OPERATING EXPENSES – *Other operating expenses not identified in other line items above (e.g., certified non profit healthcare company expenses, property taxes, insurance premiums, credit card fees, hazardous waste disposal expenses, meetings and conferences, etc.).*

**TOTAL OPERATING EXPENSES** – *Total operating expenses for U.T. System component institution.*

**OPERATING LOSS** – *Total operating revenues less total operating expenses before other nonoperating adjustments like state appropriations.*

**OTHER NONOPERATING ADJUSTMENTS:**

STATE APPROPRIATIONS – *Appropriations from the State General Revenue fund, which supplement the U.T. component institutional revenue in meeting operating expenses, such as faculty salaries, utilities, and institutional support. Also includes Higher Education Assistance Funds (HEAF), which is a source of state appropriated general revenue to U.T. Brownsville and U.T. Pan American. HEAF funds are appropriated for construction, library and equipment expenses for Texas public universities that do not benefit from the Permanent University Fund (PUF) bond proceeds.*

GIFT CONTRIBUTIONS FOR OPERATIONS – *Consist of public and private gifts used in current operations, excluding gifts for capital acquisition and endowment gifts.*

NET INVESTMENT INCOME – *Interest and dividend income, Long Term Fund and Permanent Health Fund distributions paid from current year income and patent and royalty income.*

INTEREST EXPENSE ON CAPITAL ASSET FINANCINGS – *Interest expenses associated with bond and note borrowings utilized to finance capital improvement projects by an institution. This consists of the interest portion of mandatory debt service transfers under the Revenue Financing System, Tuition Revenue bond and Permanent University Fund (PUF) bond programs. PUF interest expense is reported on System Administration as the debt legally belongs to the Board of Regents.*

**NET OTHER NONOPERATING ADJUSTMENTS** – *Sum of the other nonoperating adjustments.*

**ADJUSTED INCOME (LOSS)** – *Total operating revenues less total operating expenses plus net other nonoperating adjustments.*

**ADJUSTED MARGIN (as a percentage)** – *Percentage of Adjusted Income (Loss) divided by Total Operating Revenues plus Net Nonoperating Adjustments less Interest Expense on Capital Asset Financings.*

LONG TERM FUND TRANSFER – *At the institutional level, includes Long Term Fund fixed payouts approved by the Board of Regents less amounts reported as Net Investment Income. Investment income and realized gains and losses are recognized by System Administration when earned; however, the institutions do not recognize the income until their fixed payout is received. On the MFR, investment income for System Administration has been reduced for the amount of the System Administration transfer so as not to overstate investment income for System Administration. This portion of the fixed payouts is eliminated at the consolidated level to avoid overstating System-wide revenues, as the amounts will be reflected as transfers at year-end.*

AVAILABLE UNIVERSITY FUND TRANSFER – *Includes Available University Fund (AUF) transfer to System Administration for Educational and General operations and to U.T. Austin for Excellence Funding. These transfers are funded by investment earnings from the Permanent University Fund (PUF), which are required by law to be reported in the PUF at System Administration. On the MFR, investment income for System Administration has been reduced for the amount of the System Administration transfer so as not to overstate investment income for System Administration. The AUF transfers are eliminated at the consolidated level to avoid overstating System-wide revenues, as the amounts will be reflected as transfers at year-end.*

REALIZED INVESTMENT GAINS (LOSSES) – *Realized gains and losses on endowment funds managed by UTIMCO.*

**TOTAL ADJUSTED INCOME (LOSS) WITH TRANSFERS AND REALIZED GAINS (LOSSES)** – *Total Adjusted Income including LTF and AUF Transfers and Realized Gains (Losses).*

**UNAUDITED**  
**The University of Texas System Administration**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<b>October Year-to-Date <u>FY 2004</u></b>	<b>October Year-to-Date <u>FY 2003</u></b>	<b>Variance of Current Year-to-Date to Prior Year-to-Date</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Net Sales and Services of Educational Activities	\$2,693,751	\$523,881	2,169,870	414.19%
Other Operating Revenues	8,518,921	10,890,341	(2,371,420)	-21.78%
<b>Total Operating Revenues</b>	<b><u>11,212,672</u></b>	<b><u>11,414,222</u></b>	<b><u>(201,550)</u></b>	<b><u>-1.77%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	2,554,284	2,587,978	(33,694)	-1.30%
Employee Benefits and Related Costs	1,121,760	1,117,505	4,255	0.38%
Professional Fees and Contracted Services	1,241,805	1,396,855	(155,050)	-11.10%
Other Contracted Services	1,738,676	5,927,915	(4,189,239)	-70.67%
Travel	265,788	237,543	28,245	11.89%
Materials and Supplies	3,256,916	280,705	2,976,211	1060.26%
Utilities	5,841	5,442	399	7.33%
Telecommunications	108,190	58,298	49,892	85.58%
Repairs and Maintenance	290,429	19,754	270,675	1370.23%
Rentals and Leases	229,613	213,370	16,243	7.61%
Printing and Reproduction	58,708	67,568	(8,860)	-13.11%
Depreciation and Amortization	250,058	264,566	(14,508)	-5.48%
Other Operating Expenses	2,726,715	2,246,598	480,117	21.37%
<b>Total Operating Expenses</b>	<b><u>13,848,783</u></b>	<b><u>14,424,097</u></b>	<b><u>(575,314)</u></b>	<b><u>-3.99%</u></b>
<b>Operating Loss</b>	<b><u>(2,636,111)</u></b>	<b><u>(3,009,875)</u></b>	<b><u>373,764</u></b>	<b><u>12.42%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	184,803	152,729	32,074	21.00%
Gift Contributions for Operations	29,825	69,400	(39,575)	-57.02%
Net Investment Income	5,047,556	24,495,960	(19,448,404)	-79.39%
Interest Expense on Capital Asset Financings	(4,906,540)	(5,201,601)	295,061	5.67%
<b>Net Other Nonoperating Adjustments</b>	<b><u>355,644</u></b>	<b><u>19,516,488</u></b>	<b><u>(19,160,844)</u></b>	<b><u>-98.18%</u></b>
<b>Adjusted Income (Loss)</b>	<b><u>(2,280,467)</u></b>	<b><u>16,506,613</u></b>	<b><u>(18,787,080)</u></b>	<b><u>-113.82%</u></b>
<b>Adjusted Margin (as a percentage)</b>	<b><u>-13.84%</u></b>	<b><u>45.68%</u></b>		
Long Term Fund Transfer	0	(13,785,988)	13,785,988	100.00%
Available University Fund Transfer	4,925,368	4,381,672	543,696	12.41%
<b>Adjusted Income (Loss) with Transfers</b>	<b><u>2,644,901</u></b>	<b><u>7,102,297</u></b>	<b><u>(4,457,396)</u></b>	<b><u>-62.76%</u></b>
<b>Adjusted Margin % with Transfers</b>	<b><u>12.36%</u></b>	<b><u>26.57%</u></b>		
Realized Investment Gains (Losses)	174,966,890	(153,460,595)	328,427,485	214.01%
<b>Adj. Inc. (Loss) with Transfers &amp; Realized Gains (Losses)</b>	<b><u>\$177,611,791</u></b>	<b><u>(\$146,358,298)</u></b>	<b><u>\$323,970,089</u></b>	<b><u>221.35%</u></b>
<b>Adj. Margin % with Transfers &amp; Realized Gains (Losses)</b>	<b><u>90.45%</u></b>	<b><u>-115.49%</u></b>		

**UNAUDITED**  
**The University of Texas at Arlington**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<b>October Year-to-Date <u>FY 2004</u></b>	<b>October Year-to-Date <u>FY 2003</u></b>	<b>Variance of Current Year-to-Date to Prior Year-to-Date</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$18,542,750	\$17,251,619	\$1,291,131	7.48%
Sponsored Programs	12,032,457	11,303,158	729,299	6.45%
Net Sales and Services of Educational Activities	1,006,454	1,039,191	(32,737)	-3.15%
Net Auxiliary Enterprises	3,291,217	2,373,359	917,858	38.67%
Other Operating Revenues	1,072,715	1,098,402	(25,687)	-2.34%
<b>Total Operating Revenues</b>	<b><u>35,945,593</u></b>	<b><u>33,065,729</u></b>	<b><u>2,879,864</u></b>	<b><u>8.71%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	21,967,434	21,781,456	185,978	0.85%
Employee Benefits and Related Costs	4,477,982	5,373,554	(895,572)	-16.67%
Professional Fees and Contracted Services	354,294	287,494	66,800	23.24%
Other Contracted Services	949,783	943,214	6,569	0.70%
Scholarships and Fellowships	14,451,706	13,106,012	1,345,694	10.27%
Travel	342,215	336,053	6,162	1.83%
Materials and Supplies	2,248,392	2,159,539	88,853	4.11%
Utilities	769,810	751,965	17,845	2.37%
Telecommunications	554,660	381,830	172,830	45.26%
Repairs and Maintenance	1,017,463	792,426	225,037	28.40%
Rentals and Leases	324,692	445,162	(120,470)	-27.06%
Printing and Reproduction	396,247	330,926	65,321	19.74%
Depreciation and Amortization	1,611,963	1,452,532	159,431	10.98%
Other Operating Expenses	1,110,136	942,268	167,868	17.82%
<b>Total Operating Expenses</b>	<b><u>50,576,777</u></b>	<b><u>49,084,431</u></b>	<b><u>1,492,346</u></b>	<b><u>3.04%</u></b>
<b>Operating Loss</b>	<b><u>(14,631,184)</u></b>	<b><u>(16,018,702)</u></b>	<b><u>1,387,518</u></b>	<b><u>8.66%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	17,149,680	17,248,825	(99,145)	-0.57%
Gift Contributions for Operations	213,673	202,735	10,938	5.40%
Net Investment Income	482,564	299,557	183,007	61.09%
Interest Expense on Capital Asset Financings	(1,120,753)	(762,200)	(358,553)	-47.04%
<b>Net Other Nonoperating Adjustments</b>	<b><u>16,725,164</u></b>	<b><u>16,988,917</u></b>	<b><u>(263,753)</u></b>	<b><u>-1.55%</u></b>
<b>Adjusted Income (Loss)</b>	<b>2,093,980</b>	<b>970,215</b>	<b>1,123,765</b>	<b>115.83%</b>
<b>Adjusted Margin (as a percentage)</b>	<b>3.89%</b>	<b>1.91%</b>		
Long Term Fund Transfer	0	165,046	(165,046)	-100.00%
<b>Adjusted Income (Loss) with Transfers</b>	<b>\$2,093,980</b>	<b>\$1,135,261</b>	<b>\$958,719</b>	<b>84.45%</b>
<b>Adjusted Margin % with Transfers</b>	<b>3.89%</b>	<b>2.23%</b>		

**UNAUDITED**  
**The University of Texas at Austin**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<b>October Year-to-Date <u>FY 2004</u></b>	<b>October Year-to-Date <u>FY 2003</u></b>	<b>Variance of Current Year-to-Date to Prior Year-to-Date</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$67,097,534	\$64,304,030	\$2,793,504	4.34%
Sponsored Programs	72,449,284	69,640,757	2,808,527	4.03%
Net Sales and Services of Educational Activities	12,467,214	13,886,176	(1,418,962)	-10.22%
Net Auxiliary Enterprises	25,745,346	27,671,432	(1,926,086)	-6.96%
Other Operating Revenues	2,276,782	1,839,122	437,660	23.80%
<b>Total Operating Revenues</b>	<b><u>180,036,160</u></b>	<b><u>177,341,517</u></b>	<b><u>2,694,643</u></b>	<b><u>1.52%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	124,808,291	126,019,355	(1,211,064)	-0.96%
Employee Benefits and Related Costs	26,260,748	27,454,551	(1,193,803)	-4.35%
Professional Fees and Contracted Services	4,058,407	4,042,203	16,204	0.40%
Other Contracted Services	9,656,788	7,928,096	1,728,692	21.80%
Scholarships and Fellowships	23,117,740	20,718,175	2,399,565	11.58%
Travel	4,338,700	3,899,977	438,723	11.25%
Materials and Supplies	14,348,530	17,424,005	(3,075,475)	-17.65%
Utilities	6,715,889	6,594,610	121,279	1.84%
Telecommunications	2,312,351	1,683,051	629,300	37.39%
Repairs and Maintenance	3,197,315	4,189,829	(992,514)	-23.69%
Rentals and Leases	2,531,153	2,223,754	307,399	13.82%
Printing and Reproduction	1,624,967	2,214,436	(589,469)	-26.62%
Federal Sponsored Programs Pass-Thrus	327,389	436,114	(108,725)	-24.93%
Depreciation and Amortization	13,160,956	12,062,929	1,098,027	9.10%
Other Operating Expenses	8,505,727	8,996,767	(491,040)	-5.46%
<b>Total Operating Expenses</b>	<b><u>244,964,951</u></b>	<b><u>245,887,852</u></b>	<b><u>(922,901)</u></b>	<b><u>-0.38%</u></b>
<b>Operating Loss</b>	<b><u>(64,928,791)</u></b>	<b><u>(68,546,335)</u></b>	<b><u>3,617,544</u></b>	<b><u>5.28%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	52,917,713	53,935,995	(1,018,282)	-1.89%
Gift Contributions for Operations	7,534,455	6,811,072	723,383	10.62%
Net Investment Income	16,814,737	8,668,765	8,145,972	93.97%
Interest Expense on Capital Asset Financings	(3,289,828)	(2,709,718)	(580,110)	-21.41%
<b>Net Other Nonoperating Adjustments</b>	<b><u>73,977,077</u></b>	<b><u>66,706,114</u></b>	<b><u>7,270,963</u></b>	<b><u>10.90%</u></b>
<b>Adjusted Income (Loss)</b>	<b>9,048,286</b>	<b>(1,840,221)</b>	<b>10,888,507</b>	<b>591.70%</b>
<b>Adjusted Margin (as a percentage)</b>	<b>3.52%</b>	<b>-0.75%</b>		
Long Term Fund Transfer	0	7,339,803	(7,339,803)	-100.00%
Available University Fund Transfer	18,226,667	19,885,000	(1,658,333)	-8.34%
<b>Adjusted Income (Loss) with Transfers</b>	<b>\$27,274,953</b>	<b>\$25,384,582</b>	<b>\$1,890,371</b>	<b>7.45%</b>
<b>Adjusted Margin % with Transfers</b>	<b>9.90%</b>	<b>9.27%</b>		

**UNAUDITED**  
**The University of Texas at Brownsville**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<b>October Year-to-Date <u>FY 2004</u></b>	<b>October Year-to-Date <u>FY 2003</u></b>	<b>Variance of Current Year-to-Date to Prior Year-to-Date</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$2,214,884	\$1,414,241	\$800,643	56.61%
Sponsored Programs	22,240,720	19,825,597	2,415,123	12.18%
Net Sales and Services of Educational Activities	418,310	848,852	(430,542)	-50.72%
Net Auxiliary Enterprises	396,302	39,706	356,596	898.09%
Other Operating Revenues	356	5,739	(5,383)	-93.80%
<b>Total Operating Revenues</b>	<b><u>25,270,572</u></b>	<b><u>22,134,135</u></b>	<b><u>3,136,437</u></b>	<b><u>14.17%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	6,690,616	6,529,414	161,202	2.47%
Employee Benefits and Related Costs	1,264,189	1,237,107	27,082	2.19%
Professional Fees and Contracted Services	302,514	286,921	15,593	5.43%
Scholarships and Fellowships	16,080,141	13,613,436	2,466,705	18.12%
Travel	79,477	96,666	(17,189)	-17.78%
Materials and Supplies	566,068	714,017	(147,949)	-20.72%
Utilities	388,671	178,738	209,933	117.45%
Telecommunications	335,313	275,643	59,670	21.65%
Repairs and Maintenance	292,640	208,217	84,423	40.55%
Rentals and Leases	204,487	332,891	(128,404)	-38.57%
Printing and Reproduction	44,878	61,193	(16,315)	-26.66%
Depreciation and Amortization	480,784	520,173	(39,389)	-7.57%
Other Operating Expenses	1,574,144	1,254,041	320,103	25.53%
<b>Total Operating Expenses</b>	<b><u>28,303,922</u></b>	<b><u>25,308,457</u></b>	<b><u>2,995,465</u></b>	<b><u>11.84%</u></b>
<b>Operating Loss</b>	<b><u>(3,033,350)</u></b>	<b><u>(3,174,322)</u></b>	<b><u>140,972</u></b>	<b><u>4.44%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	3,834,163	3,802,267	31,896	0.84%
Gift Contributions for Operations	255	21,552	(21,297)	-98.82%
Net Investment Income	76,553	36,041	40,512	112.41%
Interest Expense on Capital Asset Financings	(353,755)	(285,156)	(68,599)	-24.06%
<b>Net Other Nonoperating Adjustments</b>	<b><u>3,557,216</u></b>	<b><u>3,574,704</u></b>	<b><u>(17,488)</u></b>	<b><u>-0.49%</u></b>
<b>Adjusted Income (Loss)</b>	<b>523,866</b>	<b>400,382</b>	<b>123,484</b>	<b>30.84%</b>
<b>Adjusted Margin (as a percentage)</b>	<b>1.80%</b>	<b>1.54%</b>		
Long Term Fund Transfer	0	18,594	(18,594)	-100.00%
<b>Adjusted Income (Loss) with Transfers</b>	<b>\$523,866</b>	<b>\$418,976</b>	<b>\$104,890</b>	<b>25.03%</b>
<b>Adjusted Margin % with Transfers</b>	<b>1.80%</b>	<b>1.61%</b>		



**UNAUDITED**  
**The University of Texas at Dallas**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<u>October Year-to-Date FY 2004</u>	<u>October Year-to-Date FY 2003</u>	<u>Variance of Current Year-to-Date to Prior Year-to-Date</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$14,071,495	\$11,550,453	\$2,521,042	21.83%
Sponsored Programs	7,657,298	8,045,084	(387,786)	-4.82%
Net Sales and Services of Educational Activities	771,158	704,681	66,477	9.43%
Net Auxiliary Enterprises	826,101	766,756	59,345	7.74%
Other Operating Revenues	452,618	324,161	128,457	39.63%
<b>Total Operating Revenues</b>	<b><u>23,778,670</u></b>	<b><u>21,391,135</u></b>	<b><u>2,387,535</u></b>	<b><u>11.16%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	17,036,730	16,104,228	932,502	5.79%
Employee Benefits and Related Costs	3,145,122	3,650,097	(504,975)	-13.83%
Professional Fees and Contracted Services	324,502	346,603	(22,101)	-6.38%
Other Contracted Services	751,720	868,727	(117,007)	-13.47%
Scholarships and Fellowships	7,989,247	6,722,154	1,267,093	18.85%
Travel	422,929	315,882	107,047	33.89%
Materials and Supplies	2,304,199	2,627,551	(323,352)	-12.31%
Utilities	853,615	662,991	190,624	28.75%
Telecommunications	187,706	264,960	(77,254)	-29.16%
Repairs and Maintenance	548,257	474,883	73,374	15.45%
Rentals and Leases	113,974	272,167	(158,193)	-58.12%
Printing and Reproduction	134,210	96,786	37,424	38.67%
Depreciation and Amortization	1,816,000	1,355,000	461,000	34.02%
Other Operating Expenses	934,052	957,240	(23,188)	-2.42%
<b>Total Operating Expenses</b>	<b><u>36,562,263</u></b>	<b><u>34,719,269</u></b>	<b><u>1,842,994</u></b>	<b><u>5.31%</u></b>
<b>Operating Loss</b>	<b><u>(12,783,593)</u></b>	<b><u>(13,328,134)</u></b>	<b><u>544,541</u></b>	<b><u>4.09%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	11,222,652	12,159,783	(937,131)	-7.71%
Gift Contributions for Operations	687,502	469,535	217,967	46.42%
Net Investment Income	1,339,560	612,794	726,766	118.60%
Interest Expense on Capital Asset Financings	(581,413)	(475,710)	(105,703)	-22.22%
<b>Net Other Nonoperating Adjustments</b>	<b><u>12,668,301</u></b>	<b><u>12,766,402</u></b>	<b><u>(98,101)</u></b>	<b><u>-0.77%</u></b>
<b>Adjusted Income (Loss)</b>	<b>(115,292)</b>	<b>(561,732)</b>	<b>446,440</b>	<b>79.48%</b>
<b>Adjusted Margin (as a percentage)</b>	<b>-0.31%</b>	<b>-1.62%</b>		
Long Term Fund Transfer	0	657,509	(657,509)	-100.00%
<b>Adjusted Income (Loss) with Transfers</b>	<b>(\$115,292)</b>	<b>\$95,777</b>	<b>(\$211,069)</b>	<b>-220.38%</b>
<b>Adjusted Margin % with Transfers</b>	<b>-0.31%</b>	<b>0.27%</b>		

**UNAUDITED**  
**The University of Texas at El Paso**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<u>October Year-to-Date FY 2004</u>	<u>October Year-to-Date FY 2003</u>	<u>Variance of Current Year-to-Date to Prior Year-to-Date</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$9,934,648	\$9,454,545	\$480,103	5.08%
Sponsored Programs	19,925,046	18,853,859	1,071,187	5.68%
Net Sales and Services of Educational Activities	914,733	720,816	193,917	26.90%
Net Auxiliary Enterprises	3,904,693	5,309,664	(1,404,971)	-26.46%
Other Operating Revenues	1,553	8,429	(6,876)	-81.58%
<b>Total Operating Revenues</b>	<b><u>34,680,673</u></b>	<b><u>34,347,313</u></b>	<b><u>333,360</u></b>	<b><u>0.97%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	17,148,266	17,623,322	(475,056)	-2.70%
Employee Benefits and Related Costs	3,444,751	4,157,006	(712,255)	-17.13%
Professional Fees and Contracted Services	282,489	1,196,432	(913,943)	-76.39%
Other Contracted Services	1,187,661	495,369	692,292	139.75%
Scholarships and Fellowships	17,151,534	16,269,929	881,605	5.42%
Travel	1,092,828	1,407,443	(314,615)	-22.35%
Materials and Supplies	2,431,792	2,881,002	(449,210)	-15.59%
Utilities	983,993	997,750	(13,757)	-1.38%
Telecommunications	157,012	263,978	(106,966)	-40.52%
Repairs and Maintenance	726,078	814,666	(88,588)	-10.87%
Rentals and Leases	218,521	215,220	3,301	1.53%
Printing and Reproduction	150,001	108,689	41,312	38.01%
Federal Sponsored Programs Pass-Thrus	588,619	666,066	(77,447)	-11.63%
Depreciation and Amortization	1,490,928	1,381,797	109,131	7.90%
Other Operating Expenses	1,131,729	1,429,314	(297,585)	-20.82%
<b>Total Operating Expenses</b>	<b><u>48,186,202</u></b>	<b><u>49,907,983</u></b>	<b><u>(1,721,781)</u></b>	<b><u>-3.45%</u></b>
<b>Operating Loss</b>	<b><u>(13,505,529)</u></b>	<b><u>(15,560,670)</u></b>	<b><u>2,055,141</u></b>	<b><u>13.21%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	12,327,026	13,783,577	(1,456,551)	-10.57%
Gift Contributions for Operations	1,263,797	1,120,578	143,219	12.78%
Net Investment Income	1,020,261	674,300	345,961	51.31%
Interest Expense on Capital Asset Financings	(646,640)	(599,390)	(47,250)	-7.88%
<b>Net Other Nonoperating Adjustments</b>	<b><u>13,964,444</u></b>	<b><u>14,979,065</u></b>	<b><u>(1,014,621)</u></b>	<b><u>-6.77%</u></b>
<b>Adjusted Income (Loss)</b>	<b>458,915</b>	<b>(581,605)</b>	<b>1,040,520</b>	<b>178.90%</b>
<b>Adjusted Margin (as a percentage)</b>	<b>0.93%</b>	<b>-1.16%</b>		
Long Term Fund Transfer	0	334,032	(334,032)	-100.00%
<b>Adjusted Income (Loss) with Transfers</b>	<b>\$458,915</b>	<b>(\$247,573)</b>	<b>\$706,488</b>	<b>285.37%</b>
<b>Adjusted Margin % with Transfers</b>	<b>0.93%</b>	<b>-0.49%</b>		

**UNAUDITED**  
**The University of Texas-Pan American**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<u>October Year-to-Date FY 2004</u>	<u>October Year-to-Date FY 2003</u>	<u>Variance of Current Year-to-Date to Prior Year-to-Date</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$8,506,898	\$7,320,754	\$1,186,144	16.20%
Sponsored Programs	19,887,640	18,953,847	933,793	4.93%
Net Sales and Services of Educational Activities	1,248,652	1,745,158	(496,506)	-28.45%
Net Auxiliary Enterprises	1,252,432	1,086,876	165,556	15.23%
Other Operating Revenues	368,035	36,499	331,536	908.34%
<b>Total Operating Revenues</b>	<b><u>31,263,657</u></b>	<b><u>29,143,134</u></b>	<b><u>2,120,523</u></b>	<b><u>7.28%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	11,155,264	10,709,553	445,711	4.16%
Employee Benefits and Related Costs	2,573,934	2,546,611	27,323	1.07%
Professional Fees and Contracted Services	151,962	129,543	22,419	17.31%
Other Contracted Services	798,831	531,401	267,430	50.33%
Scholarships and Fellowships	19,370,169	18,065,928	1,304,241	7.22%
Travel	281,299	380,437	(99,138)	-26.06%
Materials and Supplies	1,996,268	2,035,428	(39,160)	-1.92%
Utilities	749,908	795,364	(45,456)	-5.72%
Telecommunications	106,027	119,831	(13,804)	-11.52%
Repairs and Maintenance	297,642	169,348	128,294	75.76%
Rentals and Leases	53,868	61,920	(8,052)	-13.00%
Printing and Reproduction	159,540	107,466	52,074	48.46%
Depreciation and Amortization	1,112,449	1,223,074	(110,625)	-9.04%
Other Operating Expenses	737,287	1,055,837	(318,550)	-30.17%
<b>Total Operating Expenses</b>	<b><u>39,544,448</u></b>	<b><u>37,931,741</u></b>	<b><u>1,612,707</u></b>	<b><u>4.25%</u></b>
<b>Operating Loss</b>	<b><u>(8,280,791)</u></b>	<b><u>(8,788,607)</u></b>	<b><u>507,816</u></b>	<b><u>5.78%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	10,287,216	10,133,937	153,279	1.51%
Gift Contributions for Operations	405,433	268,714	136,719	50.88%
Net Investment Income	341,207	369,999	(28,792)	-7.78%
Interest Expense on Capital Asset Financings	(555,998)	(540,725)	(15,273)	-2.82%
<b>Net Other Nonoperating Adjustments</b>	<b><u>10,477,858</u></b>	<b><u>10,231,925</u></b>	<b><u>245,933</u></b>	<b><u>2.40%</u></b>
<b>Adjusted Income (Loss)</b>	<b>2,197,067</b>	<b>1,443,318</b>	<b>753,749</b>	<b>52.22%</b>
<b>Adjusted Margin (as a percentage)</b>	<b>5.19%</b>	<b>3.62%</b>		
Long Term Fund Transfer	0	99,144	(99,144)	-100.00%
<b>Adjusted Income (Loss) with Transfers</b>	<b>\$2,197,067</b>	<b>\$1,542,462</b>	<b>\$654,605</b>	<b>42.44%</b>
<b>Adjusted Margin % with Transfers</b>	<b>5.19%</b>	<b>3.85%</b>		

**UNAUDITED**  
**The University of Texas of the Permian Basin**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<b>October Year-to-Date <u>FY 2004</u></b>	<b>October Year-to-Date <u>FY 2003</u></b>	<b>Variance of Current Year-to-Date to Prior Year-to-Date</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$2,149,705	\$1,083,882	\$1,065,823	98.33%
Sponsored Programs	1,457,479	1,506,567	(49,088)	-3.26%
Net Sales and Services of Educational Activities	117,157	40,667	76,490	188.09%
Net Auxiliary Enterprises	175,462	191,406	(15,944)	-8.33%
Other Operating Revenues	38,192	16,959	21,233	125.20%
<b>Total Operating Revenues</b>	<b><u>3,937,995</u></b>	<b><u>2,839,481</u></b>	<b><u>1,098,514</u></b>	<b><u>38.69%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	2,203,300	2,061,880	141,420	6.86%
Employee Benefits and Related Costs	437,440	427,393	10,047	2.35%
Professional Fees and Contracted Services	336,108	97,254	238,854	245.60%
Other Contracted Services	166,426	179,955	(13,529)	-7.52%
Scholarships and Fellowships	1,744,042	1,348,000	396,042	29.38%
Travel	131,612	89,930	41,682	46.35%
Materials and Supplies	633,689	348,223	285,466	81.98%
Utilities	281,516	229,556	51,960	22.63%
Telecommunications	89,437	59,666	29,771	49.90%
Repairs and Maintenance	59,265	71,464	(12,199)	-17.07%
Rentals and Leases	89,269	25,157	64,112	254.85%
Printing and Reproduction	53,833	79,548	(25,715)	-32.33%
Depreciation and Amortization	364,410	346,066	18,344	5.30%
Other Operating Expenses	159,059	146,811	12,248	8.34%
<b>Total Operating Expenses</b>	<b><u>6,749,406</u></b>	<b><u>5,510,903</u></b>	<b><u>1,238,503</u></b>	<b><u>22.47%</u></b>
<b>Operating Loss</b>	<b><u>(2,811,411)</u></b>	<b><u>(2,671,422)</u></b>	<b><u>(139,989)</u></b>	<b><u>-5.24%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	2,742,623	2,562,688	179,935	7.02%
Gift Contributions for Operations	231,774	121,908	109,866	90.12%
Net Investment Income	109,676	52,532	57,144	108.78%
Interest Expense on Capital Asset Financings	(230,794)	(134,823)	(95,971)	-71.18%
<b>Net Other Nonoperating Adjustments</b>	<b><u>2,853,279</u></b>	<b><u>2,602,305</u></b>	<b><u>250,974</u></b>	<b><u>9.64%</u></b>
<b>Adjusted Income (Loss)</b>	<b>41,868</b>	<b>(69,117)</b>	<b>110,985</b>	<b>160.58%</b>
<b>Adjusted Margin (as a percentage)</b>	<b>0.60%</b>	<b>-1.24%</b>		
Long Term Fund Transfer	0	58,078	(58,078)	-100.00%
<b>Adjusted Income (Loss) with Transfers</b>	<b>\$41,868</b>	<b>(\$11,039)</b>	<b>\$52,907</b>	<b>479.27%</b>
<b>Adjusted Margin % with Transfers</b>	<b>0.60%</b>	<b>-0.20%</b>		

**UNAUDITED**  
**The University of Texas at San Antonio**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<u>October Year-to-Date FY 2004</u>	<u>October Year-to-Date FY 2003</u>	<u>Variance of Current Year-to-Date to Prior Year-to-Date</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$16,283,755	\$13,400,000	\$2,883,755	21.52%
Sponsored Programs	17,341,038	15,310,851	2,030,187	13.26%
Net Sales and Services of Educational Activities	566,435	403,240	163,195	40.47%
Net Auxiliary Enterprises	779,003	693,704	85,299	12.30%
Other Operating Revenues	40,443	58,368	(17,925)	-30.71%
<b>Total Operating Revenues</b>	<b><u>35,010,674</u></b>	<b><u>29,866,163</u></b>	<b><u>5,144,511</u></b>	<b><u>17.23%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	18,828,189	16,918,933	1,909,256	11.28%
Employee Benefits and Related Costs	4,014,112	4,112,465	(98,353)	-2.39%
Professional Fees and Contracted Services	404,670	305,137	99,533	32.62%
Other Contracted Services	192,753	281,716	(88,963)	-31.58%
Scholarships and Fellowships	16,767,902	14,444,603	2,323,299	16.08%
Travel	475,484	596,037	(120,553)	-20.23%
Materials and Supplies	1,854,738	1,386,036	468,702	33.82%
Utilities	833,333	700,866	132,467	18.90%
Telecommunications	404,954	286,930	118,024	41.13%
Repairs and Maintenance	551,743	520,102	31,641	6.08%
Rentals and Leases	392,588	324,753	67,835	20.89%
Printing and Reproduction	227,028	224,551	2,477	1.10%
Federal Sponsored Programs Pass-Thrus	484,497	701,790	(217,293)	-30.96%
Depreciation and Amortization	1,940,572	1,711,240	229,332	13.40%
Other Operating Expenses	676,451	423,132	253,319	59.87%
<b>Total Operating Expenses</b>	<b><u>48,049,014</u></b>	<b><u>42,938,291</u></b>	<b><u>5,110,723</u></b>	<b><u>11.90%</u></b>
<b>Operating Loss</b>	<b><u>(13,038,340)</u></b>	<b><u>(13,072,128)</u></b>	<b><u>33,788</u></b>	<b><u>0.26%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	13,697,899	13,767,115	(69,216)	-0.50%
Gift Contributions for Operations	389,259	194,154	195,105	100.49%
Net Investment Income	449,056	502,697	(53,641)	-10.67%
Interest Expense on Capital Asset Financings	(1,359,411)	(1,030,420)	(328,991)	-31.93%
<b>Net Other Nonoperating Adjustments</b>	<b><u>13,176,803</u></b>	<b><u>13,433,546</u></b>	<b><u>(256,743)</u></b>	<b><u>-1.91%</u></b>
<b>Adjusted Income (Loss)</b>	<b>138,463</b>	<b>361,418</b>	<b>(222,955)</b>	<b>-61.69%</b>
<b>Adjusted Margin (as a percentage)</b>	<b>0.28%</b>	<b>0.82%</b>		
Long Term Fund Transfer	0	123,046	(123,046)	-100.00%
<b>Adjusted Income (Loss) with Transfers</b>	<b>\$138,463</b>	<b>\$484,464</b>	<b>(\$346,001)</b>	<b>-71.42%</b>
<b>Adjusted Margin % with Transfers</b>	<b>0.28%</b>	<b>1.09%</b>		

**UNAUDITED**  
**The University of Texas at Tyler**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<b>October Year-to-Date <u>FY 2004</u></b>	<b>October Year-to-Date <u>FY 2003</u></b>	<b>Variance of Current Year-to-Date to Prior Year-to-Date</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$2,429,203	\$1,773,240	\$655,963	36.99%
Sponsored Programs	2,874,075	2,524,379	349,696	13.85%
Net Sales and Services of Educational Activities	132,414	92,411	40,003	43.29%
Net Auxiliary Enterprises	317,593	216,846	100,747	46.46%
Other Operating Revenues	66,835	87,166	(20,331)	-23.32%
<b>Total Operating Revenues</b>	<b><u>5,820,120</u></b>	<b><u>4,694,042</u></b>	<b><u>1,126,078</u></b>	<b><u>23.99%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	3,673,693	3,705,702	(32,009)	-0.86%
Employee Benefits and Related Costs	820,973	712,939	108,034	15.15%
Professional Fees and Contracted Services	329,588	126,799	202,789	159.93%
Other Contracted Services	346,965	228,753	118,212	51.68%
Scholarships and Fellowships	2,481,075	2,275,487	205,588	9.03%
Travel	130,607	116,941	13,666	11.69%
Materials and Supplies	1,579,817	528,756	1,051,061	198.78%
Utilities	187,062	116,982	70,080	59.91%
Telecommunications	90,965	65,445	25,520	38.99%
Repairs and Maintenance	219,635	208,697	10,938	5.24%
Rentals and Leases	20,959	16,760	4,199	25.05%
Printing and Reproduction	68,970	162,180	(93,210)	-57.47%
Depreciation and Amortization	650,000	450,000	200,000	44.44%
Other Operating Expenses	171,019	226,988	(55,969)	-24.66%
<b>Total Operating Expenses</b>	<b><u>10,771,328</u></b>	<b><u>8,942,429</u></b>	<b><u>1,828,899</u></b>	<b><u>20.45%</u></b>
<b>Operating Loss</b>	<b><u>(4,951,208)</u></b>	<b><u>(4,248,387)</u></b>	<b><u>(702,821)</u></b>	<b><u>-16.54%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	4,364,443	4,312,171	52,272	1.21%
Gift Contributions for Operations	114,519	87,588	26,931	30.75%
Net Investment Income	422,828	132,831	289,997	218.32%
Interest Expense on Capital Asset Financings	(220,305)	(113,847)	(106,458)	-93.51%
<b>Net Other Nonoperating Adjustments</b>	<b><u>4,681,485</u></b>	<b><u>4,418,743</u></b>	<b><u>262,742</u></b>	<b><u>5.95%</u></b>
<b>Adjusted Income (Loss)</b>	<b>(269,723)</b>	<b>170,356</b>	<b>(440,079)</b>	<b>-258.33%</b>
<b>Adjusted Margin (as a percentage)</b>	<b>-2.52%</b>	<b>1.85%</b>		
Long Term Fund Transfer	0	205,823	(205,823)	-100.00%
<b>Adjusted Income (Loss) with Transfers</b>	<b>(\$269,723)</b>	<b>\$376,179</b>	<b>(\$645,902)</b>	<b>-171.70%</b>
<b>Adjusted Margin % with Transfers</b>	<b>-2.52%</b>	<b>3.99%</b>		

**UNAUDITED**  
**The University of Texas Southwestern Medical Center at Dallas**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<b>October Year-to-Date <u>FY 2004</u></b>	<b>October Year-to-Date <u>FY 2003</u></b>	<b>Variance of Current Year-to-Date to Prior Year-to-Date</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$4,390,562	\$4,088,562	\$302,000	7.39%
Sponsored Programs	55,743,620	51,086,739	4,656,881	9.12%
Net Sales and Services of Educational Activities	3,141,410	2,538,055	603,355	23.77%
Net Professional Fees	35,452,410	29,402,406	6,050,004	20.58%
Net Auxiliary Enterprises	1,304,326	1,375,542	(71,216)	-5.18%
Other Operating Revenues	1,931,020	1,935,281	(4,261)	-0.22%
<b>Total Operating Revenues</b>	<b><u>101,963,348</u></b>	<b><u>90,426,585</u></b>	<b><u>11,536,763</u></b>	<b><u>12.76%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	67,022,406	63,318,315	3,704,091	5.85%
Employee Benefits and Related Costs	17,917,791	17,743,991	173,800	0.98%
Professional Fees and Contracted Services	2,019,018	1,577,046	441,972	28.03%
Other Contracted Services	8,100,353	7,161,327	939,026	13.11%
Scholarships and Fellowships	2,834,147	2,771,197	62,950	2.27%
Travel	1,123,655	950,820	172,835	18.18%
Materials and Supplies	13,411,592	13,679,446	(267,854)	-1.96%
Utilities	2,762,296	2,497,924	264,372	10.58%
Telecommunications	611,356	840,865	(229,509)	-27.29%
Repairs and Maintenance	716,677	489,566	227,111	46.39%
Rentals and Leases	1,245,558	823,238	422,320	51.30%
Printing and Reproduction	424,463	372,232	52,231	14.03%
Federal Sponsored Programs Pass-Thrus	7,050	22,788	(15,738)	-69.06%
Depreciation and Amortization	5,255,149	4,688,186	566,963	12.09%
Other Operating Expenses	4,489,731	4,071,294	418,437	10.28%
<b>Total Operating Expenses</b>	<b><u>127,941,242</u></b>	<b><u>121,008,235</u></b>	<b><u>6,933,007</u></b>	<b><u>5.73%</u></b>
<b>Operating Loss</b>	<b><u>(25,977,894)</u></b>	<b><u>(30,581,650)</u></b>	<b><u>4,603,756</u></b>	<b><u>15.05%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	19,405,387	18,460,715	944,672	5.12%
Gift Contributions for Operations	4,473,367	4,971,922	(498,555)	-10.03%
Net Investment Income	8,114,522	7,177,851	936,671	13.05%
Interest Expense on Capital Asset Financings	(1,982,069)	(1,730,606)	(251,463)	-14.53%
<b>Net Other Nonoperating Adjustments</b>	<b><u>30,011,207</u></b>	<b><u>28,879,882</u></b>	<b><u>1,131,325</u></b>	<b><u>3.92%</u></b>
<b>Adjusted Income (Loss)</b>	<b>4,033,313</b>	<b>(1,701,768)</b>	<b>5,735,081</b>	<b>337.01%</b>
<b>Adjusted Margin (as a percentage)</b>	<b>3.01%</b>	<b>-1.41%</b>		
Long Term Fund Transfer	0	2,076,130	(2,076,130)	-100.00%
<b>Adjusted Income (Loss) with Transfers</b>	<b>\$4,033,313</b>	<b>\$374,362</b>	<b>\$3,658,951</b>	<b>977.38%</b>
<b>Adjusted Margin % with Transfers</b>	<b>3.01%</b>	<b>0.30%</b>		

**UNAUDITED**  
**The University of Texas Medical Branch at Galveston**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<u>October Year-to-Date FY 2004</u>	<u>October Year-to-Date FY 2003</u>	<u>Variance of Current Year-to-Date to Prior Year-to-Date</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$1,794,006	\$1,596,201	\$197,805	12.39%
Sponsored Programs	26,193,143	28,877,591	(2,684,448)	-9.30%
Net Sales and Services of Educational Activities	245,110	0	245,110	100.00%
Net Sales and Services of Hospitals	109,609,407	104,998,904	4,610,503	4.39%
Net Professional Fees	15,936,346	15,544,942	391,404	2.52%
Net Auxiliary Enterprises	1,632,718	1,538,195	94,523	6.15%
Other Operating Revenues	3,131,818	2,912,262	219,556	7.54%
<b>Total Operating Revenues</b>	<b><u>158,542,548</u></b>	<b><u>155,468,095</u></b>	<b><u>3,074,453</u></b>	<b><u>1.98%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	105,645,232	106,291,194	(645,962)	-0.61%
Employee Benefits and Related Costs	26,695,964	27,199,094	(503,130)	-1.85%
Professional Fees and Contracted Services	1,855,126	1,401,544	453,582	32.36%
Other Contracted Services	14,390,989	13,796,418	594,571	4.31%
Scholarships and Fellowships	660,128	583,228	76,900	13.19%
Travel	442,272	883,005	(440,733)	-49.91%
Materials and Supplies	25,984,296	23,589,759	2,394,537	10.15%
Utilities	3,642,393	3,765,443	(123,050)	-3.27%
Telecommunications	1,590,701	1,672,695	(81,994)	-4.90%
Repairs and Maintenance	3,377,738	3,072,642	305,096	9.93%
Rentals and Leases	1,505,583	1,836,777	(331,194)	-18.03%
Printing and Reproduction	556,554	409,533	147,021	35.90%
Federal Sponsored Programs Pass-Thrus	271,114	403,575	(132,461)	-32.82%
Depreciation and Amortization	7,862,281	8,023,022	(160,741)	-2.00%
Other Operating Expenses	22,040,477	19,559,634	2,480,843	12.68%
<b>Total Operating Expenses</b>	<b><u>216,520,848</u></b>	<b><u>212,487,563</u></b>	<b><u>4,033,285</u></b>	<b><u>1.90%</u></b>
<b>Operating Loss</b>	<b><u>(57,978,300)</u></b>	<b><u>(57,019,468)</u></b>	<b><u>(958,832)</u></b>	<b><u>-1.68%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	45,926,339	46,498,792	(572,453)	-1.23%
Gift Contributions for Operations	597,995	422,646	175,349	41.49%
Net Investment Income	3,739,981	3,603,167	136,814	3.80%
Interest Expense on Capital Asset Financings	(639,549)	(367,092)	(272,457)	-74.22%
<b>Net Other Nonoperating Adjustments</b>	<b><u>49,624,766</u></b>	<b><u>50,157,513</u></b>	<b><u>(532,747)</u></b>	<b><u>-1.06%</u></b>
<b>Adjusted Income (Loss)</b>	<b>(8,353,534)</b>	<b>(6,861,955)</b>	<b>(1,491,579)</b>	<b>-21.74%</b>
<b>Adjusted Margin (as a percentage)</b>	<b>-4.00%</b>	<b>-3.33%</b>		
Long Term Fund Transfer	0	1,075,060	(1,075,060)	-100.00%
<b>Adjusted Income (Loss) with Transfers</b>	<b>(\$8,353,534)</b>	<b>(\$5,786,895)</b>	<b>(\$2,566,639)</b>	<b>-44.35%</b>
<b>Adjusted Margin % with Transfers</b>	<b>-4.00%</b>	<b>-2.79%</b>		



**UNAUDITED**  
**The University of Texas Health Science Center at Houston**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<b>October Year-to-Date <u>FY 2004</u></b>	<b>October Year-to-Date <u>FY 2003</u></b>	<b>Variance of Current Year-to-Date to Prior Year-to-Date</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$2,342,449	\$2,235,475	\$106,974	4.79%
Sponsored Programs	35,718,003	37,762,341	(2,044,338)	-5.41%
Net Sales and Services of Educational Activities	1,344,915	1,829,406	(484,491)	-26.48%
Net Sales and Services of Hospitals	5,500,963	4,763,514	737,449	15.48%
Net Professional Fees	17,431,544	15,076,728	2,354,816	15.62%
Net Auxiliary Enterprises	1,734,102	2,212,542	(478,440)	-21.62%
Other Operating Revenues	7,521,850	7,363,116	158,734	2.16%
<b>Total Operating Revenues</b>	<b><u>71,593,826</u></b>	<b><u>71,243,122</u></b>	<b><u>350,704</u></b>	<b><u>0.49%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	50,685,194	49,830,894	854,300	1.71%
Employee Benefits and Related Costs	9,895,396	11,178,877	(1,283,481)	-11.48%
Professional Fees and Contracted Services	8,883,981	8,022,267	861,714	10.74%
Other Contracted Services	3,031,153	4,558,209	(1,527,056)	-33.50%
Scholarships and Fellowships	235,633	250,135	(14,502)	-5.80%
Travel	296,421	569,121	(272,700)	-47.92%
Materials and Supplies	3,058,581	4,486,122	(1,427,541)	-31.82%
Utilities	821,353	871,107	(49,754)	-5.71%
Telecommunications	119,021	593,498	(474,477)	-79.95%
Repairs and Maintenance	625,240	871,107	(245,867)	-28.22%
Rentals and Leases	264,119	1,147,615	(883,496)	-76.99%
Printing and Reproduction	552,872	799,077	(246,205)	-30.81%
Federal Sponsored Programs Pass-Thrus	2,009,964	1,824,952	185,012	10.14%
Depreciation and Amortization	3,220,538	2,914,587	305,951	10.50%
Other Operating Expenses	7,332,732	7,852,147	(519,415)	-6.61%
<b>Total Operating Expenses</b>	<b><u>91,032,198</u></b>	<b><u>95,769,715</u></b>	<b><u>(4,737,517)</u></b>	<b><u>-4.95%</u></b>
<b>Operating Loss</b>	<b><u>(19,438,372)</u></b>	<b><u>(24,526,593)</u></b>	<b><u>5,088,221</u></b>	<b><u>20.75%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	22,958,923	24,177,287	(1,218,364)	-5.04%
Gift Contributions for Operations	174,888	160,823	14,065	8.75%
Net Investment Income	1,776,081	1,436,223	339,858	23.66%
Interest Expense on Capital Asset Financings	(1,052,103)	(702,655)	(349,448)	-49.73%
<b>Net Other Nonoperating Adjustments</b>	<b><u>23,857,789</u></b>	<b><u>25,071,678</u></b>	<b><u>(1,213,889)</u></b>	<b><u>-4.84%</u></b>
<b>Adjusted Income (Loss)</b>	<b>4,419,417</b>	<b>545,085</b>	<b>3,874,332</b>	<b>710.78%</b>
<b>Adjusted Margin (as a percentage)</b>	<b>4.58%</b>	<b>0.56%</b>		
Long Term Fund Transfer	0	328,749	(328,749)	-100.00%
<b>Adjusted Income (Loss) with Transfers</b>	<b>\$4,419,417</b>	<b>\$873,834</b>	<b>\$3,545,583</b>	<b>405.75%</b>
<b>Adjusted Margin % with Transfers</b>	<b>4.58%</b>	<b>0.90%</b>		

**UNAUDITED**  
**The University of Texas Health Science Center at San Antonio**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<b>October Year-to-Date <u>FY 2004</u></b>	<b>October Year-to-Date <u>FY 2003</u></b>	<b>Variance of Current Year-to-Date to Prior Year-to-Date</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$2,619,655	\$2,275,333	\$344,322	15.13%
Sponsored Programs	30,549,629	24,893,924	5,655,705	22.72%
Net Sales and Services of Educational Activities	662,264	513,616	148,648	28.94%
Net Professional Fees	12,141,910	12,457,923	(316,013)	-2.54%
Net Auxiliary Enterprises	348,494	259,750	88,744	34.17%
Other Operating Revenues	7,348,986	8,156,052	(807,066)	-9.90%
<b>Total Operating Revenues</b>	<b><u>53,670,938</u></b>	<b><u>48,556,598</u></b>	<b><u>5,114,340</u></b>	<b><u>10.53%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	38,705,573	37,156,226	1,549,347	4.17%
Employee Benefits and Related Costs	10,061,185	7,420,477	2,640,708	35.59%
Professional Fees and Contracted Services	1,427,484	1,431,073	(3,589)	-0.25%
Other Contracted Services	1,512,197	1,504,439	7,758	0.52%
Scholarships and Fellowships	794,395	1,027,783	(233,388)	-22.71%
Travel	663,725	410,533	253,192	61.67%
Materials and Supplies	4,170,110	1,627,497	2,542,613	156.23%
Utilities	797,835	631,850	165,985	26.27%
Telecommunications	1,330,907	992,634	338,273	34.08%
Repairs and Maintenance	303,274	119,887	183,387	152.97%
Rentals and Leases	269,201	480,751	(211,550)	-44.00%
Printing and Reproduction	33,878	136,022	(102,144)	-75.09%
Federal Sponsored Programs Pass-Thrus	127,288	177,166	(49,878)	-28.15%
Depreciation and Amortization	3,072,671	2,433,333	639,338	26.27%
Other Operating Expenses	15,139,018	13,820,047	1,318,971	9.54%
<b>Total Operating Expenses</b>	<b><u>78,408,741</u></b>	<b><u>69,369,718</u></b>	<b><u>9,039,023</u></b>	<b><u>13.03%</u></b>
<b>Operating Loss</b>	<b><u>(24,737,803)</u></b>	<b><u>(20,813,120)</u></b>	<b><u>(3,924,683)</u></b>	<b><u>-18.86%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	22,918,615	23,744,308	(825,693)	-3.48%
Gift Contributions for Operations	1,105,370	691,487	413,883	59.85%
Net Investment Income	2,586,396	2,024,255	562,141	27.77%
Interest Expense on Capital Asset Financings	(907,002)	(677,922)	(229,080)	-33.79%
<b>Net Other Nonoperating Adjustments</b>	<b><u>25,703,379</u></b>	<b><u>25,782,128</u></b>	<b><u>(78,749)</u></b>	<b><u>-0.31%</u></b>
<b>Adjusted Income (Loss)</b>	<b>965,576</b>	<b>4,969,008</b>	<b>(4,003,432)</b>	<b>-80.57%</b>
<b>Adjusted Margin (as a percentage)</b>	<b>1.20%</b>	<b>6.62%</b>		
Long Term Fund Transfer	0	334,900	(334,900)	-100.00%
<b>Adjusted Income (Loss) with Transfers</b>	<b>\$965,576</b>	<b>\$5,303,908</b>	<b>(\$4,338,332)</b>	<b>-81.80%</b>
<b>Adjusted Margin % with Transfers</b>	<b>1.20%</b>	<b>7.04%</b>		

**UNAUDITED**  
**The University of Texas M. D. Anderson Cancer Center**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<b>October Year-to-Date <u>FY 2004</u></b>	<b>October Year-to-Date <u>FY 2003</u></b>	<b>Variance of Current Year-to-Date to Prior Year-to-Date</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$49,172	\$16,009	\$33,163	207.15%
Sponsored Programs	31,257,366	25,642,171	5,615,195	21.90%
Net Sales and Services of Educational Activities	370,647	746,100	(375,453)	-50.32%
Net Sales and Services of Hospitals	178,506,977	142,803,048	35,703,929	25.00%
Net Professional Fees	35,339,944	30,579,788	4,760,156	15.57%
Net Auxiliary Enterprises	2,449,664	2,617,811	(168,147)	-6.42%
Other Operating Revenues	2,511,324	3,199,450	(688,126)	-21.51%
<b>Total Operating Revenues</b>	<b><u>250,485,094</u></b>	<b><u>205,604,377</u></b>	<b><u>44,880,717</u></b>	<b><u>21.83%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	135,975,101	113,892,874	22,082,227	19.39%
Employee Benefits and Related Costs	33,638,225	32,232,517	1,405,708	4.36%
Professional Fees and Contracted Services	3,323,717	2,108,846	1,214,871	57.61%
Other Contracted Services	9,173,556	7,492,990	1,680,566	22.43%
Travel	2,209,045	1,939,074	269,971	13.92%
Materials and Supplies	51,668,843	46,970,982	4,697,861	10.00%
Utilities	5,083,187	5,001,143	82,044	1.64%
Telecommunications	1,187,394	1,290,244	(102,850)	-7.97%
Repairs and Maintenance	4,684,971	2,980,841	1,704,130	57.17%
Rentals and Leases	3,748,772	3,600,663	148,109	4.11%
Printing and Reproduction	981,607	723,818	257,789	35.62%
Federal Sponsored Programs Pass-Thrus	98,807	(184,849)	283,656	153.45%
Depreciation and Amortization	13,951,824	11,762,172	2,189,652	18.62%
Other Operating Expenses	7,456,246	6,075,482	1,380,764	22.73%
<b>Total Operating Expenses</b>	<b><u>273,181,295</u></b>	<b><u>235,886,797</u></b>	<b><u>37,294,498</u></b>	<b><u>15.81%</u></b>
<b>Operating Loss</b>	<b><u>(22,696,201)</u></b>	<b><u>(30,282,420)</u></b>	<b><u>7,586,219</u></b>	<b><u>25.05%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	24,943,779	24,712,719	231,060	0.93%
Gift Contributions for Operations	6,052,930	14,972,915	(8,919,985)	-59.57%
Net Investment Income	3,412,659	4,886,700	(1,474,041)	-30.16%
Interest Expense on Capital Asset Financings	(4,064,394)	(2,529,596)	(1,534,798)	-60.67%
<b>Net Other Nonoperating Adjustments</b>	<b><u>30,344,974</u></b>	<b><u>42,042,738</u></b>	<b><u>(11,697,764)</u></b>	<b><u>-27.82%</u></b>
<b>Adjusted Income (Loss)</b>	<b>7,648,773</b>	<b>11,760,318</b>	<b>(4,111,545)</b>	<b>-34.96%</b>
<b>Adjusted Margin (as a percentage)</b>	<b>2.68%</b>	<b>4.70%</b>		
Long Term Fund Transfer	0	942,810	(942,810)	-100.00%
<b>Adjusted Income (Loss) with Transfers</b>	<b>\$7,648,773</b>	<b>\$12,703,128</b>	<b>(\$5,054,355)</b>	<b>-39.79%</b>
<b>Adjusted Margin % with Transfers</b>	<b>2.68%</b>	<b>5.06%</b>		

**UNAUDITED**  
**The University of Texas Health Center at Tyler**  
**Comparison of Operating Results and Margin**  
**For the Two Months Ending October 31, 2003**

	<u>October Year-to-Date FY 2004</u>	<u>October Year-to-Date FY 2003</u>	<u>Variance of Current Year-to-Date to Prior Year-to-Date</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Sponsored Programs	\$1,345,453	\$945,082	400,371	42.36%
Net Sales and Services of Educational Activities	258,390	197,752	60,638	30.66%
Net Sales and Services of Hospitals	9,453,201	9,026,695	426,506	4.72%
Net Professional Fees	2,424,013	2,147,182	276,831	12.89%
Net Auxiliary Enterprises	136,419	136,495	(76)	-0.06%
Other Operating Revenues	446,645	527,778	(81,133)	-15.37%
<b>Total Operating Revenues</b>	<b><u>14,064,121</u></b>	<b><u>12,980,984</u></b>	<b><u>1,083,137</u></b>	<b><u>8.34%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	10,239,213	10,065,402	173,811	1.73%
Employee Benefits and Related Costs	2,336,245	2,471,556	(135,311)	-5.47%
Professional Fees and Contracted Services	813,557	772,244	41,313	5.35%
Other Contracted Services	710,117	633,461	76,656	12.10%
Travel	73,595	67,910	5,685	8.37%
Materials and Supplies	2,434,971	2,557,755	(122,784)	-4.80%
Utilities	341,856	350,896	(9,040)	-2.58%
Telecommunications	135,728	108,542	27,186	25.05%
Repairs and Maintenance	306,051	295,340	10,711	3.63%
Rentals and Leases	320,182	361,590	(41,408)	-11.45%
Printing and Reproduction	137,848	166,931	(29,083)	-17.42%
Federal Sponsored Programs Pass-Thrus	471	10,043	(9,572)	-95.31%
Depreciation and Amortization	955,534	823,297	132,237	16.06%
Other Operating Expenses	555,727	780,683	(224,956)	-28.82%
<b>Total Operating Expenses</b>	<b><u>19,361,095</u></b>	<b><u>19,465,650</u></b>	<b><u>(104,555)</u></b>	<b><u>-0.54%</u></b>
<b>Operating Loss</b>	<b><u>(5,296,974)</u></b>	<b><u>(6,484,666)</u></b>	<b><u>1,187,692</u></b>	<b><u>18.32%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	6,021,273	5,566,724	454,549	8.17%
Gift Contributions for Operations	994,632	14,878	979,754	6585.25%
Net Investment Income	545,265	477,364	67,901	14.22%
Interest Expense on Capital Asset Financings	(174,986)	(66,259)	(108,727)	-164.09%
<b>Net Other Nonoperating Adjustments</b>	<b><u>7,386,184</u></b>	<b><u>5,992,707</u></b>	<b><u>1,393,477</u></b>	<b><u>23.25%</u></b>
<b>Adjusted Income (Loss)</b>	<b>2,089,210</b>	<b>(491,959)</b>	<b>2,581,169</b>	<b>524.67%</b>
<b>Adjusted Margin (as a percentage)</b>	<b>9.66%</b>	<b>-2.58%</b>		
Long Term Fund Transfer	0	27,264	(27,264)	-100.00%
<b>Adjusted Income (Loss) with Transfers</b>	<b>\$2,089,210</b>	<b>(\$464,695)</b>	<b>\$2,553,905</b>	<b>549.59%</b>
<b>Adjusted Margin % with Transfers</b>	<b>9.66%</b>	<b>-2.44%</b>		

#### **4. U. T. System: Report on Fiscal Year 2003 Annual Financial Report**

The Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of the U. T. System for the year ended August 31, 2003. The MD&A as found on Pages 17.1 - 17.10 is part of the Annual Financial Report that was mailed to Board members under separate cover in early January 2004.

#### **REPORT**

The disclosure requirements for the MD&A are outlined in Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments. The MD&A includes a brief discussion of the basic financial statements, condensed financial information from the financial statements, and an analysis of the overall financial position and results of operations for the year.

The MD&A has been prepared since the implementation of GASB Statement No. 34 in Fiscal Year 2002 and is reviewed annually by U. T. System executive management and external bond counsel for disclosure purposes.

THE UNIVERSITY OF TEXAS SYSTEM  
**Management's Discussion and Analysis (Unaudited)**  
For the Year Ended August 31, 2003

**INTRODUCTION**

The University of Texas System (the System) was established by the Texas Constitution of 1876. In 1881, Austin was designated the site of the main academic campus and Galveston as the location of the medical branch. The University of Texas at Austin opened in 1883, and eight years later, the John Sealy Hospital in Galveston (now a part of the System's Medical Branch at Galveston) established a program for university-trained medical professionals. In addition to the original academic campus located in Austin, the System now includes eight additional academic campuses in Arlington, Dallas, El Paso, Odessa, San Antonio, Tyler, Brownsville and Edinburg. Health institutions for medical education and research have expanded beyond the original Galveston medical campus to include M. D. Anderson Cancer Center, Southwestern Medical Center at Dallas, Health Science Centers at Houston and San Antonio and the Health Center at Tyler. The System's fifteen component institutions have become one of the nation's premier educational enterprises. Many of the System's programs in natural science, engineering, business, medicine, law, liberal arts and humanities rank among the very best in the country.

**OVERVIEW OF THE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS**

The System presents its financial statements for the year ended August 31, 2003, with data for the year ended August 31, 2002, provided for comparative purposes. The emphasis of discussion about these financial statements will focus on the primary university's current year data. The System's combined financial report includes three financial statements: the Balance Sheet; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows. The financial statements were prepared in accordance with Governmental Accounting Standards Board (GASB) principles. This discussion and analysis of the System's financial statements provides an overview of the financial activities for the year. It has been prepared by management and should be read in conjunction with the accompanying financial statements and notes.

**FINANCIAL HIGHLIGHTS**

- In fall 2003, the System's enrollment increased 5.2% to 171,734 students. This increase was due in part to the state's strong demographics combined with the weak labor market. The System's academic institutions enroll 36% of the state's public college students, and the System's health institutions enroll 74% of the state's public college medical and dental students. Increased enrollment and higher fees resulted in increased tuition and fees and other student-related revenues and expenses. Additionally, net patient care revenues increased \$201.5 million in 2003, as a result of an increase in patient volumes and higher rates.
- Texas is experiencing budget difficulties common to other states. In January 2003, state agencies and institutions of higher education were asked to submit plans for 2003 general revenue reductions to offset the state's anticipated general revenue deficit. As a result, state appropriations were \$29.7 million lower than in 2002.
- The year ended August 31, 2003, was a year in which investment returns shifted from negative returns in the first half of the year to strongly positive returns in the second half of the year. Decisions to reallocate capital during the spring and summer months away from defensive assets towards more economically sensitive instruments allowed the System to benefit from the upswing in the financial markets. Net investment income totaled \$354.9 million in 2003, which was a marked

improvement from the 2002 net investment loss of \$16.2 million. In addition, the net increase in fair value of investments for 2003 was \$1.2 billion, as compared to a net decrease of \$479.8 million in 2002. The improvements in the financial markets were the largest contributor to the increase in net assets of \$1.5 billion during 2003.

- Investments in capital asset additions were approximately \$1.4 billion in 2003, including construction in progress that was completed during the year.

## CONDENSED FINANCIAL INFORMATION

### The Balance Sheet

The System's net assets are the difference between its assets and liabilities. Over time, increases or decreases in net assets are one indicator of the improvement or decline of the System's financial health when considered with nonfinancial factors such as enrollment, patient levels and the condition of facilities. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allowance for depreciation. A summarized comparison of the System's balance sheet at August 31, 2003 and 2002 follows:

(\$ in millions)	2003	Restated <sup>1</sup> 2002
<b>Assets:</b>		
Current Assets	\$ 3,826.5	3,356.6
Noncurrent Investments	14,807.1	13,422.2
Other Noncurrent Assets	246.1	273.1
Capital Assets, net	5,682.8	4,965.5
Total Assets	24,562.5	22,017.4
<b>Liabilities:</b>		
Current Liabilities	3,201.0	2,739.8
Noncurrent Liabilities	2,742.5	2,202.7
Total Liabilities	5,943.5	4,942.5
<b>Net Assets:</b>		
Invested in Capital Assets, Net of Related Debt	3,310.7	3,031.6
Restricted	12,570.1	11,467.5
Unrestricted	2,738.2	2,575.8
Net Assets	18,619.0	17,074.9
Liabilities and Net Assets	\$ 24,562.5	22,017.4

<sup>1</sup>Certain prior year amounts were restated to conform with current year presentations.

Assets increased approximately \$2.5 billion since 2002, primarily due to improved financial market conditions resulting in gains in the System's investments, and also due to capital asset increases in 2003. Liabilities increased \$1 billion, due largely to debt issuances needed to fund construction and renovation of facilities. The System continues to build upon its strong financial foundation, which reflects the prudent utilization of financial resources, including cost controls, management of endowments, and adherence to a long-range capital plan for the maintenance and replacement of facilities.

### Current Assets and Current Liabilities

Current assets consist primarily of cash and cash equivalents, securities lending collateral, various student, patient and gift receivables and student notes receivable. Current liabilities consist primarily of accounts payable and accrued liabilities, securities lending obligations, deferred revenues, commercial paper notes and the current portion of bonds payable. The System's current ratio (current assets to current liabilities) of 1.2 times reflects adequate liquidity and sufficient short-term ability to meet its upcoming obligations.

### Noncurrent Investments

Noncurrent investments include permanent endowments, funds functioning as endowments, life income funds and other investments. These assets experienced a \$1.4 billion increase in 2003 due to increases in fair value of investments, increased investment income and gifts received to establish new endowment funds.

### Capital Assets and Related Debt Activities

The development and renewal of its capital assets is one of the critical factors in continuing the System's high quality academic, medical and research programs, as well as meeting the demands for student housing. The System continues to implement its \$4.6 billion capital improvement program, planned for fiscal years 2004 through 2009, to upgrade its facilities and address fire and life safety needs. The capital improvement program is balanced between new construction to address space deficiencies and planned growth in patient care and student enrollment. Capital additions totaled approximately \$1.4 billion in 2003, including construction in progress that was completed during the year. These capital additions were comprised of replacement, renovation, and new construction of academic, research and health care facilities, as well as significant investments in equipment.

Bonds payable relating to financing of current and prior years' construction needs totaled approximately \$2.3 billion and \$1.8 billion at August 31, 2003 and 2002, respectively. All long-term bonds continue to reflect the highest uninsured "Aaa" and "AAA" credit ratings from the three major bond-rating agencies.

### Net Assets

Net assets represent the residual interest in the System's assets, after liabilities are deducted. The following table summarizes the composition of net assets at August 31, 2003 and 2002:

(\$ in millions)	2003	Restated 2002
<b>Net Assets:</b>		
Invested in Capital Assets, Net of Related Debt	\$ 3,310.7	3,031.6
Restricted:		
Nonexpendable	11,150.0	10,044.0
Expendable	1,420.1	1,423.5
Unrestricted	2,738.2	2,575.8
<b>Total Net Assets</b>	<b>\$ 18,619.0</b>	<b>17,074.9</b>

Net assets invested in capital assets, net of related debt, represents the System's capital assets net of accumulated depreciation and outstanding debt obligations attributable to the acquisition, construction or improvement of those assets. The \$279.1 million increase in capital assets, net of related debt, since August 31, 2002, resulted from the additions to capital assets during 2003.

Restricted nonexpendable net assets primarily include the System's permanent endowment funds and are subject to externally imposed restrictions governing their use. These net assets increased \$1.1 billion to \$11.1 billion in 2003, resulting from increases in the fair value of investments, increases in investment



income and new gifts. Restricted expendable net assets include \$209.9 million of funds functioning as endowments, which was an increase of \$8.8 million from 2002.

Although unrestricted net assets are not subject to externally imposed stipulations, substantially all of the System's unrestricted net assets have been committed for various future operating budgets related to academic, patient, and research programs and initiatives, as well as capital projects. In addition, unrestricted net assets include Permanent Health Fund Endowments of \$745 million established in 1999 from tobacco-related litigation funds received from the State Legislature. The corpus of these funds is restricted by statute to remain intact and the earnings from the funds are required to be utilized for public health activities such as medical research, health education and treatment programs. Unrestricted net assets also include funds functioning as endowments of \$74.5 million.

### **The Statement of Revenues, Expenses and Changes in Net Assets**

The Statement of Revenues, Expenses and Changes in Net Assets presents the System's results of operations. The following table summarizes the System's revenues, expenses and changes in net assets for the years ending August 31, 2003 and 2002:

(\$ in millions)	2003	Restated 2002
<b>Operating Revenues:</b>		
Net Student Tuition and Fees	\$ 593.0	510.2
Sponsored Programs	1,778.1	1,651.8
Net Patient Care Revenues	2,325.1	2,123.6
Net Auxiliary Enterprises	243.6	222.9
Other	264.6	276.9
<b>Total Operating Revenues</b>	<u>5,204.4</u>	<u>4,785.4</u>
<b>Total Operating Expenses</b>	<u>(7,187.7)</u>	<u>(6,789.1)</u>
<b>Operating Loss</b>	<u>(1,983.3)</u>	<u>(2,003.7)</u>
<b>Nonoperating Revenues (Expenses):</b>		
State Appropriations	1,592.8	1,622.5
Gift Contributions	193.9	224.7
Net Investment Income (Loss)	354.9	(16.2)
Net Increase (Decrease) in Fair Value of Investments	1,243.4	(479.8)
Interest Expense	(89.7)	(92.3)
Net Other Nonoperating Revenues	6.0	15.2
<b>Income (Loss) Before Other Revenues, Expenses, Gains or Losses</b>	<u>1,318.0</u>	<u>(729.6)</u>
Capital Gift Contributions and Additions to Permanent Endowments	292.9	163.0
Extraordinary Items	36.5	(13.6)
Transfers From (To) Other State Entities	(103.3)	(98.1)
<b>Change in Net Assets</b>	<u>1,544.1</u>	<u>(678.3)</u>
<b>Net Assets, Beginning of the Year</b>	17,119.6	21,397.0
Restatements	(44.7)	(3,643.8)
Restated Net Assets, Beginning of the Year	<u>17,074.9</u>	<u>17,753.2</u>
<b>Net Assets, End of the Year</b>	<u>\$ 18,619.0</u>	<u>17,074.9</u>

### Operating Revenues

Student tuition and fees, a primary source of funding for the System's academic programs, are reflected net of associated discounts and allowances. Net student tuition and fees increased \$82.8 million, or 16.2%, as a result of tuition and fee increases and a 6.2% increase in student semester credit hours at the academic institutions from approximately 3.7 million in 2002 to 3.9 million in 2003. Enrollment at the health institutions increased 3%. In addition to the state's strong demographics, a weak labor market contributed to student retention and caused individuals to return to education for retraining. Recruitment efforts also continue to contribute to enrollment growth at many academic institutions in response to the state's Uniform Recruitment and Retention Act and the "Closing the Gaps" initiative by the Texas Higher Education Coordinating Board.

Sponsored program revenues are primarily from governmental and private sources and are related to research programs that normally provide for the recovery of direct and indirect costs. Other sponsored programs include student financial aid and contracts with affiliated hospitals for clinical activities. These revenues increased \$126.3 million in 2003 due largely to higher participation by the academic institutions in the TEXAS Grant Program, a state-based financial aid program, and increases in the Pell Grant Program, a federal program. In addition, several of the health institutions favorably renegotiated their facilities and administrative cost recoveries (indirect cost recoveries) rate with the federal government. As a result of these higher rates, the institutions realized additional sponsored program revenues.

Patient care revenues are principally generated within the System's hospitals and physicians' practice plans under contractual arrangements with governmental payors and private insurers. Net patient care revenues increased \$201.5 million in 2003, as a result of an increase in patient volumes and higher rates. Auxiliary enterprise revenues were earned from a host of activities such as athletics, housing and food service, bookstores, parking and traffic, student health and other activities.

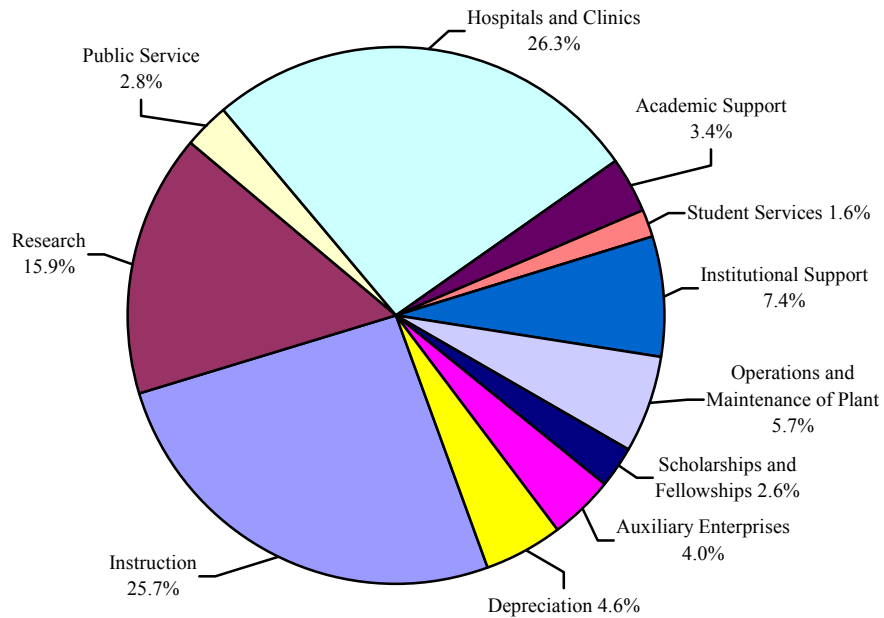
### Operating Expenses

The following data summarizes the composition of operating expenses by programmatic function for the years ending August 31, 2003 and 2002:

(\$ in millions)	2003	Restated 2002
<b>Functional Classification of Operating Expenses:</b>		
Instruction	\$ 1,848.4	1,725.6
Research	1,141.1	1,069.7
Public Service	199.3	186.9
Hospitals and Clinics	1,894.8	1,784.6
Academic Support	247.2	254.5
Student Services	113.4	103.9
Institutional Support	529.7	575.7
Operations and Maintenance of Plant	407.3	377.1
Scholarships and Fellowships	184.0	141.3
Auxiliary Enterprises	289.2	267.0
Depreciation and Amortization	333.4	302.8
<b>Total Operating Expenses</b>	<b>\$ 7,187.8</b>	<b>6,789.1</b>

The following is a graphic illustration of operating expenses by their functional classification for the year ending August 31, 2003.

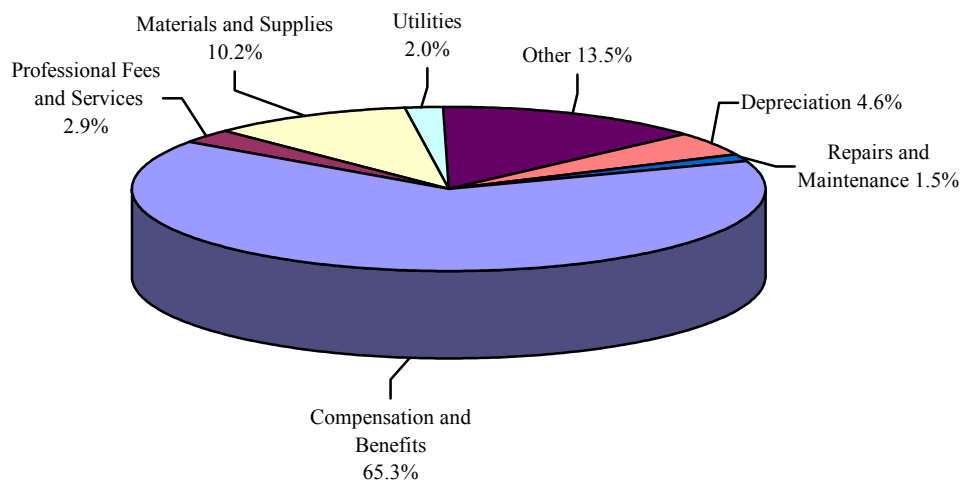
**Functional Classification of Operating Expenses (\$7,187.8 million)**



The above functional presentation of operating expenses reflects the System’s commitments in promoting instruction, research, patient care, public service and student support. Total operating expenses increased \$398.7 million in 2003 in response to growing student enrollment, research, and patient care activities. The System’s full-time equivalent employees increased 1.8% from 65,689 in 2002 to 66,845 in 2003. Employee related costs increased due to salary increases and higher medical insurance premium costs.

In addition to programmatic (functional) classification of operating expenses, the following graph also illustrates the System’s operating expenses by natural classification for the year ending August 31, 2003.

**Natural Classification of Operating Expenses (\$7,187.8 million)**



### Nonoperating Revenues and Expenses

Significant recurring revenues are considered nonoperating, as required by GASB Statement No. 35. State appropriations decreased \$29.7 million primarily due to reductions in general revenue mandated by the State Legislature. Gift contributions for operations of \$193.9 million, a decrease of \$30.8 million, were received from private sources and used to further research and support student education. Net investment income, including realized gains and losses, increased from (\$16.2) million in 2002 to \$354.9 million in 2003. After the market low on March 11, 2003, investment returns improved due to the improving financial market. Interest expense on capital asset financings was relatively stable at \$89.7 million in 2003.

### Income (Loss) Before Other Revenues, Expenses, Gains or Losses

Income (Loss) Before Other Revenues, Expenses, Gains or Losses, is the sum of the Operating Loss plus Nonoperating Revenues (Expenses). It is an indication of recurring revenues and expenses for the System and does not take into account capital and endowment related additions, extraordinary items and transfers. The Income Before Other Revenues, Expenses, Gains or Losses totaled \$1.3 billion in 2003, an increase of \$2 billion over 2002 levels. This gain is a result of marking investments to their fair values. The System measures its operating results by considering operating activities, including certain significant recurring nonoperating revenues and expenses. The following table summarizes the System's view of its operating results for 2003 and 2002:

(\$ in millions)	2003	Restated 2002
<b>Operating Results:</b>		
Operating Loss	\$ (1,983.3)	(2,003.7)
State Appropriations	1,592.8	1,622.5
Gift Contributions for Operations	193.9	224.7
Net Investment Income (Loss)	354.9	(16.2)
Interest Expense on Debt Financings	(89.7)	(92.3)
<b>Net Operating Results</b>	<b>\$ 68.6</b>	<b>(265.0)</b>

### Capital Gift Contributions and Additions to Permanent Endowments

Capital gifts and additions to permanent endowments totaled \$292.9 million for the period ended August 31, 2003, an increase of \$129.9 million over 2002, and resulted primarily from capital campaign efforts to address facilities expansion and renovation and the establishment of endowments for instruction, research and patient care activities. The institutions with large, multi-year fund-raising campaigns underway include: U. T. Austin with \$1.4 billion, U. T. Southwestern Medical Center at Dallas with \$450 million and U. T. Health Science Center at Houston with \$200 million.

### Extraordinary Items

Extraordinary items result from unusual and infrequent events. Net extraordinary revenues totaling \$36.5 million were realized during fiscal year 2003 as a result of the Health Science Center at Houston's continued reimbursement of costs associated with debris removal, emergency protective measures and replacement supplies relating to property and equipment damage sustained during Tropical Storm Allison in June 2001. Since Allison, receipts have been realized from commercial insurance coverage and from the Federal Emergency Management Agency (FEMA). Additional insurance and FEMA proceeds are anticipated; however, the amount and timing of such receipts cannot reasonably be predicted due to on-going settlement negotiations and numerous variables that preclude estimation.

### Transfers and Other

Transfers to and from other state agencies include \$121 million in Available University Funds distributed to Texas A&M University System for their annual one-third participation in the Permanent University

Fund endowment. Additionally, \$17.9 million was received from the state for new legislative initiatives promoting advancements in research and academic excellence.

### Change in Net Assets

The change in net assets results from all revenues, expenses, gains, losses, gifts and transfers that occurred during the accounting period. It is an overall indication of the improvement or decline of the System's financial health that relates to the change in net asset information between the prior and current year's balance sheet. Net assets increased \$1.5 billion for the year ending August 31, 2003, primarily due to net investment income and net increases in the fair value of investments totaling \$1.6 billion.

### The Statement of Cash Flows

The Statement of Cash Flows provides additional information about the System's financial results by reporting the major sources and uses of cash. The statement provides an assessment of the System's financial flexibility and liquidity to meet obligations as they come due and the need for external financing. The following table summarizes cash flows for the years ending August 31, 2003 and 2002:

(\$ in millions)	2003	Restated 2002
<b>Cash Flows:</b>		
Cash received from operations	\$ 5,510.2	4,836.7
Cash expended for operations	(6,913.0)	(6,479.2)
Net cash used in operating activities	(1,402.8)	(1,642.5)
Net cash provided by noncapital financing activities	1,734.6	1,840.7
Net cash used in capital and related financing activities	(560.0)	(348.8)
Net cash provided by investing activities	727.2	561.5
Net increase in cash and cash equivalents	499.0	410.9
Cash and cash equivalents, beginning of the year	1,571.9	1,161.2
Restatements to beginning cash and cash equivalents		0.1
Cash and cash equivalents, end of the year	\$ 2,070.9	1,572.2

Net cash used in operating activities should be viewed in conjunction with net cash provided by noncapital financing activities. State appropriations and gift contributions for operations are significant sources of recurring revenues in support of operating expenses, but are required to be classified as noncapital financing activities under GASB Statement No. 35. Therefore, when considering cash flows related to operating activities, it is important to consider these noncapital financing activities which support operating expenses. Net cash flow provided by these two activities amounted to \$331.8 million. Net cash used in capital and related financing activities totaled \$560 million and reflected the System's commitments to expand and renovate facilities and make significant investments in equipment. Net cash provided by investing activities of \$727.2 million reflected receipts from sales and maturities of investments compared to purchases of investments. The unrealized gains from the increase in fair value of investments is considered a noncash transaction for valuation purposes only, and does not affect cash flows from investing activities. The System's cash and cash equivalents increased \$499 million during 2003 due to positive flow of funds provided by noncapital financing and investing activities.

## **Economic Outlook**

In January 2003 state agencies and institutions of higher education were instructed to prepare budgets for the 2004-2005 biennium that would incorporate 12.5% cuts in funding from 2002-2003 levels. While the final general revenue appropriation reductions were much less severe than anticipated, the System has implemented and will continue to implement cost-cutting measures while preserving the ability to deliver mission-critical activities.

Although state appropriations were reduced, the State Legislature delegated to governing boards the authority to set tuition. This allowed university presidents, in broad consultation with their campuses, to recommend flexible rates of tuition to the Board of Regents as a means to achieve many strategic goals. The goals that will be significantly enhanced by this legislation include assuring quality of instruction, recruiting and retaining high-quality faculty, reducing student/faculty ratios, improving graduation rates, making better use of facilities, improving academic programs, ensuring financial assistance to those in need, and attracting additional research funding. The System undertook an unprecedented effort to involve students, faculty, and many other constituencies in the development of recommendations for new tuition rates. Additionally, the Chancellor appointed a Commission on Tuition to review the tuition setting plans of each institution and to advise the Chancellor on recommendations that were made to the Board of Regents in November 2003.

On November 18, 2003, the Board of Regents approved proposals from the institutions for tuition increases in the spring semester 2004 and in the next academic year, which begins in fall 2004. The approval for fall 2004 will become effective January 23, 2004 allowing time to receive final input from the general public, legislators and other policymakers. For the spring, the increases at seven of the nine academic institutions range from four percent to fifteen percent compared to rates for the fall of 2003 (for resident undergraduates taking twelve semester credit hours). Two of the institutions did not request increases for the spring. For the fall of 2004, the increases range from eight percent to twenty nine percent, again compared to rates for the fall of 2003. None of the six health institutions requested increases for the spring semester. For the fall 2004, increases for the health institutions will be no greater than the authorized amounts prior to the passage of the tuition deregulation bill. The Board of Regents approved plans that include setting aside at least twenty percent of new tuition revenues for financial aid programs as well as a variety of ways that students can take advantage of special discounts in tuition rates. The System institutions remain some of the best values in higher education in the nation, even with the new tuition proposals. *U.S. News & World Report* and the *Kiplinger* newsletter have cited U. T. Austin as a “best value” based on its relatively low cost and the quality of its programs. U. T. Austin tuition currently ranks slightly above the University of North Carolina at Chapel Hill, but well below all of its other peer institutions across the country. The other U. T. institutions tuition rates are consistently below most of their peer institutions.

The 78<sup>th</sup> Texas Legislature also passed a bill allowing general academic universities to retain 100 percent of the indirect cost reimbursements on research grants. In the past, Texas law permitted 50 percent of an academic university’s indirect cost reimbursements to be deducted from the institution’s state general revenue appropriations, while health institutions were allowed to retain 100 percent of indirect cost reimbursements. These indirect cost reimbursements can be reinvested in the research enterprise to further the System’s research efforts beginning in 2004.

On September 30, 2003, the National Institute of Allergy and Infectious Diseases (NIAID) announced that the U. T. Medical Branch at Galveston was awarded the National Biocontainment Laboratory (NBL) contract. The NBL is a \$180 million project to construct a national biosafety level 4 laboratory. This research facility will become a key component of the nation’s biodefense effort. UTMB Galveston’s NBL is one of two NBLs and nine Regional Biocontainment Laboratories (RBLs) funded by NIAID. The work performed at this site will focus on developing therapies, vaccines and diagnostic tests for microbes that might be used by bioterrorists, as well as naturally occurring emerging infectious diseases such as SARS and the West Nile virus. UTMB Galveston will own and operate the NBL, while NIAID will

oversee the projects conducted at the NBL. This is just one example of a noteworthy accomplishment of one of the System's institutions.

Private gift contributions are an important supplement to the System's support from the state, revenues from students and patients. Private support has been a significant factor in the growth of academic, research, and patient care units. Economic pressures affecting donors may also affect the future level of support afforded the System from corporate and individual giving.

The System will continue to employ its long-term investment strategy to maximize total returns, at an appropriate level of risk, while utilizing a spending rate policy to insulate the System's operations from temporary market volatility.

The System is well positioned to maintain its solid financial foundation and continue its service to students, patients, the research community, citizens of Texas and the nation. Future successes are largely dependent upon cost containment; the ability to recruit and retain the highest quality students, faculty and staff; the capacity to create and sustain physical environments conducive to learning; and ongoing financial and political support from the State Legislature, as well as from the public and private sectors.

## **5. U. T. System: Report on the Analysis of Financial Condition**

The Analysis of Financial Condition is a broad annual financial evaluation that rates institutions based on the factors analyzed as either "Satisfactory," "Watch," or "Unsatisfactory." The 2003 Analysis of Financial Condition follows on Pages 18.1 - 18.57.

### **REPORT**

Financial analysis is performed from each institution's Balance Sheet and the Statement of Revenues, Expenses, and Changes in Net Assets. The ratios presented in this report are ratios commonly used by bond rating agencies, public accounting firms, and consulting firms. The following ratios were analyzed: Primary Reserve, Annual Operating Margin, Return on Net Assets, Expendable Resources to Total Net Assets, Debt Burden, Debt Service Coverage, and Full-time Equivalent Student Enrollment (academic institutions only).

The Analysis of Financial Condition has been prepared since 1995 to track financial ratios to determine if the financial condition of the institutions is improving or declining. Due to the implementation of Governmental Accounting Standards Board Statement No. 34/35 in 2002, the basis of accounting and presentation of financial statements changed, making comparable information unavailable for periods prior to 2002. This analysis compares trends for Fiscal Years 2002 and 2003.



# 2003 Analysis of Financial Condition



The University of Texas System



February 2004

# The University of Texas System

## 2003 Analysis of Financial Condition

### Foreword

Due to the implementation of Governmental Accounting Standards Board (GASB) 34/35 in 2002, the basis of accounting and presentation of the financial statements changed, making comparable information unavailable for periods prior to 2002. Therefore, the 2003 Analysis of Financial Condition presents only two years of trends.

The analysis was performed from the Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Assets. Since the debt is reported at the System level and not on the individual institutions' books, we allocated the appropriate amount of debt to each institution, as provided by the Office of Finance. The ratios presented in this report are ratios commonly used by bond rating agencies, public accounting firms and consulting firms. The following ratios were analyzed:

- *Primary Reserve Ratio* – measures the financial strength of the institution by comparing expendable net assets to total expenses less depreciation (in days). Although the Texas State Comptroller required the Permanent Health Fund (PHF) to be reported as unrestricted, U. T. System considers the PHF to be nonexpendable. Therefore, the PHF was excluded from expendable net assets for U. T. El Paso and the six U. T. health institutions. This ratio provides a snapshot of financial strength and flexibility by indicating how long the institution could function by using its expendable reserves without relying on additional net assets generated by operations.
- *Annual Operating Margin Ratio* – indicates whether the institution has balanced annual operating expenses with revenues. Depreciation expense is included, as it is believed that inclusion of depreciation reflects a more complete picture of operating performance as it reflects use of physical assets.
- *Return on Net Assets Ratio* – determines whether the institution is financially better off than in previous years by measuring economic return. As mentioned above, the debt reported at the system level was allocated to each institution in the calculation of this ratio. A temporary decline in this ratio may be appropriate and even warranted if it reflects a strategy to better fulfill the institution's mission. On the other hand, an improving trend in this ratio indicates that the institution is increasing its net assets and is likely to be able to set aside financial resources to strengthen its future financial flexibility.
- *Expendable Resources to Total Net Assets* – measures the amount of an institution's total net assets that are expendable. The PHF was excluded from expendable net assets, and total net assets were adjusted for the debt allocated to each institution.
- *Debt Burden Ratio* – examines the institution's dependence on borrowed funds as a source of financing and the cost of borrowing relative to overall expenses.
- *Debt Service Coverage Ratio* – measures the actual margin of protection provided to investors by annual operations. *Moody's Investors Service* excludes actual investment income from its calculation of total operating revenue and instead, uses a normalized investment income of 4.5% of the prior year's ending total cash and investments. This is the calculation used by the Office of Finance. Therefore, in order to be consistent with the Office of Finance's calculation of the debt service coverage ratio, we used normalized investment income as defined above for this ratio only.
- *Full-time Equivalent (FTE) Student Enrollment* – calculates total semester credit hours taken by students during the fall semester, divided by factors of 15 for undergraduate students, 12 for graduate and special professional students, and 9 for doctoral students to arrive at the FTE students represented by the course hours taken.

These ratios only deal with the financial aspects of the institution and must be considered with key performance indicators in academics, infrastructure, and student and faculty satisfaction to understand a more complete measure of total institutional strength.

This report is meant to be a broad annual financial evaluation that rates the institutions as either "Satisfactory," "Watch" or "Unsatisfactory" based upon the factors analyzed. (See Appendix A – Definitions of Evaluation Factors). For institutions rated "Unsatisfactory," the Chancellor and the appropriate Executive Vice Chancellors will request the institutions to develop a specific financial plan of action to improve the institution's financial condition. Progress towards the achievement of the plans will be periodically discussed with the Chief Business Officer and President, and representatives from the U. T. System Offices of Business, Academic and/or Health Affairs, as appropriate.

## Executive Summary

### Institutions Rated Other Than “Satisfactory”

- UTMB Galveston** The institution’s financial condition was maintained as “Watch” for 2003. This is the same rating assigned to UTMB Galveston since 1999, with the exception of 2002 when ratings were not assigned. Although UTMB Galveston’s primary reserve ratio increased slightly from 64 days in 2002 to 71 days in 2003, this ratio remained relatively low. The annual operating margin declined \$11.3 million to (\$9) million in 2003 largely due to growth in operating expenses outpacing the growth in operating revenues. Additionally, UTMB Galveston was adversely impacted by an \$8.3 million reduction in state appropriations and a \$6 million reduction in Correctional Managed Care revenue. It should be noted that the 2002 restated annual operating margin was positive due to the change in reporting of the professional liability premium rebate of \$6.4 million in 2002 from a transfer to a reduction in expenses. While the return on net assets ratio improved from (0.9%) in 2002 to 6% in 2003, a large portion of this improvement was attributable to the change in fair value of investments, an increase in the amount of bond proceeds transferred from System Administration and gifts for sponsored programs and capital acquisitions. These nonoperating items can fluctuate greatly between years. The expendable resources to total net assets ratio remained relatively stable at 27.4% in 2003. The debt burden ratio remained unchanged at 0.6% and the debt service coverage ratio decreased from 7.4x in 2002 to 6.1x in 2003 as a result of the decline in the annual operating margin.
- UTHSC-Houston** The institution’s financial condition was maintained as “Watch” for 2003. This is the same rating assigned to UTHSC-Houston since 1999, with the exception of 2002 when ratings were not assigned. UTHSC-Houston’s primary reserve ratio increased slightly from 193 days in 2002 to 206 days in 2003 as a result of increased bond proceeds transferred from System Administration and the receipt of commercial insurance and FEMA proceeds related to Tropical Storm Allison. The annual operating margin decreased by \$29.2 million in 2003 primarily due to a \$30.9 million increase in operating expenses as compared to a \$20.8 million increase in operating revenues. In addition, UTHSC-Houston reported \$15.3 million fewer gifts from operations in 2003. The return on net assets ratio increased from 12.3% in 2002 to 18.8% in 2003; however, this increase was largely attributable to the Tropical Storm Allison receipts and the increased bond proceeds mentioned above. Expendable resources to total net assets ratio decreased from 68.7% in 2002 to 64.9% in 2003 as a result of the large increase in net assets from the receipts mentioned above. The debt burden ratio increased slightly from 1.5% in 2002 to 1.7% in 2003 due to an increase in debt service. The debt service coverage ratio fell from 5.2x in 2002 to 1.6x in 2003 as a result of the reduction in the annual operating margin, as well as the increase in debt service.
- UTHC-Tyler** The institution’s financial condition was changed to “Watch” for 2003. Since 1999 UTHC-Tyler’s rating was maintained as “Unsatisfactory,” with the exception of 2002 when ratings were not assigned. Although the primary reserve ratio improved by 33 days to 87 days, it still remained relatively low. UTHC-Tyler’s annual operating margin decreased \$4 million in 2003 primarily due to expense growth outpacing revenue growth. The majority of the increase in operating expenses was due to salaries and benefits, contract labor and contract services. The nursing shortage contributed to these increases in personnel costs. A \$1.7 million reduction in state appropriations also adversely impacted the annual operating margin. The return on net assets ratio decreased slightly from 9.4% in 2002 to 8.5% in 2003 as a result of additional debt allocated to UTHC-Tyler. Expendable resources to total net assets increased from 16.3% in 2002 to 25.8% in 2003 due to an increase in expendable net assets reserved for capital projects. The debt burden ratio of 1.1% in 2003 exceeded the 2002 ratio of 0.4% due to an increase in debt service. The debt service coverage ratio decreased significantly from 14.9x in 2002 to 3.4x in 2003 as a result of the reduction in the annual operating margin, as well as the increase in debt service.

## **Institutions Rated “Satisfactory”**

- U. T. Arlington**      The primary reserve ratio increased by 20 days to 148 days in 2003 due to an increase in unrestricted net assets and expendable net assets reserved for capital projects. The annual operating margin decreased \$156,000. The operating margin was adversely impacted by a \$4.4 million reduction in state appropriations. The return on net assets increased from 8.5% in 2002 to 11.2% in 2003 due to a transfer from U. T. System Administration of debt proceeds for capital projects. The expendable resources to total net assets ratio increased from 25.7% in 2002 to 28.5% in 2003 due to the increase in expendable and unrestricted net assets discussed above. The debt burden ratio decreased slightly from 4.7% in 2002 to 4.6% in 2003 due to an increase in operating expenses, and the debt service coverage ratio remained unchanged at 2.8x. Full-time equivalent student enrollment gains result from continued recruitment and retention efforts, as well as on-going academic programs and on-line offerings established in the previous year.
- U. T. Austin**      The primary reserve ratio increased by 2 days to 210 days in 2003 due to an increase in operating expenses and an increase in expendable net assets reserved for capital projects. The annual operating margin decreased \$820,000 largely due to the \$4.3 million reduction in state appropriations, a \$5 million reduction in gifts for operations and \$1.2 million less investment income, partially offset by a \$6.9 million increase in the distribution received from the Available University Fund. The return on net assets ratio improved substantially from (0.5%) in 2002 to 11.4% in 2003 primarily attributable to an increase in additions to permanent endowments and the net increase in fair value of investments. The expendable resources to total net assets ratio decreased slightly from 23.6% in 2002 to 22.6% in 2003 due to the sizeable increase in permanent endowments, which are nonexpendable. The debt burden ratio changed slightly from 3% in 2002 to 2.9% in 2003, and the debt service coverage ratio also decreased slightly from 4.8x in 2002 to 4.7x in 2003 due to a slight increase in debt service. Full-time equivalent student enrollment decreased for the first time in more than five years due to an intentional reduction in enrollment.
- U. T. Brownsville**      The primary reserve ratio increased by 65 days to 197 days in 2003 due to an increase in expendable net assets reserved for capital projects. The annual operating margin decreased \$4.3 million largely due to increased operating expenses. The return on net assets ratio declined from 24.2% in 2002 to 5.8% in 2003 primarily due to an increase in debt related to the construction of the Education and Business Complex. Expendable resources to total net assets ratio increased from 53.7% in 2002 to 82.4% in 2003 due to the increase in expendable net assets reserved for capital projects. The debt burden ratio increased from 2.3% in 2002 to 4.1% in 2003 due an increase in debt service. The debt service coverage ratio declined from 6.3x in 2002 to 2.4x in 2003 as a result of not only the increase in debt service, but also the reduction in the annual operating margin. Full-time equivalent student enrollment has increased steadily since 1999 due to increased high school graduation rates within the service area and increased academic programs. Additionally, the closure of local manufacturing plants has resulted in full-time equivalent student enrollment growth as people turn to higher education for retraining.

## Institutions Rated “Satisfactory” (Continued)

### U. T. Dallas

The primary reserve ratio decreased by 73 days to 181 days in 2003 as a result of the reduction in bond proceeds transferred from U. T. System Administration due to the major building program underway for several years being completed in 2003. The annual operating margin declined by \$6.8 million due to the growth in operating expenses outpacing the growth in operating revenues. The return on net assets ratio and the expendable resources to total net assets ratio decreased also due to the reduction in bond proceeds. The debt burden ratio increased from 2.7% in 2002 to 3.3% in 2003 as a result of increased debt service on the completed projects. The debt service coverage ratio decreased from 5.4x in 2002 to 3.1x in 2003 due to the reduction in the annual operating margin, as well as the increase in the debt service. U. T. Dallas continued to experience enrollment gains in Engineering, Computer Science and Management curriculums.

### U. T. El Paso

The primary reserve ratio improved by 14 days to 120 days in 2003 due to the increase in expendable net assets reserved for capital projects. The annual operating margin increased \$2.8 million largely due to higher tuition rates and enrollment growth. The return on net assets ratio increased from 1.5% in 2002 to 7.2% in 2003 largely due to the net increase in fair value of investments. The expendable resources to total net assets ratio increased from 21.1% in 2002 to 23.5% in 2003 as a result of the additional bond proceeds received from U. T. System Administration for construction projects. The debt burden ratio increased slightly from 4.3% in 2002 to 4.7% in 2003, and the debt service coverage ratio decreased from 1.9x in 2002 to 1.6x in 2003. The changes in both debt ratios were a result of an increase in debt service. Full-time equivalent student enrollment gains continued due to recruitment efforts targeted at area high schools and a number of cooperative programs with the community college. This growth has also been fueled by increased retention efforts spearheaded by the University College.

### U. T. Pan American

The primary reserve ratio decreased by 14 days to 190 days in 2003 due to increased operating expenses. The annual operating margin increased \$1.9 million primarily due to an increase in state appropriations of \$1.5 million. The return on net assets increased from 2.2% in 2002 to 8.1% in 2003 due to the change in fair value of investments, as well as the increase in bond proceeds transferred from U. T. System Administration. The expendable resources to total net assets ratio decreased from 48.6% in 2002 to 45.9% in 2003 due to total net assets increasing in 2003. The debt burden ratio increased from 3.1% in 2002 to 4.2% in 2003 due to an increase in debt service transfers, while the debt service coverage ratio decreased from 3.8x in 2002 to 2.7x in 2003 also due to the increase in debt service transfers. Full-time equivalent student enrollment continued to increase in 2003 due to recruitment and retention efforts in support of *Closing the Gaps by 2015* developed by the Texas Higher Education Coordinating Board.

### U. T. Permian Basin

The primary reserve ratio decreased by 17 days to 164 days due to an increase in operating expenses related to enrollment growth. U. T. Permian Basin is in a growth mode and is intentionally spending down balances to invest in the capital structure necessary to accommodate additional students. The annual operating margin decreased \$3.2 million due to the increase in operating expenses, including depreciation expense on the new Library Lecture Center. The return on net assets ratio improved from (2.5%) in 2002 to 3.2% in 2003 largely due to the change in fair value of investments, as well as a smaller increase in debt in 2003 than in 2002. Expendable resources to total net assets remained relatively stable at 27% in 2003. The debt burden ratio remained unchanged at 7.1%. The debt service coverage ratio decreased from 2.5x in 2002 to 1x in 2003 as a result of the reduction in the annual operating margin. The full-time equivalent student enrollment continued to increase as a result of increased recruiting and retention efforts. U. T. Permian Basin also benefited from the stagnant economy as individuals returned to college to obtain new skills.

## **Institutions Rated “Satisfactory” (Continued)**

- U. T. San Antonio** The primary reserve ratio decreased by 54 days to 242 days in 2003 due to an increase in total operating expenses as a result of continued enrollment growth. The annual operating margin declined \$2.1 million due to expense growth exceeding revenue growth, as well as a \$1.1 million reduction in state appropriations. The return on net assets fell from 25.1% in 2002 to 2.3% in 2003 largely due to a reduction in the amount of bond proceeds transferred from U. T. System Administration for capital projects. The expendable resources to total net assets decreased slightly from 46.1% in 2002 to 44% in 2003 due to the increase in capital assets in 2003. The Recreation and Child Care Center was completed in 2003 and the Academic building, Student Housing project and Bioscience building commenced in 2003. The debt burden ratio changed slightly from 6.2% in 2002 to 6% in 2003. The debt service coverage ratio decreased from 2.4x in 2002 to 1.9x in 2003 as a result of both the decline in the annual operating margin and an increase in debt service. Full-time equivalent student enrollment continues to increase at both the Main and Downtown campuses due to recruitment and retention efforts, as well as increases in Graduate Programs.
- U. T. Tyler** The primary reserve ratio decreased by 50 days to 228 days in 2003 due to an increase in operating expenses related to enrollment growth. The annual operating margin declined \$2.6 million due to the enrollment growth and a reduction in gift contributions. The return on net assets ratio increased from 4.3% in 2002 to 15.7% in 2003 due to an increase in the amount of bond proceeds transferred from U. T. System Administration for the construction of the Herrington Patriot Center and the Braithwaite Nursing building. Expendable resources to total net assets decreased from 28.3% in 2002 to 24.3% in 2003 due to the increase in total net assets noted above. The debt burden ratio increased from 3.4% in 2002 to 6.1% in 2003 as a result of an increase in debt service. The debt service coverage ratio dropped from 5.9x in 2002 to 1.9x in 2003 primarily due to both the reduction in the annual operating margin and the increase in debt service. Full-time equivalent student enrollment gains continued due to recruitment and retention efforts, as well as a comprehensive advertising program.
- Southwestern** The primary reserve ratio decreased by 46 days to 270 days in 2003 due to a reduction in expendable net assets reserved for capital projects and an increase in total operating expenses. The annual operating margin declined \$28.5 million largely due to increased salaries and wages in the physician practice plan, and the establishment of a reserve for uncollectible receivables for services provided to St. Paul University Hospital, Zale Lipshy University Hospital and University Medical Center. The return on net assets ratio increased 0.3% in 2002 to 5.6% in 2003 primarily due to the change in fair value of investments and the increase in capital assets. Expendable resources to total net assets decreased from 42.1% in 2002 to 36.5% in 2003 as a result of a large increase in total net assets and a reduction in bond proceeds transferred from U. T. System Administration. The debt burden ratio increased from 2.2% in 2002 to 2.6% in 2003 as a result of an increase in debt service. The debt service coverage ratio decreased from 4.3x in 2002 to 2.4x in 2003 due to both the reduction in the annual operating margin and an increase in debt service.

## **Institutions Rated “Satisfactory” (Continued)**

**UTHSC-  
San Antonio**

The primary reserve ratio decreased by 14 days to 203 days in 2003 due to a decrease in expendable net assets reserved for capital projects and an increase in operating expenses. The annual operating margin declined \$11 million largely due to the \$7.9 million reduction in state appropriations. The return on net assets ratio decreased from 8.6% in 2002 to 6.2% in 2003 primarily due to a reduction in the amount of bond proceeds transferred from U. T. System Administration, as well as an increase in the level of debt allocated to UTHSC-San Antonio. Expendable resources to total net assets ratio decreased from 41.3% in 2002 to 38.4% in 2003 as a result of the decrease in expendable net assets reserved for capital projects, as well as the increase in total net assets. The debt burden ratio increased from 1.5% in 2002 to 2.7% in 2003 as a result of the increase in debt service. The debt service coverage ratio declined from 6.2x in 2002 to 2.7x in 2003 due to both the reduction in the annual operating margin and the increase in debt service.

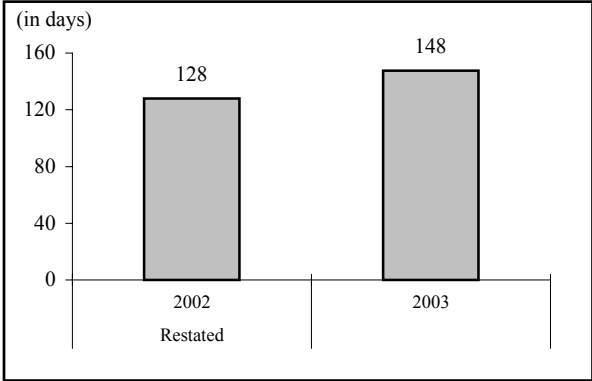
**M. D. Anderson**

The primary reserve ratio decreased by 11 days to 199 days in 2003 due to an increase in operating expenses. The annual operating margin increased \$14.5 million primarily due to increased patient volumes. The return on net assets increased from 0% in 2002 to 7.7% in 2003 largely attributable to a sizeable increase in capital assets. Expendable resources to total net assets decreased from 45.1% in 2002 to 42.7% in 2003 due to the growth in M. D. Anderson's total net assets. The South Campus Research Facility was completed in 2003. Other ongoing major capital projects consist of the George and Cynthia Mitchell Basic Science Research building, the Ambulatory Clinic building and the Cancer Prevention building. The debt burden ratio increased from 1% in 2002 to 1.7% in 2003. The debt service coverage ratio decreased from 8x in 2002 to 6.1x in 2003. The changes in both debt ratios are due to an increase in debt service.

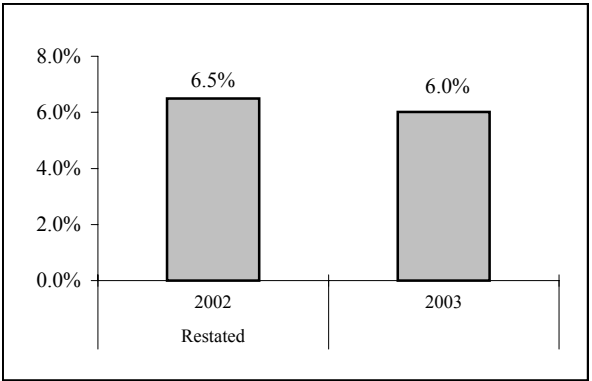
**The University of Texas at Arlington  
2003 Summary of Financial Condition**

Financial Condition: **Satisfactory**

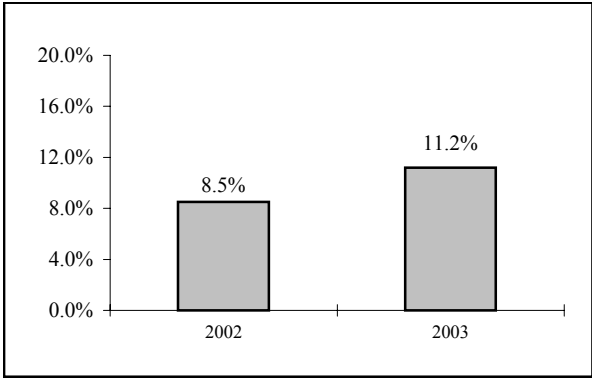
**Primary Reserve Ratio**



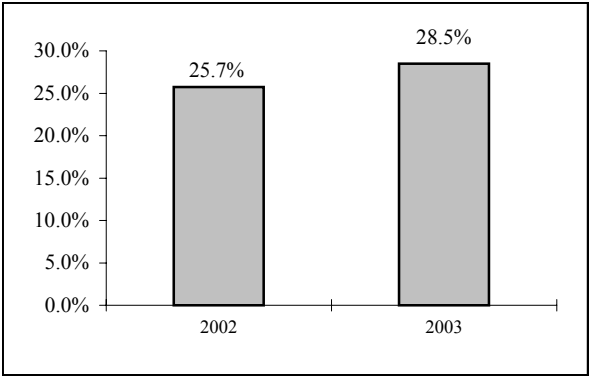
**Annual Operating Margin Ratio**



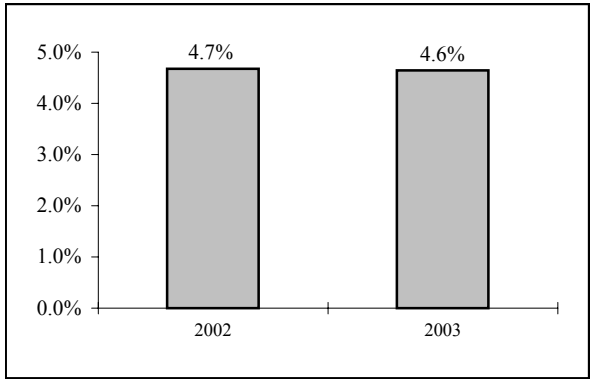
**Return on Net Assets Ratio**



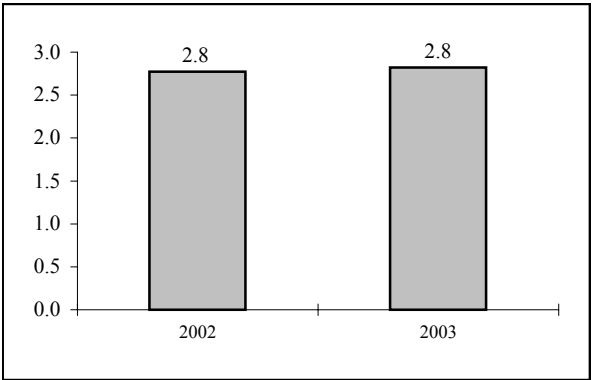
**Expendable Resources to Total Net Assets Ratio**



**Debt Burden Ratio**



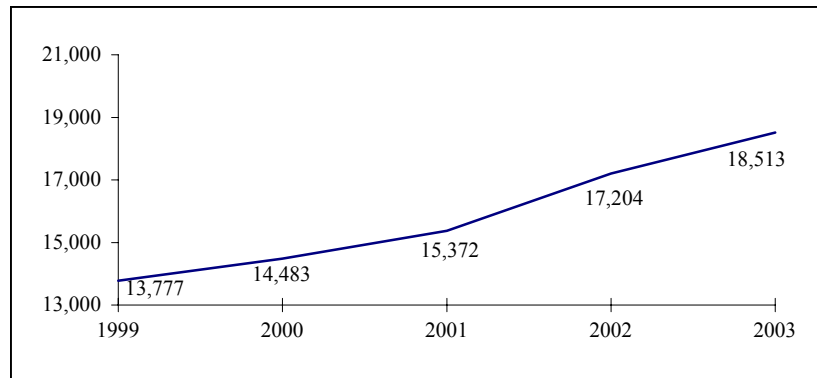
**Debt Service Coverage Ratio**





## The University of Texas at Arlington 2003 Summary of Financial Condition

### Full-time Equivalent Student Enrollment - Fall



*Primary Reserve Ratio* - U. T. Arlington's primary reserve ratio increased from 128 days in 2002 to 148 days in 2003 due to an increase in unrestricted net assets of \$10.1 million and expendable net assets reserved for capital projects of \$12.4 million. Net assets increased as a result of additional bond proceeds received from U. T. System Administration for capital projects. Construction began on a 431 bed residence hall that will be named in honor of Kalpana Chawla, an alumna who died in the space shuttle Columbia tragedy. Additionally, two more apartment buildings are being constructed to meet growing demands for on-campus housing. An expansion of the cafeteria in the University Center and the addition of an Internet Cafe to the library are also underway. Other major capital projects underway include a new Chemistry and Physics building, the Continuing Ed and Workforce Development Complex, the Fine Arts and Campus Support Annex and a Natural History Specimen Annex.

*Annual Operating Margin Ratio* - U. T. Arlington's annual operating margin was 6% for 2003, which was a slight decrease from the ratio of 6.5% for 2002. While the growth in operating revenues of \$20.6 million outpaced the growth in operating expenses of \$15.7 million, U. T. Arlington's annual operating margin declined slightly, primarily due to the \$4.4 million reduction in state appropriations.

*Return on Net Assets Ratio* - U. T. Arlington's return on net assets ratio increased from 8.5% in 2002 to 11.2% in 2003 due to a transfer from U. T. System Administration of debt proceeds for capital projects.

*Expendable Resources to Total Net Assets Ratio* - U. T. Arlington's expendable resources to total net assets ratio of 28.5% in 2003, was higher than the ratio in 2002 of 25.7%. The increase in this ratio is related to the increase in expendable and unrestricted net assets as discussed in the primary reserve ratio.

*Debt Burden Ratio* - U. T. Arlington's debt burden ratio decreased slightly from 4.7% in 2002 to 4.6% in 2003. The \$695,000 increase in debt service transfers was offset by a larger increase in operating expenses, thus, the ratio declined slightly.

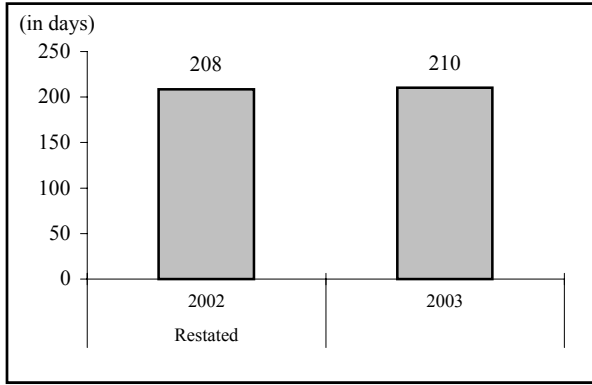
*Debt Service Coverage Ratio* - U. T. Arlington's debt service coverage ratio remained stable at 2.8x.

*Full-Time Equivalent (FTE) Student Enrollment* - Continued recruitment and retention efforts, as well as on-going academic programs and on-line offerings established in the previous year, accounted for the FTE student enrollment growth. The greatest increase in enrollment was in first-time freshmen. Students were attracted by the new 431 bed residence hall and two new apartment buildings (240 rooms) that helped to ease a waiting list for on-campus housing.

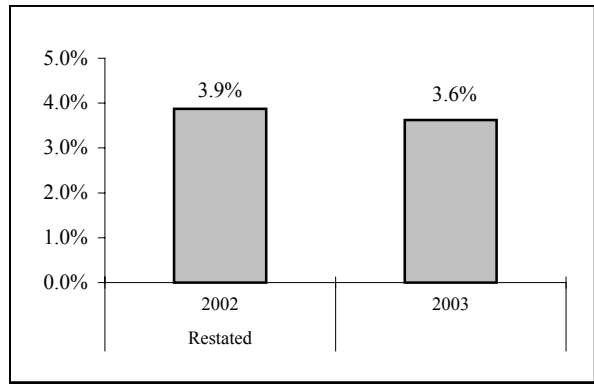
The University of Texas at Austin  
 2003 Summary of Financial Condition

Financial Condition: **Satisfactory**

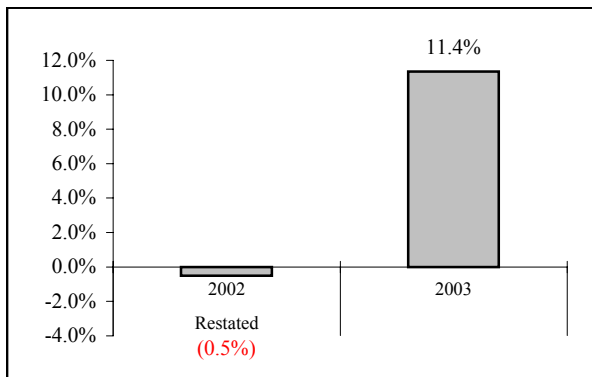
**Primary Reserve Ratio**



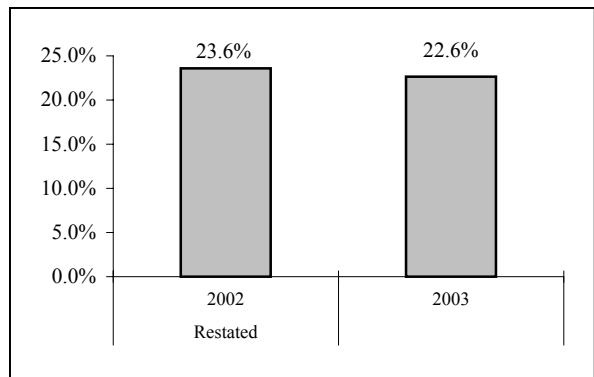
**Annual Operating Margin Ratio**



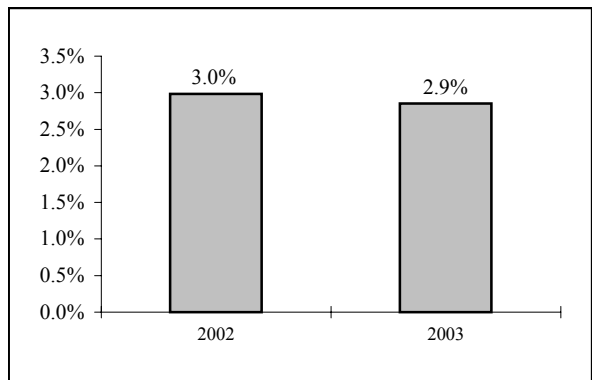
**Return on Net Assets Ratio**



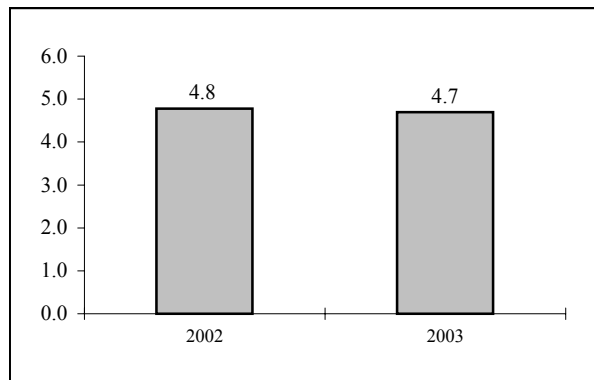
**Expendable Resources to Total Net Assets Ratio**



**Debt Burden Ratio**

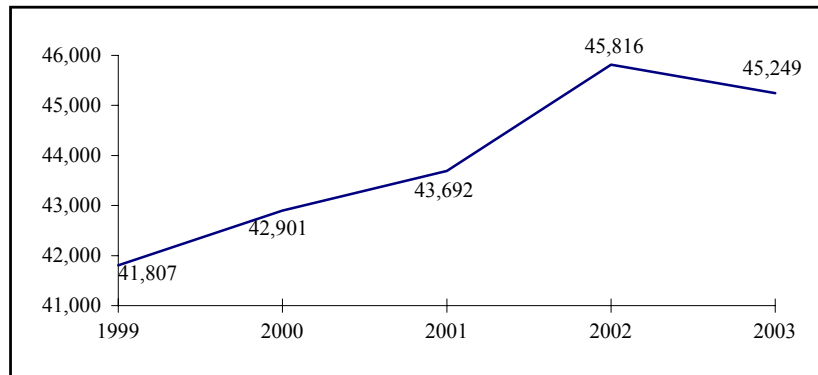


**Debt Service Coverage Ratio**



## The University of Texas at Austin 2003 Summary of Financial Condition

### Full-time Equivalent Student Enrollment - Fall



*Primary Reserve Ratio* - U. T. Austin's primary reserve ratio remained relatively stable at 210 days in 2003 as compared to 208 days in 2002. The slight increase is attributable to the following: an overall increase in operating expenses of \$71.2 million, which represents increases in instruction of \$46.1 million, institutional support of \$8.8 million, auxiliary enterprises of \$6.8 million and research of \$5.9 million; and an increase in expendable net assets reserved for capital projects of \$46.8 million due to bond proceeds due from U. T. System Administration. Some of the major capital projects currently underway are the Blanton Art Museum, utilities infrastructure upgrades, the Erwin Center renovation, the Biological Sciences Wetlab and the Benedict Mezes Batts renovation.

*Annual Operating Margin Ratio* - U. T. Austin's annual operating margin ratio decreased slightly from 3.9% for 2002 to 3.6% for 2003 due to increases in operating revenues and expenses, as well as a reduction in nonoperating activity. The \$68.8 million increase in operating revenue is primarily comprised of tuition and fees of \$30.5 million, sales and services of educational activities of \$17 million and auxiliary enterprises of \$9.3 million. Operating revenues were offset with a proportional increase in operating expenses of \$71.2 million, thus stabilizing the ratio. Changes in nonoperating activity include a \$4.3 million reduction in state appropriations, \$5 million fewer gifts for operations and \$1.2 million less investment income, partially offset by an increase of \$6.9 million in the distribution received from the Available University Fund.

*Return on Net Assets Ratio* - U. T. Austin's return on net assets ratio improved significantly from (0.5%) in 2002 to 11.4% in 2003. The improvement in the return on net assets ratio is the result of a \$138.7 million increase in additions to permanent endowments largely due to gifts from John Jackson for the John A. and Katherine G. Jackson Endowed Fund in Geophysics. Additionally, the change in fair value of investments shifted from a decrease of (\$168.4) million in 2002 to an increase of \$90 million in 2003, a net change of \$258.3 million, which also contributed to the improvement in the return on net assets ratio.

*Expendable Resources to Total Net Assets Ratio* - U. T. Austin's expendable resources to total net assets ratio was 22.6% in 2003 as compared to 23.6% in 2002. The slight change in this ratio is primarily due to the sizeable increase in permanent endowments, which are nonexpendable.

*Debt Burden Ratio* - U. T. Austin's debt burden ratio decreased slightly from 3% in 2002 to 2.9% in 2003 due to the \$71.2 million increase in total operating expenses as compared to the small increase in mandatory debt service transfers of \$335,000.

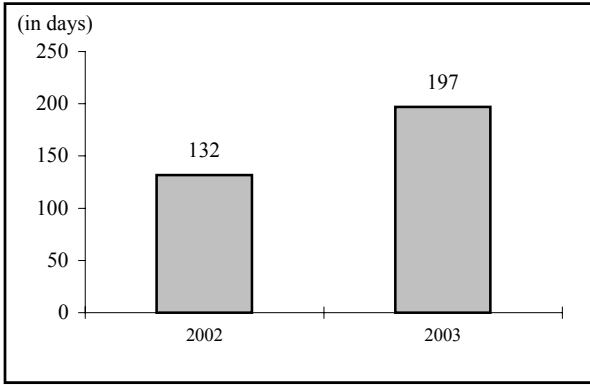
*Debt Service Coverage Ratio* - U. T. Austin's debt service coverage ratio decreased slightly from 4.8x in 2002 to 4.7x in 2003. The small decrease in this ratio is attributable to the slight increase in debt service.

*Full-Time Equivalent (FTE) Student Enrollment* - U. T. Austin's FTE student enrollment decreased slightly for the first time in more than five years due to an intentional reduction in enrollment. U. T. Austin does not have the resources to maintain a high quality educational experience if enrollment growth is not curtailed.

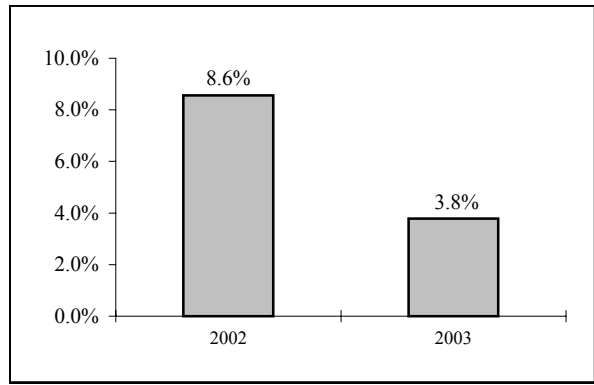
The University of Texas at Brownsville  
2003 Summary of Financial Condition

Financial Condition: **Satisfactory**

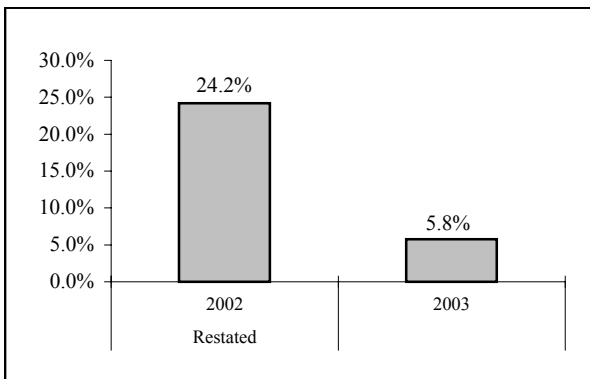
**Primary Reserve Ratio**



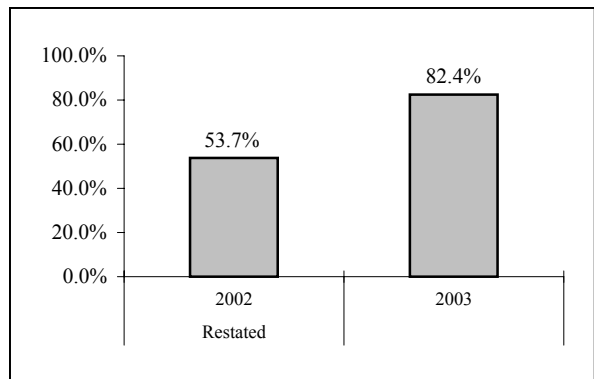
**Annual Operating Margin Ratio**



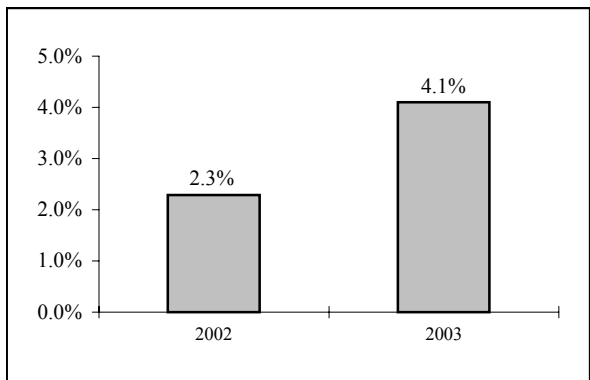
**Return on Net Assets Ratio**



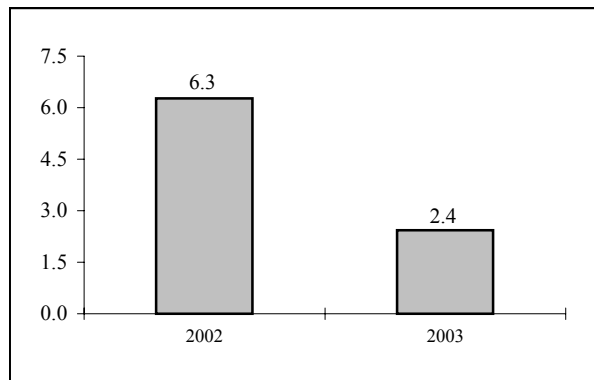
**Expendable Resources to Total Net Assets Ratio**



**Debt Burden Ratio**

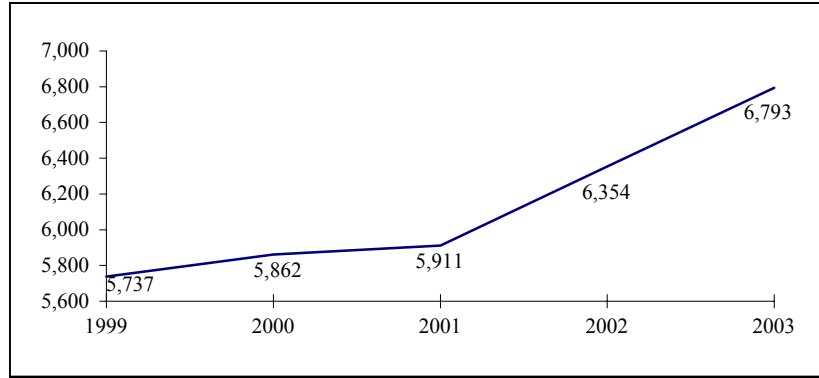


**Debt Service Coverage Ratio**



**The University of Texas at Brownsville  
2003 Summary of Financial Condition**

**Full-time Equivalent  
Student Enrollment - Fall**



*Primary Reserve Ratio* - U. T. Brownsville's primary reserve ratio of 197 days for 2003 was an improvement from the 2002 ratio of 132 days. This ratio increased due to an increase of \$17.5 million in expendable net assets reserved for capital projects related to the construction of the Education and Business Complex.

*Annual Operating Margin Ratio* - U. T. Brownsville's annual operating margin declined from 8.6% in 2002 to 3.8% in 2003 primarily due to an increase of \$7.2 million in total operating expenses. Total operating expenses increased due to an increase in scholarships and fellowships disbursed, expenses associated with a new training program, the opening of the ITEC center and the expenses related to new programs and courses offered to adult education students.

*Return on Net Assets Ratio* - U. T. Brownsville's return on net assets dropped from 24.2% in 2002 to 5.8% in 2003. This significant decline is due to an increase in debt of \$19.2 million related to the construction of the Education and Business Complex.

*Expendable Resources to Total Net Assets Ratio* - U. T. Brownsville's expendable resources to total net assets ratio of 82.4% in 2003 was a sizeable increase from the 2002 ratio of 53.3%. This ratio increased due to the increase in expendable net assets reserved for capital projects.

*Debt Burden Ratio* - U. T. Brownsville's debt burden ratio increased from 2.3% to 4.1% between 2002 and 2003 as a result of a \$1.9 million increase in mandatory debt service transfers.

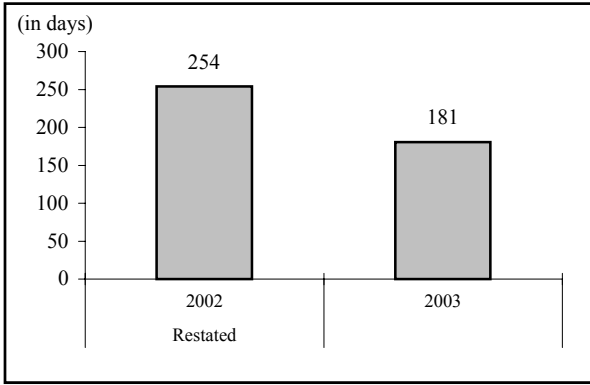
*Debt Service Coverage Ratio* - U. T. Brownsville's debt service coverage ratio of 2.4x in 2003 was a decrease from the 2002 ratio of 6.3x. This ratio decreased due to the increase in debt service transfers, as well as the reduction in the annual operating margin noted above.

*Full-Time Equivalent (FTE) Student Enrollment* - U. T. Brownsville's FTE student enrollment continued to increase due to increased high school graduation rates within the service area and increased academic programs. Additionally, the closure of local manufacturing plants has resulted in FTE student enrollment growth as people return to higher education for retraining.

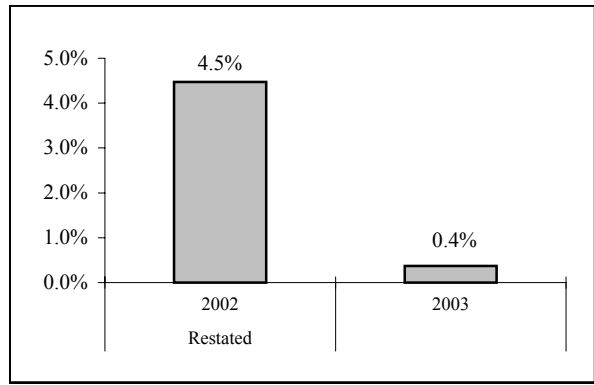
**The University of Texas at Dallas  
2003 Summary of Financial Condition**

Financial Condition: **Satisfactory**

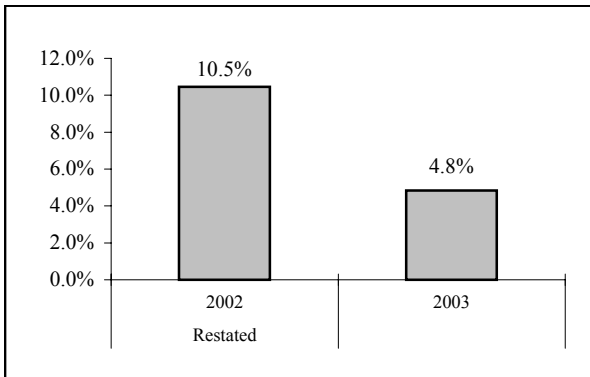
**Primary Reserve Ratio**



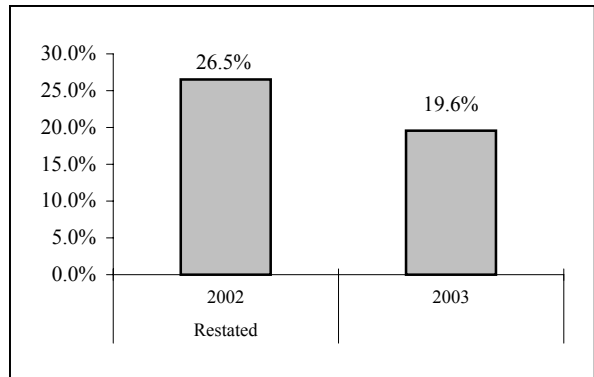
**Annual Operating Margin Ratio**



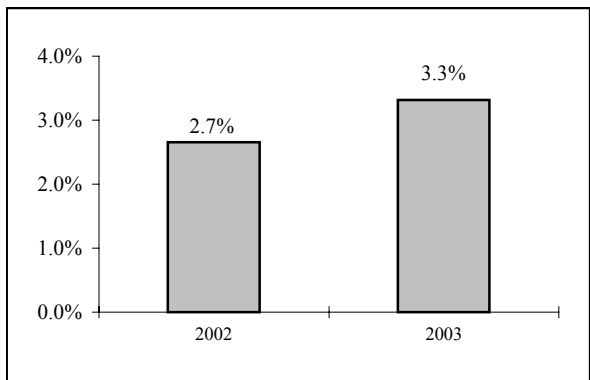
**Return on Net Assets Ratio**



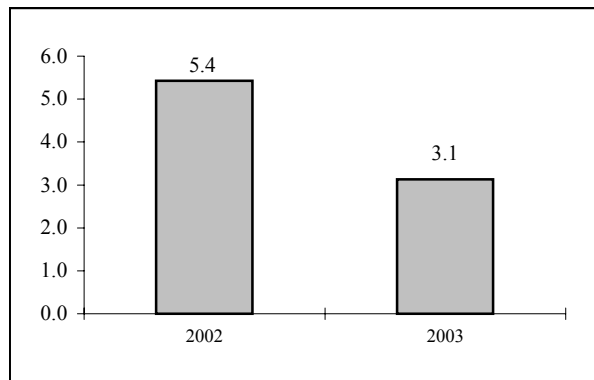
**Expendable Resources to Total Net Assets Ratio**



**Debt Burden Ratio**

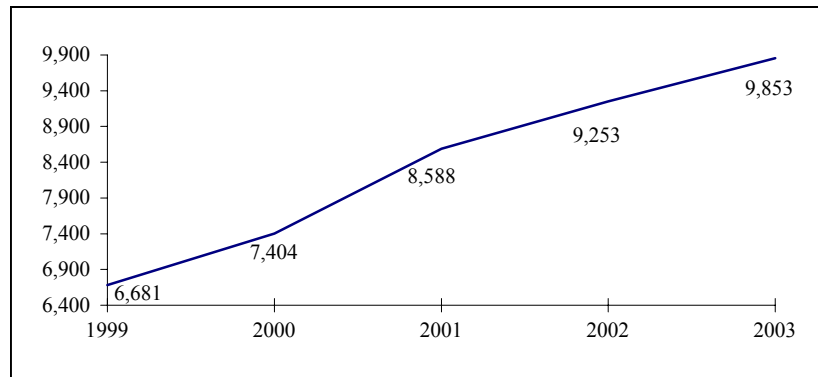


**Debt Service Coverage Ratio**



**The University of Texas at Dallas  
2003 Summary of Financial Condition**

**Full-time Equivalent  
Student Enrollment - Fall**



*Primary Reserve Ratio* - U. T. Dallas' primary reserve ratio decreased from 254 days in 2002 to 181 days in 2003. Expendable net assets and unrestricted net assets decreased as a result of the completion of the School of Management building, the Callier Satellite facility, the McDermott Library Phase II renovation and the Nano Tech Lab conversions in the Berkner building.

*Annual Operating Margin Ratio* - U. T. Dallas' annual operating margin ratio declined from 4.5% in 2002 to 0.4% in 2003 due to the growth in operating expenses outpacing the growth in operating revenues. Expenses, particularly salaries expenses, increased due to the additional faculty added to address the enrollment growth.

*Return on Net Assets Ratio* - U. T. Dallas' return on net assets ratio of 4.8% in 2003 was lower than the 2002 ratio of 10.5%. The decline in this ratio was primarily attributable to the reduction in nonmandatory transfers from U. T. System Administration for Permanent University Fund (PUF) bond proceeds due to the completion of the construction mentioned above.

*Expendable Resources to Total Net Assets Ratio* - U. T. Dallas' expendable resources to total net assets ratio decreased from 26.5% in 2002 to 19.6% in 2003. This decrease was also attributable to the reduction in PUF bond proceeds transferred from U. T. System Administration. The major building program underway for several years was completed in 2003.

*Debt Burden Ratio* - U. T. Dallas' debt burden ratio increased from 2.7% in 2002 to 3.3% in 2003 due to an increase of \$1.7 million in mandatory debt service transfers to U. T. System Administration.

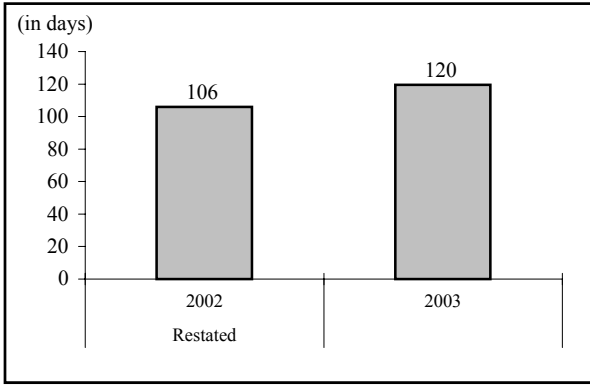
*Debt Service Coverage Ratio* - U. T. Dallas' debt service coverage ratio of 3.1x in 2003 was lower than the 2002 ratio of 5.4x due to the reduction in the annual operating margin, as discussed above, and the increase in the debt service.

*Full-Time Equivalent (FTE) Student Enrollment* - U. T. Dallas' FTE student enrollment experienced growth in each of the last five years, with gains primarily in the Engineering, Computer Science and Management curriculums. Enrollment increases were also achieved in other key programs. While FTE student enrollment continues to increase, the pace of the increase has slowed due to three factors: the moderate economic recovery, U. T. Dallas' strategic intention to sustain the research and academic foci, and emphasis on student quality while sustaining accessibility.

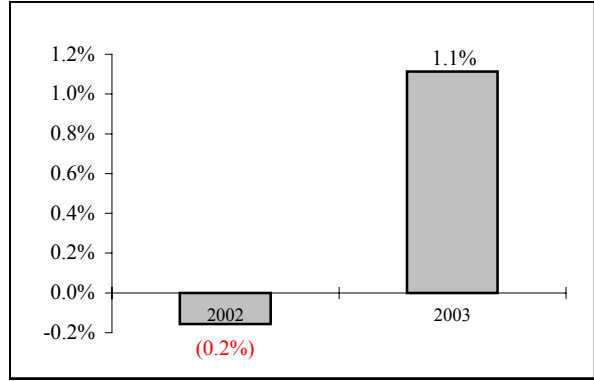
**The University of Texas at El Paso  
2003 Summary of Financial Condition**

Financial Condition: **Satisfactory**

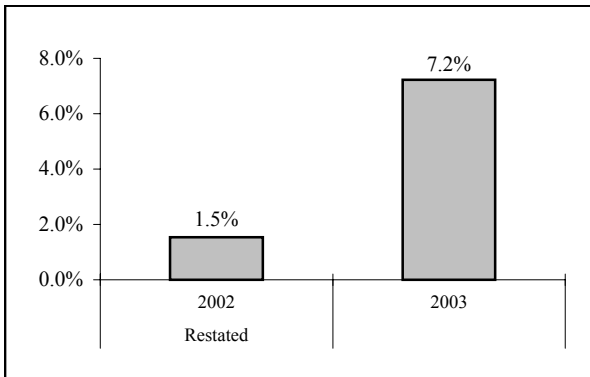
**Primary Reserve Ratio**



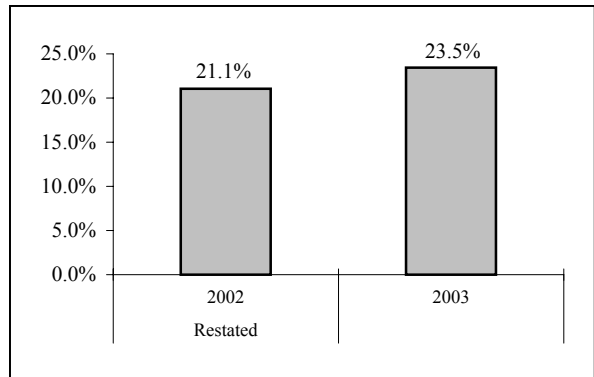
**Annual Operating Margin Ratio**



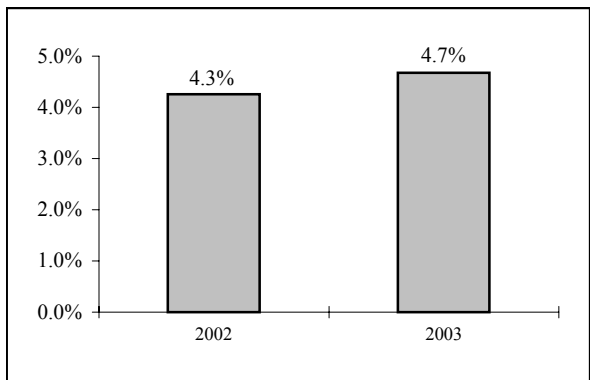
**Return on Net Assets Ratio**



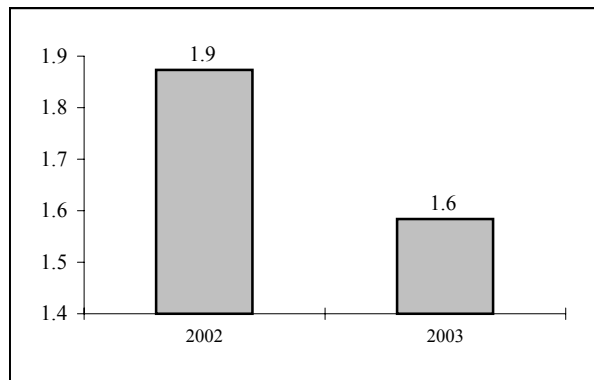
**Expendable Resources to Total Net Assets Ratio**



**Debt Burden Ratio**



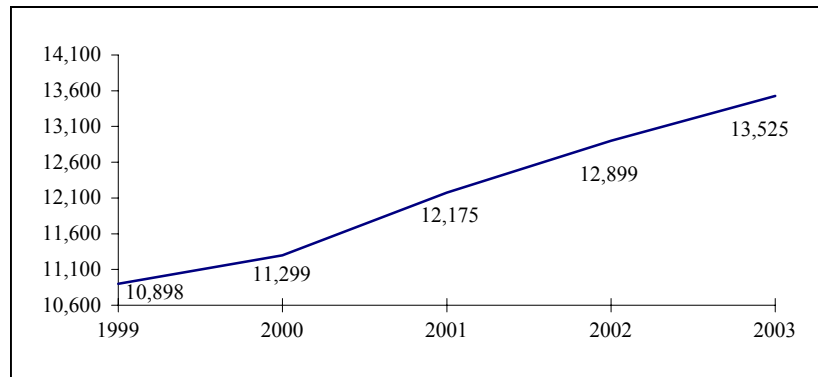
**Debt Service Coverage Ratio**





## The University of Texas at El Paso 2003 Summary of Financial Condition

### Full-time Equivalent Student Enrollment - Fall



*Primary Reserve Ratio* - U. T. El Paso's primary reserve ratio equaled 120 days in 2003, which was higher than the 2002 ratio of 106 days. The increase in this ratio is primarily attributable to the increase in expendable net assets reserved for capital projects. U. T. El Paso currently has a new Bio-Sciences facility, an addition to the Engineering/Science Complex and a new Academic Services building under construction.

*Annual Operating Margin Ratio* - U. T. El Paso's annual operating margin ratio improved from (0.2%) in 2002 to 1.1% in 2003. The increase in total operating revenues of \$13 million outpaced the increase in total operating expenses of \$8.7 million. Net tuition and fees increased due to higher tuition rates and enrollment growth. Net auxiliary enterprise revenues increased primarily as a result of additional special events in 2003 as compared to 2002. Additionally, the growth in total operating expenses was controlled by aggressive cost cutting measures and increased efficiency in the operation and maintenance of facilities.

*Return on Net Assets Ratio* - U. T. El Paso's return on net assets ratio increased from 1.5% in 2002 to 7.2% in 2003 largely due to the shift in the fair value of investments from a decrease of \$12.4 million in 2002 to an increase of \$6.5 million in 2003.

*Expendable Resources to Total Net Assets Ratio* - U. T. El Paso's expendable resources to total net assets ratio of 23.5% in 2003 was higher than the 2002 ratio of 21.1%. Expendable net assets increased as a result of additional bond proceeds received from U. T. System Administration for construction projects.

*Debt Burden Ratio* - U. T. El Paso's debt burden ratio of 4.7% in 2003 was an increase over the 2002 ratio of 4.3%. The increase was attributable to an increase of \$1.4 million in debt service transfers to U. T. System Administration.

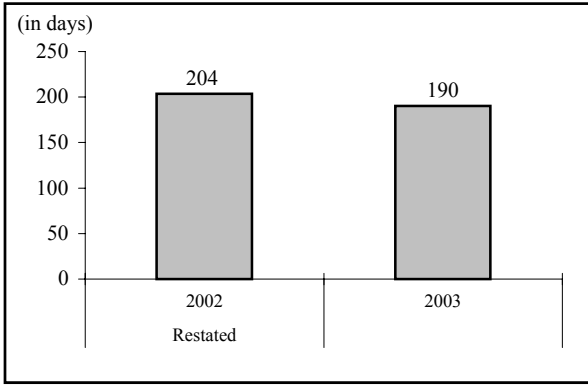
*Debt Service Coverage Ratio* - U. T. El Paso's debt service coverage ratio decreased from 1.9x in 2002 to 1.6x in 2003 primarily due to the increase in debt service transfers.

*Full-Time Equivalent (FTE) Student Enrollment* - The upward trend in U. T. El Paso's FTE student enrollment continued as a result of recruitment efforts targeted at area high schools and a number of cooperative programs with the community college. Student FTE growth has also been fueled by increased retention efforts spearheaded by the University College. University College is a department, headed by the Dean of Enrollment Services, which combines all departments that have an indirect impact on the student's educational experience. Finally, graduate and doctoral programs continue to experience robust growth.

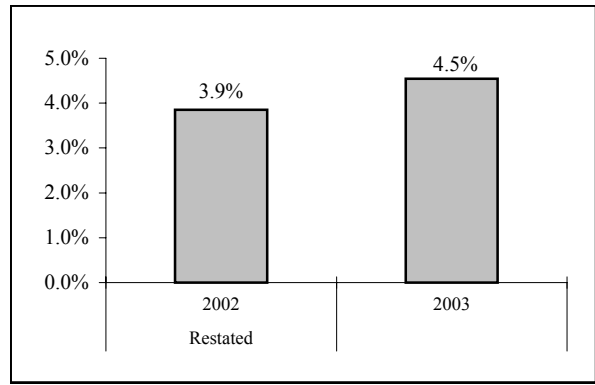
**The University of Texas - Pan American  
2003 Summary of Financial Condition**

Financial Condition: **Satisfactory**

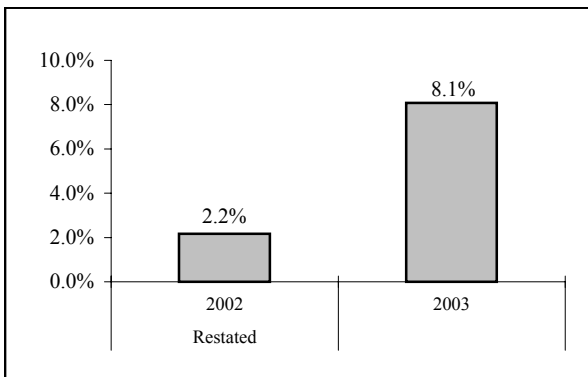
**Primary Reserve Ratio**



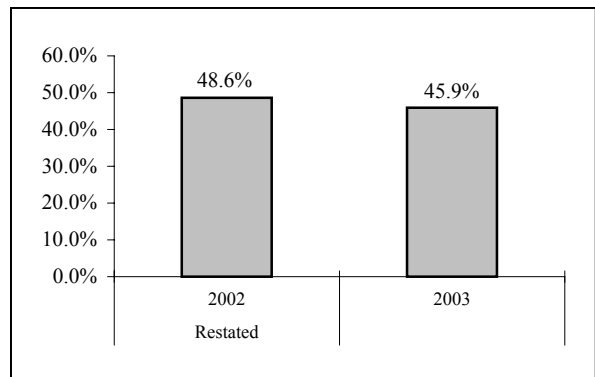
**Annual Operating Margin Ratio**



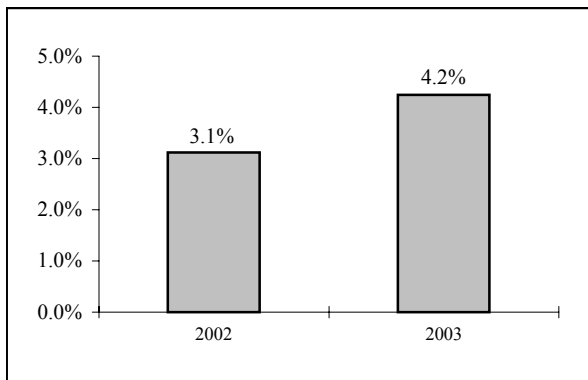
**Return on Net Assets Ratio**



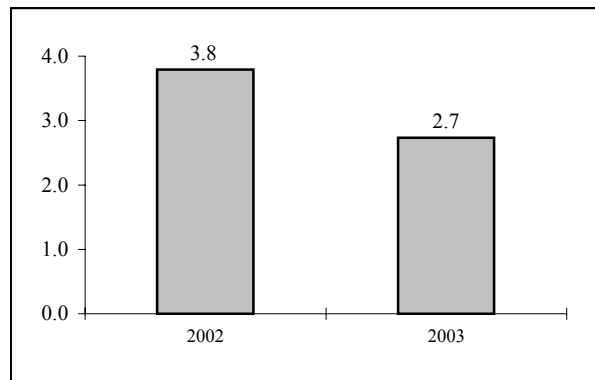
**Expendable Resources to Total Net Assets Ratio**



**Debt Burden Ratio**

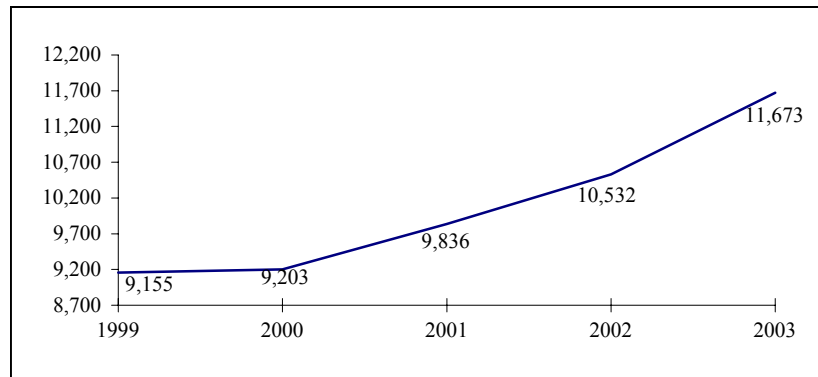


**Debt Service Coverage Ratio**



## The University of Texas - Pan American 2003 Summary of Financial Condition

### Full-time Equivalent Student Enrollment - Fall



*Primary Reserve Ratio* - U. T. Pan American's primary reserve ratio decreased from 204 days in 2002 to 190 days in 2003 due to increased operating expenses. Total operating expenses increased \$16.7 million to keep pace with the all-time record enrollment.

*Annual Operating Margin Ratio* - U. T. Pan American's annual operating margin ratio was 4.5% for 2003 as compared to 3.9% for 2002. The \$1.5 million increase in state appropriations was the primary cause of the increase in the annual operating margin.

*Return on Net Assets Ratio* - U. T. Pan American's return on net assets ratio increased significantly from 2.2% in 2002 to 8.1% in 2003. The increase in this ratio is largely attributable to the increase in the fair value of investments of \$929,000 as compared to a decrease of (\$3.1) million in 2002. Additionally, U. T. System Administration transferred more bond proceeds to U. T. Pan American in 2003 primarily for the renovation of the Education Complex.

*Expendable Resources to Total Net Assets Ratio* - U. T. Pan American's expendable resources to total net assets ratio decreased from 48.6% in 2002 to 45.9% in 2003. Total net assets increased in 2003 due to capital asset purchases such as an Oracle software system and the Haggart Plant, resulting in a reduction in the expendable resources to total net assets ratio.

*Debt Burden Ratio* - U. T. Pan American's debt burden ratio increased from 3.1% in 2002 to 4.2% in 2003 due to a \$2.4 million increase in debt service transfers.

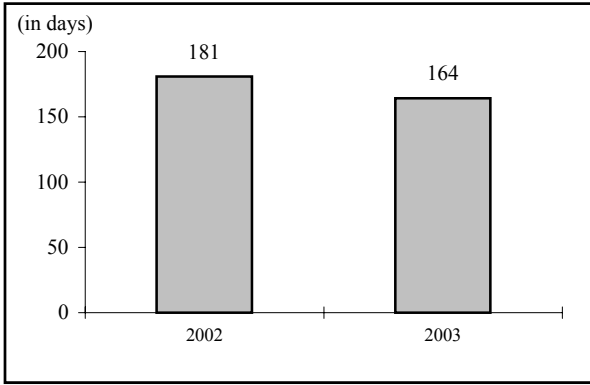
*Debt Service Coverage Ratio* - U. T. Pan American's debt service coverage ratio was 2.7x in 2003 as compared to 3.8x in 2002. The change in this ratio was also attributable to the increase in debt service transfers.

*Full-Time Equivalent (FTE) Student Enrollment* - FTE student enrollment continued to increase due to recruitment and retention efforts in support of *Closing the Gaps by 2015* developed by the Texas Higher Education Coordinating Board.

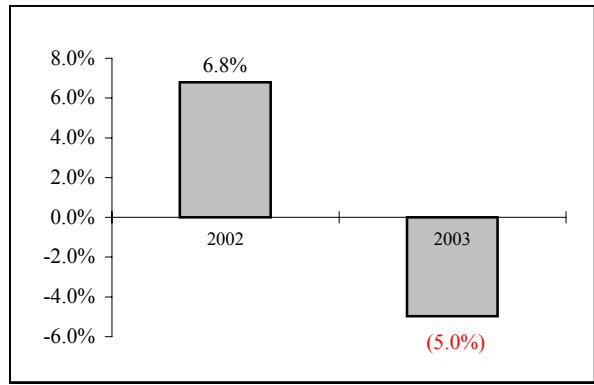
**The University of Texas of the Permian Basin  
2003 Summary of Financial Condition**

Financial Condition: **Satisfactory**

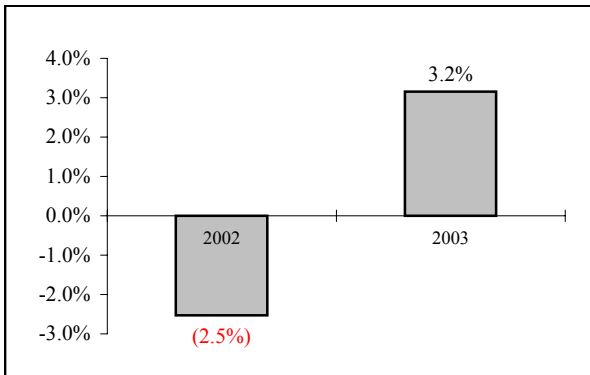
**Primary Reserve Ratio**



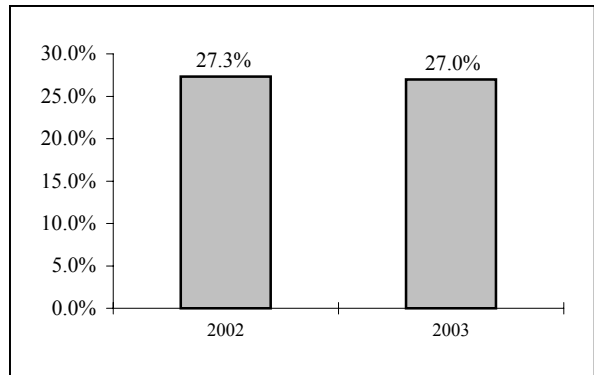
**Annual Operating Margin Ratio**



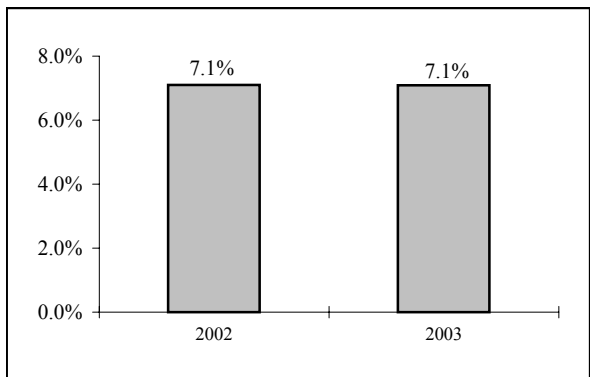
**Return on Net Assets Ratio**



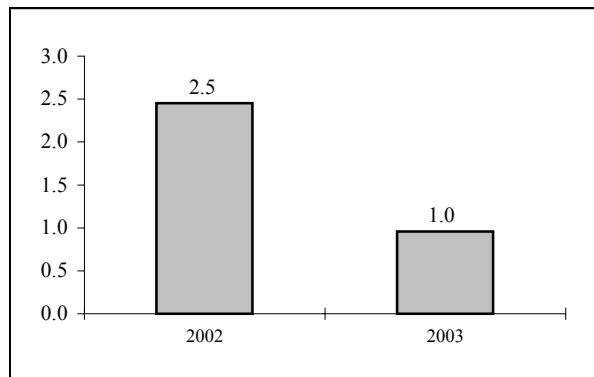
**Expendable Resources to Total Net Assets Ratio**



**Debt Burden Ratio**

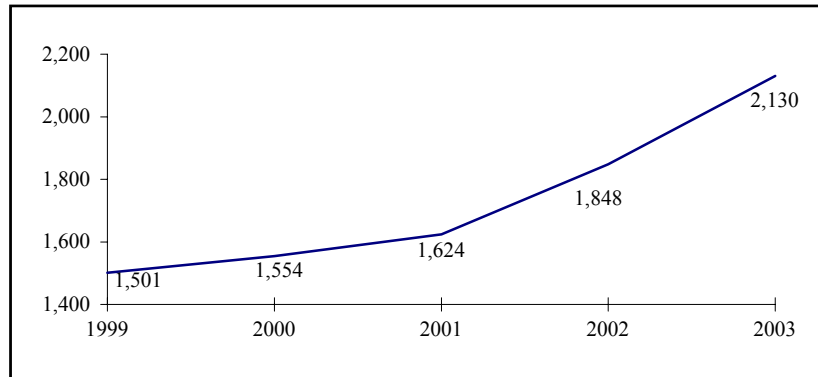


**Debt Service Coverage Ratio**



**The University of Texas of the Permian Basin  
2003 Summary of Financial Condition**

**Full-time Equivalent  
Student Enrollment - Fall**



*Primary Reserve Ratio* - U. T. Permian Basin's primary reserve ratio decreased from 181 days for 2002 to 164 days for 2003 due to an increase in expenses. U. T. Permian Basin has established an internal target of 135 to 150 days for the primary reserve ratio. The "excess" days reserve has been targeted to fund campus capacity improvements that will enable continued enrollment, services and program growth.

*Annual Operating Margin Ratio* - U. T. Permian Basin incurred an annual operating deficit of (5%) in 2003, which was a substantial decline from the annual operating margin of 6.8% in 2002. The operating deficit was planned and reflects U. T. Permian Basin's goal of reducing the primary reserve ratio to a level of reserves closer to or slightly less than the average of its peers. Investments were made in capacity building strategies to stimulate and/or accommodate future planned campus growth including faculty and staff additions/salary adjustments in key areas (\$1.7 million) and increased financial aid (\$500,000). Approximately \$760,000 of noncapitalizable expenses were due to the addition of new beds to student housing and the ongoing renovations of various areas to make more offices. More than half of these expenses are for technological updates in computers and telecommunication equipment. Additionally, depreciation expense increased \$790,000 largely due to the completion of the Library Lecture Center. Utilities also increased \$309,000 due to both space and price increases. The state appropriation reductions and the capacity building plans combined to generate a larger than desirable deficit, but one within the targeted reduction in reserves.

*Return on Net Assets Ratio* - U. T. Permian Basin's return on net assets ratio improved from (2.5%) in 2002 to 3.2% in 2003 primarily due to the increase in the fair value of investments of \$701,000 as compared to a decrease of (\$1.4) million in 2002 and a smaller increase in debt in 2003 of \$1.3 million as compared to the increase in 2002 of \$3.3 million.

*Expendable Resources to Total Net Assets Ratio* - U. T. Permian Basin's expendable resources to total net assets ratio remained relatively stable at 27% in 2003, as compared to 27.3% in 2002.

*Debt Burden Ratio* - U. T. Permian Basin's debt burden ratio remained stable at 7.1%. Although mandatory debt service transfers increased \$309,000 between the two years, the ratio remained the same as a result of the increase in total operating expenses.

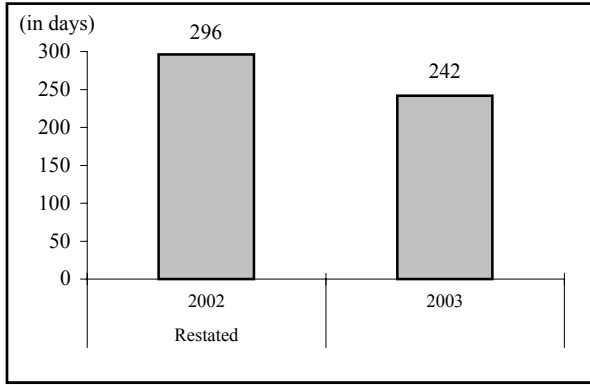
*Debt Service Coverage Ratio* - U. T. Permian Basin's debt service coverage ratio declined from 2.5x in 2002 to 1x in 2003 due to the reduction in the operating margin, as discussed above, and the increase in debt service.

*Full-Time Equivalent (FTE) Student Enrollment* - U. T. Permian Basin's FTE student enrollment continued to increase as a result of increased recruiting and retention efforts. Additionally, U. T. Permian Basin has benefited from the stagnant economy as individuals are returning to college to obtain new skills. An increased focus on student housing and athletic program expansion, as well as a statewide multi-media marketing campaign are all part of concerted efforts to continue enrollment growth equal to at least 5% per year.

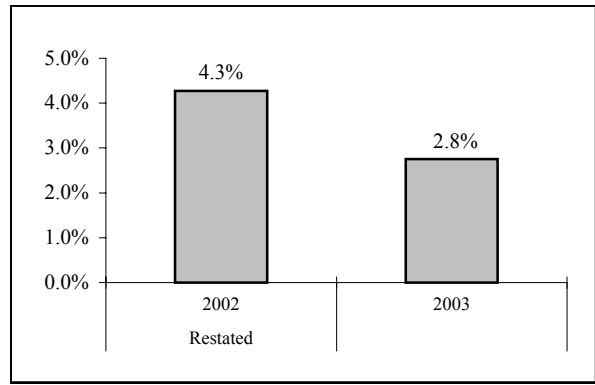
The University of Texas at San Antonio  
2003 Summary of Financial Condition

Financial Condition: **Satisfactory**

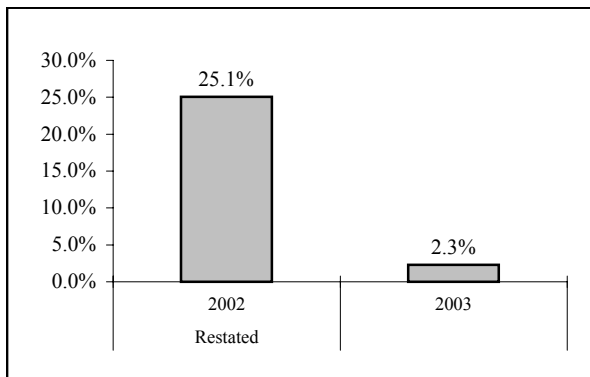
**Primary Reserve Ratio**



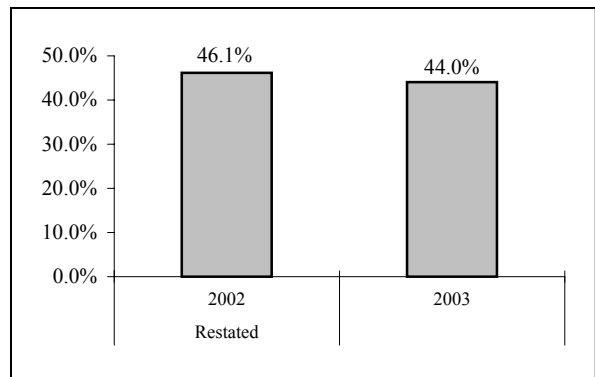
**Annual Operating Margin Ratio**



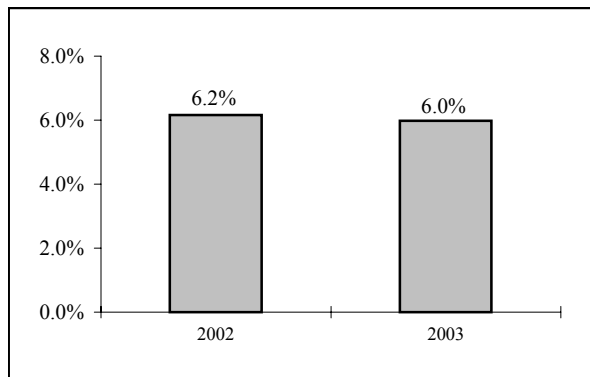
**Return on Net Assets Ratio**



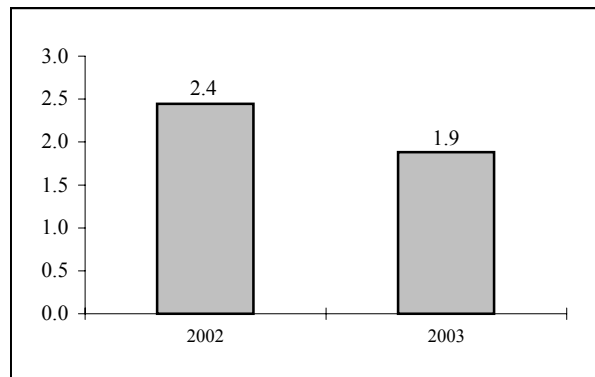
**Expendable Resources to Total Net Assets Ratio**



**Debt Burden Ratio**

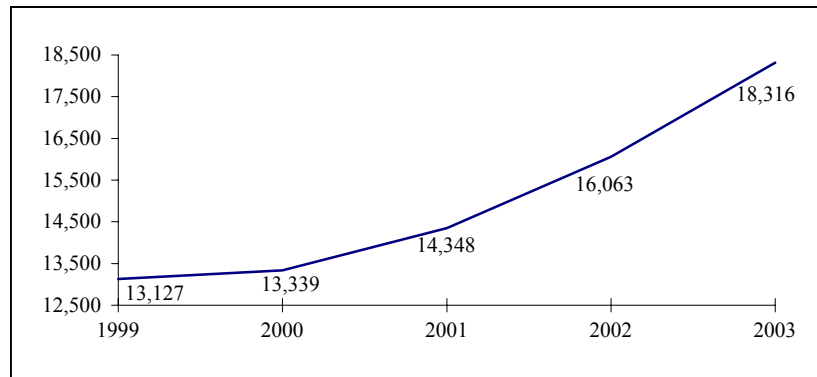


**Debt Service Coverage Ratio**



## The University of Texas at San Antonio 2003 Summary of Financial Condition

### Full-time Equivalent Student Enrollment - Fall



*Primary Reserve Ratio* - U. T. San Antonio's primary reserve ratio decreased from 296 days in 2002 to 242 days in 2003 largely attributable to an increase in total operating expenses of \$28.7 million as a result of continued increases in enrollment growth. Approximately \$7.8 million of the increased expenses is due to an increase in scholarships and fellowships disbursed.

*Annual Operating Margin Ratio* - U. T. San Antonio's annual operating margin ratio of 2.8% in 2003 was lower than the ratio in 2002 of 4.3%. While enrollment growth generated additional revenues in 2003, it also triggered increases in operating expenses. The increase in total operating expenses of \$28.7 million outpaced the increase in total operating revenues of \$26.7 million. This, combined with decreased state appropriations of \$1.1 million caused a decline in the annual operating margin.

*Return on Net Assets Ratio* - U. T. San Antonio's return on net assets ratio fell significantly from 25.1% in 2002 to 2.3% in 2003. This drop in the return on net assets ratio is primarily attributable to a reduction in bond proceeds transferred from U. T. System Administration for capital projects, which resulted in a smaller increase in net assets than in the previous year.

*Expendable Resources to Total Net Assets Ratio* - U. T. San Antonio's expendable resources to total net assets ratio was 44% in 2003, which was a slight decrease from the 2002 level of 46.1%. The decrease in this ratio is largely attributable to the \$33.5 increase in capital assets in 2003. The Recreation and Child Care Center was completed in 2003. Additionally, the Academic building, Student Housing project and Bioscience building commenced in 2003.

*Debt Burden Ratio* - U. T. San Antonio's debt burden ratio declined slightly to 6% in 2003 as compared to 6.2% in 2002. The \$1.5 million increase in mandatory debt service transfers was largely offset by the increase in total operating expenses, causing the debt burden ratio to decrease slightly.

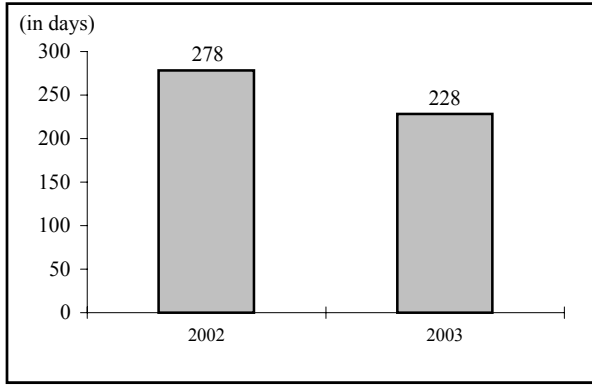
*Debt Service Coverage Ratio* - U. T. San Antonio's debt service coverage ratio decreased from 2.4x in 2002 to 1.9x in 2003. The decrease in this ratio is attributable to both the decline in the annual operating margin, as noted above, and the increase in debt service transfers.

*Full-Time Equivalent (FTE) Student Enrollment* - U. T. San Antonio's FTE student enrollment continues to increase at both the Main and Downtown campuses due to recruitment and retention efforts, as well as increases in the Graduate Programs. Enrollment caps at U. T. Austin have also contributed to the enrollment growth at U. T. San Antonio.

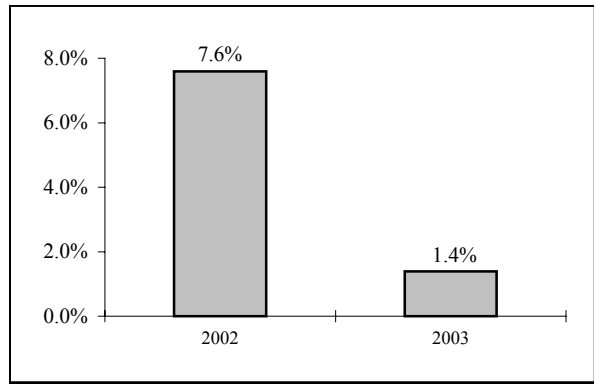
**The University of Texas at Tyler  
2003 Summary of Financial Condition**

Financial Condition: **Satisfactory**

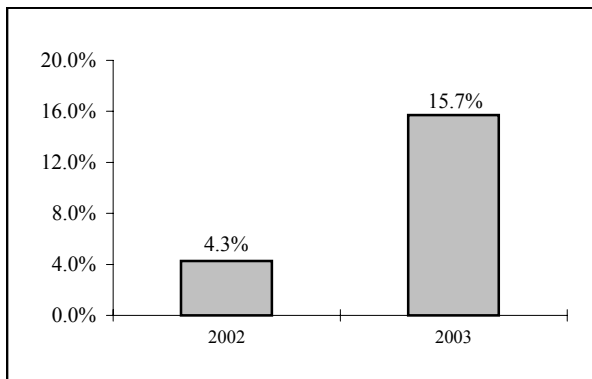
**Primary Reserve Ratio**



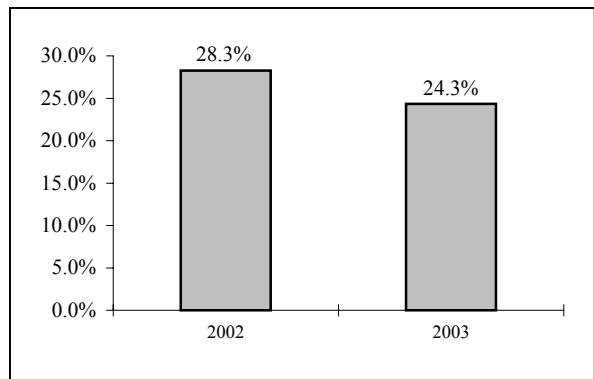
**Annual Operating Margin Ratio**



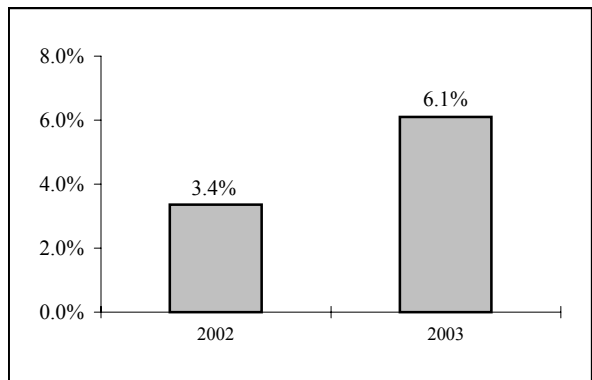
**Return on Net Assets Ratio**



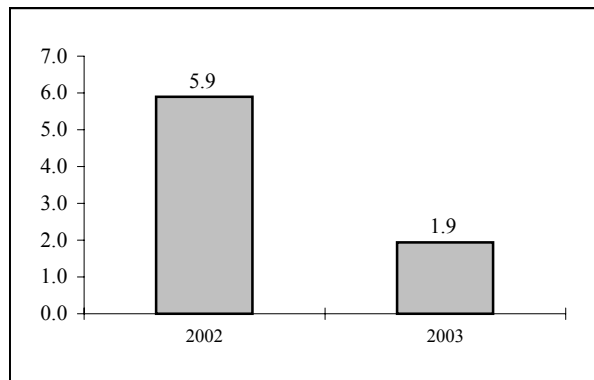
**Expendable Resources to Total Net Assets Ratio**



**Debt Burden Ratio**



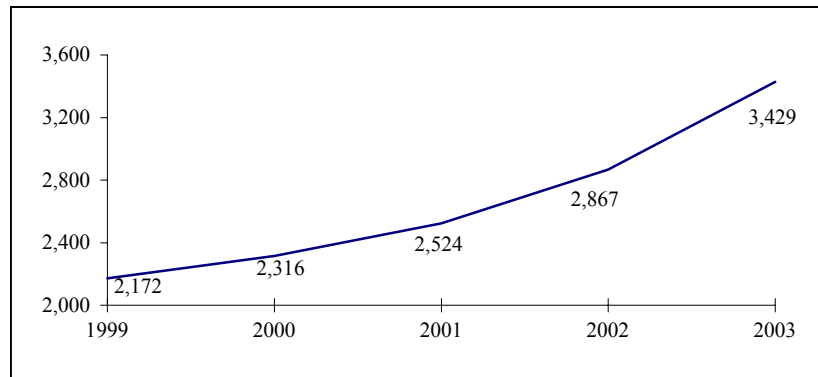
**Debt Service Coverage Ratio**





**The University of Texas at Tyler  
2003 Summary of Financial Condition**

**Full-time Equivalent  
Student Enrollment - Fall**



*Primary Reserve Ratio* - U. T. Tyler's primary reserve ratio decreased from 278 days in 2002 to 228 days in 2003 primarily due to a \$5.2 million increase in operating expenses related to enrollment growth. Approximately \$1.9 million of the increased expenses is due to an increase in scholarships and fellowships disbursed.

*Annual Operating Margin Ratio* - U. T. Tyler's annual operating margin ratio declined significantly from 7.6% in 2002 to 1.4% in 2003. While operating revenues increased \$4 million, total operating expenses increased \$5.2 million. Additionally, state appropriations decreased \$448,000 and gift contributions decreased \$947,000 in 2003. All of these factors contributed to the reduction in the annual operating margin.

*Return on Net Assets Ratio* - U. T. Tyler's return on net assets ratio of 15.7% in 2003 was a substantial increase from the 2002 ratio of 4.3%. The increase in this ratio is largely attributable to an \$18.5 million increase in U. T. System Administration transfers of bond proceeds to U. T. Tyler in 2003 primarily for the construction of the Herrington Patriot Center and the Braithwaite Nursing building.

*Expendable Resources to Total Net Assets Ratio* - U. T. Tyler's expendable resources to total net assets decreased slightly from 28.3% in 2002 to 24.3% in 2003 due to the \$16.5 million increase in total net assets. Most of the increase in net assets is attributable to the increase in capital assets noted above.

*Debt Burden Ratio* - U. T. Tyler's debt burden ratio increased from 3.4% in 2002 to 6.1% in 2003 due to the \$1.5 million increase in mandatory debt service transfers.

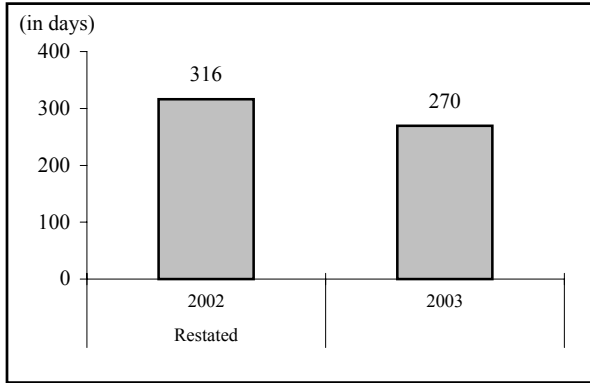
*Debt Service Coverage Ratio* - U. T. Tyler's debt service coverage ratio fell from 5.9x in 2002 to 1.9x in 2003 as a result of the large decline in the operating margin and the increase in mandatory debt service transfers.

*Full-Time Equivalent (FTE) Student Enrollment* - FTE student enrollment gains continued due to recruitment and retention efforts. Additionally, U. T. Tyler allocated \$700,000 to a comprehensive advertising program in 2003. The intent of the program was to raise awareness of the university and events.

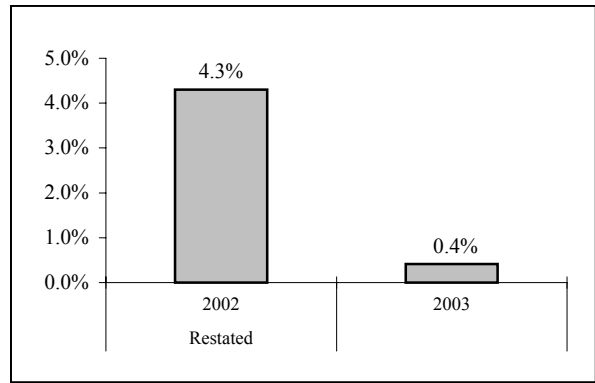
**The University of Texas Southwestern Medical Center at Dallas  
2003 Summary of Financial Condition**

Financial Condition: **Satisfactory**

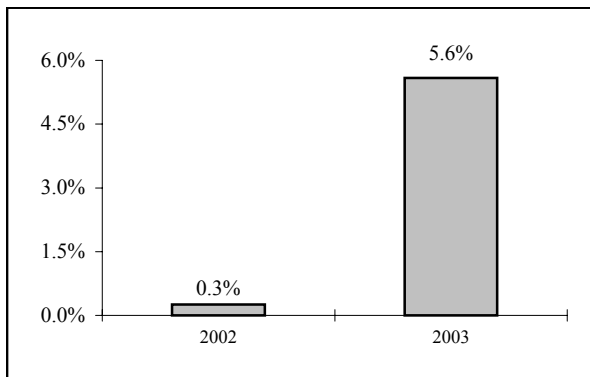
**Primary Reserve Ratio**



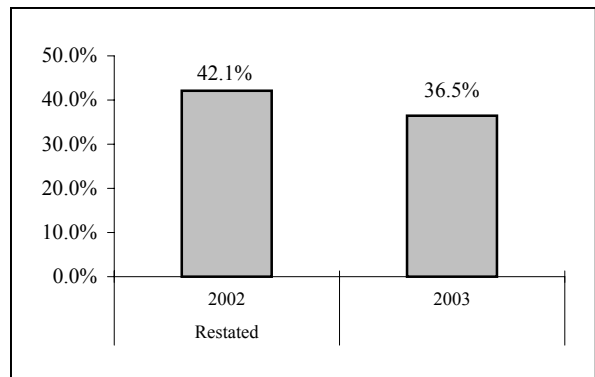
**Annual Operating Margin Ratio**



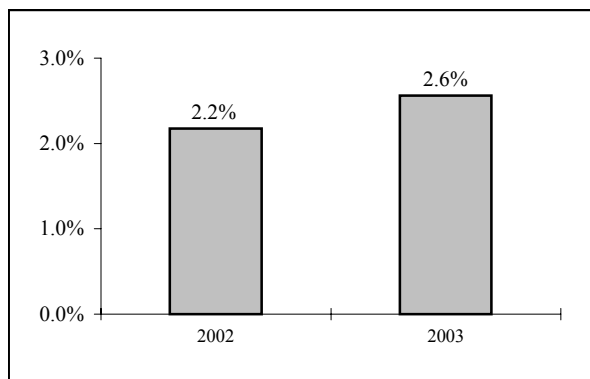
**Return on Net Assets Ratio**



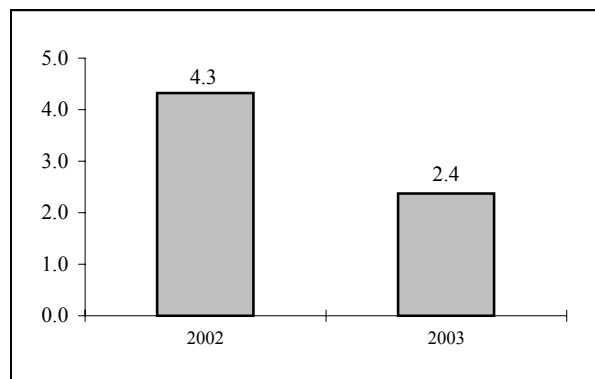
**Expendable Resources to Total Net Assets Ratio**



**Debt Burden Ratio**



**Debt Service Coverage Ratio**



## **The University of Texas Southwestern Medical Center at Dallas 2003 Summary of Financial Condition**

*Primary Reserve Ratio* - U. T. Southwestern Medical Center - Dallas' (Southwestern) primary reserve ratio decreased from 316 days in 2002 to 270 days in 2003 largely due to a \$42.5 million reduction in expendable net assets reserved for capital projects and a \$49.1 million increase in total operating expenses. Expendable Net Assets reserved for capital projects decreased due to substantial expenditures on the North Campus IV expansion project. Instruction expenses increased \$22.7 million largely due to an increase in salaries and wages in the physician practice plan, particularly in the departments of OB-GYN, Dermatology, Internal Medicine, and Cardiothoracic surgery. Growth in clinical department activity, the creation of a new pediatric division of Cardiothoracic surgery and salary increases were the driving forces behind the increases in compensation. Research expenses also increased \$10.3 million due to growth in Federal awards. Public service expenses increased \$10.5 million primarily as a result of growth in services provided to St. Paul University Hospital, Zale Lipshy University Hospital and Children's Medical Center.

*Annual Operating Margin Ratio* - Southwestern's annual operating margin ratio decreased from 4.3% in 2002 to 0.4% in 2003. This ratio decreased primarily due to the increase in total operating expenses discussed above. In addition, the establishment of a reserve for uncollectible receivables for services provided to St. Paul University Hospital, Zale Lipshy University Hospital and University Medical Center in 2003 had a detrimental impact on revenues. The reserve was established due to the deterioration of the financial condition of the associated entities. A recovery plan has been implemented, including a payment schedule for continuing services, and Southwestern anticipates successful collection of the outstanding receivables. In spite of the establishment of the reserve, total operating revenues increased \$28.6 million.

*Return on Net Assets Ratio* - Southwestern's return on net assets increased from 0.3% in 2002 to 5.6% in 2003 largely due to the shift in the fair value of investments from a decrease of \$69.4 million in 2002 to an increase of \$30.8 million in 2003 and an increase in capital assets of \$112.1 million. Capital assets increased primarily due to two projects: (1) construction on a new electrical substation and back-up power generation project; and (2) the Moncrief Radiation Oncology building and the fourth research building, which are part of the North Campus IV project.

*Expendable Resources to Total Net Assets Ratio* - Southwestern's expendable resources to total net assets ratio of 36.5% in 2003 was lower than the 2002 ratio of 42.1% due to the \$106.7 million increase in total net assets and the reduction in bond proceeds transferred from U. T. System Administration. Net assets increased primarily due to the increase in capital assets as discussed above in the return on net assets ratio.

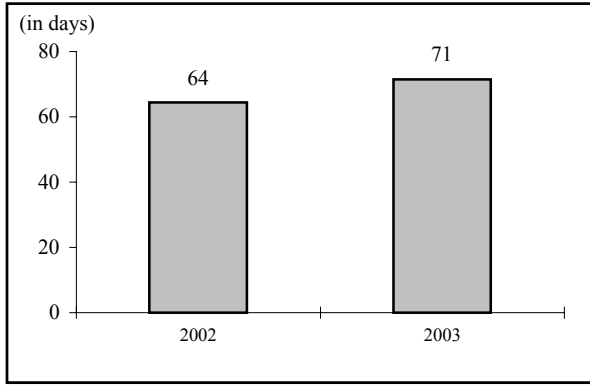
*Debt Burden Ratio* - Southwestern's debt burden ratio increased from 2.2% to 2.6% as a result of a \$4.1 million increase in the mandatory debt service transfer to U. T. System Administration.

*Debt Service Coverage Ratio* - Southwestern's debt service coverage ratio decreased from 4.3x in 2002 to 2.4x in 2003 as a result of the reduction in the annual operating margin, as well as the increase in mandatory debt service transfers.

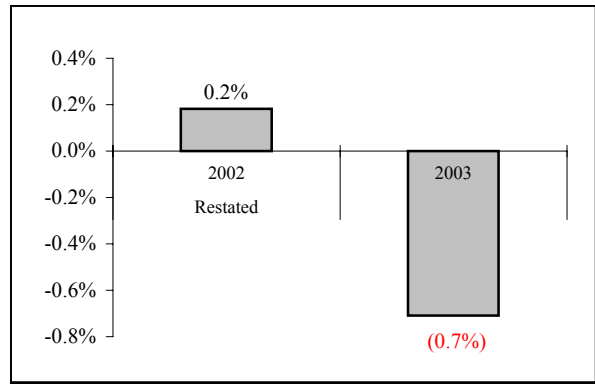
The University of Texas Medical Branch at Galveston  
2003 Summary of Financial Condition

Financial Condition: **Watch**

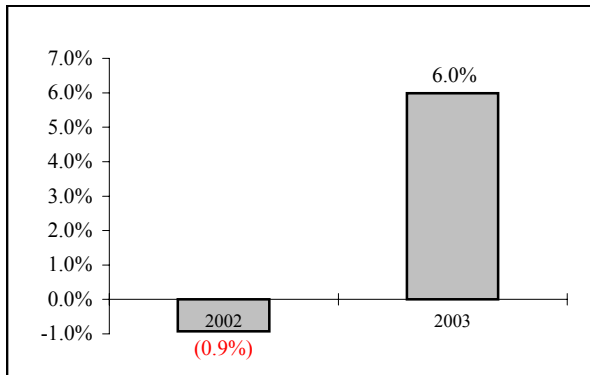
**Primary Reserve Ratio**



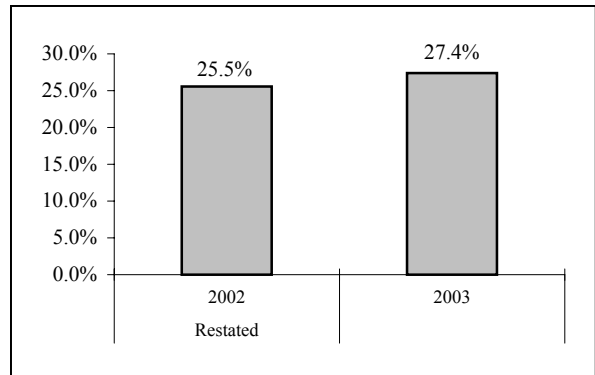
**Annual Operating Margin Ratio**



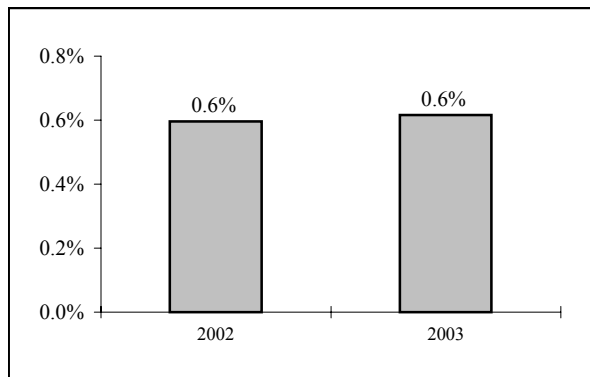
**Return on Net Assets Ratio**



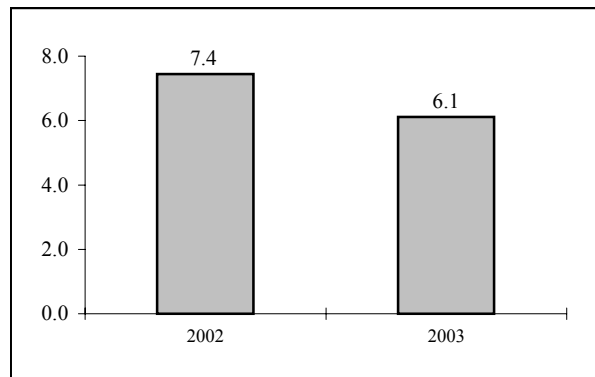
**Expendable Resources to Total Net Assets Ratio**



**Debt Burden Ratio**



**Debt Service Coverage Ratio**



## **The University of Texas Medical Branch at Galveston 2003 Summary of Financial Condition**

*Primary Reserve Ratio* - U. T. Medical Branch - Galveston's (UTMB Galveston) primary reserve ratio increased slightly from 64 days in 2002 to 71 days in 2003 due to a \$28.8 million increase in expendable and unrestricted net assets. The increase in net assets was largely attributable to an increase in the amount of bond proceeds transferred from U.T. System Administration for capital projects as well as a \$12.3 million increase in gifts for sponsored programs and capital acquisitions.

*Annual Operating Margin Ratio* - UTMB Galveston's annual operating margin ratio decreased from 0.2% in 2002 to (0.7%) in 2003. Operating revenues increased \$23.7 million primarily due to a 6% increase in admissions and a 3% increase in visits, as well as a 14% increase in research related revenue. Additionally, revenue was enhanced by improving the clinical charge capture process and coding for emergency services. However, operating expenses increased \$26.7 million primarily due to patient volume increases and inflationary pressures. In addition, UTMB Galveston's annual operating margin was adversely impacted by an \$8.3 million reduction in state appropriations and a \$6 million reduction in Correctional Managed Care revenue. Some of the reduction in state appropriations and Correctional Managed Care revenues were offset by a combination of revenue enhancement and cost reduction strategies. A significant portion of the cost savings were achieved by implementing a flexible hiring freeze, delaying capital purchases and renovations, restricting travel and consulting, controlling discretionary expenses and reducing utilities expense. Additionally, 630 positions were eliminated. Medical malpractice premium rebates also helped offset operating expenses.

*Return on Net Assets Ratio* - UTMB Galveston's return on net assets ratio of 6% in 2003 was a noticeable improvement from the 2002 ratio of (0.9%). The increase in net assets was largely attributable to the shift in the fair value of investments from a decrease of \$34.2 million in 2002 to an increase of \$14 million in 2003, an increase in the amount of bond proceeds transferred from U.T. System Administration for capital projects, and a \$12.3 million increase in gifts for sponsored programs and capital acquisitions.

*Expendable Resources to Total Net Assets Ratio* - UTMB Galveston's expendable resources to total net assets ratio improved slightly from 25.5% in 2002 to 27.4% in 2003, as a result of the increase in expendable and unrestricted net assets. The increase in net assets was discussed in the return on net assets ratio above.

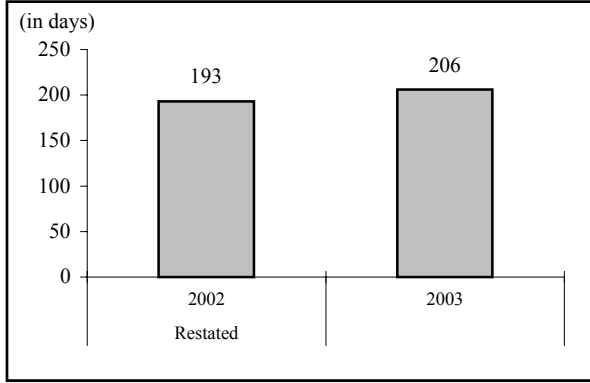
*Debt Burden Ratio* - UTMB Galveston's debt burden ratio remained unchanged at 0.6% in 2003. Although the mandatory debt service transfers increased \$127,000 in 2003, the operating expenses also increased, thus the ratio remained unchanged.

*Debt Service Coverage Ratio* - UTMB Galveston's debt service coverage ratio decreased from 7.4x in 2002 to 6.1x in 2003 as a result of the decline in the annual operating margin as discussed above.

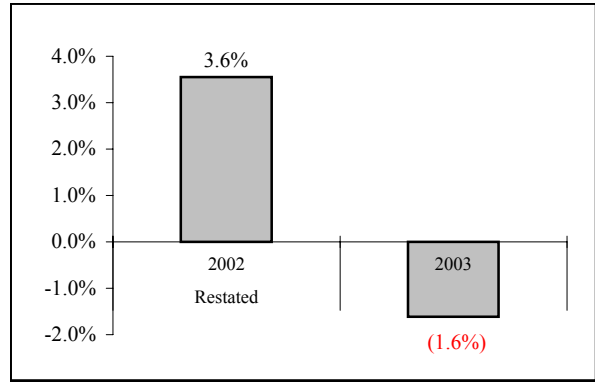
**The University of Texas Health Science Center at Houston  
2003 Summary of Financial Condition**

Financial Condition: **Watch**

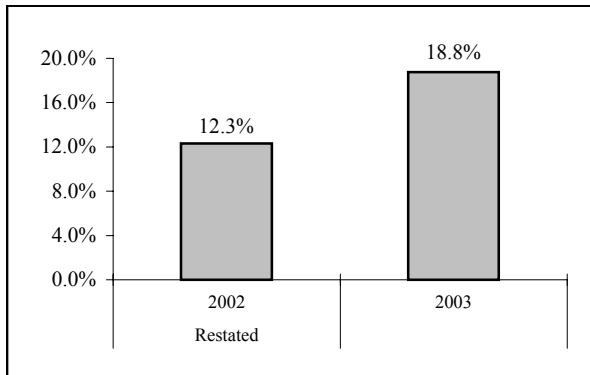
**Primary Reserve Ratio**



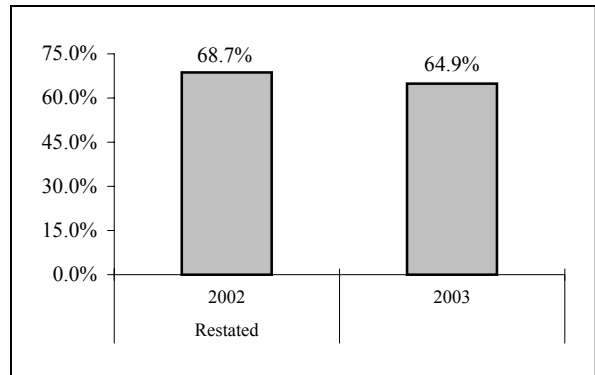
**Annual Operating Margin Ratio**



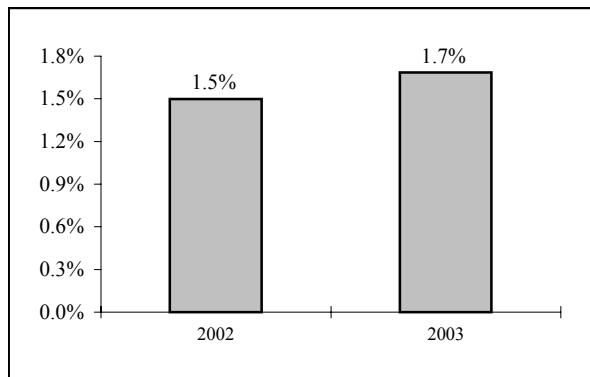
**Return on Net Assets Ratio**



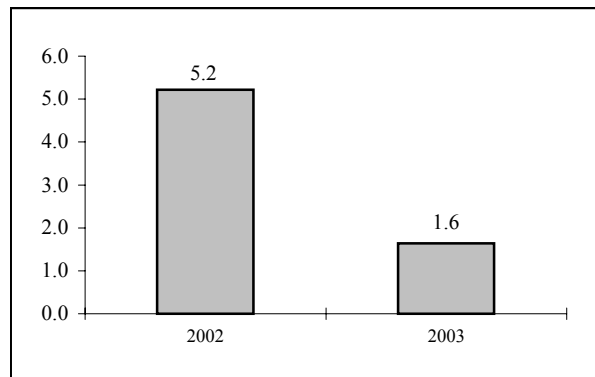
**Expendable Resources to Total Net Assets Ratio**



**Debt Burden Ratio**



**Debt Service Coverage Ratio**



## **The University of Texas Health Science Center at Houston 2003 Summary of Financial Condition**

*Primary Reserve Ratio* - U. T. Health Science Center - Houston's (UTHSC-Houston) primary reserve ratio of 206 days for 2003 was higher than the 2002 ratio of 193 days as a result of a \$34.7 million increase in expendable and unrestricted net assets. Expendable net assets reserved for capital projects increased \$11 million in 2003. The Nursing and Student Community Center building is still under construction with completion scheduled for 2004. The increase in unrestricted net assets was largely due to the receipt of commercial insurance and FEMA proceeds related to Tropical Storm *Allison* building and equipment losses.

*Annual Operating Margin Ratio* - UTHSC-Houston's annual operating margin ratio dropped from 3.6% in 2002 to (1.6%) in 2003. Operating revenues increased \$20.8 million; however, operating expenses increased \$30.9 million. Operating expenses increased primarily due to increased salaries and benefits. Research related expenses also increased as a result of the growth in UTHSC-Houston's research enterprise. Additionally, gift contributions for operations decreased \$15.3 million. The majority of pledges for the Institute of Molecular Medicine were received in 2002. The \$2.1 million reduction in state appropriations also had an adverse impact on UTHSC-Houston's annual operating margin. All of these factors combined contributed to the decline in the annual operating margin ratio.

*Return on Net Assets Ratio* - UTHSC-Houston's return on net assets ratio of 18.8% for 2003 was higher than the 2002 ratio of 12.3%. UTHSC-Houston's net assets increased largely due to net extraordinary revenue of \$36.5 million, as compared to net extraordinary expenses of \$13.6 million in 2002, or a change of \$50.1 million. The extraordinary income results from UTHSC-Houston's continued reimbursement of costs associated with debris removal, emergency protective measures and replacement supplies related to property and equipment damage sustained during Tropical Storm *Allison* in June 2001. Another large contributing factor to the growth in net assets was the \$19 million increase in nonmandatory transfers from U. T. System Administration of bond proceeds for capital projects.

*Expendable Resources to Total Net Assets Ratio* - UTHSC-Houston's expendable resources to total net assets ratio decreased from 68.7% in 2002 to 64.9% in 2003 as a result of the large increase in total net assets as discussed in the return on net assets ratio.

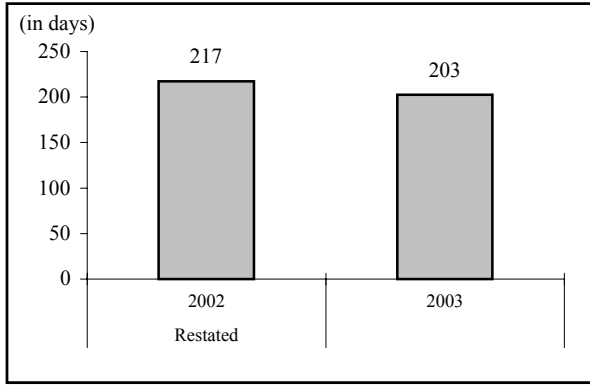
*Debt Burden Ratio* - UTHSC-Houston's debt burden ratio increased slightly from 1.5% in 2002 to 1.7% in 2003. The increase in this ratio is attributable to the \$1.6 million increase in mandatory debt service transfers.

*Debt Service Coverage Ratio* - UTHSC-Houston's debt service coverage ratio decreased from 5.2x in 2002 to 1.6x in 2003. The substantial decrease in this ratio is attributable to the reduction in the annual operating margin as discussed above, as well as the increase in the debt service.

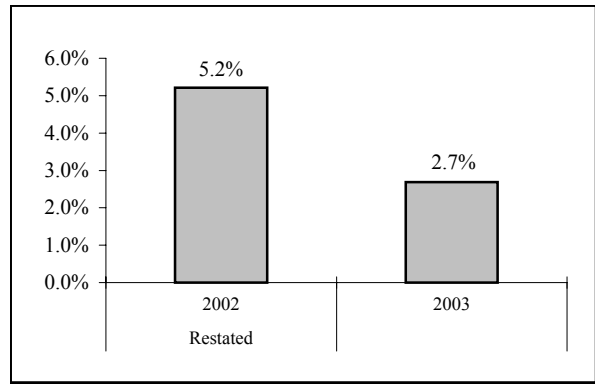
**The University of Texas Health Science Center at San Antonio  
2003 Summary of Financial Condition**

Financial Condition: **Satisfactory**

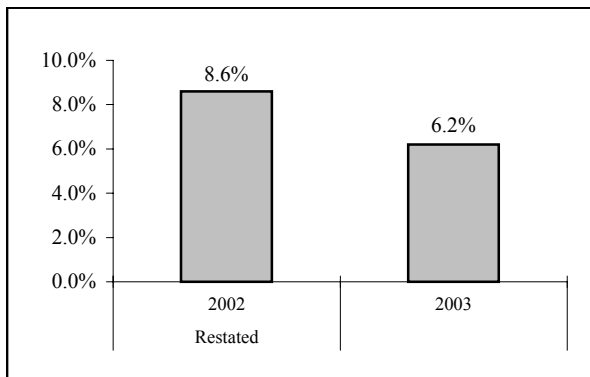
**Primary Reserve Ratio**



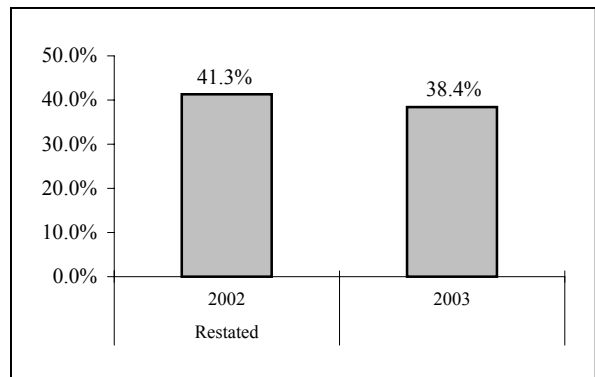
**Annual Operating Margin Ratio**



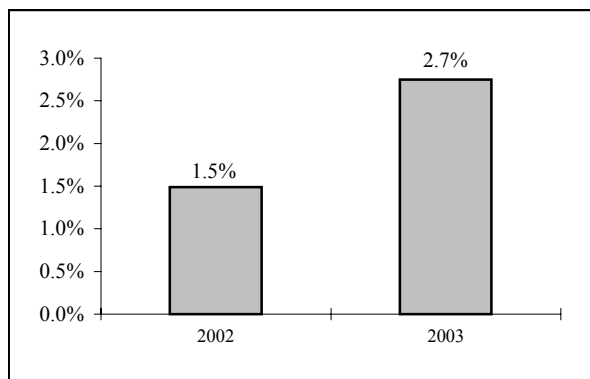
**Return on Net Assets Ratio**



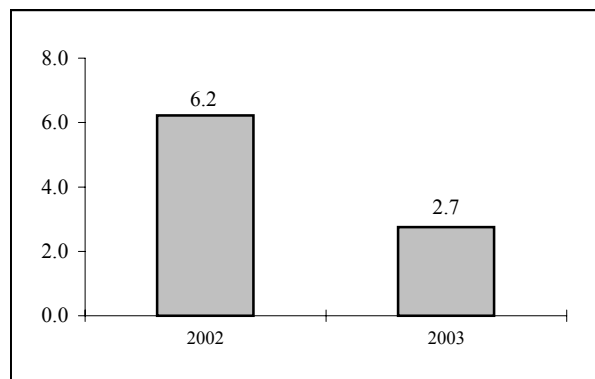
**Expendable Resources to Total Net Assets Ratio**



**Debt Burden Ratio**



**Debt Service Coverage Ratio**





## **The University of Texas Health Science Center at San Antonio 2003 Summary of Financial Condition**

*Primary Reserve Ratio* - U. T. Health Science Center - San Antonio's (UTHSC-San Antonio) primary reserve ratio decreased from 217 days in 2002 to 203 days in 2003. The decrease in the primary reserve ratio is primarily attributable to a \$12.7 million decrease in expendable net assets reserved for capital projects and a \$24.9 million increase in operating expenses. Total sponsored program expenditures increased \$5.8 million due to an increase in research rewards. Other areas that experienced the largest increases in expenses were public service (\$5.3 million) and hospitals and clinics (\$8 million).

*Annual Operating Margin Ratio* - UTHSC-San Antonio's annual operating margin ratio of 2.7% in 2003 was lower than the 2002 ratio of 5.2%. The largest factor of the decrease in UTHSC-San Antonio's annual operating margin was a \$7.9 million reduction in state appropriations. A flexible hiring freeze enabled UTHSC-San Antonio to offset a portion of this reduction with salary savings on vacant positions, while non-salary budgets throughout the institution were cut to adjust funding levels. While operating revenues increased \$19.9 million, the increase in operating expenses outpaced this growth at \$24.9 million. Net professional fees accounted for \$14.7 million of the increase in operating revenues due to improved charge capture and collection efforts, as well as additional patient services. As a result of the additional patient services, clinic expenses increased \$8 million in 2003. Sponsored research programs in instruction, research and public service increased by \$6.5 million. In addition, UTHSC-San Antonio's depreciation expense also increased \$3.9 million as a result of completion of the first building in the new Laredo Campus Extension, the D. D. Hachar building, as well as various capital asset purchases.

*Return on Net Assets Ratio* - UTHSC-San Antonio's return on net assets ratio decreased from 8.6% in 2002 to 6.2% in 2003. The decline in this ratio resulted from a smaller increase in net assets as compared to 2002. UTHSC-San Antonio experienced a smaller increase in net assets largely due to a reduction in the amount of bond proceeds transferred from U. T. System Administration and an increase in the amount of debt allocated to UTHSC-San Antonio in the amount of \$8.4 million due to the increased construction projects related to the campus.

*Expendable Resources to Total Net Assets Ratio* - UTHSC-San Antonio's expendable resources to total net assets ratio of 38.4% for 2003 was lower than the ratio of 41.3% for 2002. The decrease in this ratio is attributable to the decrease in expendable net assets reserved for capital projects, as well as the \$45.2 million increase in total net assets. A large portion of the increase in total net assets was attributable to the increase in fair value of investments of \$16.1 million in 2003 as compared to a decrease of \$30.5 million in 2002, and an increase in capital assets of \$29.2 million.

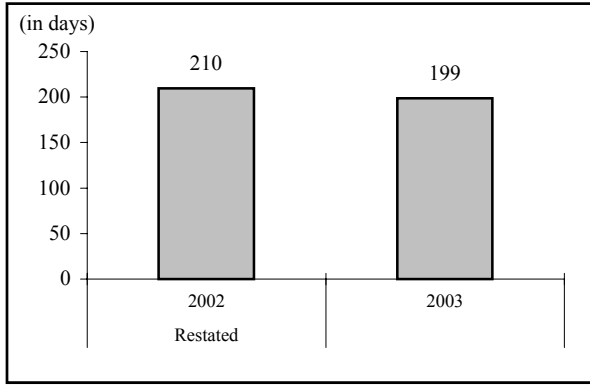
*Debt Burden Ratio* - UTHSC-San Antonio's debt burden ratio increased from 1.5% in 2002 to 2.7% in 2003 due to a \$6.3 million increase in mandatory debt service transfers.

*Debt Service Coverage Ratio* - UTHSC-San Antonio's debt service coverage ratio of 2.7x for 2003 was lower than the 2002 ratio of 6.2x. The reduction in this ratio was primarily attributable to the decrease in the annual operating margin, as well as the increase in the mandatory debt service transfers.

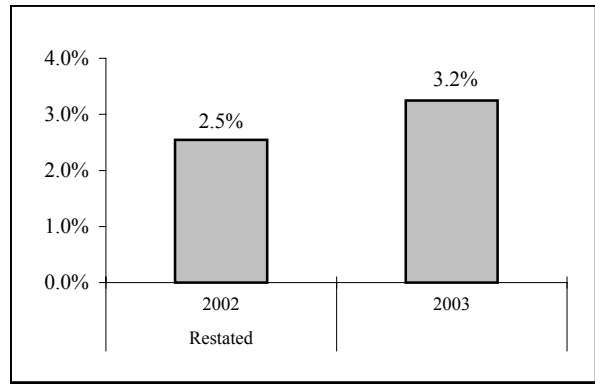
**The University of Texas M. D. Anderson Cancer Center  
2003 Summary of Financial Condition**

Financial Condition: **Satisfactory**

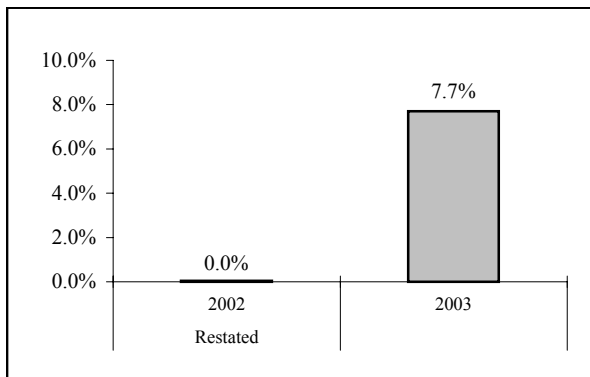
**Primary Reserve Ratio**



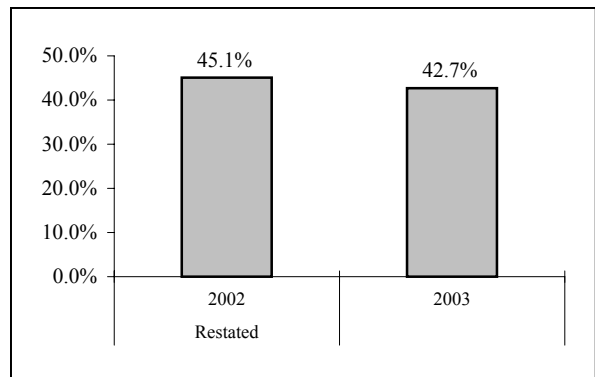
**Annual Operating Margin Ratio**



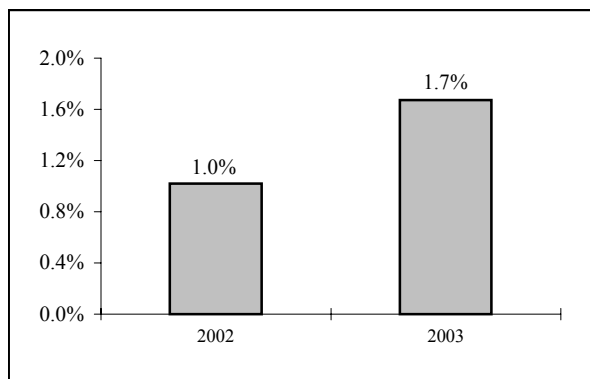
**Return on Net Assets Ratio**



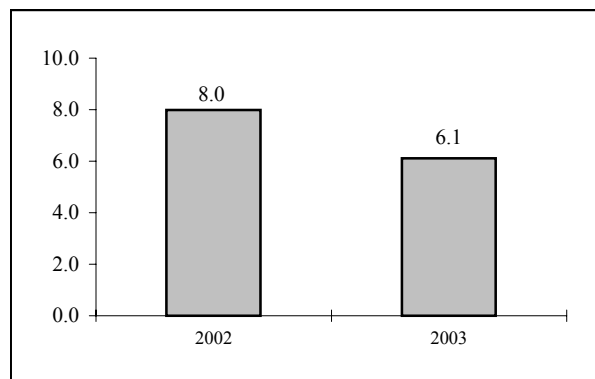
**Expendable Resources to Total Net Assets Ratio**



**Debt Burden Ratio**



**Debt Service Coverage Ratio**



## **The University of Texas M. D. Anderson Cancer Center 2003 Summary of Financial Condition**

*Primary Reserve Ratio* - U. T. M. D. Anderson Cancer Center's (M. D. Anderson) primary reserve ratio of 199 days in 2003 was lower than the 2002 ratio of 210 days primarily due to a \$112.9 million increase in operating expenses. Clinical activities reached new records in 2003. The additional operating activities resulted in higher operating expense. Personnel expenses increased \$91.5 million (11%) largely due to an increase in the number of full-time equivalents (FTEs). The FTEs reached 12,485 for 2003, which was an increase of 7.1% over 2002. Additionally, the average hourly rate paid to employees increased an average of 4.3%. The second largest expense in 2003 was materials and supplies, which totaled \$299 million and was an increase of \$23.8 million (8.7%).

*Annual Operating Margin Ratio* - M. D. Anderson's annual operating margin ratio increased from 2.5% in 2002 to 3.2% in 2003 due to revenue growth outpacing the growth in expenses. Several patient volume records were set in 2003 with outpatient billable visits increasing 7.6%, inpatient admissions increasing 3.5% and surgery cases increasing 7.3%. These volumes generated additional clinical activities in areas such as Diagnostic Imaging and Radiation Oncology. These areas experienced increases of 8.8% and 7.3%, respectively, in billed procedures. The increases in clinical activities along with better collections and improved managed care contract rates generated a \$116.1 million increase in net sales and services of hospitals.

*Return on Net Assets Ratio* - M. D. Anderson's return on net assets ratio increased significantly from 0% in 2002 to 7.7% in 2003. Net assets increased \$342.6 million primarily due to the increase in capital assets of \$302.7 million. The South Campus Research Facility was completed in 2003. Other ongoing major capital projects consist of the George and Cynthia Mitchell Basic Science Research building, the Ambulatory Clinic building and the Cancer Prevention building.

*Expendable Resources to Total Net Assets Ratio* - M. D. Anderson's expendable resources to total net assets ratio decreased slightly from 45.1% in 2002 to 42.7% in 2003. The decline in this ratio is largely due to the growth in M. D. Anderson's total net assets as discussed in the return on net assets ratio.

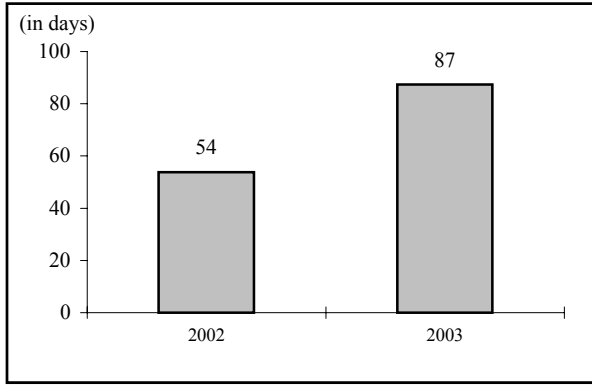
*Debt Burden Ratio* - M. D. Anderson's debt burden ratio increased slightly from 1% in 2002 to 1.7% in 2003 as a result of an \$11.3 million increase in mandatory debt service transfers to U. T. System Administration.

*Debt Service Coverage Ratio* - M. D. Anderson's debt service coverage ratio decreased from 8x in 2002 to 6.1x in 2003. The decrease in this ratio is attributable to the increase in mandatory debt service transfers, as mentioned above.

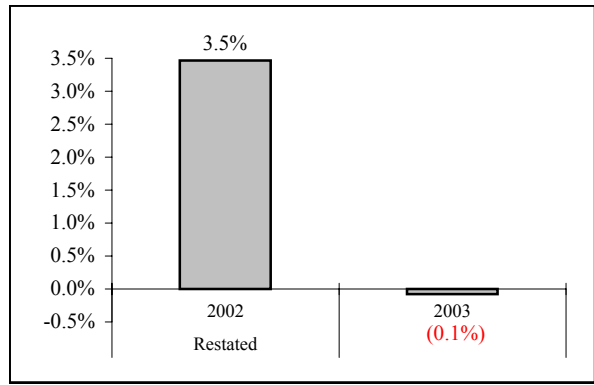
The University of Texas Health Center at Tyler  
2003 Summary of Financial Condition

Financial Condition: **Watch**

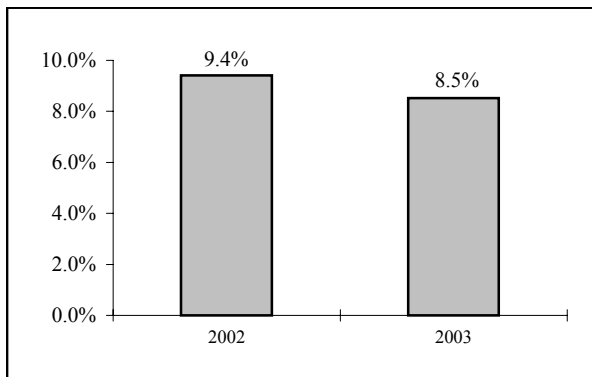
**Primary Reserve Ratio**



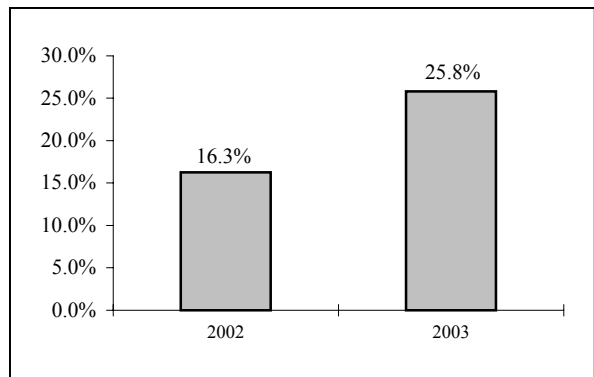
**Annual Operating Margin Ratio**



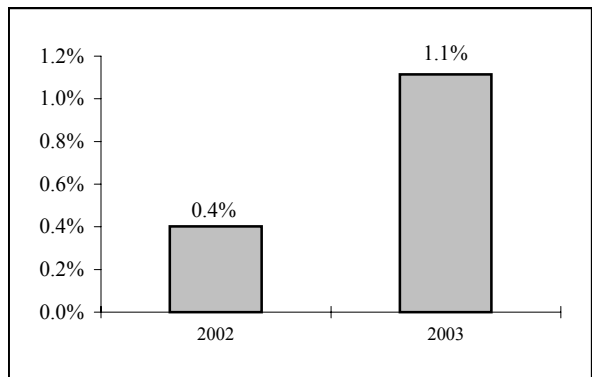
**Return on Net Assets Ratio**



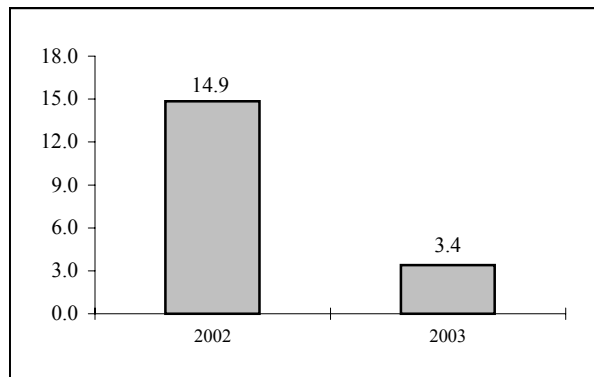
**Expendable Resources to Total Net Assets Ratio**



**Debt Burden Ratio**



**Debt Service Coverage Ratio**



## **The University of Texas Health Center at Tyler 2003 Summary of Financial Condition**

*Primary Reserve Ratio* - U. T. Health Center - Tyler's (UTHC-Tyler) primary reserve ratio increased from 54 days in 2002 to 87 days in 2003 largely due to a \$10 million increase in expendable net assets reserved for capital projects. The major projects underway are the remodeling of the Ambulatory Care Center, the expansion of the Research Facility and the installation of Meditech as the hospital/management billing system.

*Annual Operating Margin Ratio* - UTHC-Tyler's annual operating margin ratio declined from 3.5% in 2002 to (0.1%) in 2003 primarily due to a \$7.9 million increase in operating expenses as compared to a \$5.8 million increase in operating revenues and a \$1.7 million reduction in state appropriations. Gross hospital revenues increased 13.6% mainly due to rate increases in January and August of 2003. As a result of the reduction in state appropriations, 10 hospital beds assigned to the Tuberculosis ward were forced to be closed resulting in inpatient days decreasing 7% in 2003. The majority of the increase in operating expenses was due to salaries and benefits, contract labor, contract services, and depreciation expense. Salaries and benefits increased due to merit increases and market increases for the nursing staff. Contract labor increased as a result of the nursing shortage. Contract services increased due to increased third party collection fees, outsourcing of the Cost Report and Medicare reimbursement preparation, and an increase in the contracted amount for cleaning services. Depreciation expense increased \$2 million primarily due to the transfer of the Northeast Texas Initiative Network from construction in progress to active asset status.

*Return on Net Assets Ratio* - UTHC-Tyler's return on net assets decreased from 9.4% in 2002 to 8.5% in 2003. The decrease in this ratio is largely attributable to the \$11.7 million increase in debt allocated to UTHC-Tyler as a result of the increased construction on the campus.

*Expendable Resources to Total Net Assets Ratio* - UTHC-Tyler's expendable resources to total net assets ratio increased from 16.3% in 2002 to 25.8% in 2003. The increase is primarily due to the increase in expendable net assets reserved for capital projects as discussed in the primary reserve ratio.

*Debt Burden Ratio* - UTHC-Tyler's debt burden ratio of 1.1% in 2003 was higher than the 2002 ratio of 0.4% as a result of the increase in mandatory debt service transfers of \$883,000.

*Debt Service Coverage Ratio* - UTHC-Tyler's debt service coverage ratio declined from 14.9x in 2002 to 3.4x in 2003. The decrease in the annual operating margin, as well as the increase in the mandatory debt service transfers resulted in a reduction in the debt service coverage ratio.

## Appendix A - Definitions of Evaluation Factors

1. **Primary Reserve Ratio** – This ratio measures the financial strength of an institution by comparing expendable net assets to total expenses, excluding depreciation (in days). Although the Texas State Comptroller required the Permanent Health Fund (PHF) to be reported as unrestricted, U.T. System considers the PHF to be nonexpendable. Therefore, the PHF was subtracted from expendable net assets for U.T. El Paso and the six U.T. health-related institutions. This ratio provides a snapshot of financial strength and flexibility by indicating how long the institution could function using its expendable reserves without relying on additional net assets generated by operations.

$$\text{Formula} = \left( \frac{\text{Expendable Net Assets} + \text{Unrestricted Net Assets} - \text{PHF}}{\text{Total Expenses} - \text{Depreciation Expense}} \right) * 365$$

2. **Annual Operating Margin Ratio** - This ratio indicates whether an institution is living within its available resources.

$$\text{Formula} = \frac{\text{Operating Rev.} + \text{Approp.} + \text{Op. Gifts} + \text{Inv. Inc.} + \text{Transfer} + \text{Transfer} + \text{Transfer} + \text{Funding} - \text{Operating Exp.} - \text{Interest Exp.}}{\text{Op. Rev.} + \text{Approp.} + \text{RAHC Transfer} + \text{Op. Gifts} + \text{Inv. Inc.} + \text{AUF Transfer} + \text{GEF Transfer} + \text{Excellence Funding}}$$

3. **Return on Net Assets Ratio** – This ratio determines whether the institution is financially better off than in previous years by measuring total economic return. An improving trend indicates that the institution is increasing its net assets and is likely to be able to set aside financial resources to strengthen its future financial flexibility.

$$\text{Formula} = \frac{\text{Change in Net Assets (Adjusted for Change in Debt not on Institution's Books)}}{\text{Beginning Restated Net Assets} - \text{Debt not on Institution's Books}}$$

4. **Expendable Resources to Total Net Assets Ratio** – This ratio measures the amount of an institution's total net assets that are expendable.

$$\text{Formula} = \frac{\text{Expendable Net Assets} + \text{Unrestricted Net Assets} - \text{PHF}}{\text{Total Net Assets} - \text{Debt not on Institution's Books}}$$

5. **Debt Burden Ratio** – This ratio examines the institution's dependence on borrowed funds as a source of financing and the cost of borrowing relative to overall expenses.

$$\text{Formula} = \frac{\text{Mandatory Debt Transfers}}{\text{Operating Expenses} + \text{Mandatory Debt Transfers}}$$

6. **Debt Service Coverage Ratio** – This ratio measures the actual margin of protection provided to investors by annual operations. *Moody's Investors Service* excludes actual investment income from its calculation of total operating revenue and instead, uses a normalized investment income of 4.5% of the prior year's ending total cash and investments. This is the calculation used by the Office of Finance. Therefore, in order to be consistent with the Office of Finance's calculation of the debt service coverage ratio, we used normalized investment income as defined above for this ratio only.

$$\text{Formula} = \frac{\text{Norm. RAHC AUF GEF Excellence Op. Rev.} + \text{Approp.} + \text{Op. Gifts} + \text{Inv. Inc.} + \text{Transfer} + \text{Transfer} + \text{Transfer} + \text{Funding} - \text{Op. Exp.} + \text{Depr. Exp.}}{\text{Mandatory Debt Transfers}}$$

7. **Full-Time Equivalent (FTE) Student Enrollment** - Total semester credit hours taken by students during the fall semester, divided by factors of 15 for undergraduate students, 12 for graduate and special professional students, and 9 for doctoral students to arrive at the full-time equivalent (FTE) students represented by the course hours taken.

## Appendix A - Definitions of Evaluation Factors (Continued)

The categories, which are utilized to indicate the assessment of an institution's financial condition, are "Satisfactory," "Watch" and "Unsatisfactory." In most cases the rating is based upon the trends of the financial ratios unless isolated financial difficulties in particular areas are material enough to threaten the overall financial results.

**Satisfactory** – an institution assigned this assessment exhibits a general history of relatively stable or increasing financial ratios. The primary reserve ratio should generally increase over time; however, some decrease in the ratio may occur during the trend period due to fluctuations in expenses. The annual operating margin ratio could be both positive and negative during the trend period due to nonrecurring items. Some of these items include unexpected reductions in external sources of income, such as state appropriations, gifts and investment income, all of which are unpredictable and subject to economic conditions. The return on net assets ratio may vary widely due to single-year events, such as a substantial gift or changes in investment performance. The causes of the swings in this ratio should not threaten the overall financial stability of the institution, and the ratio should not be negative. The expendable resources to total net assets ratio should generally increase or remain stable over time. The Office of Finance uses the debt burden ratio and debt service coverage ratio to calculate the same ratios for individual institutions that the bond rating agencies calculate for the System. Trends in these ratios can help determine if an institution has assumed more debt than it can afford to service. Full-time equivalent (FTE) student enrollment must be relatively stable or increasing. Isolated financial difficulties in particular areas may be evident, but must not be material enough to threaten overall financial results.

**Watch** – an institution assigned this assessment exhibits a history of relatively unstable or declining financial ratios. The primary reserve ratio could be relatively low, decreasing or artificially inflated by nonrecurring items. Annual operating margin ratio is negative or near break-even during the trend period due to recurring items, material operating difficulties or uncertainties caused by either internal management decisions or external factors. The return on net assets ratio may vary widely due to single-year events, such as a substantial gift or changes in investment performance. Low expendable net assets in relation to operating size may signal a weak financial condition. The expendable resources to total net assets ratio could be decreasing or could be temporarily inflated for capital projects. Trends in the debt burden ratio and debt service coverage ratios can help determine if an institution has assumed more debt than it can afford to service. FTE student enrollment can be stable or declining, depending upon competitive alternatives or recruitment and retention efforts. Isolated financial difficulties in particular areas may be evident and can be material enough to threaten overall financial results.

**Unsatisfactory** – an institution assigned this assessment exhibits a history of relatively unstable financial ratios. The primary reserve ratio could be declining or becoming dangerously low. The annual operating margin ratio is predominately volatile or negative during the trend period due to material operating difficulties or uncertainties caused by either internal management decisions or external factors. The causes of the fluctuations in the return on net assets ratio are considered a threat to the overall financial stability of the institution and recur during the trend period. This ratio may also be negative in one or more of the years analyzed. The expendable resources to total net assets ratio could be decreasing or could be temporarily inflated for capital projects. Trends in the debt burden ratio and debt service coverage ratios can help determine if an institution has assumed more debt than it can afford to service. The FTE student enrollment can be stable or declining, depending upon competitive alternatives or recruitment and retention efforts. Widespread financial difficulties in key areas are evident and are material enough to further threaten overall financial results. Generally a business plan exists to address corrective actions of improving the financial condition.

**Appendix B - Calculation of Expendable Net Assets  
Academic Institutions  
As of August 31, 2003  
(In Millions)**

Institution	Restricted Expendable Net Assets				Total Unrestricted Net Assets	Less: PHF*	Total Expendable Net Assets
	Capital Projects	Funds Functioning Restricted	Other Expendable	Total			
Arlington	\$ 18.9	2.3	16.8	38.0	54.9	-	92.9
Austin	113.7	65.6	263.0	442.4	309.3	-	751.7
Brownsville	22.2	-	3.7	25.9	24.0	-	49.8
Dallas	0.7	5.4	39.7	45.9	37.5	-	83.5
El Paso	22.0	3.7	23.2	49.0	43.3	(22.7)	69.6
Pan American	9.3	7.3	13.1	29.7	49.2	-	78.9
Permian Basin	2.4	-	4.3	6.7	5.5	-	12.2
San Antonio	70.4	0.4	22.3	93.1	40.2	-	133.3
Tyler	14.2	-	3.8	18.0	10.4	-	28.4

\*Although the Texas State Comptroller required the Permanent Health Fund (PHF) to be reported as unrestricted, U.T. System considers the PHF to be none. Therefore, the PHF is subtracted from expendable net assets.



**Appendix B - Calculation of Expendable Net Assets  
Health Institutions  
As of August 31, 2003  
(In Millions)**

Institution	Restricted Expendable Net Assets				Total Unrestricted Net Assets	Less: PHF*	Total Expendable Net Assets
	Capital Projects	Funds Functioning Restricted	Other Expendable	Total			
Southwestern	\$ 9.6	14.5	274.3	298.4	288.2	(45.4)	541.1
UTMB Galveston	10.0	12.3	73.0	95.3	168.9	(22.7)	241.4
UTHSC-Houston	92.3	30.0	72.1	194.4	148.2	(22.7)	320.0
UTHSC-San Antonio	37.6	4.0	94.8	136.3	287.3	(181.7)	241.9
M. D. Anderson	122.5	64.1	169.5	356.1	528.6	(90.8)	793.8
UTHC-Tyler	11.2	0.1	2.4	13.7	36.0	(22.7)	27.0

\*Although the Texas State Comptroller required the Permanent Health Fund (PHF) to be reported as unrestricted, U.T. System considers the PHF to be nonexpendable. Therefore, the PHF is subtracted from expendable net assets.

**Appendix C - Calculation of Annual Operating Margin  
Academic Institutions  
As of August 31, 2003  
(In Millions)**

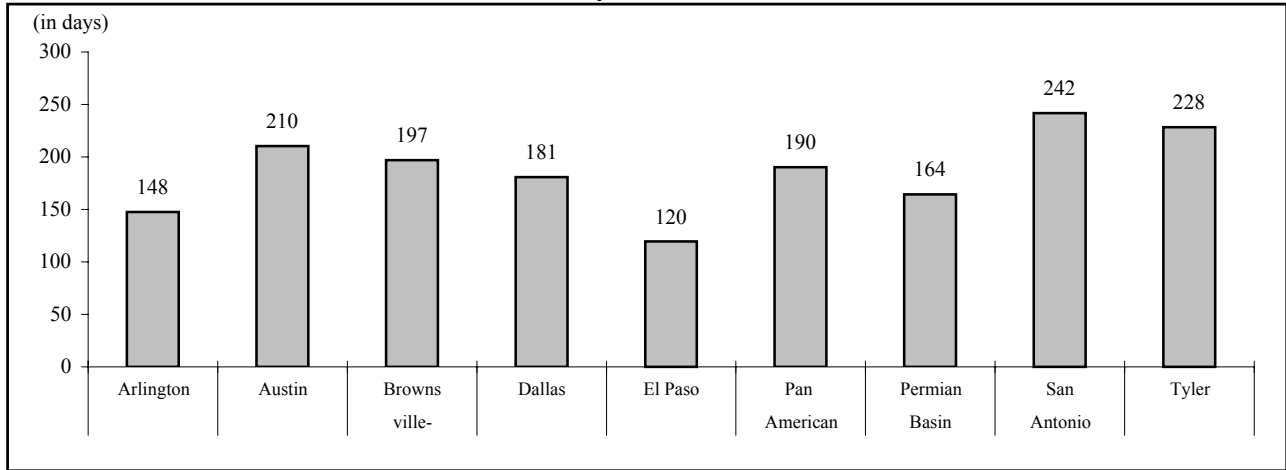
Institution	Income/(Loss) Before Other Rev., Exp., Gains/(Losses) & Transfers	Less: Nonoperating Items				Margin From SRECNA	Other Adjustments				Annual Operating Margin
		Other Nonop. Revenues	Other Nonop. Expenses	Gain/Loss on Sale of Cap. Assets	Net Increase/ (Decrease) in FV of Inv.		GEF Transfer	AUF Transfer	HB 1839 Excellence Funding	Interest Expense	
Arlington	\$ 12.5	0.5	(2.2)	(0.6)	1.9	13.0	1.1	-	5.3	(4.2)	15.2
Austin	(14.9)	1.1	(9.8)	(2.3)	90.0	(93.9)	46.0	116.4	-	(16.8)	51.7
Brownsville	3.5	0.1	(2.1)	-	0.2	5.2	0.1	-	-	(1.7)	3.7
Dallas	(3.1)	0.2	(0.7)	(2.5)	6.4	(6.5)	3.9	-	5.9	(2.7)	0.7
El Paso	6.2	-	0.3	(0.2)	6.5	(0.4)	2.5	-	3.8	(3.4)	2.5
Pan American	10.2	0.1	0.1	(0.1)	0.9	9.2	0.6	-	0.1	(2.3)	7.5
Permian Basin	(0.3)	0.1	-	-	0.7	(1.2)	0.3	-	0.3	(0.8)	(1.4)
San Antonio	7.9	0.4	(0.5)	(1.7)	0.9	8.8	0.8	-	2.4	(6.0)	6.0
Tyler	(1.1)	0.0	(3.4)	-	2.6	(0.3)	1.3	-	0.3	(0.7)	0.6

**Appendix C - Calculation of Annual Operating Margin  
Health Institutions  
As of August 31, 2003  
(In Millions)**

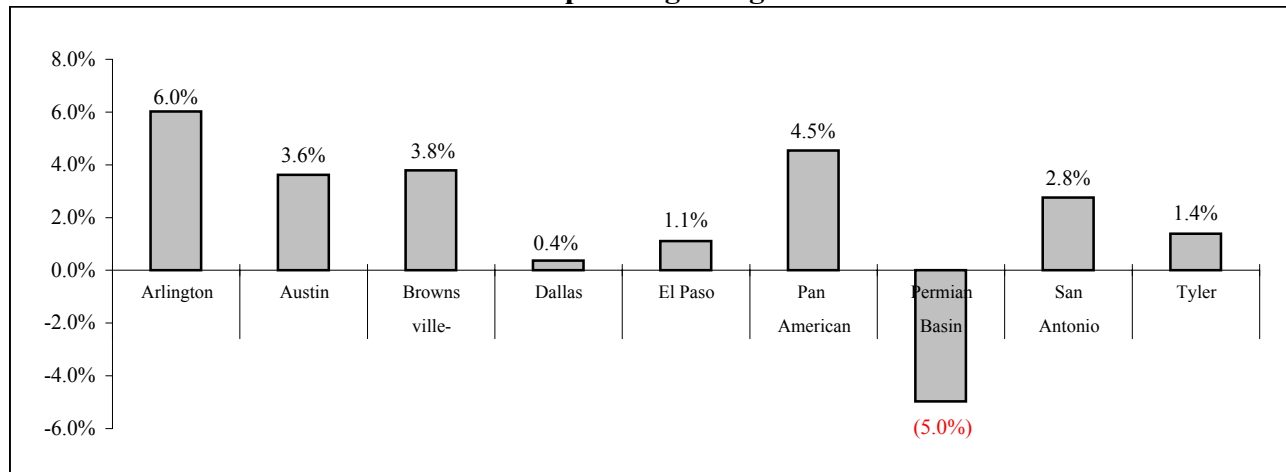
Institution	Income/(Loss) Before Other Rev., Exp., Gains/(Losses) & Transfers	Less: Nonoperating Items				Margin From SRECNA	Other Adjustments				Annual Operating Margin
		Other Nonop. Revenues	Other Nonop. Expenses	Gain/Loss on Sale of Cap. Assets	Net Increase/ (Decrease) in FV of Inv.		GEF Transfer	RAHC Transfer	NETI & FEMA	Interest Expense	
Southwestern	\$ 29.5	9.6	(6.5)	(3.3)	30.8	(1.0)	14.1	-	-	(9.9)	3.2
UTMB Galveston	(3.7)	4.7	(4.1)	(4.5)	14.0	(13.8)	6.7	-	-	(1.9)	(9.0)
UTHSC-Houston	2.5	4.8	(8.7)	0.3	6.2	(0.2)	2.1	1.7	(8.7)	(4.1)	(9.1)
UTHSC-San Antonio	21.4	-	(1.3)	(1.7)	16.1	8.2	2.0	6.5	-	(4.2)	12.5
M. D. Anderson	94.2	27.7	(10.3)	(0.9)	18.1	59.6	6.0	-	-	(14.4)	51.2
UTHC-Tyler	6.1	0.9	(0.1)	(0.8)	1.6	4.4	0.2	-	(4.3)	(0.3)	(0.1)

**Appendix D - Academic Institutions' Evaluation Factors  
2003 Analysis of Financial Condition**

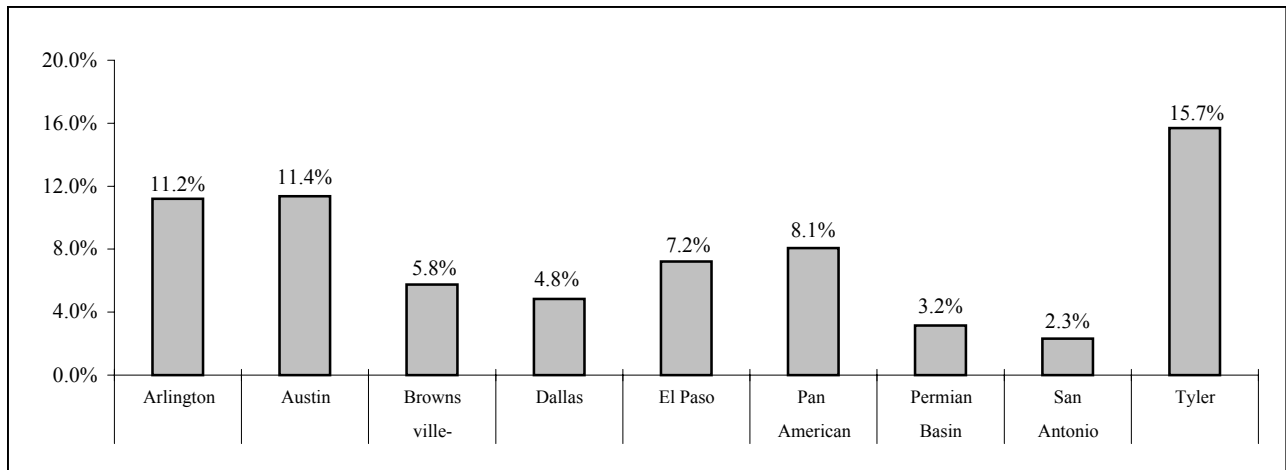
**Primary Reserve Ratio**



**Annual Operating Margin Ratio**

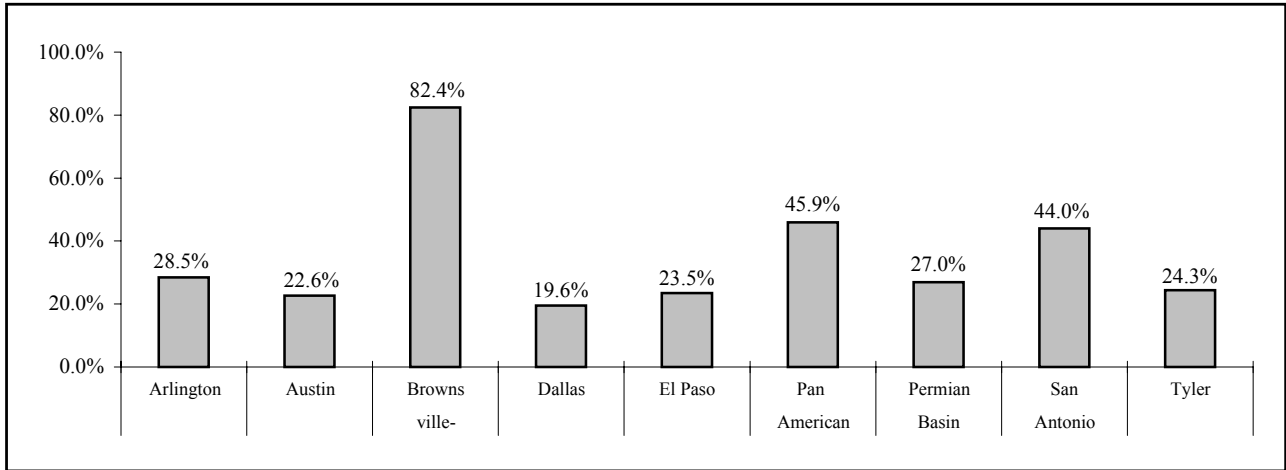


**Return on Net Assets Ratio**

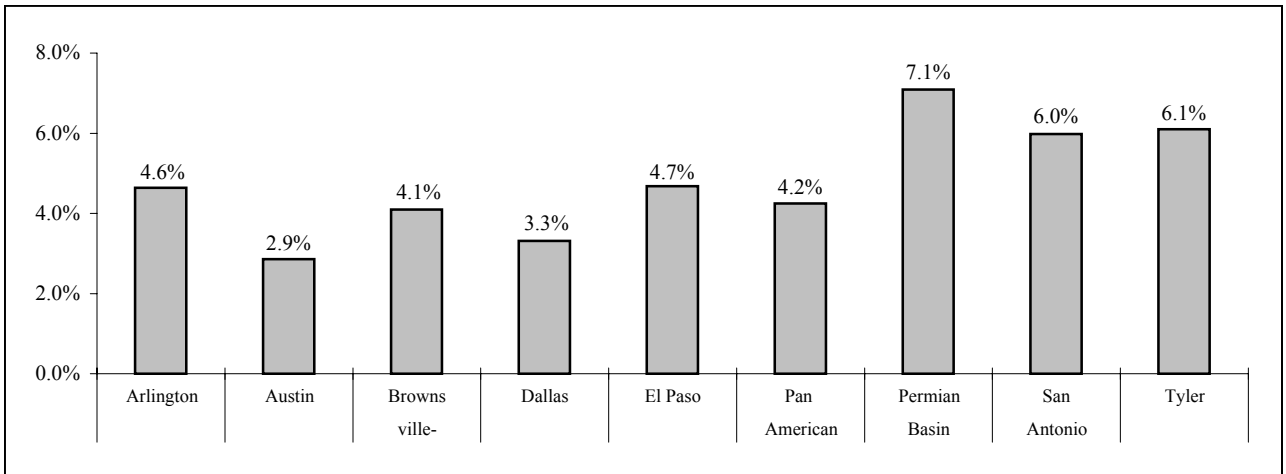


**Appendix D - Academic Institutions' Evaluation Factors  
2003 Analysis of Financial Condition**

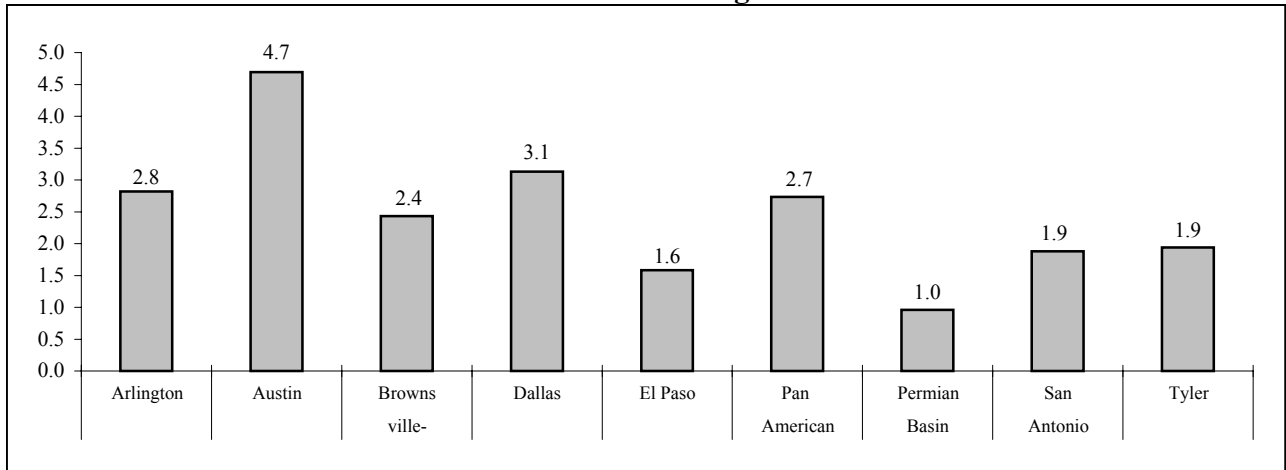
**Expendable Resources  
to Total Net Assets Ratio**



**Debt Burden Ratio**

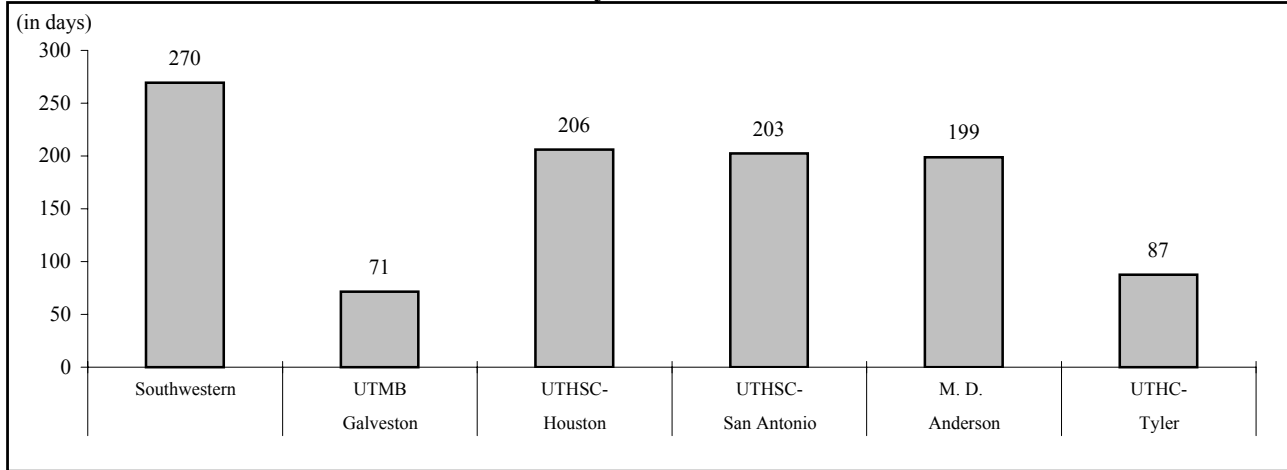


**Debt Service Coverage Ratio**

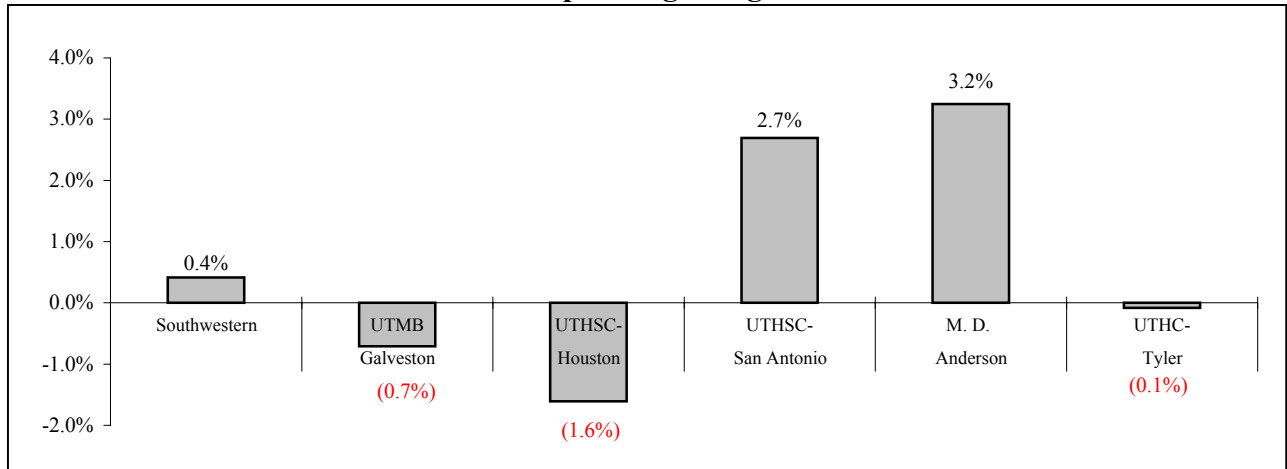


**Appendix D - Health Institutions' Evaluation Factors  
2003 Analysis of Financial Condition**

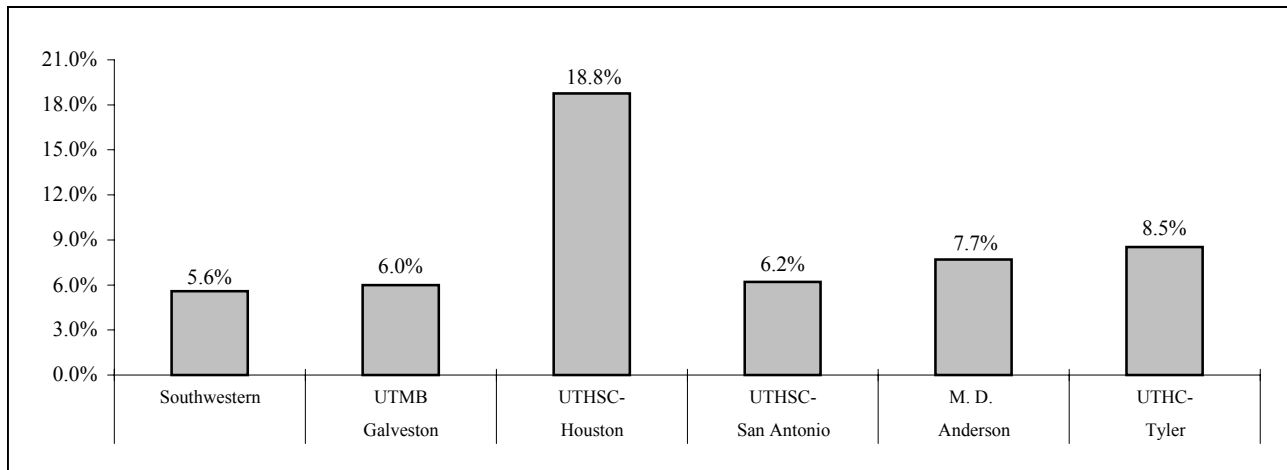
**Primary Reserve Ratio**



**Annual Operating Margin Ratio**

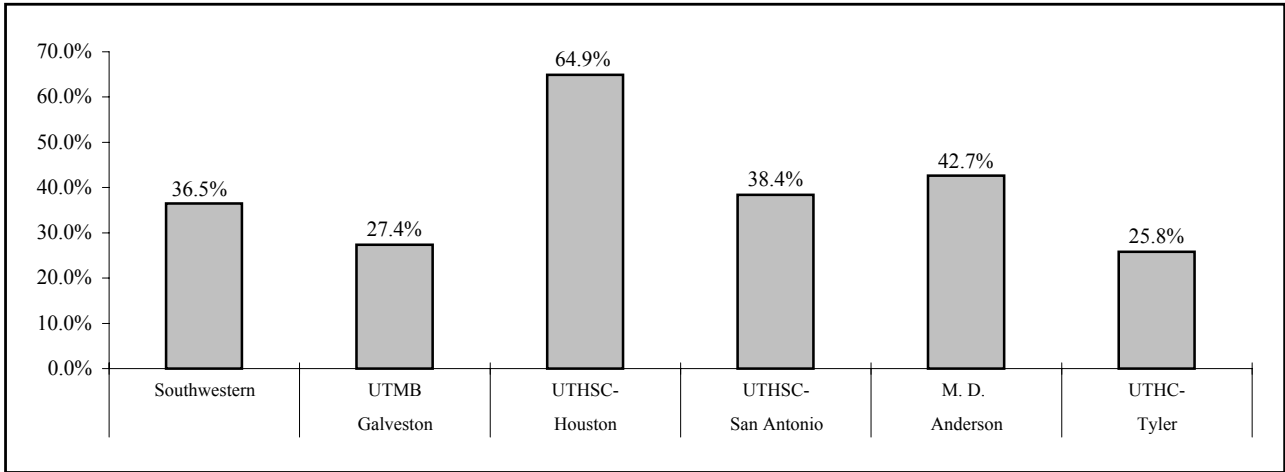


**Return on Net Assets Ratio**

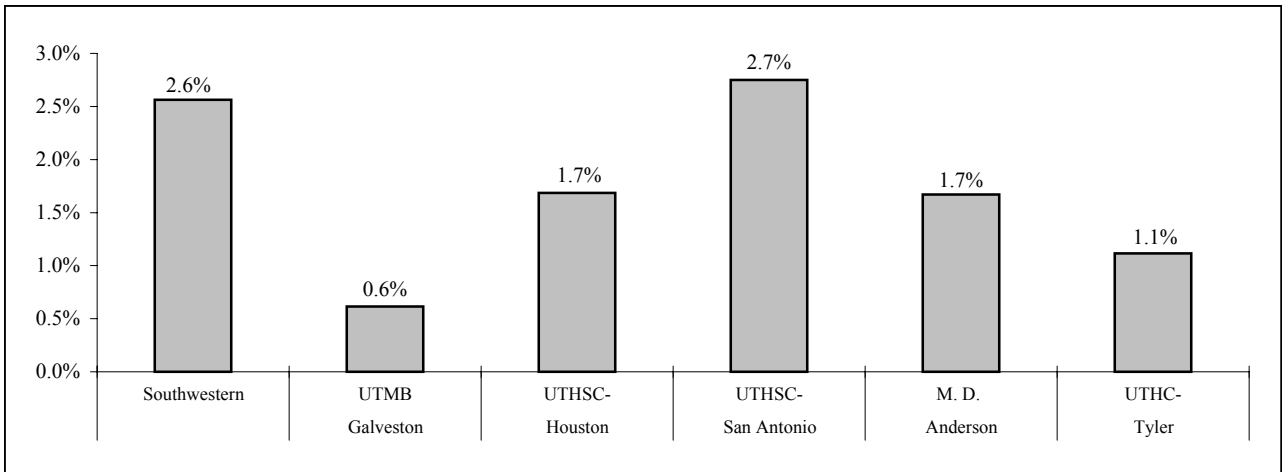


**Appendix D - Health Institutions' Evaluation Factors  
2003 Analysis of Financial Condition**

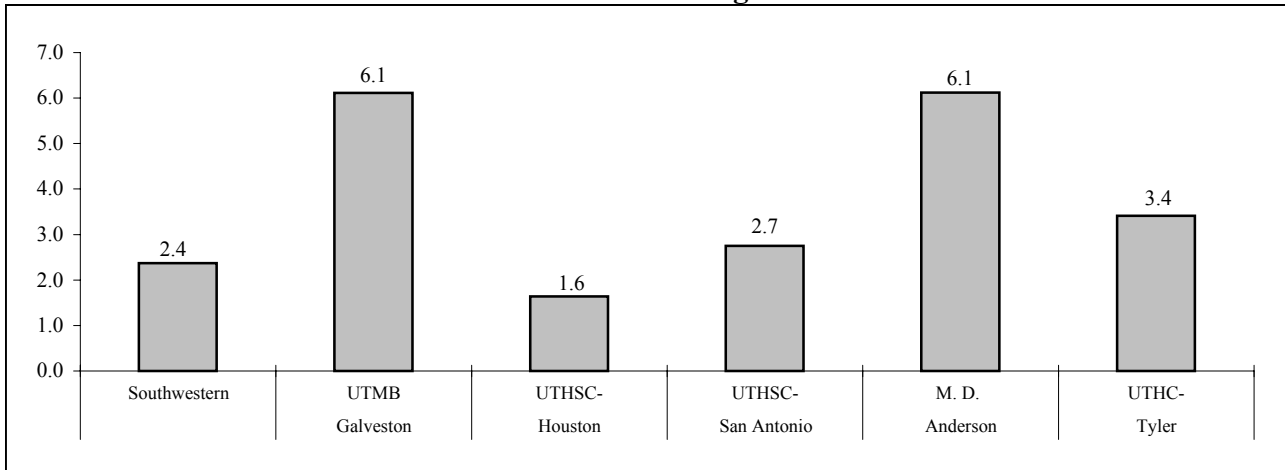
**Expendable Resources  
to Total Net Assets Ratio**



**Debt Burden Ratio**

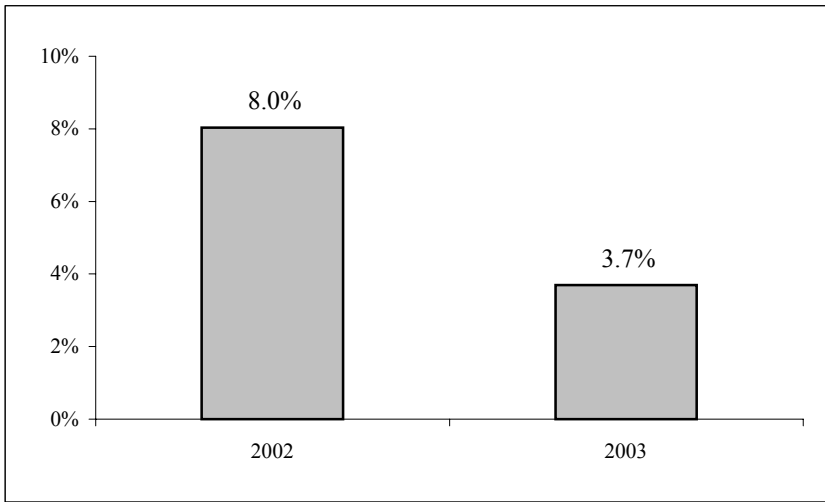


**Debt Service Coverage Ratio**



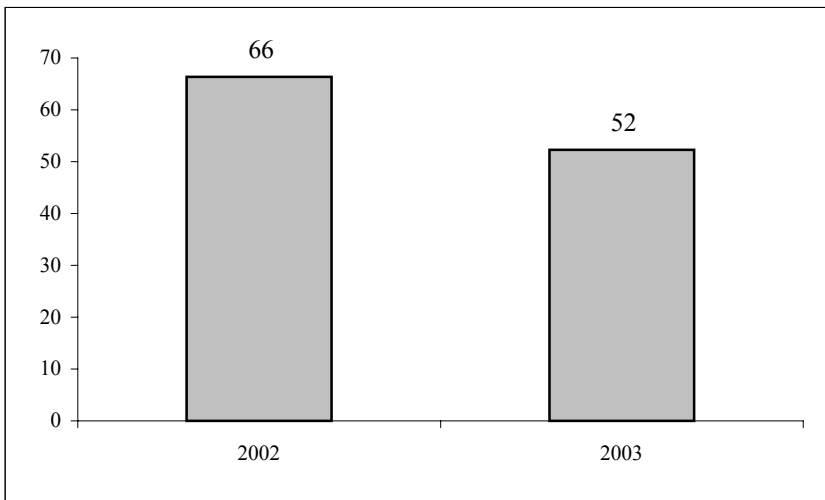
**Appendix E - Key MSRDP & NPHC Operating Factors**  
**The University of Texas Southwestern Medical Center at Dallas**

**Annual Operating Margin Ratio**



The decrease in the annual operating margin ratio is due to revenues increasing at a rate of 7.4% while expenses increased 12.4%. Salary increases and a full year impact of expansions of clinical programs resulted in higher salaries, fringe benefits and maintenance and operations expenses.

**Net Accounts Receivable (in days)**

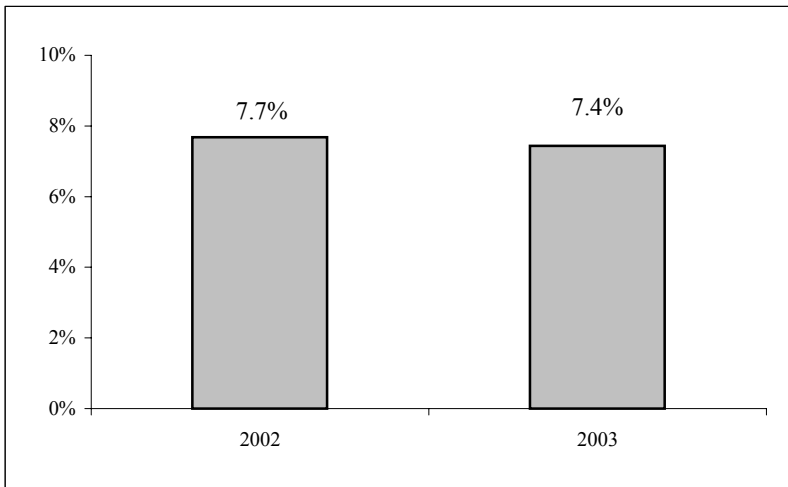


Net charges increased \$13.8 million in 2003 as compared to 2002. Net patient accounts receivable decreased \$4.6 million in 2003. Collection efforts as well as conservative allowance reservations both contributed to the reduction of net accounts receivable from 66 days to 52 days.



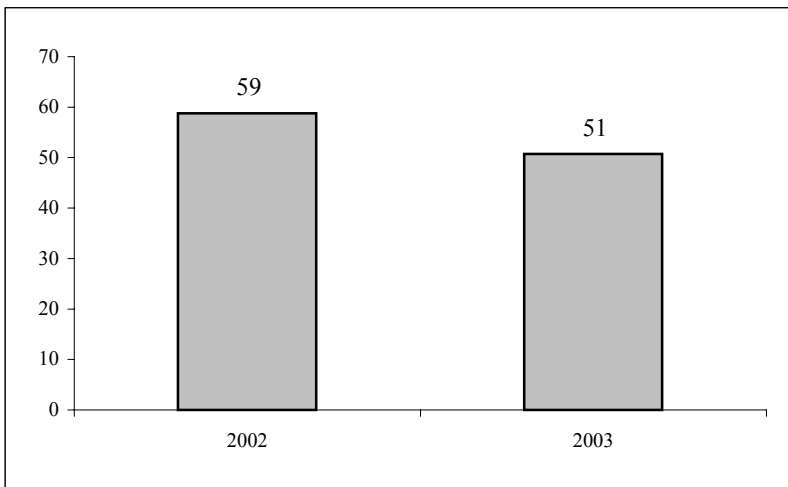
**Appendix E - Key Hospital Operating Factors**  
**The University of Texas Medical Branch at Galveston**

**Annual Operating Margin Ratio**



While the annual operating margin increased slightly (\$66,000), the margin percentage decreased due to an increase in revenues. The Hospitals and Clinics were adversely impacted by mid-year reductions in state appropriations and Correctional Managed Care revenues and medical inflation. However, cost reduction and revenue enhancement plans offset the impact of these items. UTMB Hospitals and Clinics continue to grow with admissions and outpatient visits growing by 6.0% and 2.8%, respectively. Approximately 81% of this growth was from patients with third party insurance coverage.

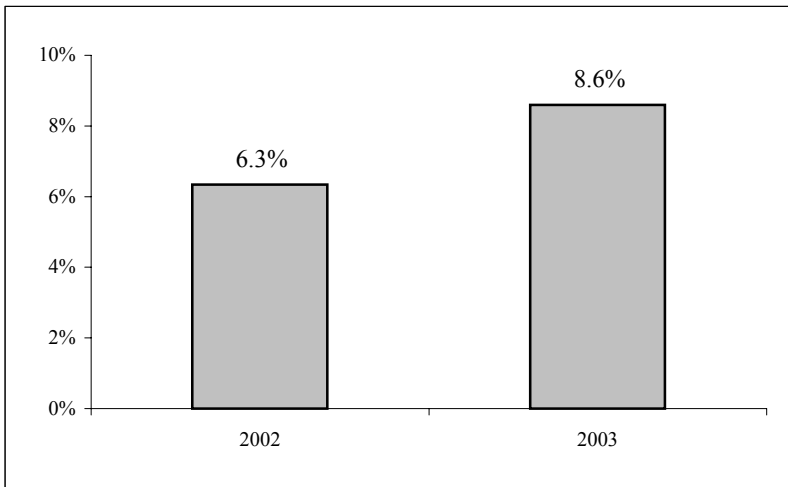
**Net Accounts Receivable (in days)**



Days in Net Accounts Receivable decreased because of continued improvements in billing and collection processes such as charge automation, strict adherence to front-end collection of patient co-pays and deductibles, improved payor mix and enhanced account follow-up activities.

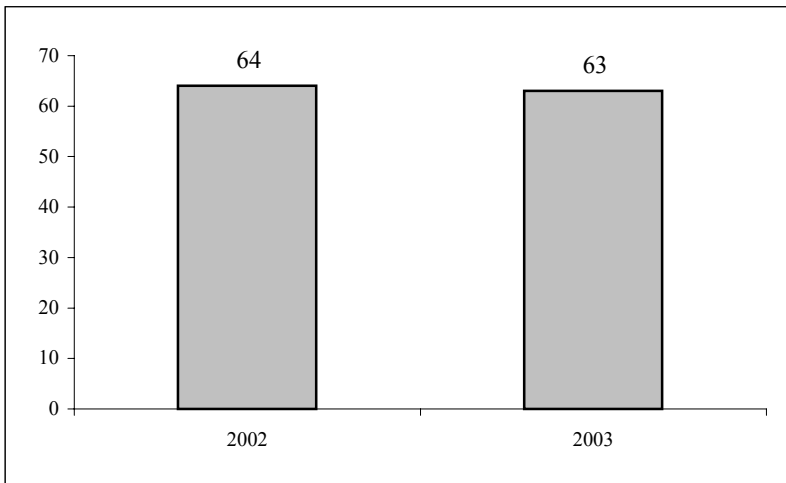
**Appendix E - Key MSRDP & NPHC Operating Factors  
The University of Texas Medical Branch at Galveston**

**Annual Operating Margin Ratio**



The improvement in the annual operating margin ratio was largely due to higher patient volumes in 2003, as well as revenue enhancement and cost reduction strategies implemented in 2003. Also, medical malpractice premium rebates favorably impacted the margins.

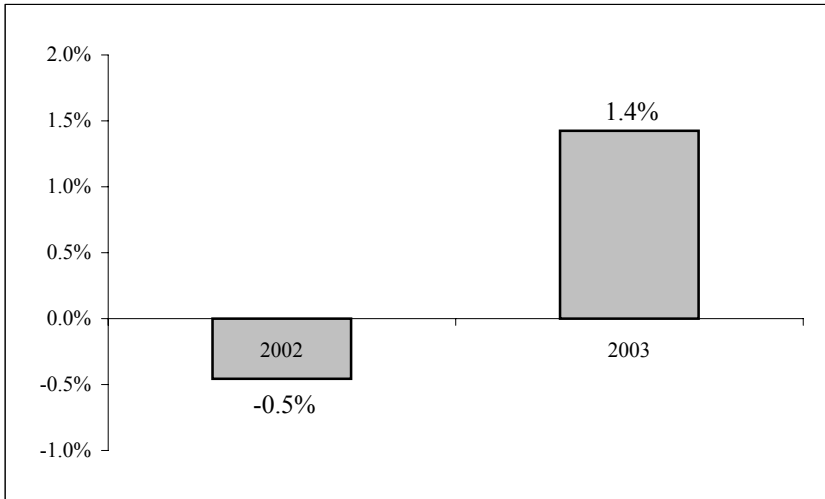
**Net Accounts Receivable (in days)**



Days in Net Accounts Receivable is a measure, expressed in a number of days, of how quickly the charges generated by UTMB Faculty Group Practice physicians are being converted into cash. Each area that impacts billing can cause this number to rise or fall. The decrease between years is largely due to aggressively managing demographic data collection, accurate procedural and diagnosis coding, and efficient patient account management.

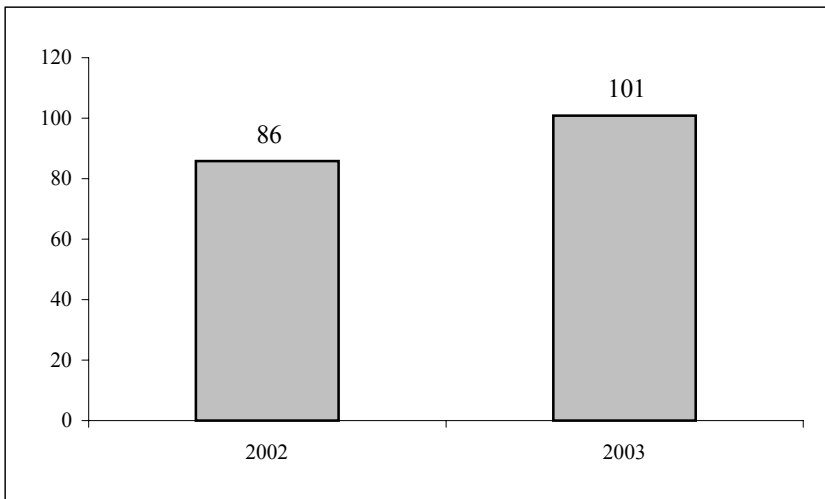
**Appendix E - Key Hospital Operating Factors**  
**The University of Texas Health Science Center at Houston**

**Annual Operating Margin Ratio**



The increase in the annual operating margin ratio reflects the impact of a full year's operation of the Partial Hospitalization, Intensive Outpatient Services and Juvenile Detention Programs.

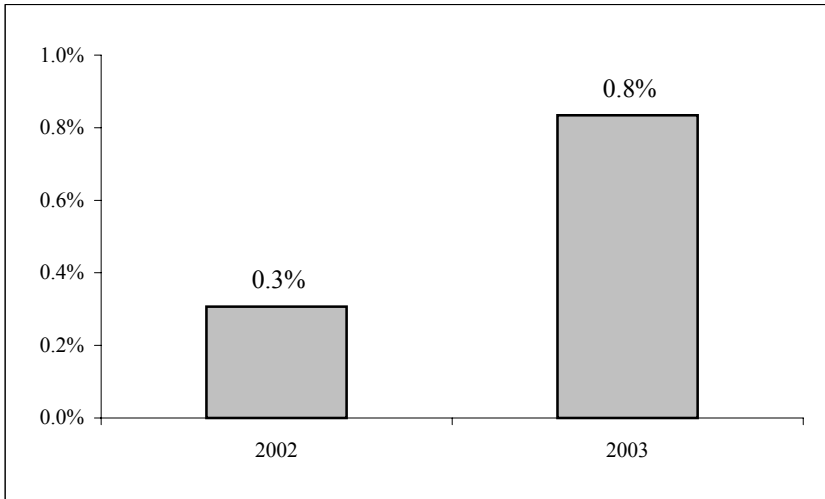
**Net Accounts Receivable (in days)**



The increase in days in Net Accounts Receivable results from a change in the payor mix. The percentage of indigent patients seen at HCPC continues to increase.

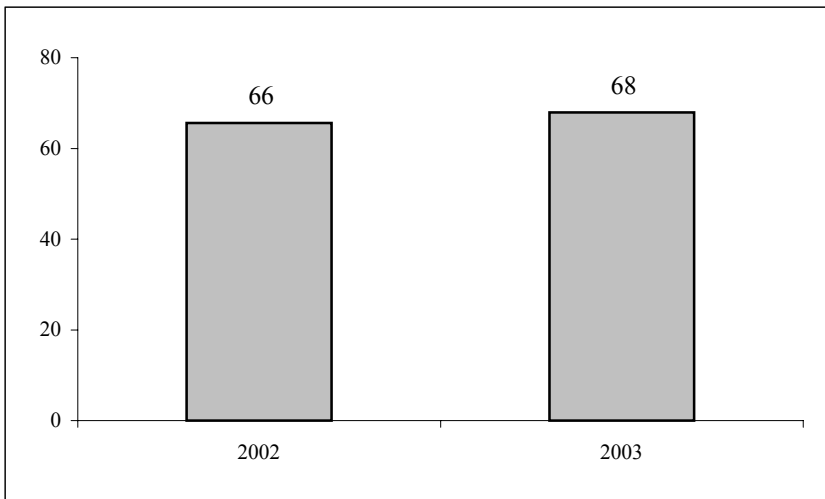
**Appendix E - Key MSRDP & NPHC Operating Factors**  
**The University of Texas Health Science Center at Houston**

**Annual Operating Margin Ratio**



The professional liability rebate was \$2.5 million higher than the rebate received in 2002. This rebate was reported as a reduction to operating expenses. Additionally, during 2003 professional fee revenue increased 5% and contractual revenue increased almost 20%. However, other operating revenue decreased 25% mainly due to a decrease in various miscellaneous income for the nonprofit healthcare corporation (NPHC). Total operating expenses increased almost 8% primarily due to increases in salary and benefit costs and other operating expenses for the physician practice plan (MSRDP). These increases in expenses were offset by decreases in most other MSRDP and NPHC expenses.

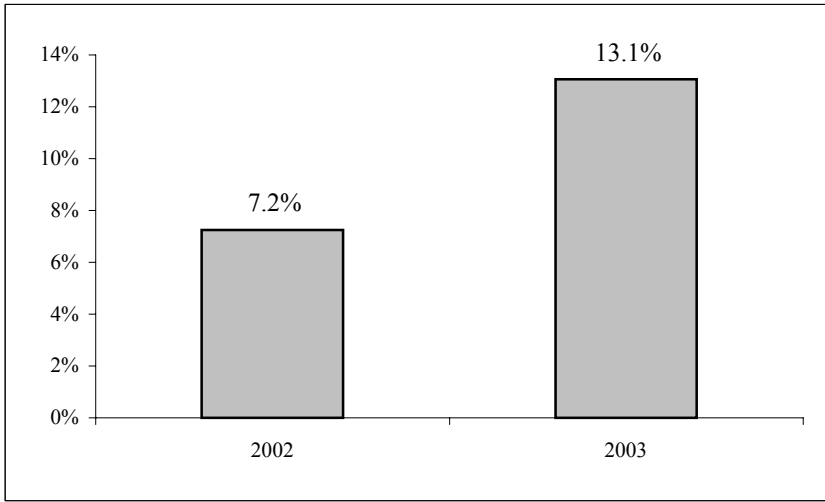
**Net Accounts Receivable (in days)**



The increase in net accounts receivable days is a result of an increase in indigent and Medicaid patients during 2003.

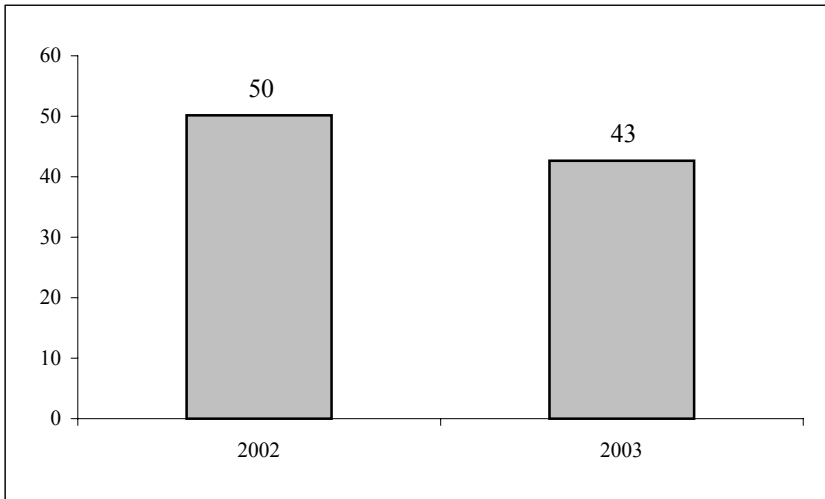
**Appendix E - Key MSRDP & NPHC Operating Factors**  
**The University of Texas Health Science Center at San Antonio**

**Annual Operating Margin Ratio**



The primary factors contributing to the \$7.7 million increase in the annual operating margin were increased patient and contract revenues and an increase in the professional liability premium rebate. Approximately \$9.1 million in professional liability premiums was rebated to UTHSC-San Antonio as compared to \$5.2 million in 2002. In addition, UTHSC-San Antonio made substantial improvements in all facets of the physician practice plan's operations, specifically improving charge capture and collection efforts and increasing patient services, all of which led to increased revenues and provider productivity gains.

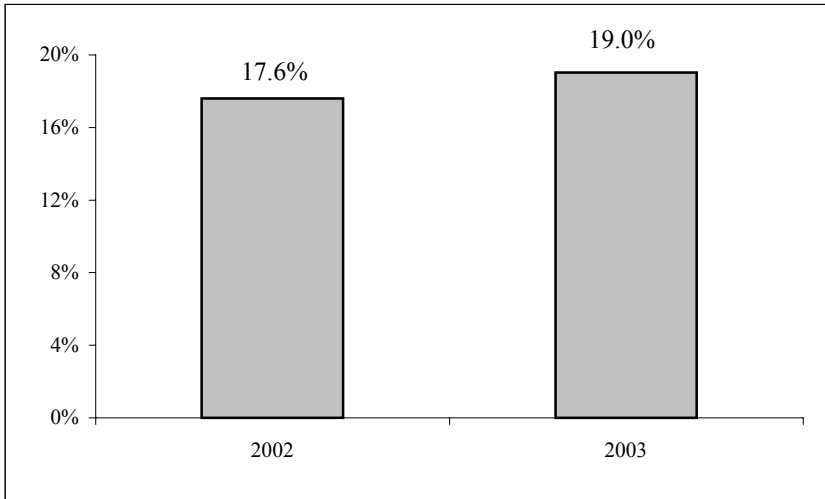
**Net Accounts Receivable (in days)**



Collection effort improvements were made during the year, whereby collectors focused on current accounts rather than old, nonpayable accounts. Front-end claims edits and back-end workflow management software were also more heavily utilized to increase revenue collections, as well as utilizing outsourcing agencies for insurance accounts greater than 150 days old. With these improvements, the physician practice plan was better able to convert accounts receivable balances into cash available for current operations.

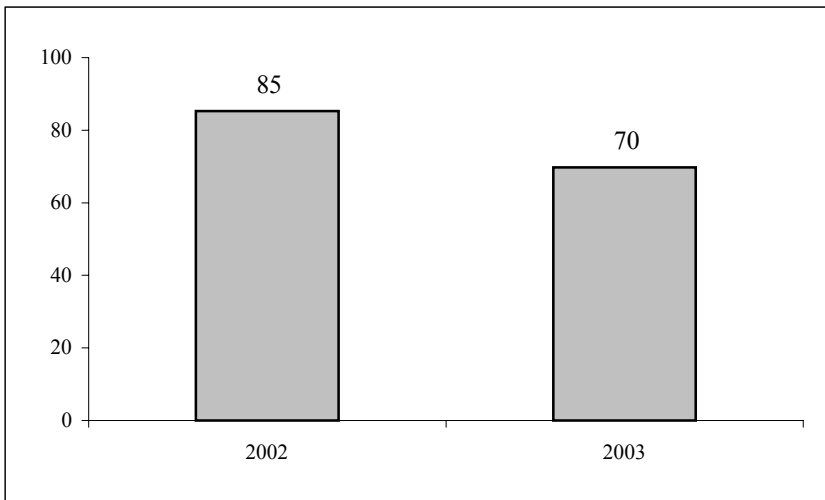
**Appendix E - Key Hospital Operating Factors  
The University of Texas M. D. Anderson Cancer Center**

**Annual Operating Margin Ratio**



The increase in the annual operating margin ratio is mainly attributable to increased patient volumes throughout 2003. Hospital and clinics statistical metrics were all favorable compared to the prior year with several months of records set for patient days and billed procedures. Additionally, management placed strong emphasis on maintaining slower growth rates in operating expenses as compared to operating revenues, with the exception of the growth in FTEs to accommodate increased patient volumes.

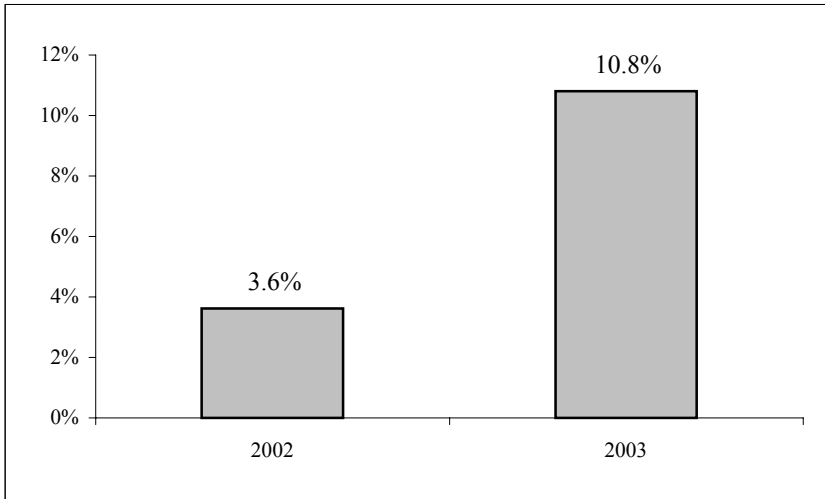
**Net Accounts Receivable (in days)**



The decrease in days in accounts receivable was primarily due to stronger emphasis placed on collections of outstanding accounts receivable through continued improvements in operations of the Patient Business Services department.

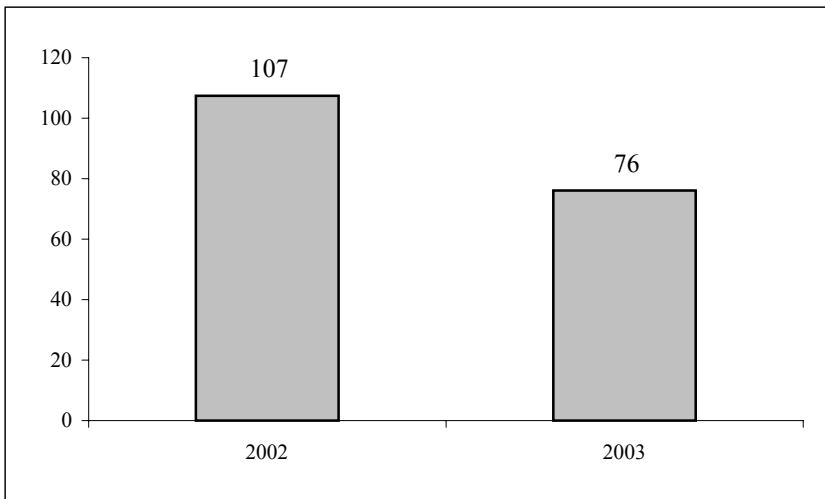
**Appendix E - Key MSRDP & NPHC Operating Factors  
The University of Texas M. D. Anderson Cancer Center**

**Annual Operating Margin Ratio**



The increase in the annual operating margin ratio was attributable to an overall increase in patient activity and volumes from 2002. Additionally, revenues increased 20.8% from 2002, along with improved reimbursement and managed care contracts, compared to expenses increasing at a slower rate of 10.5%.

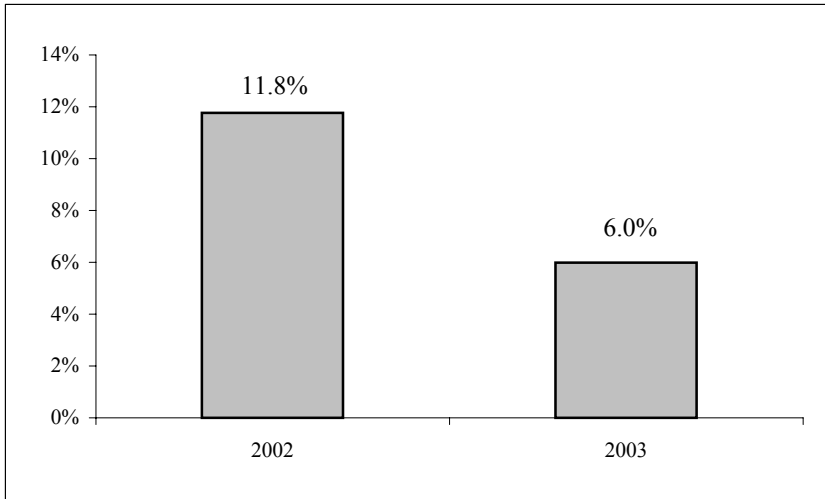
**Net Accounts Receivable (in days)**



Days in net accounts receivable decreased between 2002 and 2003 from 107 days to 76 days. This significant improvement was accomplished through improved operations in the Patient Business Services department and record collections in 2003.

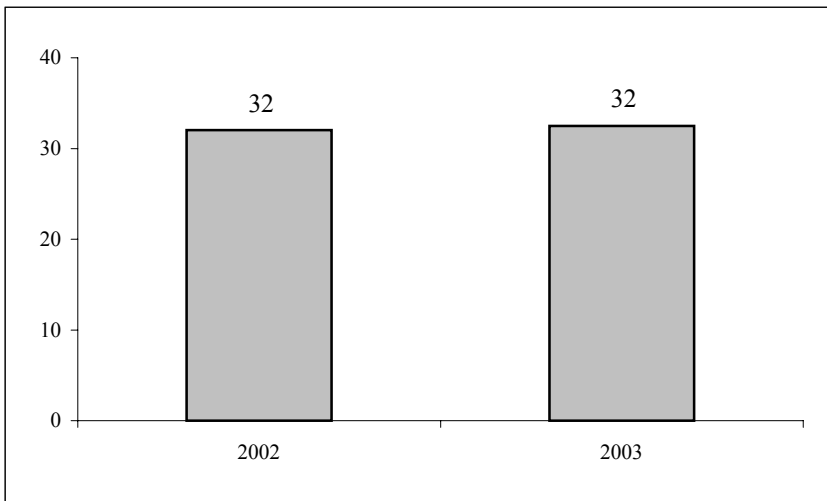
**Appendix E - Key Hospital Operating Factors  
The University of Texas Health Center at Tyler**

**Annual Operating Margin Ratio**



The decrease in the annual operating margin ratio was attributable to operating expenses increasing at a greater pace than revenues in 2003. Labor costs increased 9.1%. Contract Services increased 48.9% due in large part to payment to the physician practice plan (MSRDP) for physician services related to indigent care.

**Net Accounts Receivable (in days)**

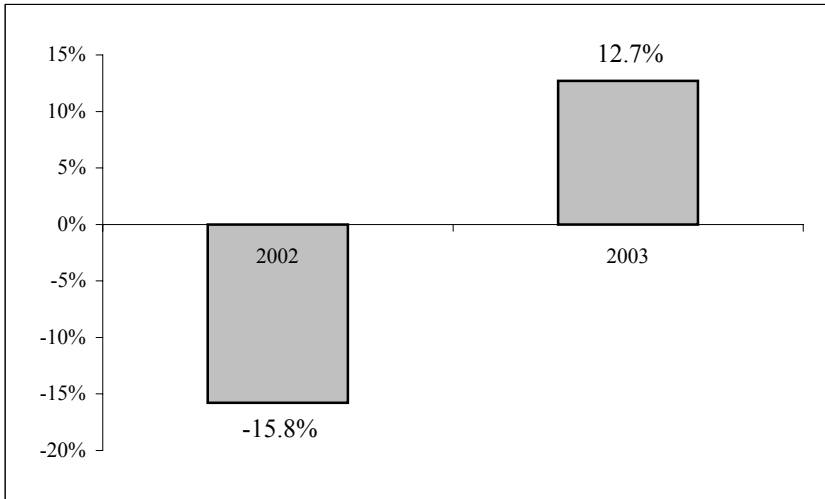


Net accounts receivable in days remained unchanged between 2002 and 2003.



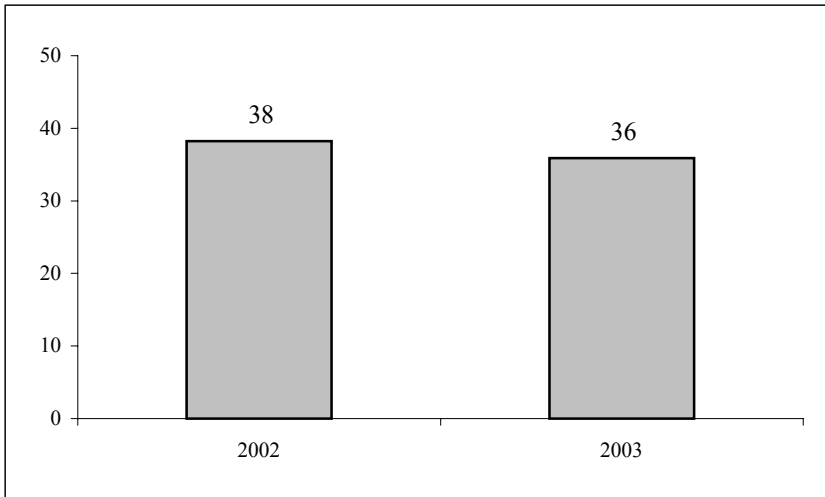
**Appendix E - Key MSRDP & NPHC Operating Factors**  
**The University of Texas Health Center at Tyler**

**Annual Operating Margin Ratio**



The annual operating margin ratio improved significantly between 2002 and 2003. Revenue increased substantially due to a payment received for indigent care of \$2 million from the hospital in 2003. Expenses decreased due to the transfer of clinics from the nonprofit healthcare corporation (NPHC) to the hospital, and due to an increase in the professional liability premium rebate of approximately \$453,000. The rebate was reported as a reduction in operating expenses.

**Net Accounts Receivable (in days)**



Net accounts receivable in days decreased slightly due to better management of billing and collections.

6. **U. T. System: Approval of the Fiscal Year 2005 Budget Preparation Policies and Calendar for budget operations**

RECOMMENDATION

With the concurrence of the U. T. System Executive Officers, the Chancellor recommends that the U. T. Board of Regents approve the Budget Preparation Policies and Calendar for use in preparing the Fiscal Year 2005 Operating Budget for the U. T. System as set out below:

U. T. System FY 2005 Budget Preparation Policies

General Guidelines - The regulations and directives included in the General Appropriations Act enacted by the 78th Texas Legislature serve as the basis for these guidelines and policies. In preparing the draft of the 2005 Operating Budget, the president of each component institution should adhere to guidelines and policies as detailed below and as included in the General Appropriations Act.

Overall budget totals, including reasonable reserves, must be limited to the funds available for the year from General Revenue Appropriations, Estimates of Educational and General Income, and limited use of institutional unappropriated balances.

Salary Guidelines - Recommendations regarding salary policy are subject to the following directives:

1. Salaries Proportional by Fund - Unless otherwise restricted, payment for salaries, wages, and benefits paid from appropriated funds, including local funds and educational and general funds as defined in Texas Education Code Section 51.009 (a) and (c), shall be proportional to the source of funds.
2. Merit Increases - Subject to available resources and resolution of any major salary inequities, institutions should give priority to implementing merit salary increases for faculty and staff.

Merit increases or advances in rank for faculty are to be on the basis of teaching effectiveness, research, and public service.

Merit increases or promotions for administrative and professional staff and classified staff are to be based on evaluation of performance in areas appropriate to work assignments.

To be eligible for a merit increase, administrative and professional staff and classified staff must have been employed by the institution for at least six consecutive months ending August 31, 2004.

3. Other Increases - Equity adjustments, competitive offers, and increases to accomplish contractual commitments may also be granted in this budget and should also consider merit where appropriate, subject to available resources. Such increases should be noted and explained in the supplemental data accompanying the budget.
4. New Positions - Subject to available resources, new administrative and professional, classified staff and faculty positions are to be requested only when justified by workloads or to meet needs for developing new programs.
5. Tobacco Settlement Funds - Appropriate instructions will be issued regarding the distributions from the Endowment Funds appropriated to Higher Education and the Permanent Health Fund for Health Related Institutions.
6. Salary increases for merit, equity, or other reasons should be included in the Operating Budgets.

Staff Benefits Guidelines - Recommendations regarding the state contribution for employee staff benefits such as group insurance premiums, teacher retirement, and optional retirement are subject to legislative determination via the General Appropriations Act. Appropriate instructions will be issued regarding the implementation of the benefits into the budget process.

Other Employee Benefits - Employer contributions to the self-insured Unemployment Compensation Fund are based on an actuarial study. Workers' Compensation Insurance rates are experience rated for each component. Appropriate instructions will be issued regarding the implementation of Unemployment Compensation Fund and Workers' Compensation Insurance Benefits.

Other Operating Expenses Guidelines - Increases in Maintenance, Operation, Equipment, and Travel are to be justified by expanded workloads, for developing new programs, or for correcting past deferrals or deficiencies.

Budget Reductions and Limitations - The General Appropriations Act contains provisions requiring budget reductions and budget restrictions. Instructions will be issued regarding the implementation of any of these reductions and limitations into the budgeting process.

## FY 2005 Operating Budget and Legislative Appropriations Request Calendar

February 4, 2004	U. T. Board of Regents approves budget policies
March 29 - April 9, 2004	Budget goals and priorities/resource allocation hearings with System Administration
April 30, 2004	Draft copies of budgets, salary rosters, and supplemental data due to System Administration
May 3 - 14, 2004	Technical budget hearings with System Administration
May 28, 2004	Final copies of budgets, salary rosters, and supplemental data due to System Administration
June 1, 2004 (estimated)	Receive detailed instructions for Legislative Appropriations Request for the biennium beginning September 1, 2005
July 15, 2004 (estimated)	Draft Legislative Appropriations Request due to System Administration for technical review
July 29, 2004	Operating Budget Summaries mailed to U. T. Board of Regents
August 2, 2004 (estimated)	Final copy of Legislative Appropriations Request due to System Administration for printing
August 6, 2004 (estimated)	Legislative Appropriations Request due to Legislative Budget Board and Governor's Office
August 12, 2004 (estimated)	U. T. Board of Regents approves Operating Budget
August 20, 2004	Approved budgets and salary rosters due to System Administration for copying and binding
August - September 2004	Joint Legislative Appropriations Request Budget Hearings

### BACKGROUND INFORMATION

The U. T. System FY 2005 Budget Preparation Policies will track the regulations and directives included in the General Appropriations Act enacted by the 78th Texas Legislature.

7. **U. T. Board of Regents: Approval to amend the Regents' Rules and Regulations regarding employee group insurance and health benefits (Part One, Chapter I, Section 9, Subsection 9.2, Subdivision 9.22 and Part Two, Chapter VI, Section 5)**

RECOMMENDATION

It is recommended that the Regents' Rules and Regulations, Part One, Chapter I, Section 9, Subsection 9.2, Subdivision 9.22 and Part Two, Chapter VI, Section 5, regarding employee group insurance and health benefits, be amended as set forth below in congressional style:

- a. Amend Part One, Chapter I, Section 9, Subsection 9.2, Subdivision 9.22 as follows:

9.22 Requirements Related to Board Approval

All contracts or agreements, including purchase orders and vouchers, with a cost or monetary value to the U. T. System Administration or the component institution of more than \$1 million must be approved by the Executive Committee of the Board or approved by the Board via the Docket or the Agenda except the following, which do not require prior approval by the Executive Committee of the Board or the Board regardless of the contract amount:

...

9.22(12) Contracts or agreements for uniform group employee benefits offered pursuant to Chapter 1601, Texas Insurance Code.

- b. Amend Part Two, Chapter VI, Section 5 as follows:

Sec. 5. Employee Group Insurance and Health Benefits

5.1 Administration

All group insurance, health benefit programs, and cafeteria plans authorized by law for employees of the U. T. System and its component institutions shall be administered by the Chancellor on behalf of the Board.

5.2 Committees and Administrators Authorized

The Chancellor shall provide for the planning, implementation, management, and administration of the employee group insurance and health benefit programs through such U. T. System committees and administrators as the Chancellor deems appropriate.

~~5.3 — Recommendations to Board~~

~~The Chancellor will submit for review and approval by the Board, recommendations on matters regarding the employee group insurance program.~~

BACKGROUND INFORMATION

These amendments to the Regents' Rules and Regulations will enhance the efficiency of the vendor selection process and allow the Office of Employee Group Insurance (EGI) to negotiate preliminary rates based on more recent claim experience. Currently, EGI is required to select and confirm a vendor and rates well before the commencement of the contract period to permit review of the recommendation at the regular Board meeting in February. This time frame prevents EGI from utilizing four to six months of the most current claim experience information in the competitive bid process which reduces EGI's ability to obtain the best value on premium rates.

This change will not affect the current process in place which ensures that carriers are selected according to the best interest of U. T. System and its employees. The Texas Insurance Code requires U. T. System to submit insurance coverage contracts for competitive bidding at least every six years. The Texas Insurance Code, the Texas Education Code, the Texas Government Code, U. T. System Administration's purchasing and contracting procedures (Business Procedures Memorandum 48-10-02), and the requirements of the U. T. System Office of General Counsel and System Audit Office set forth the selection process for contracting vendors. These procedures mitigate potential legal challenges and ensure compliance with the state's Historically Underutilized Business requirements.

By expediting the vendor selection process, this change would help ensure that the rates charged by the insurance vendors are based on the most current claim information, as well as, benefit the current and future vendor selection processes and would not result in reduction in the quality of coverage provided by EGI.

This recommendation was originated by the Vice Chancellor for Administration and has the concurrence of the Chancellor, the Interim Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel.

8. **U. T. System: Authorization to purchase a site license for Oracle Database Enterprise, Application Server, Management/Tuning Packs, and Real Application Clustering products**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Administration, and the Interim Vice Chancellor for Business Affairs that the U. T. Board of Regents approve the purchase of an Oracle Corporation site license for its Database Enterprise, Application Server, Management/Tuning Packs, and Real Application Clustering products for \$3.3 million, for use by all U. T. System component institutions and U. T. System Administration. The source of funding is from Available University Funds. Purchase of this site license does not conflict with the rules of the Texas Department of Information Resources.

BACKGROUND INFORMATION

Currently, 12 of the 15 U. T. System component institutions independently purchase Oracle Corporation products. The cumulative cost for these purchases of Oracle products has been over \$2 million per year for the last four years, plus support costs that increase with each purchase. The purchase of a System-wide site license will provide System-wide perpetual licenses and will cap the annual support costs for five years. The Oracle site license will provide the component institutions and U. T. System Administration with a uniform set of tools used in key higher education software applications, including student, library, course management, financial, billing, facilities management, alumni/development, and other information systems. The potential savings from the purchase of this site license is estimated at \$10.7 million over a 5-year period. Discussions have been held with members of the U. T. System Business Management Council and the U. T. System Strategic Leadership Council, and the members are in agreement that this System-wide site license would benefit their institutions.

9. **U. T. System: Adoption of Resolution to Zurich American Insurance Company and affiliates, Schaumburg, Illinois, to guarantee payments under Phase IV of a Rolling Owner Controlled Insurance Program (ROCIP)**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Interim Vice Chancellor for Business Affairs that the resolution to Zurich American Insurance

Company and affiliates, Schaumburg, Illinois, to insure The University of Texas System under Phase IV of a Rolling Owner Controlled Insurance Program (ROCIP), be adopted as set forth below:

### RESOLUTION

WHEREAS, Zurich American Insurance Company and affiliates (Zurich), will insure The University of Texas System and other persons under Phase IV of a Rolling Owner Controlled Insurance Program (ROCIP) for various construction projects managed by the Office of Facilities Planning and Construction;

WHEREAS, Pursuant to this ROCIP, Zurich will issue one or more workers' compensation insurance policies and comprehensive general liability insurance policies that contain combined \$250,000 per occurrence deductibles that include allocated costs and indemnity payments; however, such deductibles are subject to aggregate limits of \$14,300,000 for the ROCIP; and

WHEREAS, The Board of Regents of The University of Texas System understands and agrees that this large deductible ROCIP requires the prompt reimbursement of sums advanced by Zurich to adjust or pay claims within the deductibles, and the Board desires to guaranty to Zurich the prompt reimbursement of the deductibles for the ROCIP; now therefore, be it

RESOLVED, That the Board hereby guarantees to Zurich the prompt repayment of the sums advanced by Zurich to adjust or pay claims within the deductibles for the ROCIP, subject to the aggregate deductible limits for the Program. This guaranty shall remain fully binding although Zurich may waive one or more defaults of the insured or fail to exercise any rights against the insured or modify one or more terms of the ROCIP as required by law or with the consent of The University of Texas System; and, be it further

RESOLVED, That the Board represents and warrants to Zurich that the funds necessary to reimburse Zurich for the aggregate deductible liability of the insured for the ROCIP are included in the appropriations for the project heretofore approved by the Board.

### BACKGROUND INFORMATION

In 1994, the U. T. Board of Regents adopted a resolution making a guaranty to Argonaut Southwest Insurance Company (Argonaut), Menlo Park, California pertaining to the Owner Controlled Insurance Program (OCIP) for the Bertner Complex construction project at U. T. M. D. Anderson Cancer Center. This innovative program provided insurance coverage for the prime contractor and subcontractors for general liability, workers' compensation, excess liability, and builder's risk. The savings to the project as a result of purchasing insurance in this manner were in excess of \$1 million.



In 1997, with the success of the Bertner Complex OCIP, the U. T. Board of Regents approved a similar resolution to Argonaut. The University decided to expand this program to include numerous construction projects at several institutions. The ROCIP provided similar coverage for 19 projects totaling over \$200 million in construction values. The projected savings as of December 2003 is approximately \$1.6 million, but may fluctuate depending on open claim activity.

In April 1999, the University began ROCIP Phase II, which extended the program for 22 projects totaling \$287 million in construction values. In February 2000, the U. T. Board of Regents adopted a resolution to satisfy the security requirement for ROCIP Phase II. The projected savings for this phase as of December 2003 is \$2.6 million, but may also fluctuate depending on open claim activity.

ROCIP Phase III began in July 2000 and included an additional 28 projects totaling \$1.1 billion in construction values. In August 2000, the U. T. Board of Regents adopted a resolution to satisfy the security requirements for ROCIP Phase III. If past experience is an indicator, the University anticipates that the savings for ROCIP Phase III will be significant.

ROCIP Phase IV began in January 2004. Zurich was selected through a competitive process to provide Workers' Compensation and General Liability insurance for ROCIP Phase IV. It is estimated that a minimum of \$800 million in construction values will be included in ROCIP Phase IV over the next five years. The aggregate deductible limits are based on estimated payrolls for \$800 million in construction values. If payrolls exceed the estimate, the aggregate deductible limits may need to be increased. The resolution provides Zurich with assurances necessary to complete the ROCIP Phase IV program. The proposed resolution will be provided to Zurich in lieu of a letter of credit, trust agreement, or cash.

## **10. U. T. System: Permanent University Fund quarterly update**

Mr. Terry A. Hull, Director of 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

As of November 30, 2003, the market value of the PUF was \$7.65 billion compared to \$7.24 billion as of August 31, 2003 (Figure A on Page 27.1). During Fiscal Year 2004, \$348 million will be distributed to the AUF, compared to \$363 million in Fiscal Year 2003 (Figure B on Page 27.2). PUF distributions to the AUF are projected to decline in Fiscal Year 2005 to \$339 million before increasing thereafter. Beginning in Fiscal Year 2009,

PUF distributions may be capped for a period of time because the purchasing power of the PUF will not have been maintained as required by the Texas Constitution (Figure B on Page 27.2). Based on the current assumptions and anticipated Library, Equipment, Repair and Rehabilitation allocations, there is an estimated \$170 million of additional debt capacity through Fiscal Year 2010 beyond the PUF projects currently approved, assuming a 8.36% investment return (Figure C on Page 27.3). 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 27.4).

Annually, the U. T. Board of Regents approves a distribution amount to the AUF. The PUF investment policy provides that, in conjunction with the annual U. T. System budget process, UTIMCO shall recommend to the U. T. Board each May an amount to be distributed to the AUF during the next fiscal year. UTIMCO's recommendation on the annual distribution shall be an amount equal to 4.75% of the trailing 12-quarter average of the net asset value of the PUF for the quarter ending February of each year. The AUF spending policy provides that a minimum of 45% of the projected income available to U. T. System is distributed to U. T. Austin for excellence programs, the projected PUF debt service coverage ratio must not be less than 1.50 times, and the AUF balance must not be less than \$30 million.

# Projected Trailing 12-Quarter PUF Market Value Average

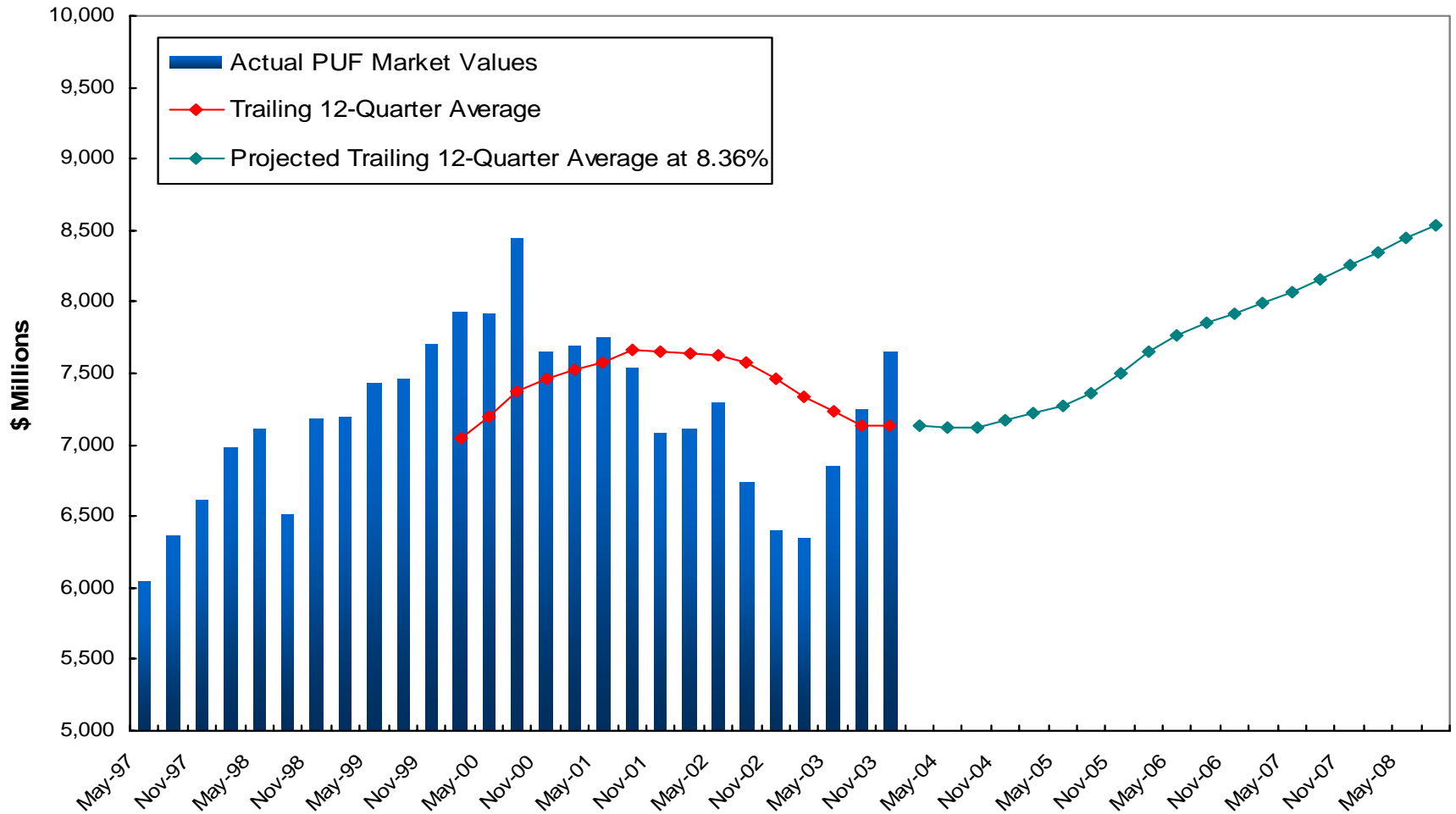
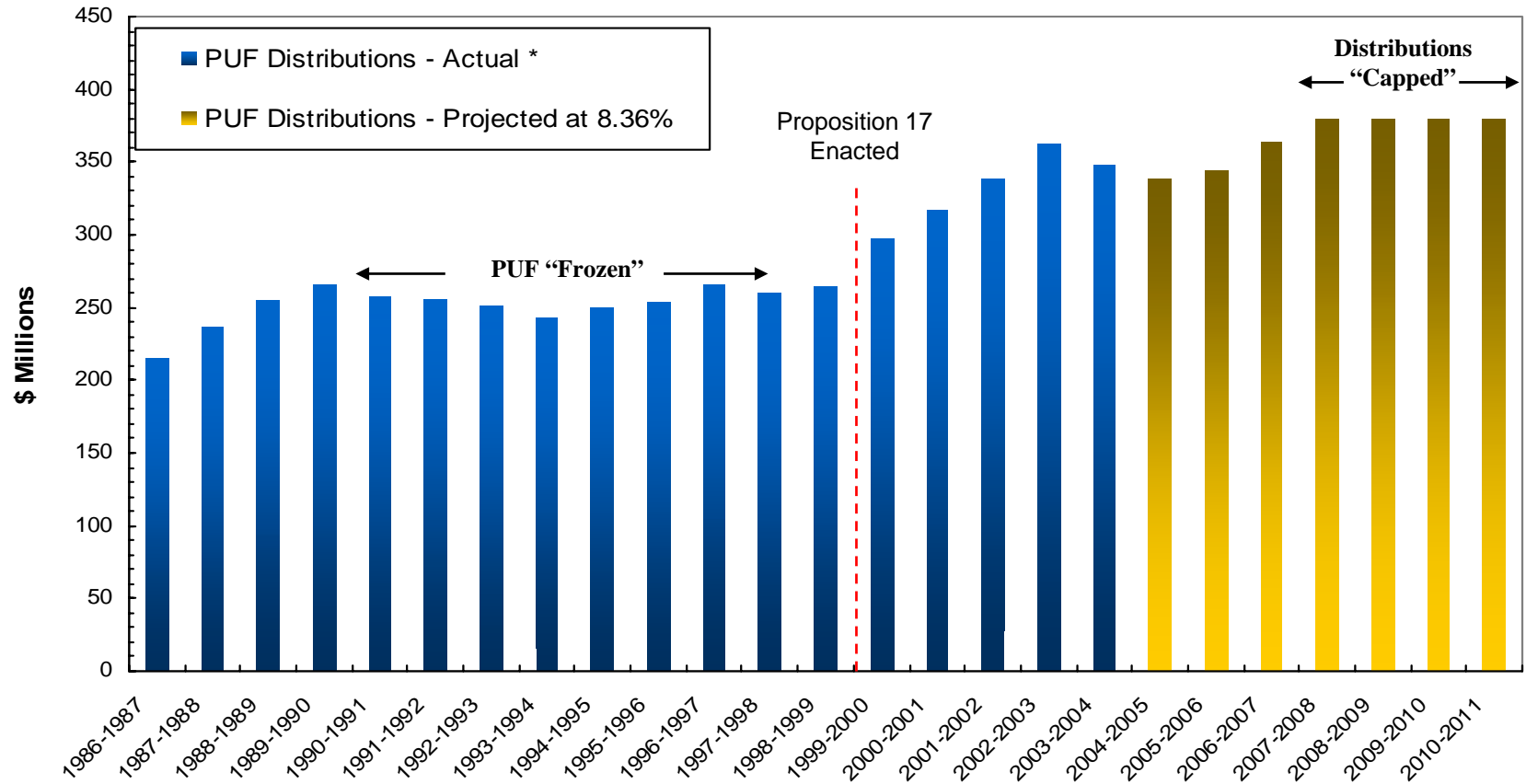


Figure A

27.1

# 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.

Figure B

# PUF Debt Capacity-Base Case at 8.36%

Additional PUF Debt Capacity (\$170.6 Million)	\$170.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cumulative Additional PUF Debt Capacity	\$170.6	\$170.6	\$170.6	\$170.6	\$170.6	\$170.6

Available University Fund Operating Statement Forecast Data (\$ Millions)	Actual	Projected						
	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FYE 10
PUF Distribution Amount	\$363.0	\$348.0	\$338.8	\$343.2	\$363.5	\$379.3	\$379.3	\$379.3
Surface & Other Income	6.5	6.6	6.6	6.6	6.7	6.7	6.7	6.7
Divisible Income	369.6	354.6	345.5	349.8	370.2	386.0	386.0	386.0
UT System Share (2/3)	246.4	236.4	230.3	233.2	246.8	257.4	257.4	257.4
AUF Interest Income	5.1	4.7	7.0	9.7	12.0	13.6	13.4	12.9
Income Available to U.T.	251.5	241.1	237.3	242.9	258.8	270.9	270.8	270.3
TRANSFERS:								
UT Austin Excellence Funds (45%)	(114.8)	(108.3)	(106.8)	(109.3)	(116.5)	(121.9)	(121.9)	(121.6)
PUF Debt Service on Approved Projects	(69.7)	(78.4)	(98.1)	(105.2)	(108.8)	(112.1)	(114.8)	(117.7)
PUF Debt Service on Add. Debt Capacity	-	-	(13.6)	(13.6)	(13.6)	(13.6)	(13.6)	(13.6)
System Administration	(29.1)	(27.9)	(27.9)	(27.9)	(27.9)	(27.9)	(27.9)	(27.9)
Other	(1.6)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)
Debt Service (Bldg Rev)	(3.4)	(3.4)	-	-	-	-	-	-
Net Surplus/(Deficit)	32.8	22.0	(10.2)	(14.2)	(9.0)	(5.6)	(8.4)	(11.6)
Ending AUF Balance - System	82.0	104.0	93.8	79.6	70.6	65.0	56.6	45.0
PUF Debt Service Coverage	3.61:1	3.08:1	2.12:1	2.04:1	2.12:1	2.16:1	2.11:1	2.06:1

Figure C

# PUF Debt Capacity Sensitivities at 8.36%

Annual LERR	U.T. Austin Excellence	PUF Distribution Rate	PUF Investment Return	Change in Tax-Exempt Rates	Additional Debt Capacity (\$ Millions)						TOTAL FY 2005- FY 2010	Projected PUF Market Value in FY 2030
					FY2005	FY2006	FY2007	FY2008	FY2009	FY2010		
\$30 Million	45.0%	4.75%	8.36%	NA	170.6	0.0	0.0	0.0	0.0	0.0	170.6	21,363,143,003
<b>\$30 Million</b>	45.0%	4.75%	8.36%	NA	170.6	0.0	0.0	0.0	0.0	0.0	170.6	21,363,143,003
<b>\$20 Million</b>	45.0%	4.75%	8.36%	NA	180.6	10.0	10.0	10.0	10.0	10.0	230.6	21,363,143,003
<b>\$10 Million</b>	45.0%	4.75%	8.36%	NA	190.6	20.0	20.0	20.0	20.0	20.0	290.6	21,363,143,003
<b>None</b>	45.0%	4.75%	8.36%	NA	200.6	30.0	30.0	30.0	30.0	30.0	350.6	21,363,143,003
\$30 Million	<b>40.0%</b>	4.75%	8.36%	NA	332.6	0.0	0.0	0.0	0.0	0.0	332.6	21,363,143,003
\$30 Million	<b>45.0%</b>	4.75%	8.36%	NA	170.6	0.0	0.0	0.0	0.0	0.0	170.6	21,363,143,003
\$30 Million	<b>50.0%</b>	4.75%	8.36%	NA	8.6	0.0	0.0	0.0	0.0	0.0	8.6	21,363,143,003
\$30 Million	45.0%	<b>4.50%</b>	8.36%	NA	82.5	0.0	0.0	0.0	0.0	0.0	82.5	22,682,200,948
\$30 Million	45.0%	<b>4.75%</b>	8.36%	NA	170.6	0.0	0.0	0.0	0.0	0.0	170.6	21,363,143,003
\$30 Million	45.0%	<b>5.00%</b>	8.36%	NA	258.5	0.0	0.0	0.0	0.0	0.0	258.5	20,037,600,492
\$30 Million	45.0%	4.75%	<b>7.36%</b>	NA	148.7	0.0	0.0	0.0	0.0	0.0	148.7	16,477,618,484
\$30 Million	45.0%	4.75%	<b>8.36%</b>	NA	170.6	0.0	0.0	0.0	0.0	0.0	170.6	21,363,143,003
\$30 Million	45.0%	4.75%	<b>9.36%</b>	NA	192.8	0.0	0.0	0.0	0.0	0.0	192.8	27,614,620,747
\$30 Million	45.0%	4.75%	8.36%	<b>+ 50 bps</b>	149.1	0.0	0.0	0.0	0.0	0.0	149.1	21,363,143,003
\$30 Million	45.0%	4.75%	8.36%	<b>NA</b>	170.6	0.0	0.0	0.0	0.0	0.0	170.6	21,363,143,003
\$30 Million	45.0%	4.75%	8.36%	<b>-50 bps</b>	214.3	0.0	0.0	0.0	0.0	0.0	214.3	21,363,143,003

Figure D

27.4

**11. U. T. Board of Regents: Report on Investments for quarter ended November 30, 2003, and Performance Report by Ennis Knupp**

REPORT

Pages 28.1 - 28.9 contain the Summary Reports on Investments for the three months ended November 30, 2003.

Item I on Pages 28.1 - 28.3 reports summary activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the three months was 6.60% versus its composite benchmark return of 5.48%. The PUF's net asset value increased by \$410.3 million since the beginning of the quarter to \$7,655.1 million. This change in net asset value includes increases due to contributions from PUF land receipts and net investment return, offset by a decrease for the payment of one quarter of the PUF's annual distribution.

Item II on Pages 28.4 - 28.7 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 6.83% versus its composite benchmark return of 5.48%. The GEF's net asset value increased \$367.8 million since the beginning of the quarter to \$3,952.6 million.

Item III on Page 28.8 reports summary activity for the Short Intermediate Term Fund (SITF). Total net investment return on the SITF was 0.88% for the three months versus the SITF's performance benchmark of 0.64%. The SITF's net asset value decreased by \$68.8 million since the beginning of the quarter to \$1,366.5 million. This decrease in net asset value includes withdrawals from the SITF and distributions.

Item IV on Page 28.9 presents book and market value of cash, fixed income, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of component operating funds held in the Dreyfus money market fund, decreased by \$214,855 thousand to \$1,808,748 thousand during the three months since the last reporting period. Market values for the remaining asset types were fixed income securities: \$108,995 thousand versus \$209,934 thousand at the beginning of the period; equities: \$298,092 thousand versus \$237,065 thousand at the beginning of the period; and other investments: \$14,435 thousand versus \$40,536 thousand at the beginning of the period.

A Performance Report on investments for the quarter ended November 30, 2003, as prepared by Ennis Knupp and Associates is attached on Pages 28.10 - 28.97. (Blank pages included in the report were not copied.)

I. PERMANENT UNIVERSITY FUND (1)

a.) Summary Investment Report at November 30, 2003 (2)

(\$ millions)

	FY02-03 Full Year	FY03-04 1st Qtr
Beginning Net Assets	6,738.3	7,244.8
PUF Lands Receipts (3)	102.1	27.8
Investment Return	787.6	475.9
Expenses	(20.2)	(6.4)
Distributions to AUF	(363.0)	(87.0)
Ending Net Assets	<u>7,244.8</u>	<u>7,655.1</u>
AUF Distribution:		
From PUF Investments	338.4	87.0
From Surface Income	8.1	0.8
Total	<u>346.5</u>	<u>87.8</u>
Total Net Investment Return	12.02%	6.60%

(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, 2003 values of \$822.4 million and \$163.9 million, respectively.

(3) PUF Land Receipts - As of November 30, 2003: 1,119,491 acres under lease; 518,239 producing acres; 3,121 active leases; and 2,070 producing leases.



**1. PERMANENT UNIVERSITY FUND (continued)**

b.) Comparison of Asset Allocation Versus Endowment Neutral Policy Portfolio and Net Investment Return for the three months ended November 30, 2003 (Asset Allocation and Benchmarks Approved by the UTIMCO Board)

	Asset Allocation	Endowment Neutral Policy Portfolio	Actual Net Investment Return	Endowment Neutral Policy Portfolio Return (1)	Benchmark
Cash and Cash Equivalents	0.9%	0.0%	0.25%	0.26%	90 Day T-Bills Average Yield
Domestic Public Equities					Wilshire 5000 U.S. Equities Index
Passive Management	14.6%		7.83%	6.40%	
Active Management	12.7%		7.94%	6.40%	
Hedge and Structured Active Management	7.1%		5.30%	6.40%	
Total Domestic Public Equities	34.4%	31.0%	6.82%	6.40%	
International Public Equities					Morgan Stanley Capital International - All Country World Free ex U.S.
Passive Management	7.3%		11.62%	11.85%	
Active Management	14.6%		10.86%	11.85%	
Hedge and Structured Active Management	0.9%		1.48%	11.85%	
Total International Public Equities	22.8%	19.0%	10.67%	11.85%	
Absolute Return	9.7%	10.0%	5.57%	1.27%	90 Day T-Bills Average Yield plus 4%
Inflation Hedging	8.4%	10.0%	8.76%	3.87%	25% (Goldman Sachs Commodity Index minus 100 basis points) plus 25% (Treasury Inflation Protected Securities) plus 25% (National Commercial Real Estate Index Fund) plus 25% (Wilshire Associates Real Estate Securities Index)
Fixed Income	12.7%	15.0%	4.07%	1.75%	33% (Lehman Brothers Aggregate Bond Index ex U.S. Governments) plus 67% (Lehman Brothers Government Bond Index)
<b>Total Marketable Securities</b>	<b>88.9%</b>	<b>85.0%</b>	<b>7.24%</b>	<b>5.90%</b>	
Private Capital	11.1%	15.0%	1.67%	3.10%	Venture Economics' Periodic IRR Index (2)
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>6.60%</b>	<b>5.48%</b>	

(1) The benchmark return for the endowment neutral policy portfolio is calculated by summing the neutrally weighted index return (% weight for the asset class multiplied by the benchmark return for the asset class) for the various asset classes in the endowment portfolio for the period reported.  
 (2) The Nonmarketable Alternative Equities benchmark presented is the Venture Economics' Periodic IRR Index, a benchmark based on an IRR calculation of the private capital investments. The Total Fund benchmark has also been calculated using this private capital benchmark. The previous benchmark for this asset class was the Wilshire 5000 U.S. Equities Index plus 4%. The benchmark returns for Nonmarketable Alternative Equities and the Total Fund using the prior benchmark would have been 7.44% and 6.14%, respectively.

I. PERMANENT UNIVERSITY FUND (continued)

c.) Comparison of Asset Allocation Versus Endowment Neutral Policy Portfolio and Net Investment Return for the three months ended November 30, 2003 (Prior Asset Allocation)

	Asset Allocation	Endowment Neutral Policy Portfolio	Endowment Neutral Policy Portfolio Return (1)	Benchmark
Cash	0.9%	0.0%	0.26%	90 Day T-Bills Average Yield
Domestic Common Stocks:				
Large/Medium Capitalization Equities	18.1%	25.0%	5.45%	Standard and Poor's 500 Index
Small Capitalization Equities	9.2%	7.5%	10.17%	Russell 2000 Index
Total Domestic Common Stocks	27.3%	32.5%		
International Common Stocks:				
Established Markets	13.7%	12.0%	11.94%	Morgan Stanley Capital International Europe, Asia, Far East Index (net)
Emerging Markets	8.2%	3.0%	10.07%	Morgan Stanley Capital International Emerging Markets Free
Total International Common Stocks	21.9%	15.0%		
Inflation Hedging	8.4%	7.5%	1.42%	33% (Goldman Sachs Commodity Index minus 100 basis points) plus 67% (National Commercial Real Estate Index Fund)
Fixed Income:				
Domestic	10.4%	15.0%	1.93%	Lehman Brothers Aggregate Bond Index
International	2.3%	5.0%	8.35%	Citibank (formerly Salomon) Non-U.S. World Government Bond Index, Unhedged
Total Fixed Income	12.7%	20.0%		
Marketable Alternative Equities	17.7%	10.0%	2.02%	90 Day T-Bills Average Yield plus 7%
<b>Total Marketable Securities</b>	<b>88.9%</b>	<b>85.0%</b>	<b>5.76%</b>	
<b>Nonmarketable Alternative Equities</b>	<b>11.1%</b>	<b>15.0%</b>	<b>3.10%</b>	Venture Economics' Periodic IRR Index (2)
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>5.36%</b>	

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

(2) The Nonmarketable Alternative Equities benchmark presented is the Venture Economics' Periodic IRR Index, a benchmark based on an IRR calculation of the private capital investments. The Total Fund benchmark has also been calculated using this private capital benchmark. The previous benchmark for this asset class was the Wilshire 5000 U.S. Equities Index plus 4%. The benchmark returns for Nonmarketable Alternative Equities and the Total Fund using the prior benchmark would have been 7.44% and 6.02%, respectively.

II. GENERAL ENDOWMENT FUND (1) (2)

a.) Summary Investment Report at November 30, 2003

(\$ millions)

	FY02-03 Full Year	FY03-04 1st Qtr
Beginning Net Assets	3,293.2	3,584.8
Net Contributions	(79.0)	209.5
Investment Return	423.5	257.5
Expenses	(5.8)	(2.6)
Allocations (3)	(47.1)	(96.6)
Ending Net Assets	3,584.8	3,952.6
Net Asset Value per Unit	102.539	108.488
Units and Percentage Ownership (End of Period):		
PHF	7,263,383	20.8%
LTF	27,696,705	79.2%
Total	34,960,088	100.0%
Total Net Investment Return	12.81%	6.83%

(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 contributions. 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 November 30, 2003 (1)

(\$ millions)

	FY02-03 Full Year	FY03-04 1st Qtr
<u>PERMANENT HEALTH FUND</u>		
Beginning Net Assets	698.2	745.0
Investment Return	86.0	50.4
Expenses	(0.7)	(0.2)
Distributions (Payout)	(38.5)	(9.6)
Ending Net Assets	<u>745.0</u>	<u>785.6</u>
Net Asset Value per Unit (2)	0.908489	0.958104
No. of Units (End of Period)	820,000,000	820,000,000
Distribution Rate per Unit	0.04700	0.01175
Total Net Investment Return	12.67%	6.76%
<u>LONG TERM FUND</u>		
Beginning Net Assets	2,595.1	2,839.8
Net Contributions	59.6	165.1
Investment Return	332.1	204.4
Expenses	(3.1)	(3.3)
Distributions (Payout)	(143.9)	(39.0)
Ending Net Assets	<u>2,839.8</u>	<u>3,167.0</u>
Net Asset Value per Unit (2)	5.114	5.388
No. of Units (End of Period)	555,329,487	587,747,101
Distribution Rate per Unit	0.25800	0.066125
Total Net Investment Return	12.78%	6.76%

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

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

II. GENERAL ENDOWMENT FUND (continued)

c.) Comparison of Asset Allocation Versus Endowment Neutral Policy Portfolio and Net Investment Return for the three months ended November 30, 2003 (Asset Allocation and Benchmarks Approved by the UTIMCO Board)

	Asset Allocation	Endowment Neutral Policy Portfolio	Actual Net Investment Return	Endowment Neutral Policy Portfolio Return (1)	Benchmark
Cash and Cash Equivalents	-0.5% (2)	0.0%	0.25%	0.26%	90 Day T-Bills Average Yield
Domestic Public Equities					Wilshire 5000 U.S. Equities Index
Passive Management	14.4%		7.35%	6.40%	
Active Management	12.9%		7.84%	6.40%	
Hedge and Structured Active Management	7.6%		3.47%	6.40%	
Total Domestic Public Equities	34.9%	31.0%	6.71%	6.40%	
International Public Equities					Morgan Stanley Capital International - All Country World Free ex U.S.
Passive Management	8.1%		11.64%	11.85%	
Active Management	14.5%		11.02%	11.85%	
Hedge and Structured Active Management	0.9%		1.48%	11.85%	
Total International Public Equities	23.5%	19.0%	10.82%	11.85%	
Absolute Return	10.3%	10.0%	5.59%	1.27%	90 Day T-Bills Average Yield plus 4%
Inflation Hedging	8.5%	10.0%	8.67%	3.87%	25% (Goldman Sachs Commodity Index minus 100 basis points) plus 25% (Treasury Inflation Protected Securities) plus 25% (National Commercial Real Estate Index Fund) plus 25% (Wilshire Associates Real Estate Securities Index)
Fixed Income	13.1%	15.0%	4.22%	1.75%	33% (Lehman Brothers Aggregate Bond Index ex U.S. Governments) plus 67% (Lehman Brothers Government Bond Index)
<b>Total Marketable Securities</b>	<b>89.8%</b>	<b>85.0%</b>	<b>7.36%</b>	<b>5.90%</b>	Venture Economics' Periodic IRR Index (3)
Private Capital	10.2%	15.0%	2.27%	3.10%	
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>6.83%</b>	<b>5.48%</b>	

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

(2) Negative cash position does not indicate borrowing, but is the result of certain accrued expenses.

(3) The Nonmarketable Alternative Equities benchmark presented is the Venture Economics' Periodic IRR Index, a benchmark based on an IRR calculation of the private capital investments. The Total Fund benchmark has also been calculated using this private capital benchmark. The previous benchmark for this asset class was the Wilshire 5000 U.S. Equities Index plus 4%. The benchmark returns for Nonmarketable Alternative Equities and the Total Fund using the prior benchmark would have been 7.44% and 6.14%, respectively.

II. GENERAL ENDOWMENT FUND (continued)

d.) Comparison of Asset Allocation Versus Endowment Neutral Policy Portfolio and Net Investment Return for the three months ended November 30, 2003 (Prior Asset Allocation)

	Asset Allocation	Endowment Neutral Policy Portfolio	Endowment Neutral Policy Portfolio Return (1)	Benchmark
Cash	-0.5%	0.0%	0.26%	90 Day T-Bills Average Yield
Domestic Common Stocks:				
Large/Medium Capitalization Equities	17.5%	25.0%	5.45%	Standard and Poor's 500 Index
Small Capitalization Equities	9.8%	7.5%	10.17%	Russell 2000 Index
Total Domestic Common Stocks	27.3%	32.5%		
International Common Stocks:				
Established Markets	13.7%	12.0%	11.94%	Morgan Stanley Capital International Europe, Asia, Far East Index (net)
Emerging Markets	8.9%	3.0%	10.07%	Morgan Stanley Capital International Emerging Markets Free
Total International Common Stocks	22.6%	15.0%		
Inflation Hedging	8.5%	7.5%	1.42%	33% (Goldman Sachs Commodity Index minus 100 basis points) plus 67% (National Commercial Real Estate Index Fund)
Fixed Income:				
Domestic	10.4%	15.0%	1.93%	Lehman Brothers Aggregate Bond Index
International	2.7%	5.0%	8.35%	Citibank (formerly Salomon) Non-U.S. World Government Bond Index, Unhedged
Total Fixed Income	13.1%	20.0%		
Marketable Alternative Equities	18.8%	10.0%	2.02%	90 Day T-Bills Average Yield plus 7%
<b>Total Marketable Securities</b>	<b>89.8%</b>	<b>85.0%</b>	<b>5.76%</b>	
<b>Nonmarketable Alternative Equities</b>	<b>10.2%</b>	<b>15.0%</b>	<b>3.10%</b>	Venture Economics' Periodic IRR Index (2)
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>5.36%</b>	

(1) The benchmark return for the endowment neutral policy portfolio is calculated by summing the neutrally weighted index return (% weight for the asset class multiplied by the benchmark return for the asset class) for the various asset classes in the endowment portfolio for the period reported.  
 (2) The Nonmarketable Alternative Equities benchmark presented is the Venture Economics' Periodic IRR Index, a benchmark based on an IRR calculation of the private capital investments. The Total Fund benchmark has also been calculated using this private capital benchmark. The previous benchmark for this asset class was the Wilshire 5000 U.S. Equities Index plus 4%. The benchmark returns for Nonmarketable Alternative Equities and the Total Fund using the prior benchmark would have been 7.44% and 6.02%, respectively.

III. SHORT INTERMEDIATE TERM FUND (1)

Summary Investment Report at November 30, 2003

(\$ millions)

	FY02-03	FY03-04
	Full Year	1st Qtr
Beginning Net Assets	1,435.9	1,435.3
Net Contributions (Withdrawals)	26.6	(73.4)
Investment Return	25.8	12.9
Expenses	(0.7)	(0.2)
Distributions of Income	(52.3)	(8.1)
Ending Net Assets	1,435.3	1,366.5
Net Asset Value per Unit	9.917	9.947
No. of Units (End of Period)	144,736,640	137,378,810
Total Net Investment Return	1.64%	0.88%

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

IV. SEPARATELY INVESTED ASSETS

Summary Investment Report at November 30, 2003

(\$ thousands)

ASSET TYPES	FUND TYPE																
	CURRENT PURPOSE DESIGNATED		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		INCOME FUNDS		ANNUITY & LIFE		AGENCY FUNDS		OPERATING FUNDS		TOTAL		
	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	
<b>Cash &amp; Equivalents:</b>																	
Beginning value 08/31/03	3,606	3,606	1,933	1,933	180,330	180,330	485	485	79	79	79	79	1,837,170	1,837,170	2,023,603	2,023,603	
Increase/(Decrease)	(439)	(439)	(481)	(481)	(155,038)	(155,038)	(26)	(26)	-	-	-	-	(58,871)	(58,871)	(214,855)	(214,855)	
Ending value 11/30/03	3,167	3,167	1,452	1,452	25,292	25,292	459	459	79	79	79	79	1,778,299	1,778,299	1,808,748	1,808,748	
<b>Debt Securities:</b>																	
Beginning value 08/31/03	-	-	263	192	38,827	40,828	12,915	13,330	-	-	-	-	162,009	155,584	214,014	209,934	
Increase/(Decrease)	-	-	-	5	(543)	(612)	1,935	2,104	-	-	-	-	(108,493)	(102,436)	(107,101)	(100,939)	
Ending value 11/30/03	-	-	263	197	38,284	40,216	14,850	15,434	-	-	-	-	53,516	53,148	106,913	108,995	
<b>Equity Securities:</b>																	
Beginning value 08/31/03	40	11,173	1,860	1,185	38,273	38,473	22,643	19,996	-	-	-	-	207,668	166,238	270,484	237,065	
Increase/(Decrease)	-	(1,407)	40	40	30	1,126	(82)	1,628	-	-	-	-	49,094	59,640	49,082	61,027	
Ending value 11/30/03	40	9,766	1,900	1,225	38,303	39,599	22,561	21,624	-	-	-	-	256,762	225,878	319,566	298,092	
<b>Other:</b>																	
Beginning value 08/31/03	38,000	38,000	1,034	1,034	1,459	1,459	157	43	-	-	-	-	-	-	40,650	40,536	
Increase/(Decrease)	(27,000)	(27,000)	(876)	(876)	1,775	1,775	12	-	-	-	-	-	-	-	(26,089)	(26,101)	
Ending value 11/30/03	11,000	11,000	158	158	3,234	3,234	169	43	-	-	-	-	-	-	14,561	14,435	

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



# PERFORMANCE REPORT

Independent  
advice for  
the institutional  
investor

The University of  
Texas System

Quarter Ending  
November 30, 2003

# ENNISKNUPP

## CONTENTS

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- 1 **Executive Summary**
- 2 **Permanent University Fund**
- 3 **General Endowment Fund**
- 4 **Operating Funds**
- 5 **Appendix**

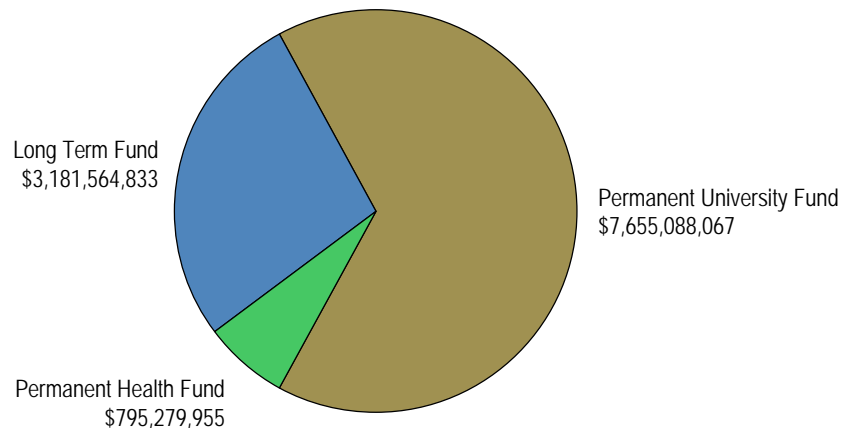
*All data found in this report has been provided by UTIMCO and Russell Mellon, except for the BGI index fund data shown for the Operating Funds, which has been provided by BGI. All rates of return contained in this report are net-of-fees and annualized for time periods greater than one year.*

# EXECUTIVE SUMMARY

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As of November 30, 2003

## ENDOWMENT FUNDS AS OF 11/30/03\*



Permanent University Fund: State endowment fund contributing to the support of 18 institutions and 6 agencies of the University Texas System and the Texas A&M University System

Permanent Health Fund: An internal UT System mutual fund for the pooled investment of state endowment funds for health-related institutions of higher education. The Fund currently purchases units in the General Endowment Fund in exchange for its contribution of investment assets.

Long Term Fund: An internal UT System mutual fund for the pooled investment of over 5,000 privately raised endowments and other long-term funds of the 15 component institutions of the UT System. The Fund currently purchases units in the General Endowment Fund in exchange for its contribution of investment assets.

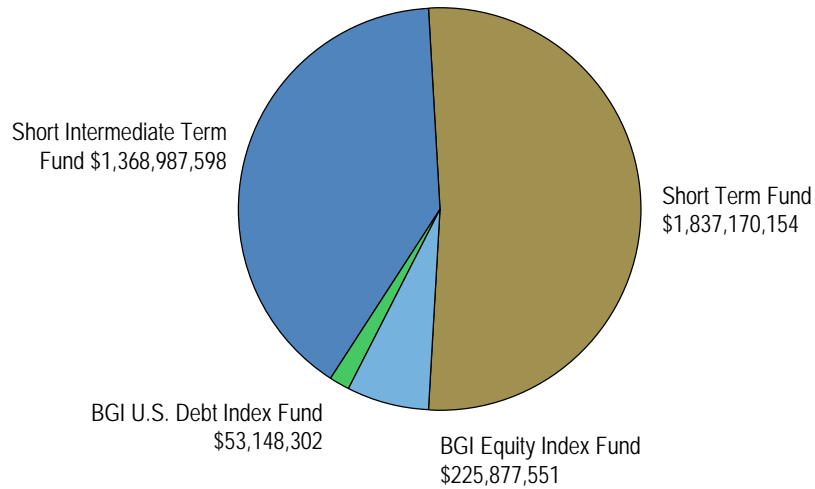
General Endowment Fund: Comprised wholly of the Permanent Health Fund and the Long Term Fund. Both the PHF and LTF purchase units in the General Endowment Fund in exchange for the contribution of investment assets.

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\*Information regarding the UT System's Separately Invested Funds is not provided in this report.

As of November 30, 2003

OPERATING FUNDS AS OF 11/30/03



Short Term Fund (Dreyfus Fund): A money market mutual fund consisting of the working capital and other operating fund balances held by UT System institutions with an investment horizon of less than one year.

Short Intermediate Term Fund: An internal UT System mutual fund for the pooled investment of the operating funds held by UT System institutions with an investment horizon greater than one year and less than five years.

Institutional Index Funds: Consist of index funds for the investment of UT System institutions' permanent working capital and long-term capital reserves.

# EXECUTIVE SUMMARY

As of November 30, 2003

## ENDOWMENT FUNDS RETURN SUMMARY ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03
<b>Permanent University Fund</b>	<b>6.6%</b>	<b>19.4%</b>	<b>2.5%</b>	<b>4.6%</b>
Endowment Performance Benchmark**	6.1	17.8	2.5	5.1
<b>Long Term Fund</b>	<b>6.8</b>	<b>20.1</b>	<b>3.0</b>	<b>6.3</b>
Endowment Performance Benchmark**	6.1	17.8	2.5	5.1
<b>Permanent Health Fund</b>	<b>6.8</b>	<b>20.0</b>	<b>3.3</b>	<b>--</b>
Endowment Performance Benchmark**	6.1	17.8	2.5	--

## OPERATING FUNDS RETURN SUMMARY ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03
<b>Short Term Fund</b>	<b>0.3%</b>	<b>1.2%</b>	<b>2.6%</b>	<b>3.9%</b>
ML 90-day T-Bill	0.3	1.2	2.6	3.7
<b>Short Intermediate Term Fund</b>	<b>0.9</b>	<b>2.4</b>	<b>4.2</b>	<b>4.4</b>
Composite Index	0.6	2.4	5.5	5.4
<b>BGI U.S. Debt Index Fund</b>	<b>2.0</b>	<b>5.4</b>	<b>8.0</b>	<b>--</b>
LB Aggregate Bond Index	1.9	5.2	7.9	--
<b>BGI Equity Index Fund</b>	<b>5.4</b>	<b>15.1</b>	<b>-5.5</b>	<b>--</b>
S&P 500 Index	5.5	15.1	-5.5	--

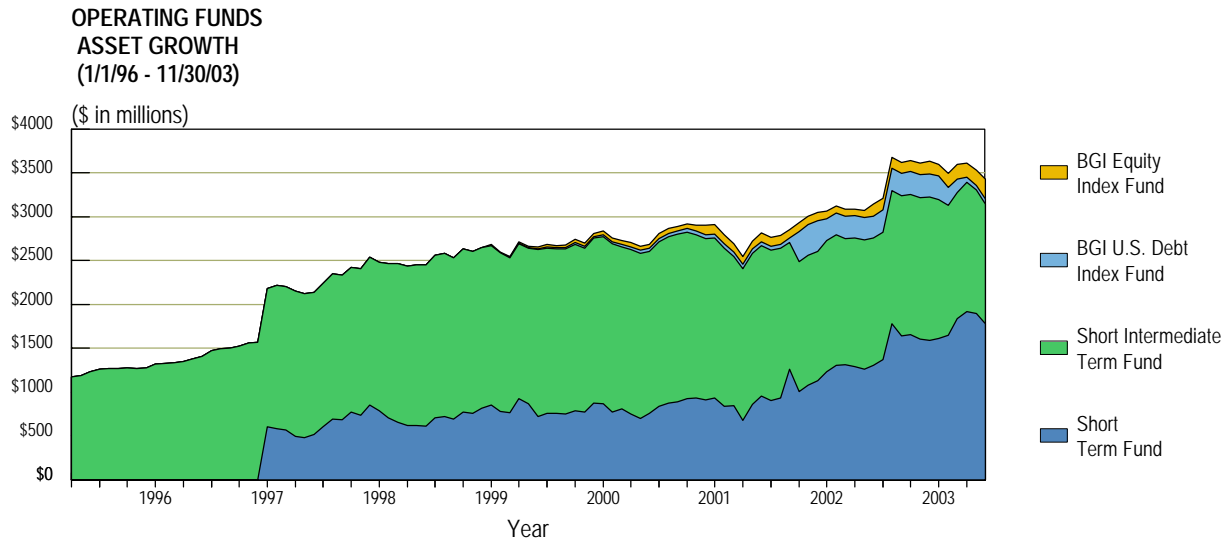
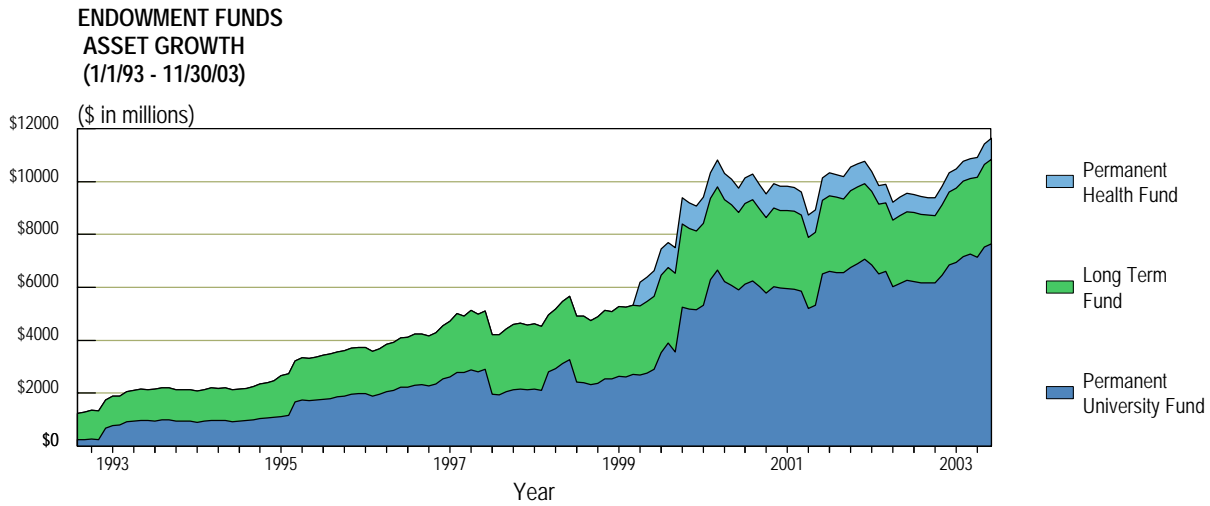
## ENDOWMENT FUNDS PERFORMANCE BENCHMARK

The Endowment Performance Benchmark represents the performance of the UTIMCO Board of Directors approved Endowment Policy Portfolio. The return is the sum of the weighted benchmark returns for each asset class comprising the Endowment Policy Portfolio. Currently, the policy portfolio consists of 31% of the Wilshire 5000, 19% of the MSCI All-Country World ex-U.S. Free, 10% of the UTIMCO Absolute Return Benchmark, 15% of the UTIMCO Private Capital Benchmark, 10% of the UTIMCO Inflation Hedging Benchmark, and 15% of the Lehman Brothers Aggregate Bond Index. The historical composition of the benchmark can be found in Appendix II.

\* Time-period represents the total return for the fiscal first quarter ending 11/30/03.

\*\* Performance represents the UTIMCO Board of Directors approved Endowment Policy Portfolio.

As of November 30, 2003



- The allocation growth charts above depict the growth of assets experienced by the endowment and operating funds since data was available.

# EXECUTIVE SUMMARY

As of November 30, 2003

## MAJOR MARKETS' RATES OF RETURN ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03
<b>Wilshire 5000 Stock Index</b>	<b>6.4%</b>	<b>19.0%</b>
<b>MSCI All-Country World Ex-U.S. Free</b>	<b>11.9</b>	<b>27.1</b>
<b>LB Aggregate Bond Index</b>	<b>1.9</b>	<b>5.2</b>

- After a slow start in September, the U.S. equity market rebounded in October and ended the fiscal quarter ending November 30 up 6.4%. Small capitalization stocks led the charge once again this quarter, but a change to the recent norm was seen as value stocks outperformed their growth counterparts. Economic reports continued to suggest an improvement in the health of the economy; third-quarter GDP was revised upward to an annual growth rate of 8.2%, unemployment fell to 5.9% (the lowest recorded in the past eight months), and the November index of consumer confidence rose 10 points to 91.7%. One major blemish in the domestic markets during the period was the mutual fund trading abuse investigations and the ensuing developments at some of the industry's larger players.
- Non-U.S. stocks performed better than their U.S. counterparts, advancing 11.9%. Developed markets outpaced emerging markets, as the European regions benefited from a general revival of the global economy as well as a falling U.S. dollar, which reached an all-time low against the euro. Emerging markets posted strong returns during the quarter but failed to trump the returns earned by the developed markets.
- The domestic bond market experienced another see-saw fiscal quarter as interest rates rose in October sending domestic bond market performance downward. Corporate bonds outperformed government bonds, and high yield bonds performed best. The Federal Reserve's overnight lending rate remained unchanged during the period at 1.00

\*Time-period represents the total return for the fiscal first quarter ending 11/30/03.

# PERMANENT UNIVERSITY FUND

\$7,655 Million

As of November 30, 2003

## RETURN SUMMARY ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>Permanent University Fund</b>	<b>6.6%</b>	<b>19.4%</b>	<b>2.5%</b>	<b>4.6%</b>	<b>9.3%</b>	<b>8/31/91</b>
Endowment Performance Benchmark**	6.1	17.8	2.5	5.1	10.8	
<b>Total Domestic Equity</b>	<b>6.8</b>	<b>19.6</b>	<b>0.5</b>	<b>3.1</b>	<b>10.6</b>	<b>8/31/91</b>
Wilshire 5000 Index	6.4	19.0	-3.3	0.8	10.5	
<b>Total International Equity</b>	<b>10.7</b>	<b>29.2</b>	<b>-1.0</b>	<b>-1.0</b>	<b>5.5</b>	<b>3/31/93</b>
MSCI AC World Ex-U.S. Free Index	11.9	27.1	-2.3	0.7	5.5	
<b>Total Fixed Income</b>	<b>4.1</b>	<b>9.9</b>	<b>8.7</b>	<b>6.0</b>	<b>9.1</b>	<b>8/31/85</b>
LB Aggregate Bond Index	1.9	5.2	7.9	6.5	8.7	
<b>Total Absolute Return</b>	<b>5.6</b>	<b>23.8</b>	<b>11.5</b>	<b>--</b>	<b>12.7</b>	<b>2/29/00</b>
90-Day T-Bill + 4%	1.3	5.3	6.8	--	7.5	
<b>Inflation Hedging</b>	<b>8.8</b>	<b>36.1</b>	<b>18.6</b>	<b>--</b>	<b>24.1</b>	<b>11/30/99</b>
UTIMCO Inflation Hedging Benchmark	3.9	19.1	9.2	--	13.2	
<b>Private Capital***</b>	<b>1.7</b>	<b>-0.5</b>	<b>-11.2</b>	<b>3.7</b>	<b>9.5</b>	<b>1/31/89</b>
Wilshire 5000 Index + 4%	7.4	23.8	0.6	4.9	15.7	

- The Permanent University Fund outperformed the Endowment Policy Benchmark by 50 basis points in the fiscal quarter ending November 30, 2003. The domestic equity, fixed income, absolute return, and inflation hedging components all outperformed their benchmarks and positively impacted relative performance.
- One-year performance exceeded the benchmark as each of the Fund's components except Private Capital outperformed its respective benchmark. The Private Capital component's underperformance was offset by the positive effects produced by the domestic equity, international equity, fixed income, absolute return, and inflation hedging segments.

\* Time-period represents the total return for the fiscal first quarter ending 11/30/03.

\*\* Performance represents the UTIMCO Board of Directors approved Endowment Policy Portfolio.

\*\*\* The data for Private Capital and its benchmark reflects time-weighted rates of return. On page 34 we also show returns using the internal rate of return (IRR) methodology. Please see pages 33 and 34 for additional information.



As of November 30, 2003

UTIMCO POLICY COMPLIANCE  
ASSET ALLOCATION AS OF 11/30/03  
(\$ in millions)

	Total	Percent of Total	UTIMCO Policy*	Variance
Passive Domestic	\$ 1,118	14.6 %	11.0 %	+3.6 %
Active Domestic	1,014	13.3	10.0	+3.3
Hedge & Structured Active Domestic	553	7.2	10.0	-2.8
Domestic Public Equity	\$ 2,686	35.1 %	31.0 %	+4.1 %
Passive International	\$ 558	7.3 %	6.5 %	+0.8 %
Active International	1,066	13.9	7.5	+6.4
Hedge & Structured Active International	69	0.9	5.0	-4.1
International Public Equity	\$ 1,693	22.1 %	19.0 %	+3.1 %
Fixed Income	\$ 922	12.0 %	15.0 %	-3.0 %
Absolute Return	741	9.7	10.0	-0.3
Inflation Hedging	641	8.4	10.0	-1.6
Private Capital	848	11.1	15.0	-3.9
GSAM Overlay	79	1.0	--	+1.0
Liquidity Reserve	45	0.6	--	+0.6
Total Permanent University Fund	\$ 7,655	100.0 %	100.0 %	0.0 %

- The table above summarizes and compares the actual asset allocation of the Permanent University Fund to the UTIMCO Board of Directors approved policy targets of the Fund. As shown, the Fund was overweight both domestic and international public equity and correspondingly underweight fixed income. Additionally, the PUF has an approximate four percentage point underweight allocation to private capital as compared to the UTIMCO Policy.
- The PUF grew by over \$400 million in the fiscal first quarter. Notable allocation changes include the increased allocation to active international equity during the quarter (13.9% as of November 30 vs. 11.7% as of August 31) and the decreased allocation to fixed income (12.0% vs. 14.3%).

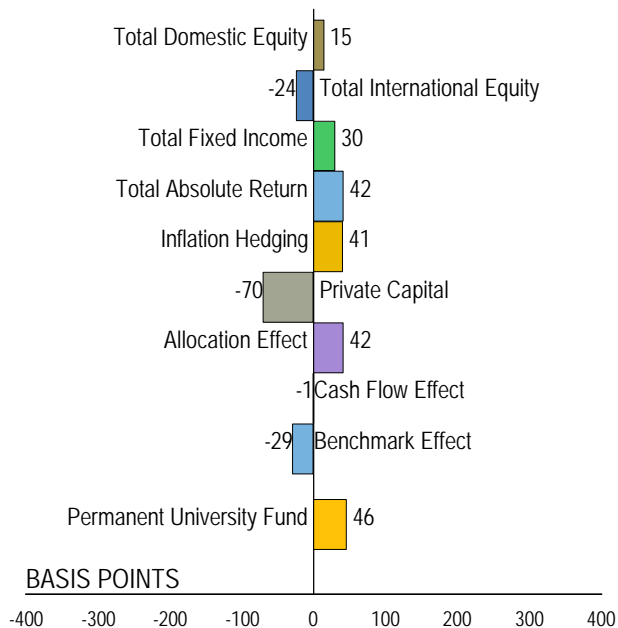
\* UTIMCO Policy represents the UTIMCO Board of Directors approved policy targets.

# PERMANENT UNIVERSITY FUND

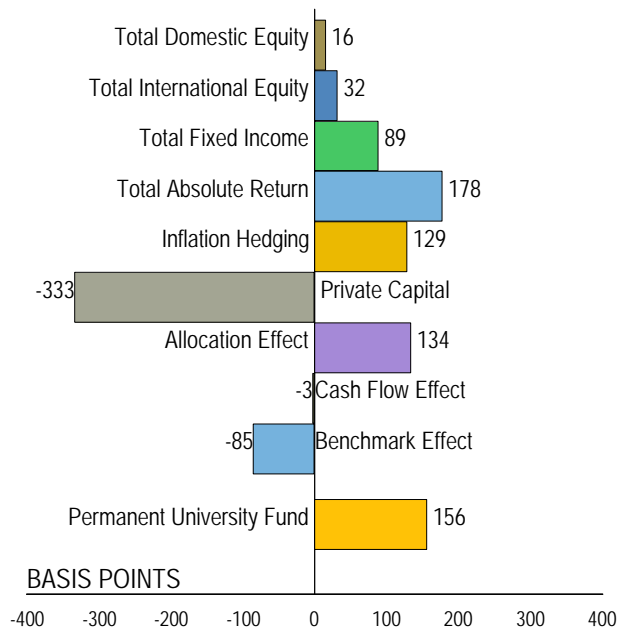
\$7,655 Million

As of November 30, 2003

**TOTAL FUND ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 11/30/03**



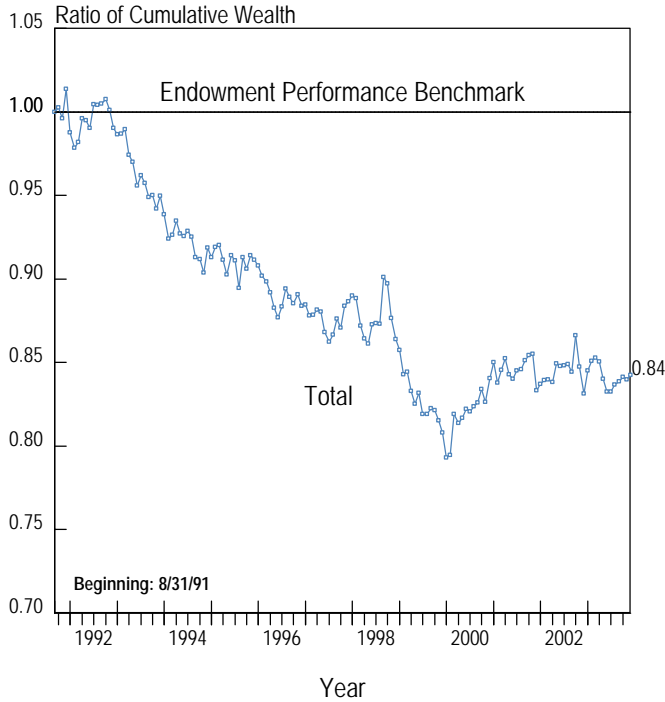
**TOTAL FUND ATTRIBUTION ANALYSIS  
1 YEAR ENDING 11/30/03**



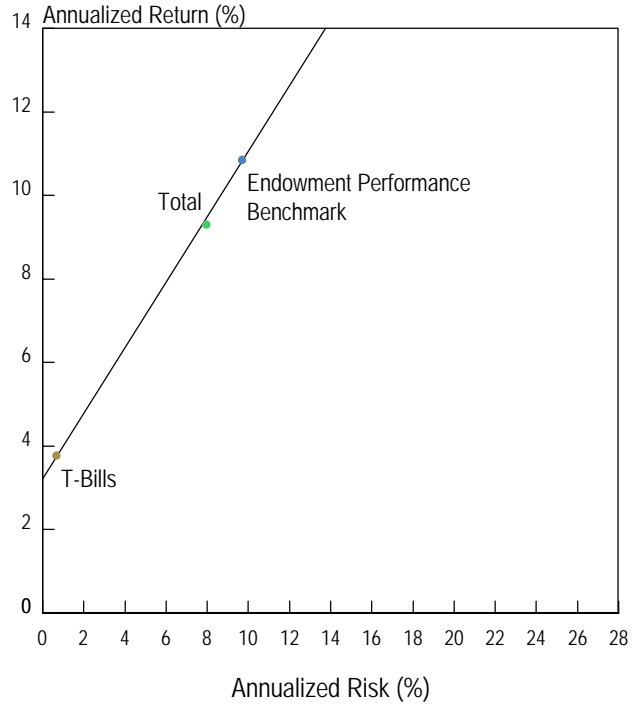
- The Performance Attribution exhibits shown above measure the source of the deviation of a fund's performance from that of its benchmark. Each bar on the graph represents the contribution made by the component to the total difference in performance (shown at the bottom of the exhibit). A positive value for a component indicates a positive contribution to the aggregate relative performance. A negative value indicates a detrimental impact. The asset class bar amounts are determined by multiplying the relative return of that asset class (actual return - policy benchmark return) by its policy weight. "Allocation Effect" details the degree to which the Fund's asset allocation differed from that of its policy, and what impact this had on performance. "Cash Flow Effect" details what impact any movement in Fund assets had on performance. "Benchmark Effect" details the impact of differences between the composition of the Total Fund benchmark and the benchmarks of the individual asset classes.
- As shown in the three-month exhibit, the favorable performance earned by most of the marketable-security asset classes benefited performance, collectively offsetting the negative impact produced by the International Equity and Private Capital components' trailing results. The Permanent University Fund also benefited from the overweight allocation to domestic and international public equities as both markets outpaced the other marketable asset classes invested in by the Fund.
- The one-year attribution analysis shows a similar story; however, the International Equity component provided a positive impact and the Absolute Return and Inflation Hedging segments had a significantly larger positive impact on performance.
- The data for Private Capital and its benchmark reflects time-weighted rates of return.

As of November 30, 2003

**RATIO OF CUMULATIVE WEALTH  
12 YEARS 3 MONTHS ENDING 11/30/03**



**ANNUALIZED RISK/RETURN  
12 YEARS 3 MONTHS ENDING 11/30/03**



- The Ratio of Cumulative Wealth graph above illustrates the Total Permanent University Fund's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the Fund underperformed its benchmark since inception. A period of underperformance from 1993-1999 led to the result, but the effect has been tempered by recent improved performance.
- The Risk Return graph above exhibits the risk return characteristics of the Total Permanent University Fund, relative to that of the Performance Benchmark. As shown, the Fund has underperformed its benchmark at a comparatively lower level of risk.

# PERMANENT UNIVERSITY FUND

\$7,655 Million

As of November 30, 2003

## HISTORICAL RETURNS\*

(BY YEAR)

	Permanent University Fund	Endowment Performance Benchmark**	Return Difference
	Return	Return	
1991 (4 months)	6.4%	7.8%	-1.4
1992	7.2	7.4	-0.2
1993	10.8	16.5	-5.7
1994	-0.4	2.4	-2.8
1995	26.3	27.0	-0.7
1996	12.7	15.7	-3.0
1997	21.0	20.2	0.8
1998	13.4	17.7	-4.3
1999	9.8	18.7	-8.9
2000	5.5	-1.6	7.1
2001	-6.1	-4.7	-1.4
2002	-7.6	-8.4	0.8
2003 (11 months)	20.3	20.7	-0.4
Trailing 1-Year	19.4%	17.8%	1.6
Trailing 3-Year	2.5	2.5	0.0
Trailing 5-Year	4.6	5.1	-0.5
Trailing 10-Year	9.1	10.4	-1.3
Since Inception (8/31/91)	9.3	10.8	-1.5

- The table above compares the annual return history of the Permanent University Fund to that of its performance benchmark.

\* The annual returns in this exhibit represent calendar-year periods.

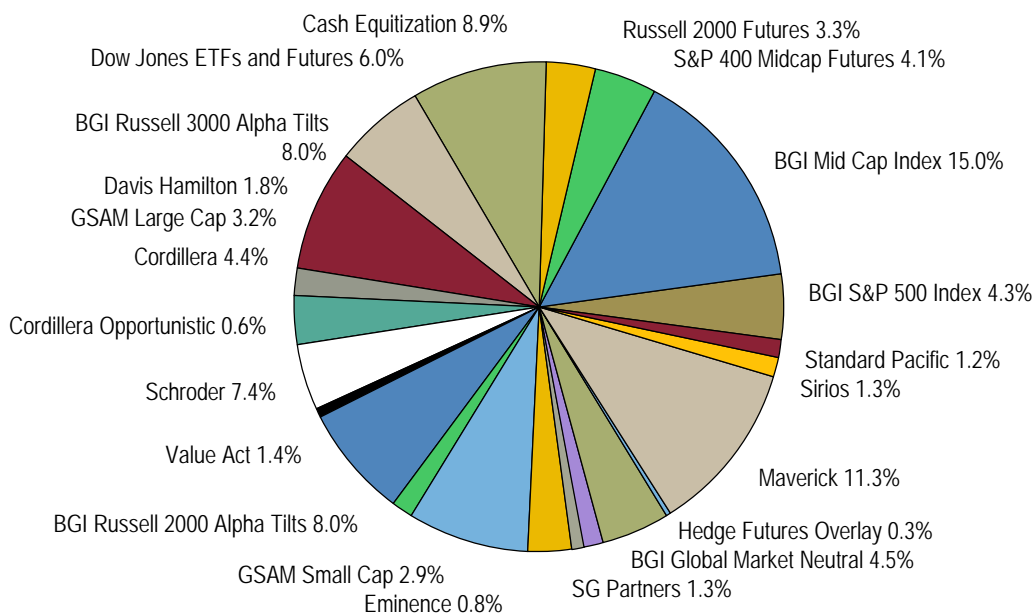
\*\* The Endowment Performance Benchmark represents the returns of the UTIMCO Board of Directors approved Endowment Policy Portfolio.

As of November 30, 2003

**RETURN SUMMARY  
ENDING 11/30/03**

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>Total Domestic Equity</b>	<b>6.8%</b>	<b>19.6%</b>	<b>0.5%</b>	<b>3.1%</b>	<b>10.6%</b>	<b>8/31/91</b>
Wilshire 5000 Index	6.4	19.0	-3.3	0.8	10.5	

**MANAGER ALLOCATION AS OF 11/30/03**



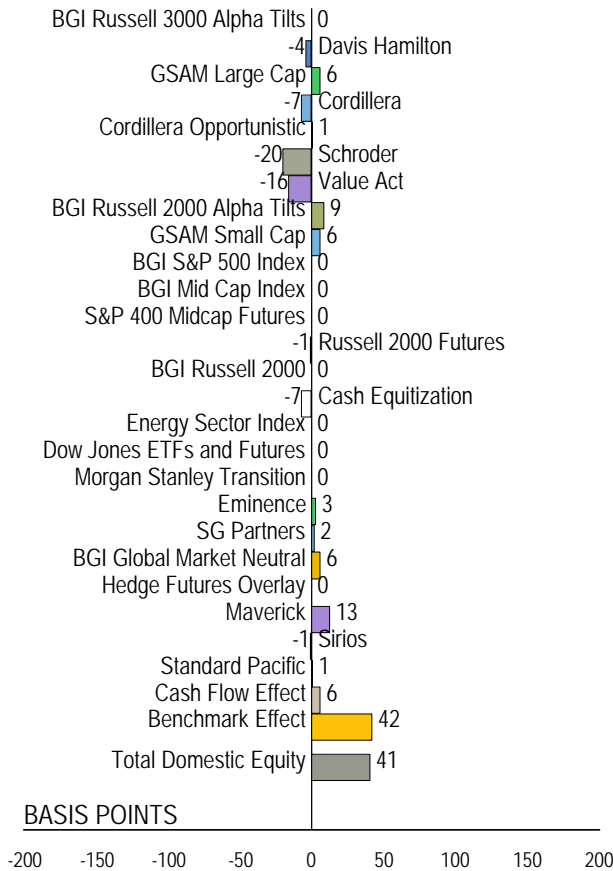
- The table above details the trailing-period performance of the total domestic equity component relative to the Wilshire 5000 Index. The component has outperformed its benchmark over each period shown.
- The graph above details the allocation to each manager of the U.S. equity component as of quarter-end. Five investments were added to the domestic equity component during the quarter. As a result, the active / passive mix of the component was essentially unchanged, however total domestic equity is underweight hedge and structured active domestic equity relative to UTIMCO policy and holds a correspondingly overweight allocation to both passive and active domestic public equities.

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

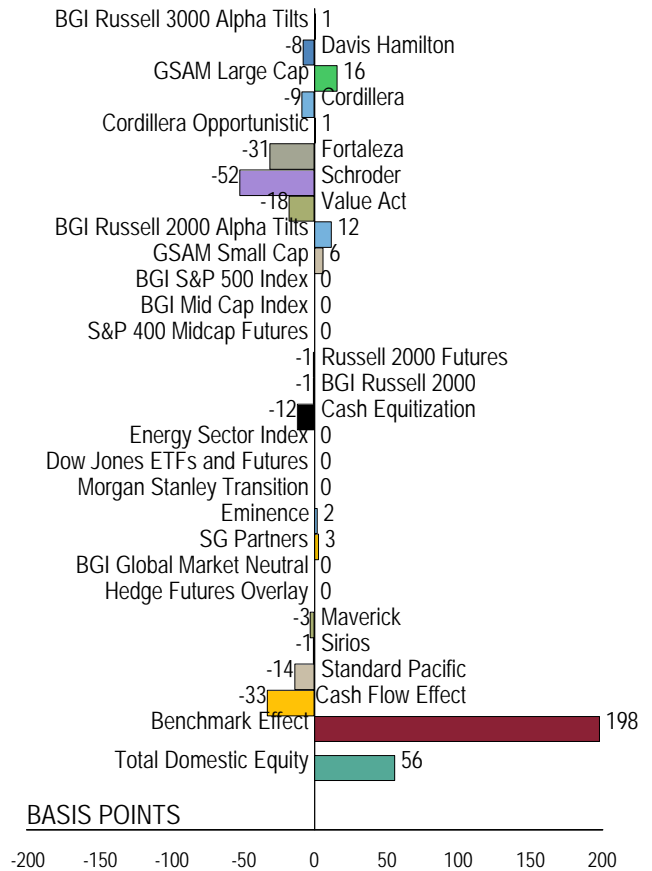
\$2,686 Million

As of November 30, 2003

MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 11/30/03



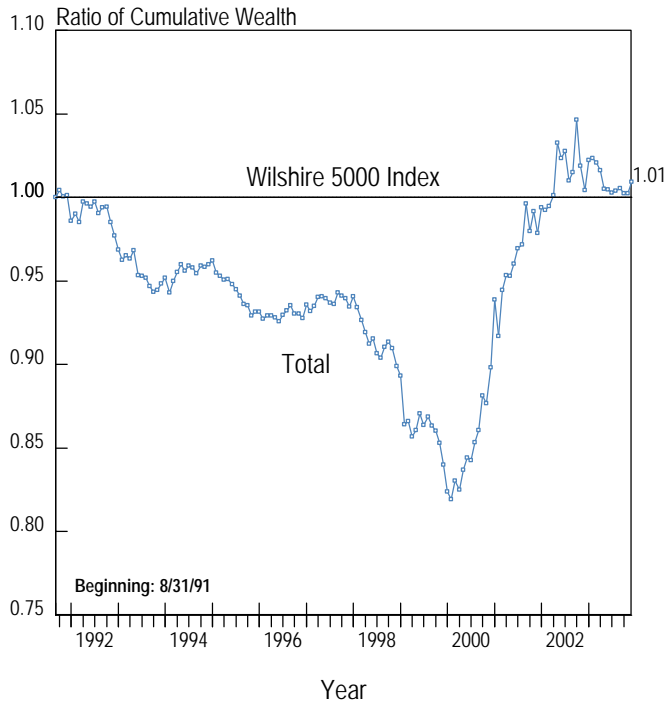
MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 11/30/03



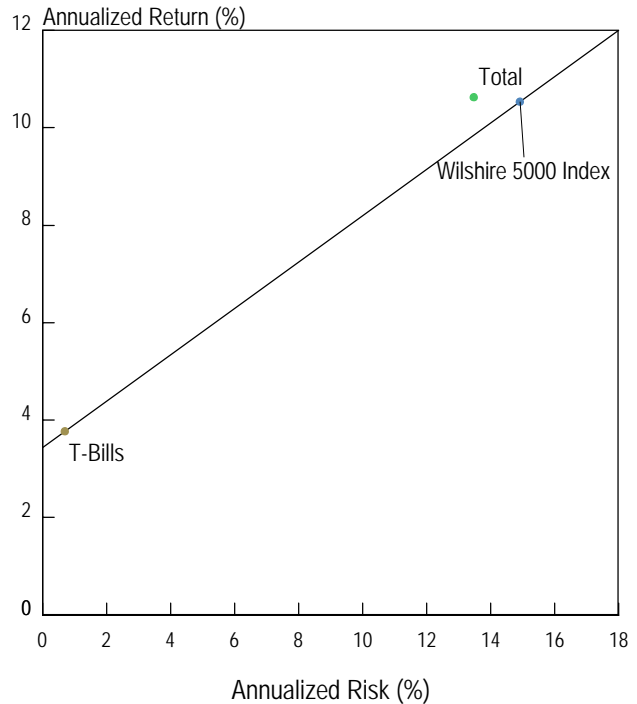
- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Total Domestic Equity" represents the component's performance relative to the Wilshire 5000 Index in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component. The bar labeled "Benchmark Effect" represents the difference between the benchmarks of the individual managers and the U.S. equity benchmark.
- As shown in the three-month exhibit, relative performance was positively influenced by the mid- and small-cap emphasis of the component. The benchmark effect is a result of this emphasis during a period in which mid- and small-cap stocks outperformed their large-cap counterparts. This effect is more prominent in the one-year exhibit as the performance difference between large-cap and small-cap stocks was over twenty percentage points.

As of November 30, 2003

**RATIO OF CUMULATIVE WEALTH  
12 YEARS 3 MONTHS ENDING 11/30/03**



**ANNUALIZED RISK/RETURN  
12 YEARS 3 MONTHS ENDING 11/30/03**



- The Ratio of Cumulative Wealth graph above illustrates the domestic equity component's cumulative performance relative to that of the Wilshire 5000 Index. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, significant relative-performance gains made since the beginning of 2000 have led to the component's outperformance.
- The Risk Return graph above exhibits the risk return characteristics of the total domestic equity component, relative to that of the Wilshire 5000 Index. As shown, the component slightly outperformed its benchmark while incurring a lower level of risk.

\$2,686 Million

As of November 30, 2003

**HISTORICAL RETURNS\***

(BY YEAR)

	Total Domestic Equity	Wilshire 5000 Index	Return Difference
	Return	Return	
1991 (4 months)	5.9%	7.5%	-1.6
1992	7.1	9.0	-1.9
1993	9.3	11.3	-2.0
1994	1.0	-0.1	1.1
1995	32.1	36.4	-4.3
1996	21.7	21.2	0.5
1997	32.0	31.3	0.7
1998	17.2	23.4	-6.2
1999	13.9	23.6	-9.7
2000	1.6	-10.9	12.5
2001	-5.7	-11.0	5.3
2002	-18.6	-20.9	2.3
2003 (11 months)	24.4	26.0	-1.6
Trailing 1-Year	19.6%	19.0%	0.6
Trailing 3-Year	0.5	-3.3	3.8
Trailing 5-Year	3.1	0.8	2.3
Trailing 10-Year	11.0	10.3	0.7
Since Inception (8/31/91)	10.6	10.5	0.1

- The table above compares the annual return history of the total U.S. equity component to that of the Wilshire 5000 Index.

\* The annual returns in this exhibit represent calendar-year periods.



RETURN SUMMARY  
ENDING 11/30/03

As of November 30, 2003

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>BGI S&amp;P 500 Index</b>	5.5%	15.2%	-5.5%	-0.4%	10.9%	10/31/92
S&P 500 Index	5.5	15.1	-5.5	-0.5	10.8	
<b>BGI Mid Cap Index</b>	9.6	27.9	6.9	11.4	14.7	11/30/92
S&P 400 Mid Cap Index	9.6	27.9	6.9	11.4	14.1	
<b>S&amp;P 400 Midcap Futures</b>	--	--	--	--	11.3	9/30/03
S&P 400 Mid Cap Index	--	--	--	--	11.3	
<b>Russell 2000 Futures</b>	9.9	--	--	--	15.6	6/30/03
Russell 2000 Index	10.2	--	--	--	22.4	
<b>Cash Equitization</b>	5.0	14.4	--	--	-4.3	2/28/01
S&P 500 Index	5.5	15.1	--	--	-4.1	
<b>Energy Sector Index</b>	2.2	--	--	--	2.2	8/31/03
ML 90-day T-Bill	0.3	--	--	--	0.3	
<b>Dow Jones ETFs and Futures</b>	--	--	--	--	-0.5	10/31/03
Mdja.Ret	--	--	--	--	0.1	
<b>BGI Russell 3000 Alpha Tilts</b>	6.5	--	--	--	6.5	8/31/03
Russell 3000 Index	6.3	--	--	--	6.3	
<b>Davis Hamilton</b>	3.3	10.9	-7.2	0.4	9.6	12/31/93
S&P 500 Index	5.5	15.1	-5.5	-0.5	10.6	
<b>GSAM Large Cap</b>	6.8	18.2	-4.3	--	-4.6	2/29/00
S&P 500 Index	5.5	15.1	-5.5	--	-5.2	
<b>Cordillera</b>	7.7	36.0	-5.4	10.1	10.5	12/31/93
Russell 2000 Growth Index	9.3	37.7	-0.2	2.5	5.4	
<b>Cordillera Opportunistic</b>	--	--	--	--	15.3	9/30/03
Russell 2000 Index	--	--	--	--	12.2	
<b>Schroder</b>	7.4	27.8	7.8	8.9	11.4	12/31/93
Russell 2000 Index	10.2	36.3	8.5	8.0	9.3	
<b>Value Act</b>	-0.4	--	--	--	3.2	7/31/03
Russell 2000 Index	10.2	--	--	--	15.2	
<b>BGI Russell 2000 Alpha Tilts</b>	11.3	37.9	--	--	9.5	12/31/01
Russell 2000 Index	10.2	36.3	--	--	7.4	
<b>GSAM Small Cap</b>	12.5	38.6	12.5	--	4.8	2/29/00
Russell 2000 Index	10.2	36.3	8.5	--	-0.1	
<b>Eminence</b>	5.5	--	--	--	3.5	6/30/03
90-Day T-Bill + 4%	1.3	--	--	--	2.1	
<b>SG Partners</b>	--	--	--	--	2.7	8/31/03
90-Day T-Bill + 4%	--	--	--	--	1.3	
<b>BGI Global Market Neutral</b>	6.8	--	--	--	19.1	12/31/02
S&P 500 Index	5.5	--	--	--	22.3	
<b>Hedge Futures Overlay</b>	--	--	--	--	0.8	10/31/03
S&P 500 Index	--	--	--	--	0.9	
<b>Maverick</b>	2.4	5.4	6.7	--	11.2	2/29/00
90-Day T-Bill + 4%	1.3	5.3	6.8	--	7.5	
<b>Sirios</b>	0.8	--	--	--	4.4	4/30/03
90-Day T-Bill + 4%	1.3	--	--	--	3.0	
<b>Standard Pacific</b>	2.1	--	--	--	-4.8	1/31/03
90-Day T-Bill + 4%	1.3	--	--	--	4.4	

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

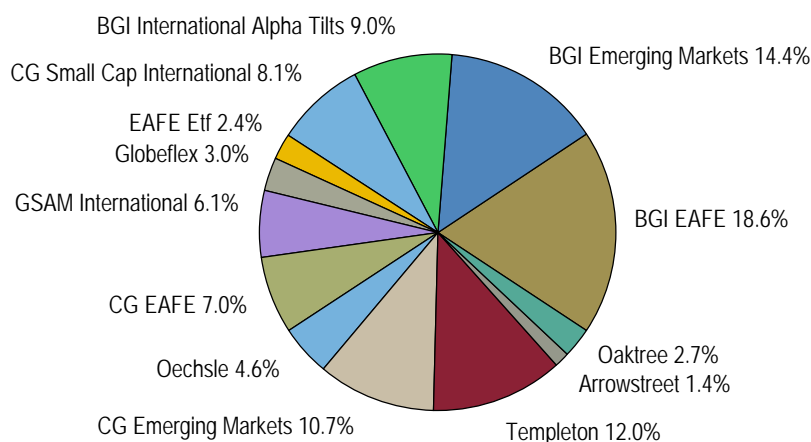
\$1,693 Million

As of November 30, 2003

RETURN SUMMARY  
ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>Total International Equity</b>	<b>10.7%</b>	<b>29.2%</b>	<b>-1.0%</b>	<b>-1.0%</b>	<b>5.5%</b>	<b>3/31/93</b>
MSCI AC World Ex-U.S. Free Index	11.9	27.1	-2.3	0.7	5.5	

MANAGER ALLOCATION AS OF 11/30/03

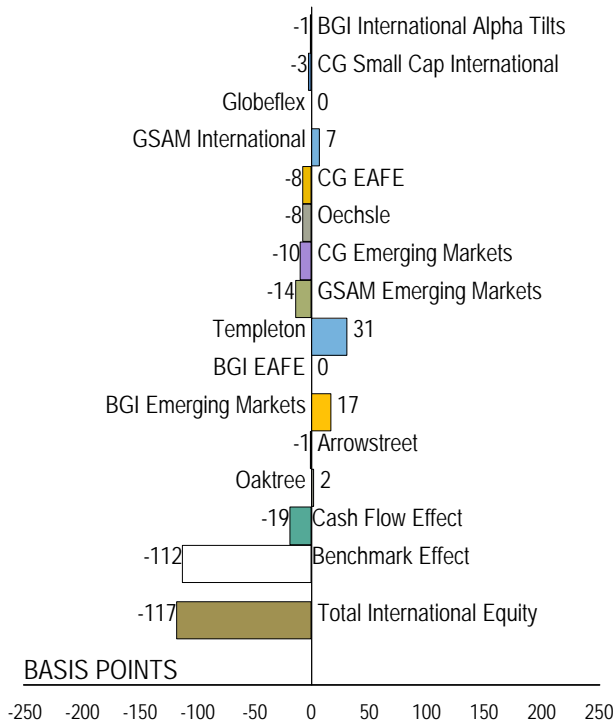


- The table above details the trailing-period performance of the total international equity component relative to the MSCI All-Country World ex-U.S. Index. The current quarter's underperformance was directly a result of the relatively low returns earned by the Oaktree and Arrowstreet hedge funds, and the underperformance of the Capital Guardian portfolios and Oechsle. The component has outperformed its benchmark over the one-year and three-year periods.
- The graph above details the allocation to each manager of the international equity component as of quarter-end. One additional investment was made during the quarter in the form of an EAFE ETF vehicle. The international equity component had a slightly greater bias to active equities as of November 30 than it had at the prior quarter's end.

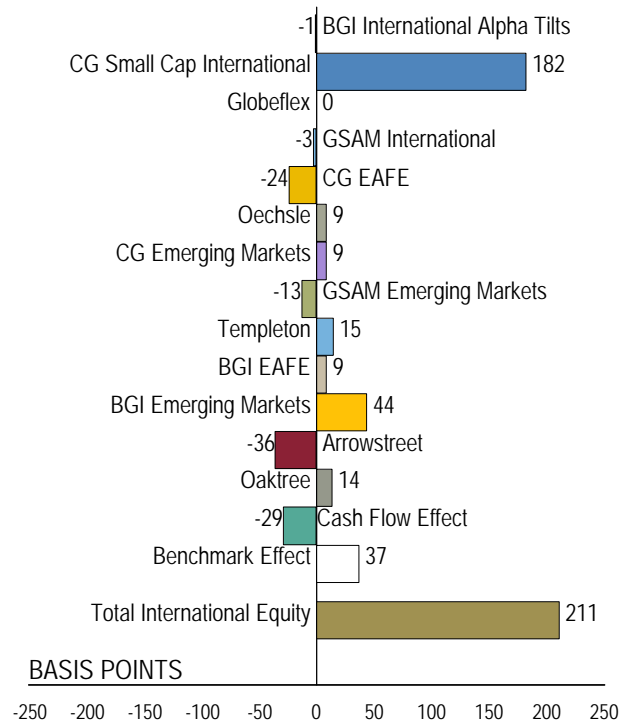
\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

As of November 30, 2003

MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 11/30/03



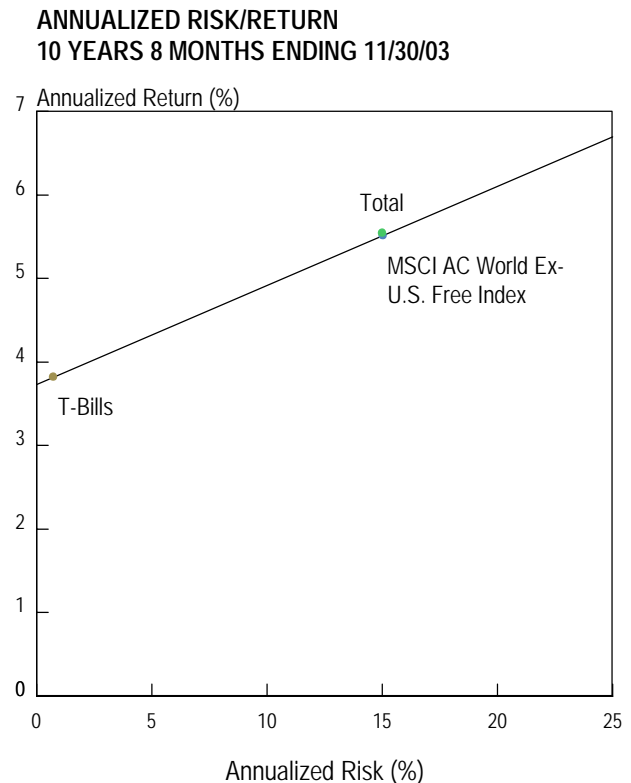
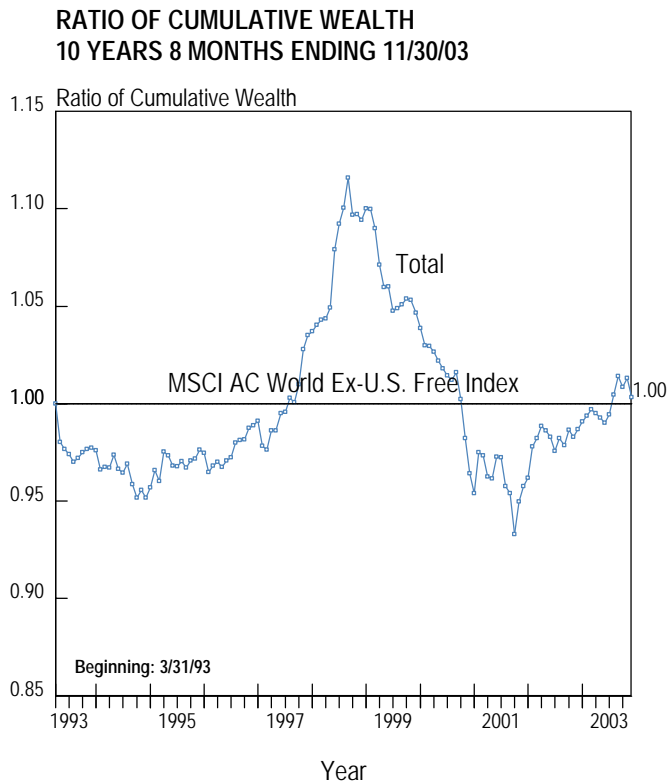
MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 11/30/03



- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Total International Equity" represents the component's relative performance to the MSCI All-Country World ex-U.S. Index in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component. The bar labeled "Benchmark Effect" represents the difference between the benchmarks of the individual managers and the international equity benchmark.
- As shown in both exhibits, manager results have been mixed. The Capital Guardian Small Cap International portfolio has performed best relative to its benchmark during the one-year period. The majority of the managers underperformed over both periods shown, and outperformance was minimal. The negative benchmark effect during the quarter is a result of the low returns of the hedge fund benchmark, whereas the positive benchmark effect over the one-year period was significantly impacted by the large positive returns earned in the emerging markets.

\$1,693 Million

As of November 30, 2003



- The Ratio of Cumulative Wealth graph above illustrates the international equity component's cumulative performance relative to that of MSCI All-Country World ex-U.S. Index. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the component has matched its benchmark after a period of significant underperformance from 1998-2000.
- The Risk Return graph above exhibits the risk return characteristics of the total international equity component, relative to that of the MSCI All-Country World ex-U.S. Index. As shown, the component has earned a benchmark-like return while incurring a similar level of risk.

As of November 30, 2003

**HISTORICAL RETURNS\***

(BY YEAR)

	Total International Equity	MSCI AC World Ex-U.S. Free Index	Return Difference
	Return	Return	
1993 (9 months)	18.0%	21.0%	-3.0
1994	4.6	6.6	-2.0
1995	12.0	9.9	2.1
1996	8.5	6.7	1.8
1997	6.8	2.0	4.8
1998	21.4	14.5	6.9
1999	23.6	30.9	-7.3
2000	-22.0	-15.1	-6.9
2001	-18.8	-19.5	0.7
2002	-12.1	-14.7	2.6
2003 (11 months)	33.1	31.4	1.7
Trailing 1-Year	29.2%	27.1%	2.1
Trailing 3-Year	-1.0	-2.3	1.3
Trailing 5-Year	-1.0	0.7	-1.7
Trailing 10-Year	5.0	4.7	0.3
Since Inception (3/31/93)	5.5	5.5	0.0

- The table above compares the annual return history of the international equity component to that of the MSCI All-Country World ex-U.S. Index.

\* The annual returns in this exhibit represent calendar-year periods.

\$1,693 Million

As of November 30, 2003

RETURN SUMMARY  
ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>BGI EAFE</b>	<b>12.0%</b>	<b>24.5%</b>	<b>-3.7%</b>	<b>-0.9%</b>	<b>5.6%</b>	<b>3/31/93</b>
EAFE Index	11.9	24.2	-4.2	-0.8	5.1	
<b>BGI Emerging Markets</b>	<b>11.2</b>	<b>42.4</b>	<b>--</b>	<b>--</b>	<b>16.1</b>	<b>1/31/02</b>
MSCI Emerging Markets Free Index	10.1	36.7	--	--	13.5	
<b>BGI International Alpha Tilts</b>	<b>11.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>11.9</b>	<b>8/31/03</b>
EAFE Index	11.9	--	--	--	11.9	
<b>CG Small Cap International</b>	<b>11.5</b>	<b>45.0</b>	<b>-1.9</b>	<b>--</b>	<b>-9.8</b>	<b>2/29/00</b>
EAFE Index	11.9	24.2	-4.2	--	-7.1	
<b>Globeflex</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2.1</b>	<b>10/31/03</b>
MSCI EAFE Index	--	--	--	--	2.2	
<b>GSAM International</b>	<b>13.0</b>	<b>24.3</b>	<b>-5.0</b>	<b>--</b>	<b>-8.2</b>	<b>2/29/00</b>
EAFE Index	11.9	24.2	-4.2	--	-7.1	
<b>CG EAFE</b>	<b>10.9</b>	<b>21.8</b>	<b>-3.6</b>	<b>--</b>	<b>-6.7</b>	<b>7/31/00</b>
EAFE Index	11.9	24.2	-4.2	--	-6.7	
<b>Oechsle</b>	<b>10.2</b>	<b>26.5</b>	<b>-7.4</b>	<b>--</b>	<b>-9.8</b>	<b>7/31/00</b>
EAFE Index	11.9	24.2	-4.2	--	-6.7	
<b>CG Emerging Markets</b>	<b>9.2</b>	<b>37.2</b>	<b>7.9</b>	<b>--</b>	<b>-1.8</b>	<b>7/31/00</b>
MSCI Emerging Markets Free Index	10.1	36.7	8.2	--	-0.6	
<b>Templeton</b>	<b>13.2</b>	<b>39.4</b>	<b>13.3</b>	<b>--</b>	<b>4.4</b>	<b>7/31/00</b>
MSCI Emerging Markets Free Index	10.1	36.7	8.2	--	-0.6	
<b>Arrowstreet</b>	<b>0.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-12.0</b>	<b>5/31/03</b>
90-Day T-Bill + 4%	1.3	--	--	--	2.6	
<b>Oaktree</b>	<b>1.9</b>	<b>9.1</b>	<b>--</b>	<b>--</b>	<b>8.7</b>	<b>12/31/01</b>
90-Day T-Bill + 4%	1.3	5.3	--	--	5.6	

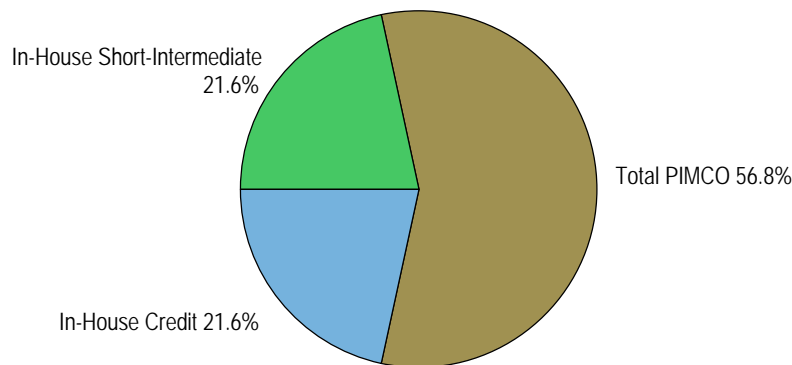
\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

As of November 30, 2003

**RETURN SUMMARY  
ENDING 11/30/03**

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>Total Fixed Income</b>	<b>4.1%</b>	<b>9.9%</b>	<b>8.7%</b>	<b>6.0%</b>	<b>9.1%</b>	<b>8/31/85</b>
LB Aggregate Bond Index	1.9	5.2	7.9	6.5	8.7	

**MANAGER ALLOCATION AS OF 11/30/03**



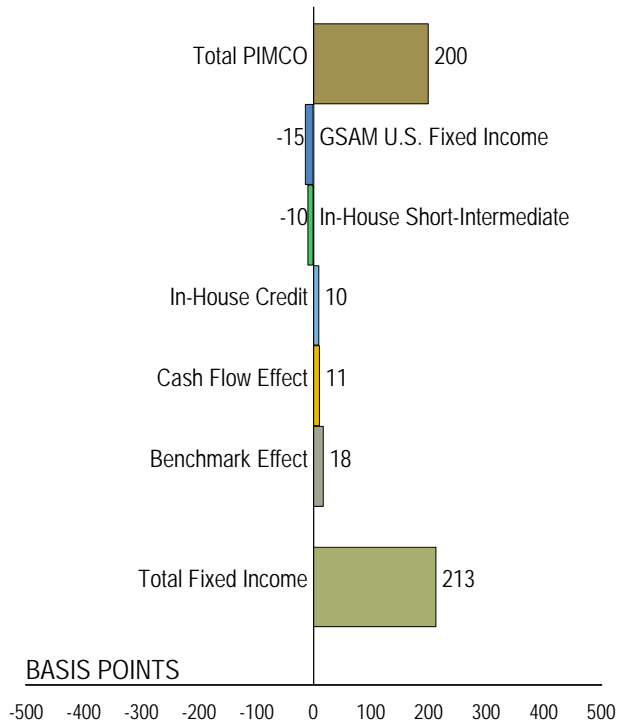
- The table above details the trailing-period performance of the total fixed income component relative to the Lehman Brothers Aggregate Bond Index. The component has outperformed its benchmark over the quarter, one-year, three-year, and since-inception periods. Outperformance has been aided by the component's international market exposure as these markets have significantly outperformed the domestic market.
- The graph above details the allocation to each manager of the fixed income component as of quarter-end. Beginning with this quarter's performance reporting, UTIMCO and this report are combining the domestic PIMCO and international PIMCO portfolios into one item named Total PIMCO. Additionally, the GSAM U.S. Fixed Income portfolio (2.0% of fixed income assets as of August 31st) was eliminated from the program during the quarter.

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

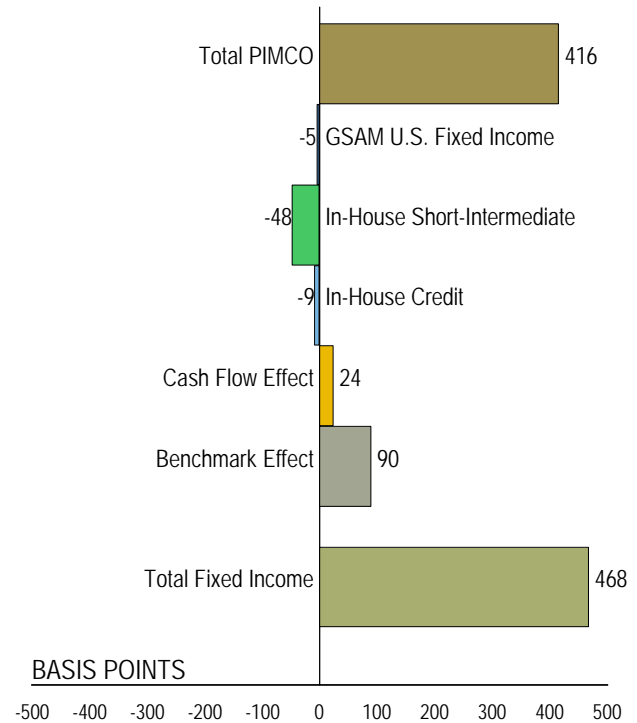
\$922 Million

As of November 30, 2003

MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 11/30/03



MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 11/30/03

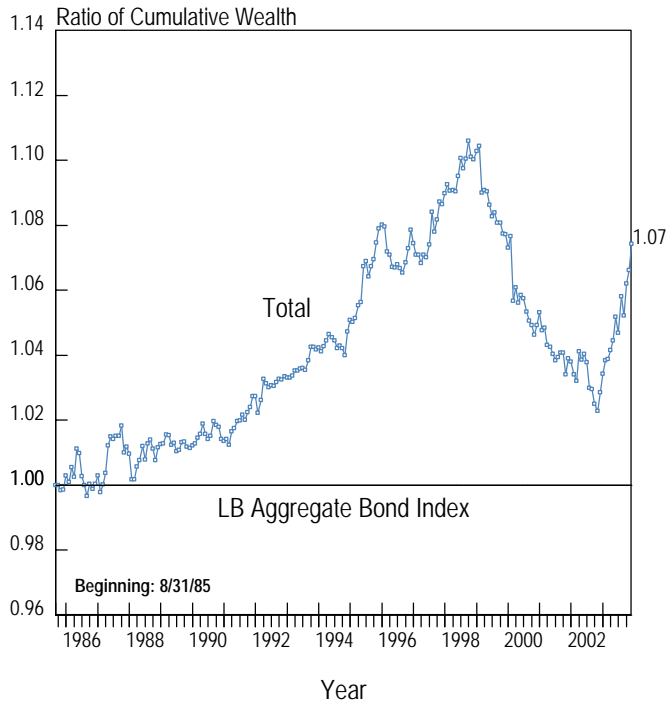


- The Performance Attribution shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Total Fixed Income" represents the component's relative performance to the Lehman Aggregate Bond Index in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component.

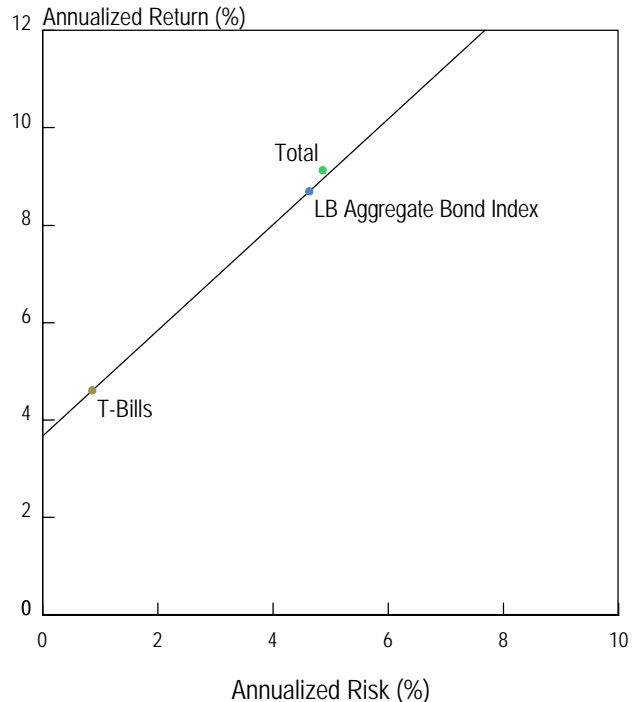


As of November 30, 2003

**RATIO OF CUMULATIVE WEALTH  
18 YEARS 3 MONTHS ENDING 11/30/03**



**ANNUALIZED RISK/RETURN  
18 YEARS 3 MONTHS ENDING 11/30/03**



- The Ratio of Cumulative Wealth graph above illustrates the fixed income component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the fixed income component's return exceeded that of the benchmark until 1999, then experienced a period of underperformance until the end of 2002. Recent outperformance has resulted in increased value-added relative to the Lehman Aggregate Bond Index since inception.
- The Risk Return graph above exhibits the risk return characteristics of the total fixed income component, relative to those of the performance benchmark. As shown, the component has generated a slightly higher rate of return than the Index while incurring a slightly higher level of risk.

\$922 Million

As of November 30, 2003

**HISTORICAL RETURNS\***

(BY YEAR)

	Total Fixed Income	LB Aggregate Bond Index	Return Difference
	Return	Return	
1985 (4 months)	8.7%	8.4%	0.3
1986	15.3	15.3	0.0
1987	3.5	2.8	0.7
1988	8.2	7.9	0.3
1989	14.5	14.5	0.0
1990	9.1	9.0	0.1
1991	17.6	16.0	1.6
1992	8.0	7.4	0.6
1993	10.7	9.7	1.0
1994	-2.1	-2.9	0.8
1995	21.8	18.5	3.3
1996	3.1	3.6	-0.5
1997	11.2	9.7	1.5
1998	10.0	8.7	1.3
1999	-3.5	-0.8	-2.7
2000	9.6	11.6	-2.0
2001	6.9	8.4	-1.5
2002	9.9	10.3	-0.4
2003 (11 months)	7.0	3.1	3.9
Trailing 1-Year	9.9%	5.2%	4.7
Trailing 3-Year	8.7	7.9	0.8
Trailing 5-Year	6.0	6.5	-0.5
Trailing 10-Year	7.2	6.9	0.3
Since Inception (8/31/85)	9.1	8.7	0.4

- The table above compares the annual return history of the total fixed income component to that of the Lehman Aggregate Bond Index.

\* The annual returns in this exhibit represent calendar-year periods.

As of November 30, 2003

RETURN SUMMARY  
ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	Since Inception	Inception Date
<b>Total PIMCO</b>	<b>5.7%</b>	<b>13.8%</b>	<b>10.8%</b>	<b>10.3%</b>	<b>1/31/00</b>
LB Aggregate Bond Index	1.9	5.2	7.9	8.8	
<b>In-House Short-Intermediate</b>	<b>1.5</b>	<b>3.4</b>	<b>5.8</b>	<b>7.3</b>	<b>1/31/00</b>
LB Aggregate Bond Index	1.9	5.2	7.9	8.8	
<b>In-House Credit</b>	<b>3.1</b>	<b>8.7</b>	<b>--</b>	<b>7.2</b>	<b>1/31/01</b>
Credit Related Composite Index**	2.7	9.2	--	8.6	

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\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

\*\* The description of the composite benchmark can be found in the appendix of this report.

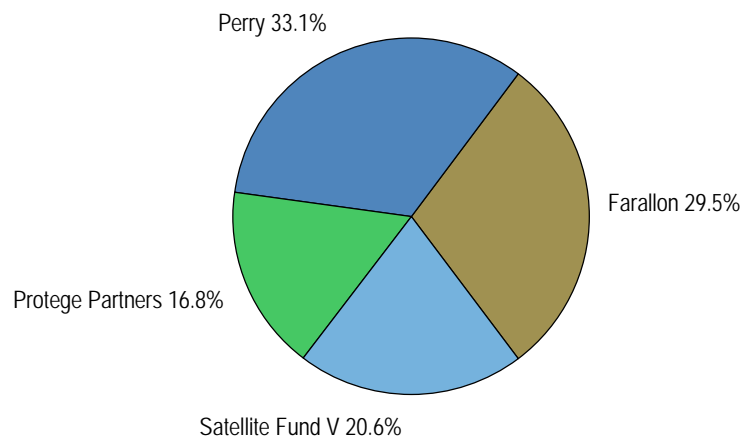
\$741 Million

**As of November 30, 2003**

**RETURN SUMMARY  
ENDING 11/30/03**

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	Since Inception	Inception Date
<b>Total Absolute Return</b>	<b>5.6%</b>	<b>23.8%</b>	<b>11.5%</b>	<b>12.7%</b>	<b>2/29/00</b>
90-Day T-Bill + 4%	1.3	5.3	6.8	7.5	

**MANAGER ALLOCATION AS OF 11/30/03**

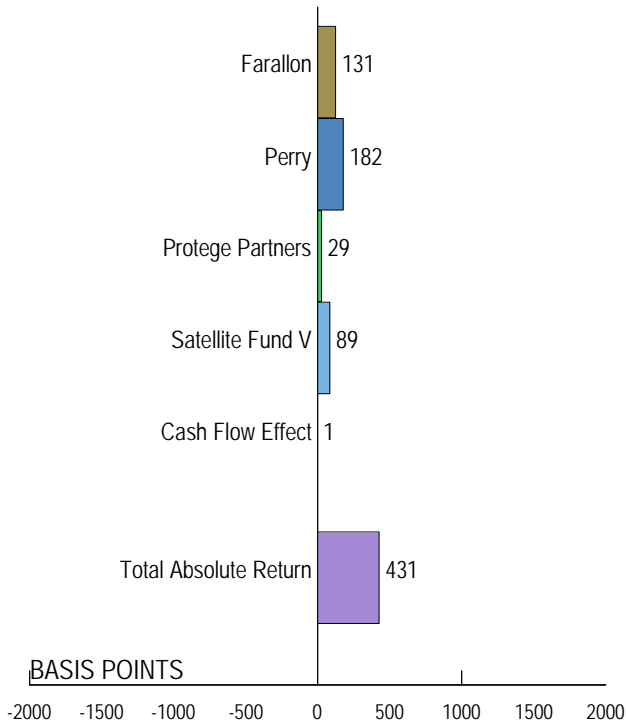


- The total absolute return component outperformed in the recent fiscal quarter as each of the managers earned a return exceeding that of the benchmark during the period. Longer-term performance shown above is also favorable as the component outperformed its benchmark by over five percentage points since inception.
- The graph above details the allocation to each manager of the absolute return component as of quarter-end.

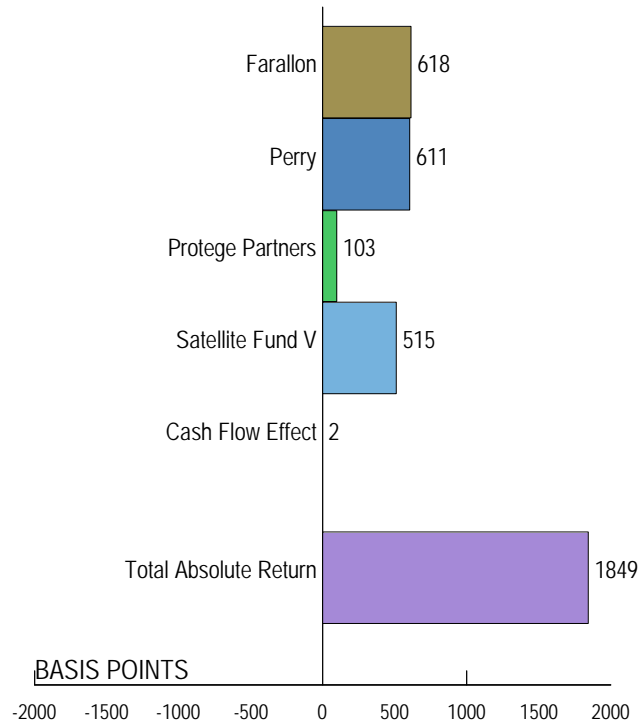
\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

As of November 30, 2003

MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 11/30/03



MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 11/30/03



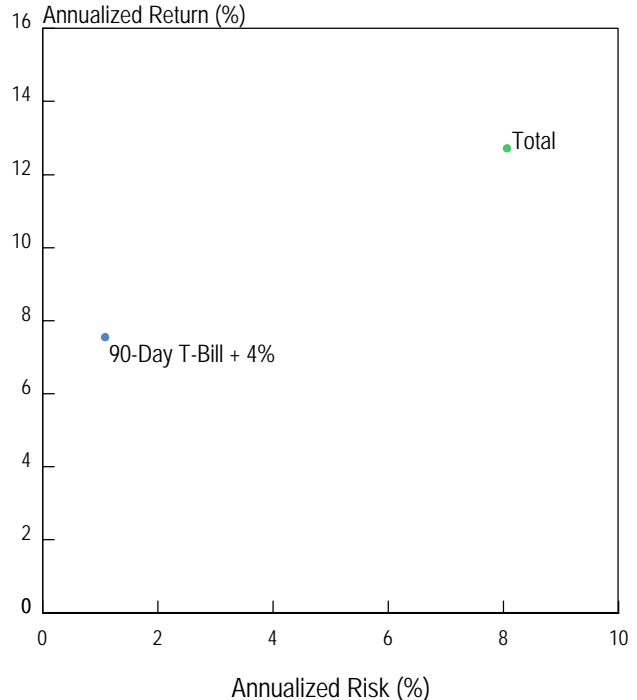
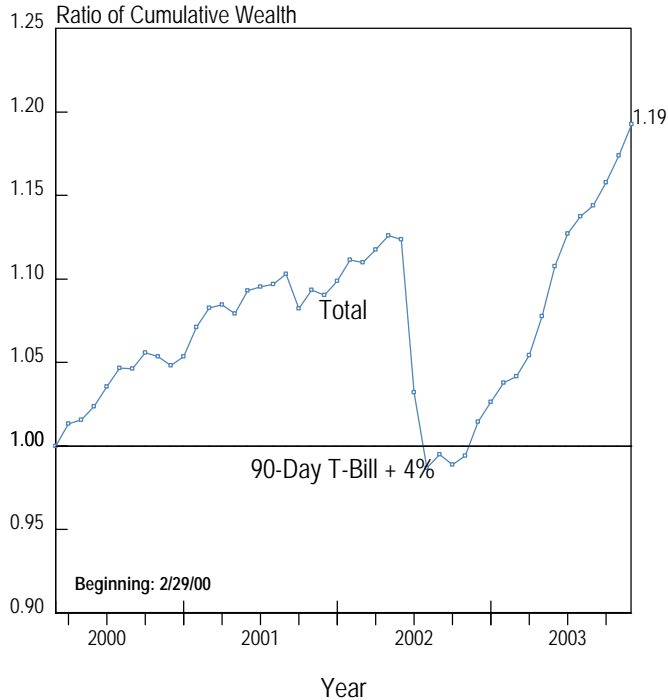
- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Total Absolute Return" represents the component's relative performance to the performance benchmark in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component.

\$741 Million

As of November 30, 2003

**RATIO OF CUMULATIVE WEALTH  
3 YEARS 9 MONTHS ENDING 11/30/03**

**ANNUALIZED RISK/RETURN  
3 YEARS 9 MONTHS ENDING 11/30/03**



- The Ratio of Cumulative Wealth graph above illustrates the absolute return component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the component has experienced a significant relative-performance gain since mid-2002 and leads its benchmark since inception.
- The Risk Return graph above exhibits the risk return characteristics of the total absolute return component, relative to that of its performance benchmark. As shown, the component has outperformed its benchmark since inception, while incurring a significantly greater level of risk.

As of November 30, 2003

**HISTORICAL RETURNS\***

(BY YEAR)

	Total Absolute Return	90-Day T-Bill + 4%	Return Difference
	Return	Return	
2000 (10 months)	14.6%	8.8%	5.8
2001	13.3	8.7	4.6
2002	-1.0	6.0	-7.0
2003 (11 months)	21.8	4.8	17.0
Trailing 1-Year	23.8%	5.3%	18.5
Trailing 3-Year	11.5	6.8	4.7
Since Inception (2/29/00)	12.7	7.5	5.2

- The table above compares the annual return history of the total absolute return component to that of the performance benchmark.

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\* The annual returns in this exhibit represent calendar-year periods.

# ABSOLUTE RETURN HEDGE FUNDS SUMMARY      PERMANENT UNIVERSITY FUND

\$741 Million

As of November 30, 2003

## RETURN SUMMARY ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	Since Inception	Inception Date
<b>Farallon</b>	<b>5.6%</b>	<b>25.0%</b>	<b>13.7%</b>	<b>13.5%</b>	<b>2/29/00</b>
90-Day T-Bill + 4%	1.3	5.3	6.8	7.5	
<b>Perry</b>	<b>6.7</b>	<b>22.1</b>	<b>14.3</b>	<b>15.2</b>	<b>2/29/00</b>
90-Day T-Bill + 4%	1.3	5.3	6.8	7.5	
<b>Protege Partners</b>	<b>3.3</b>	--	--	<b>11.4</b>	<b>2/28/03</b>
90-Day T-Bill + 4%	1.3	--	--	3.9	
<b>Satellite Fund V</b>	<b>5.4</b>	<b>29.3</b>	<b>5.8</b>	<b>6.8</b>	<b>8/31/00</b>
90-Day T-Bill + 4%	1.3	5.3	6.8	7.1	

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.



As of November 30, 2003

RETURN SUMMARY  
ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>Private Capital</b>	<b>1.7%</b>	<b>-0.5%</b>	<b>-11.2%</b>	<b>3.7%</b>	<b>9.5%</b>	<b>1/31/89</b>
Wilshire 5000 Index + 4%	7.4	23.8	0.6	4.9	15.7	

- As shown in the table above, Private Capital has underperformed its performance benchmark over all periods shown. The component's return lagged its benchmark by over twenty-four percentage points in the recent twelve months and trails its benchmark by over six percentage points since inception.
- The returns shown in the table above are reported on a time-weighted basis, consistent with the methodology used for returns throughout this report. Time-weighted returns are calculated using monthly asset values and daily cash flows. Time-weighted rates of return are the industry standard for reporting the performance of traditional, marketable investments. For investments such as private equity, the time-weighted return calculation methodology suffers from a number of flaws, including the attribution of control over cash flows to the investor rather than the investment manager. In these cases, the industry standard is to use the internal rate of return (IRR), which is the annualized rate of return implied by a series of cash flows and a beginning and ending market value. The internal rates of return for the Private Capital component are shown in the table on the following page. Each return shown represents a since-inception return ending at a given fiscal year-end. For example, the 10.5% return shown for 2003 corresponds to a 10.5% annualized IRR for the since-inception period ending at fiscal year-end 2003.
- The benchmark results shown represent the return (IRR) earned on the actual cash flows experienced in the Private Capital portfolio, had they been invested in the Wilshire 5000 Index plus 4% annually.

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

\$848 Million

As of November 30, 2003

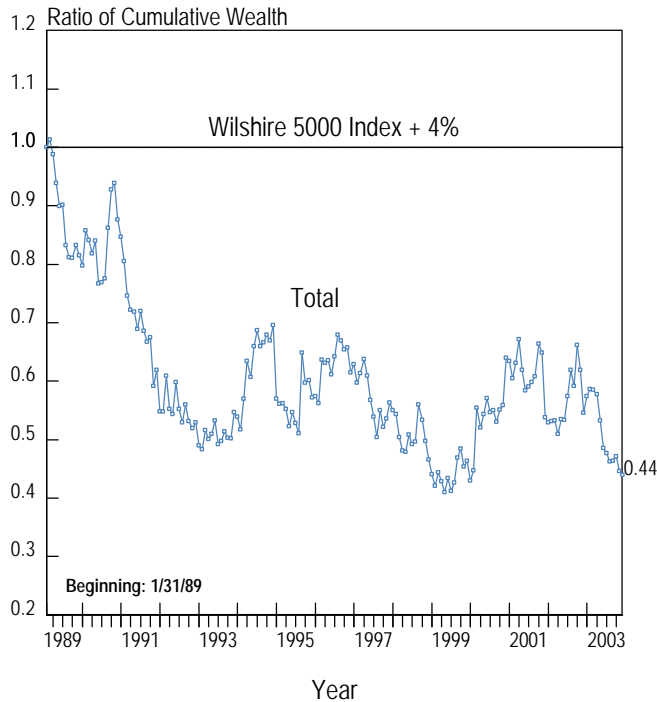
HISTORICAL RETURNS  
 PUF SINCE INCEPTION IRR  
 FISCAL YEAR ENDING 8/31/03

Fiscal Year Ending	Private Capital	Wilshire 5000 Index + 4%	Return Difference
1989	22.2 %	46.2 %	-24.0 %
1990	-5.1	-3.8	-1.3
1991	6.6	17.0	-10.4
1992	-3.9	13.3	-17.4
1993	2.3	15.4	-13.1
1994	12.9	12.7	0.2
1995	18.2	14.5	3.7
1996	20.5	15.1	5.4
1997	20.1	18.0	2.1
1998	18.5	15.6	2.9
1999	19.0	18.7	0.3
2000	22.3	19.2	3.1
2001	17.8	12.2	5.6
2002	13.0	8.0	5.0
2003	10.5	9.3	1.2

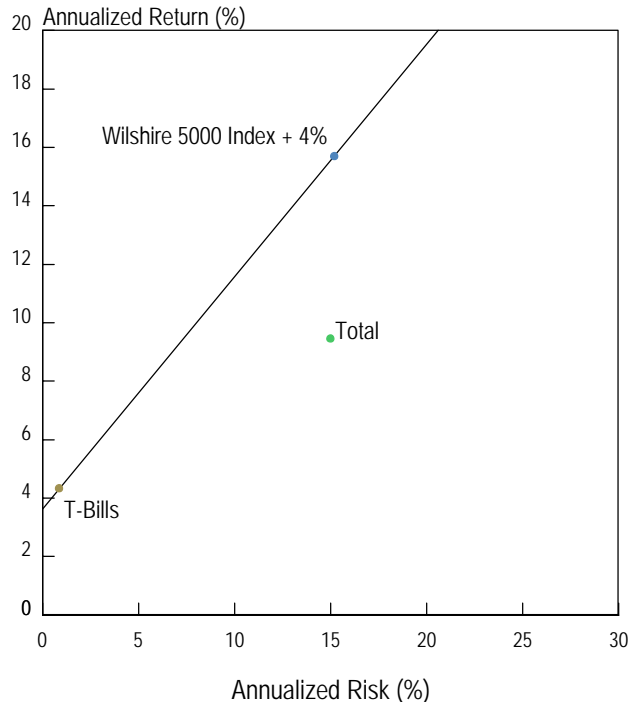
- The IRRs shown in the table above were provided by UTIMCO, as with all other data shown in this report.
- The since-inception IRR as of 11/30/03 was not available for inclusion in this report.

As of November 30, 2003

**RATIO OF CUMULATIVE WEALTH**  
14 YEARS 10 MONTHS ENDING 11/30/03



**ANNUALIZED RISK/RETURN**  
14 YEARS 10 MONTHS ENDING 11/30/03



- The data shown in the exhibits above reflect time-weighted returns.
- The Ratio of Cumulative Wealth graph above illustrates the private capital securities component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the component has significantly underperformed since inception. A sizeable portion of the underperformance is a result of below-benchmark returns earned early in the component's life (namely 1990-1991).
- The Risk Return graph above exhibits the risk return characteristics of the private capital component, relative to that of its benchmark. As shown, the component has underperformed the benchmark of the Wilshire 5000 +4% while incurring a similar level of risk.

\$848 Million

As of November 30, 2003

**HISTORICAL RETURNS\***

(BY YEAR)

	Private Capital	Wilshire 5000 Index + 4%	Return Difference
	Return	Return	
1989 (11 months)	0.0%	25.4%	-25.4
1990	3.6	-2.3	5.9
1991	-9.7	39.5	-49.2
1992	1.4	13.4	-12.0
1993	27.4	15.8	11.6
1994	9.9	4.0	5.9
1995	43.0	41.9	1.1
1996	37.9	26.1	11.8
1997	19.4	36.5	-17.1
1998	2.8	28.4	-25.6
1999	25.6	28.5	-2.9
2000	36.8	-7.2	44.0
2001	-22.6	-7.3	-15.3
2002	-10.6	-17.6	7.0
2003 (11 months)	-0.2	30.6	-30.8
Trailing 1-Year	-0.5%	23.8%	-24.3
Trailing 3-Year	-11.2	0.6	-11.8
Trailing 5-Year	3.7	4.9	-1.2
Trailing 10-Year	12.3	14.8	-2.5

- The returns shown in the table above reflect time-weighted returns.
- The table above compares the annual return history of the private capital component relative to its performance benchmark.

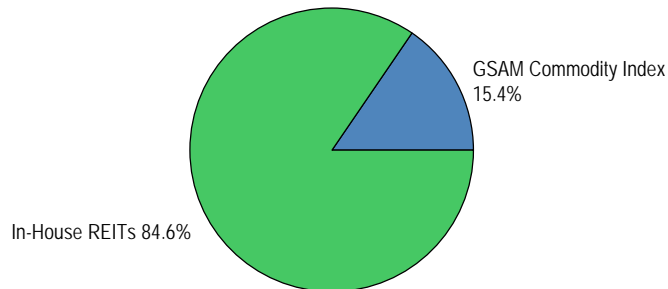
\* The annual returns in this exhibit represent calendar-year periods.

As of November 30, 2003

**RETURN SUMMARY  
ENDING 11/30/03**

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	Since Inception	Inception Date
<b>Inflation Hedging</b>	<b>8.8%</b>	<b>36.1%</b>	<b>18.6%</b>	<b>24.1%</b>	<b>11/30/99</b>
UTIMCO Inflation Hedging Benchmark	3.9	19.1	9.2	13.2	

**MANAGER ALLOCATION AS OF 11/30/03**



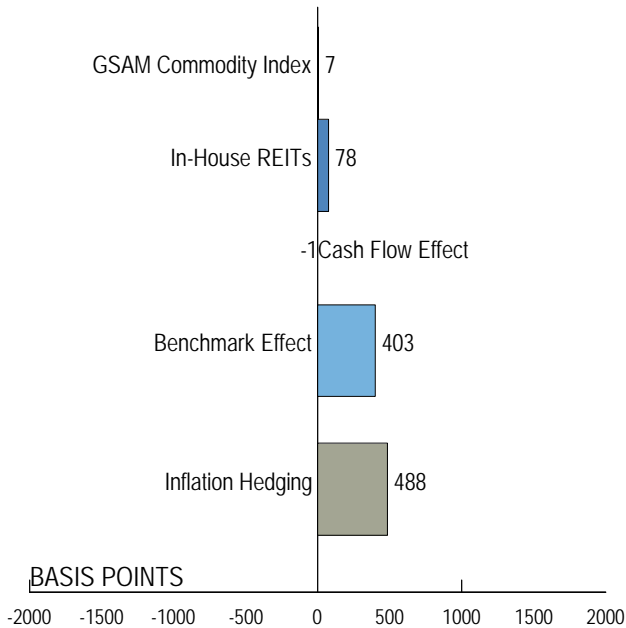
- The total inflation hedging component's return exceeded the performance of the benchmark over all time-periods shown above. The asset class component has outperformed its benchmark by over ten percentage points since inception.
- The graph above details the manager allocations of the inflation hedging asset class as of quarter-end.

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

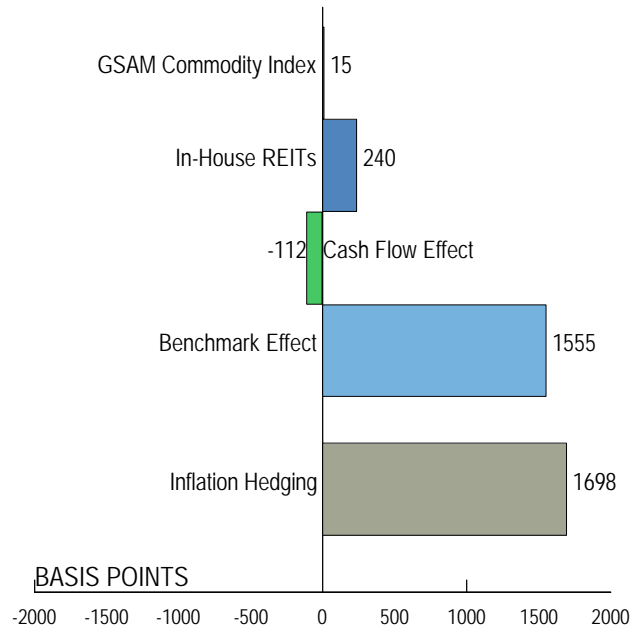
\$641 Million

As of November 30, 2003

**MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 11/30/03**



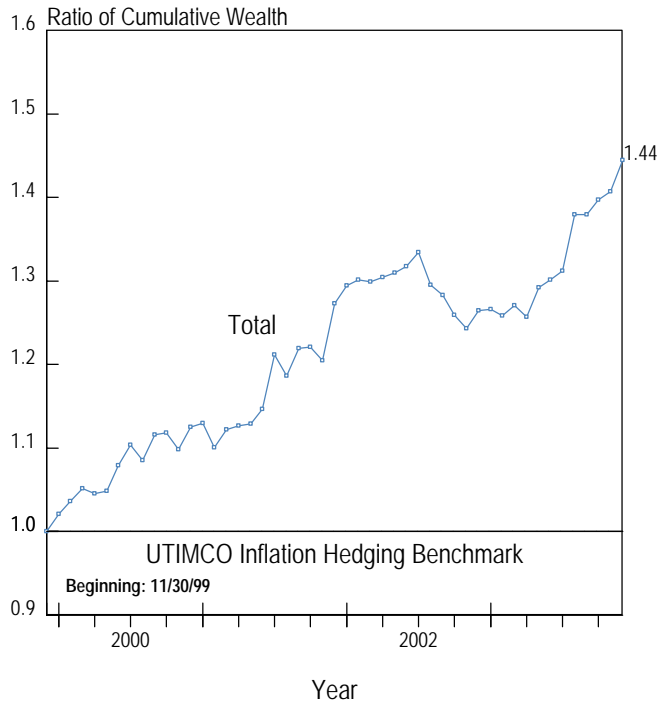
**MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 11/30/03**



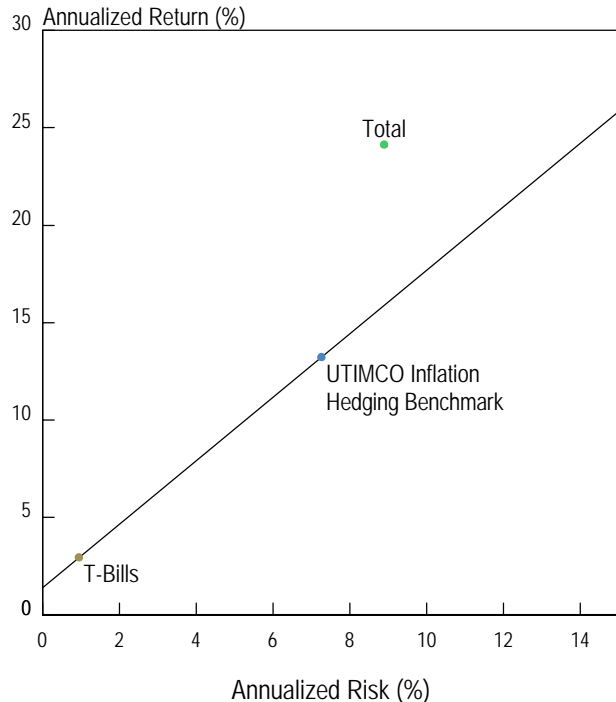
- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Total Inflation Hedging" represents the component's relative performance to the performance benchmark in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component. The bar labeled "Benchmark Effect" represents the difference between the benchmarks of the individual managers and the UTIMCO inflation hedging benchmark.

As of November 30, 2003

**RATIO OF CUMULATIVE WEALTH  
4 YEARS ENDING 11/30/03**



**ANNUALIZED RISK/RETURN  
4 YEARS ENDING 11/30/03**



- The Ratio of Cumulative Wealth graph above illustrates the inflation hedging component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the total inflation hedging component has significantly outperformed its benchmark since inception.
- The Risk Return graph above exhibits the risk return characteristics of the total inflation hedging component, relative to that of its performance benchmark. As shown, the component has outperformed while incurring a slightly higher level of risk.

**\$641 Million**

**As of November 30, 2003**

**HISTORICAL RETURNS\***

(BY YEAR)

	Inflation Hedging	UTIMCO Inflation Hedging Benchmark	Return Difference
	Return	Return	
1999 (1 month)	4.1%	2.0%	2.1
2000	39.5	26.0	13.5
2001	11.8	-2.5	14.3
2002	11.4	13.9	-2.5
2003 (11 months)	31.4	15.2	16.2
Since 8/31/03	8.8%	3.9%	4.9
Trailing 1-Year	36.1	19.1	17.0
Trailing 3-Year	18.6	9.2	9.4
Since Inception (11/30/99)	24.1	13.2	10.9

- The table above compares the annual return history of the inflation hedging component to that of the performance benchmark.

\* The annual returns in this exhibit represent calendar-year periods.



As of November 30, 2003

RETURN SUMMARY  
ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	Since Inception	Inception Date
<b>GSAM Commodity Index</b>	<b>0.4%</b>	<b>22.6%</b>	<b>--%</b>	<b>23.0%</b>	<b>3/31/02</b>
Goldman Sachs Commodity Index - 1%	0.0	21.6	--	16.1	
<b>In-House REITs</b>	<b>10.4</b>	<b>38.1</b>	<b>19.2</b>	<b>21.0</b>	<b>11/30/99</b>
Wilshire Real Estate Securities Index	9.5	34.7	17.2	19.5	

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

# GENERAL ENDOWMENT FUND

\$3,953 Million

As of November 30, 2003

## RETURN SUMMARY ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03
<b>General Endowment Fund</b>	<b>6.8%</b>	<b>20.2%</b>	<b>3.1%</b>	<b>6.3%</b>
Endowment Performance Benchmark**	6.1	17.8	2.5	5.1
<b>Total Domestic Equity</b>	<b>6.7</b>	<b>19.6</b>	<b>0.1</b>	<b>4.0</b>
Wilshire 5000 Index	6.4	19.0	-3.3	0.8
<b>Total International Equity</b>	<b>10.8</b>	<b>29.5</b>	<b>-0.9</b>	<b>0.7</b>
MSCI AC World Ex-U.S. Free Index	11.9	27.1	-2.3	0.7
<b>Total Fixed Income</b>	<b>4.2</b>	<b>10.4</b>	<b>8.9</b>	<b>6.6</b>
LB Aggregate Bond Index	1.9	5.2	7.9	6.5
<b>Total Absolute Return</b>	<b>5.6</b>	<b>23.8</b>	<b>11.5</b>	<b>12.8</b>
90-Day T-Bill + 4%	1.3	5.3	6.8	7.9
<b>Inflation Hedging</b>	<b>8.7</b>	<b>35.9</b>	<b>18.7</b>	<b>--</b>
UTIMCO Inflation Hedging Benchmark	3.9	19.1	9.2	--
<b>Private Capital***</b>	<b>2.3</b>	<b>-0.6</b>	<b>-11.4</b>	<b>3.4</b>
Wilshire 5000 Index + 4%	7.4	23.8	0.6	4.9

- The General Endowment Fund outperformed the Endowment Policy Benchmark by 70 basis points in the fiscal quarter ending November 30, 2003. The domestic equity, fixed income, absolute return, and inflation hedging components all outperformed their benchmarks and positively impacted relative performance.
- One-year performance exceeded the benchmark as each of the Fund's components except Private Capital outperformed their respective benchmarks. The Private Capital component's underperformance was offset by the positive effects produced by the U.S. equity, international equity, fixed income, absolute return, and inflation hedging segments.

\* Time-period represents the total return for the fiscal first quarter ending 11/30/03.

\*\* Performance represents the UTIMCO Board of Directors approved Endowment Policy Portfolio.

\*\*\* The data for Private Capital and its benchmark reflects time-weighted rates of return. On page 70 we also show returns using the internal rate of return (IRR) methodology. Please see pages 69 and 70 for additional information.

As of November 30, 2003

UTIMCO POLICY COMPLIANCE  
ASSET ALLOCATION AS OF 11/30/03  
(\$ in millions)

	Total	Percent of Total	UTIMCO Policy*	Variance
Passive Domestic	\$ 567	14.3 %	11.0 %	+3.3 %
Active Domestic	534	13.5	10.0	+3.5
Hedge & Structured Active Domestic	300	7.6	10.0	-2.4
Domestic Public Equity	\$ 1,401	35.4 %	31.0 %	+4.4 %
Passive International	\$ 319	8.1 %	6.5 %	+1.6 %
Active International	548	13.8	7.5	+6.3
Hedge & Structured Active International	35	0.9	5.0	-3.9
International Public Equity	\$ 902	22.8 %	19.0 %	+3.8 %
Fixed Income	\$ 491	12.4 %	15.0 %	-3.6 %
Absolute Return	407	10.3	10.0	+0.3
Inflation Hedging	337	8.5	10.0	-1.5
Private Capital	402	10.2	15.0	-4.8
GSAM Overlay	42	1.1	--	+1.1
Liquidity Reserve	-29	--	--	--
Total General Endowment Fund	\$ 3,953	100.0 %	100.0 %	0.0 %

- The table above summarizes and compares the actual asset allocation of the General Endowment Fund to UTIMCO Board of Directors approved policy targets of the Fund. As shown, the Fund was overweight both domestic and international public equity and correspondingly underweight fixed income. Additionally, the GEF has an approximate five percentage point underweight allocation to private capital as compared to the UTIMCO Policy.
- The GEF grew by \$368 million in the fiscal first quarter. Notable allocation changes include the increased allocation to active international equity during the quarter (13.8% as of November 30 vs. 12.1% as of August 31) and the decreased allocation to fixed income (12.4% vs. 13.8%).
- As of November 30, 20.8% of the General Endowment Fund was representative of the Permanent Health Fund and the remaining 79.2% was of the Long Term Fund.

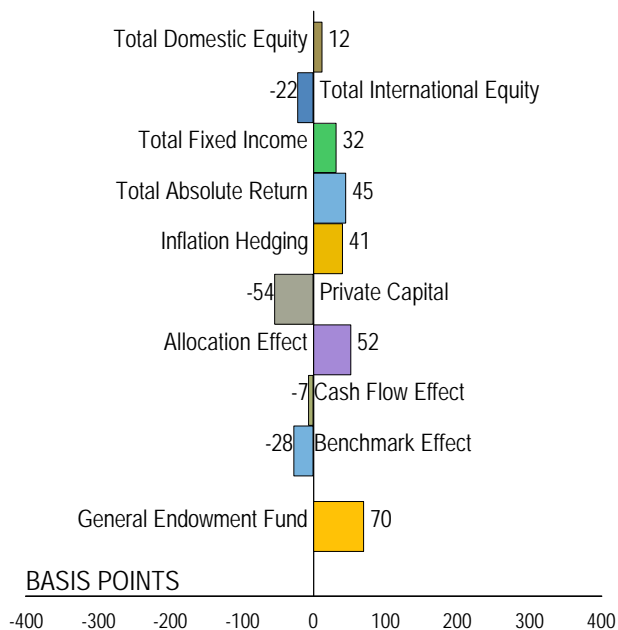
\* UTIMCO Policy represents the UTIMCO Board of Directors approved policy targets.

# GENERAL ENDOWMENT FUND

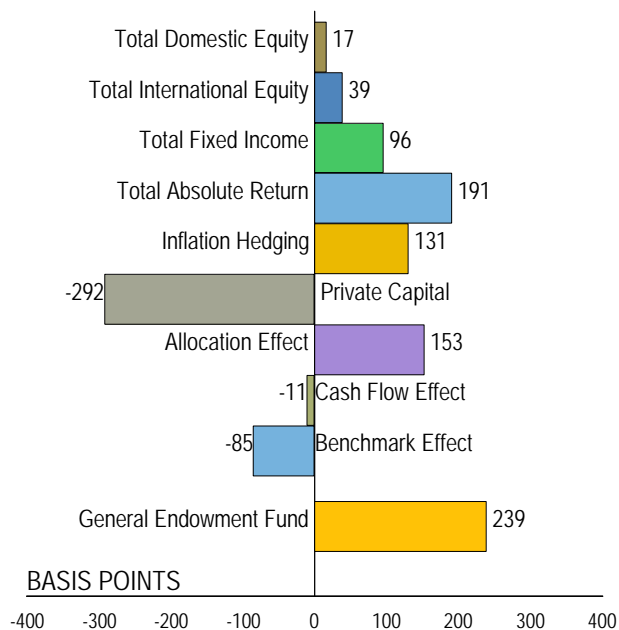
\$3,953 Million

As of November 30, 2003

**TOTAL FUND ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 11/30/03**



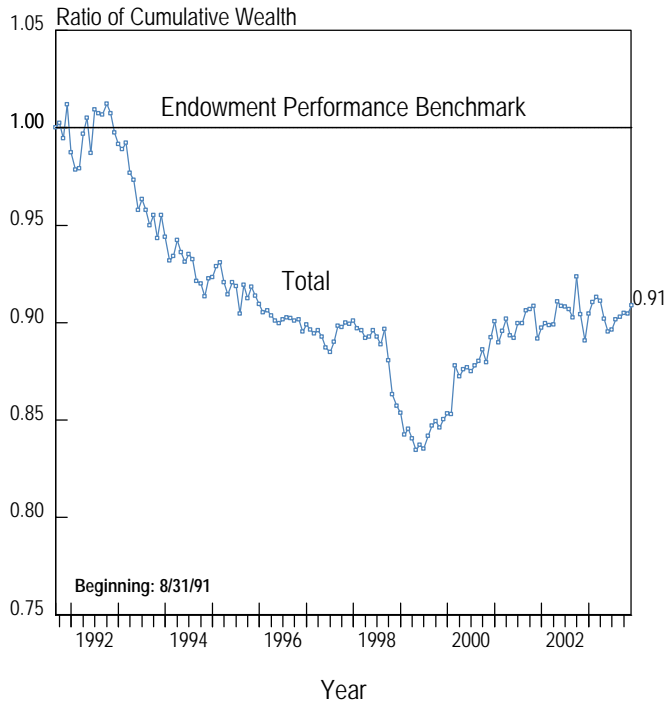
**TOTAL FUND ATTRIBUTION ANALYSIS  
1 YEAR ENDING 11/30/03**



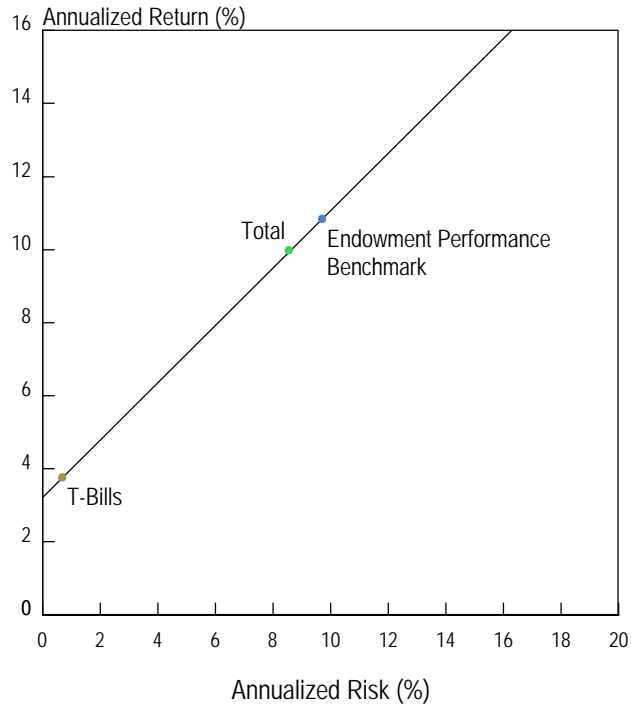
- The Performance Attribution exhibits shown above measure the source of the deviation of a fund's performance from that of its benchmark. Each bar on the graph represents the contribution made by the component to the total difference in performance (shown at the bottom of the exhibit). A positive value for a component indicates a positive contribution to the aggregate relative performance. A negative value indicates a detrimental impact. The asset class bar amounts are determined by multiplying the relative return of that asset class (actual return - policy benchmark return) by its policy weight. "Allocation Effect" details the degree to which the Fund's asset allocation differed from that of its policy, and what impact this had on performance. "Cash Flow Effect" details what impact any movement in Fund assets had on performance. "Benchmark Effect" details the impact of differences between the composition of the Total Fund benchmark and the benchmarks of the individual asset classes.
- As shown in the three-month exhibit, the favorable performance earned by most of the marketable-security asset classes benefited performance, collectively offsetting the negative impact produced by the International Equity and Private Capital components' trailing results. The General Endowment Fund also benefited from the overweight allocation to domestic and international public equities as both markets outpaced the other marketable asset classes invested in by the Fund.
- The one-year attribution analysis shows a similar story; however, the International Equity component provided a positive impact and the Absolute Return and Inflation Hedging segments had a significantly larger positive impact on performance.
- The data for Private Capital and its benchmark reflects time-weighted rates of return.

As of November 30, 2003

**RATIO OF CUMULATIVE WEALTH  
12 YEARS 3 MONTHS ENDING 11/30/03**



**ANNUALIZED RISK/RETURN  
12 YEARS 3 MONTHS ENDING 11/30/03**



- The Ratio of Cumulative Wealth graph above illustrates the Total General Endowment Fund's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, between 1993 and 1999 the Fund's performance trailed that of the benchmark. Since 1999, the Fund has exceeded the performance of its benchmark.
- The Risk Return graph above exhibits the risk return characteristics of the Total General Endowment Fund, relative to that of the Performance Benchmark. As shown, the Fund earned a slightly lower return at a comparatively lower level of volatility.

# GENERAL ENDOWMENT FUND

\$3,953 Million

As of November 30, 2003

## HISTORICAL RETURNS\*

(BY YEAR)

	General Endowment Fund	Endowment Performance Benchmark**	Return Difference
	Return	Return	
1991 (4 months)	6.4%	7.8%	-1.4
1992	7.8	7.4	0.4
1993	10.9	16.5	-5.6
1994	0.2	2.4	-2.2
1995	25.1	27.0	-1.9
1996	14.3	15.7	-1.4
1997	20.5	20.2	0.3
1998	11.6	17.7	-6.1
1999	18.6	18.7	-0.1
2000	3.9	-1.6	5.5
2001	-5.0	-4.7	-0.3
2002	-7.7	-8.4	0.7
2003 (11 months)	21.2	20.7	0.5
Trailing 1-Year	20.2%	17.8%	2.4
Trailing 3-Year	3.1	2.5	0.6
Trailing 5-Year	6.3	5.1	1.2
Trailing 10-Year	9.8	10.4	-0.6
Since Inception (8/31/91)	10.0	10.8	-0.8

- The table above compares the annual return history of the General Endowment Fund to that of its performance benchmark.

\* The annual returns in this exhibit represent calendar-year periods.

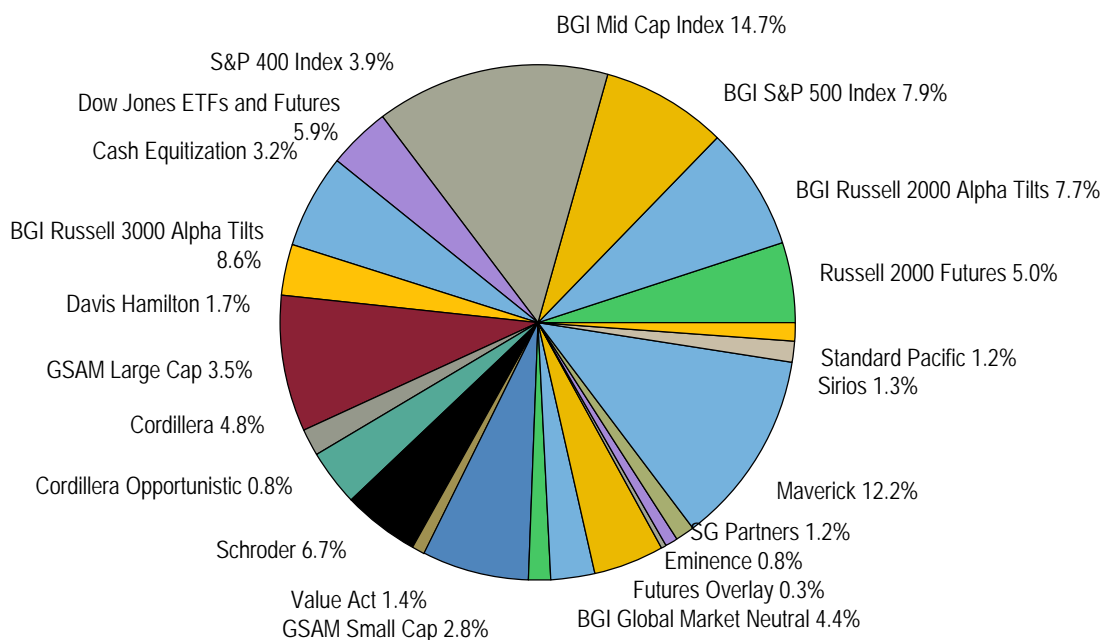
\*\* The Endowment Performance Benchmark represents the returns of the UTIMCO Board of Directors approved Endowment Policy Portfolio.

As of November 30, 2003

RETURN SUMMARY  
ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>Total Domestic Equity</b>	<b>6.7%</b>	<b>19.6%</b>	<b>0.1%</b>	<b>4.0%</b>	<b>10.6%</b>	<b>8/31/91</b>
Wilshire 5000 Index	6.4	19.0	-3.3	0.8	10.5	

MANAGER ALLOCATION AS OF 11/30/03



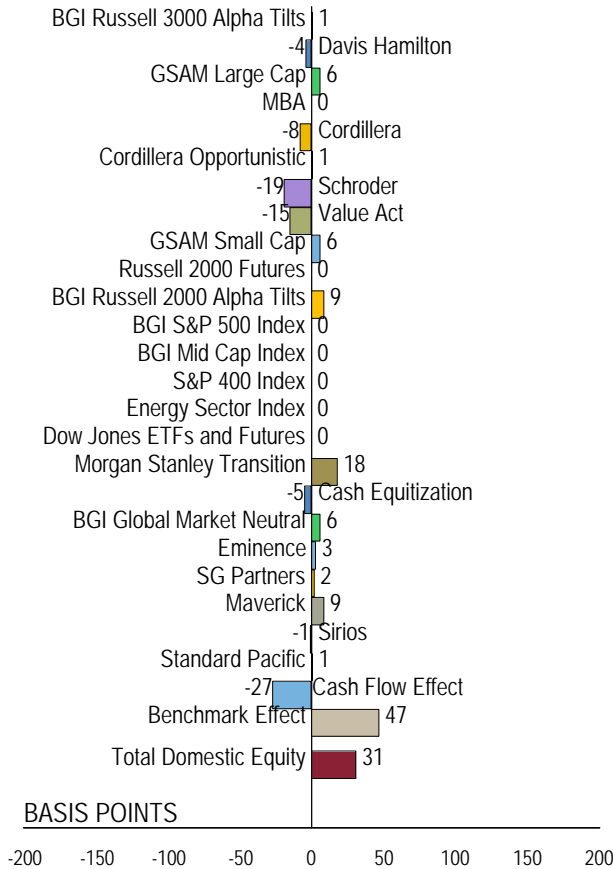
- The table above details the trailing-period performance of the total domestic equity component relative to the Wilshire 5000 Index. The component has outperformed its benchmark over each period shown.
- The graph above details the manager allocations of the domestic equity asset class as of quarter-end. Six investments were added to the domestic equity component during the quarter. As a result, the active / passive mix of the component experienced a slight increase in its passive exposure. Total domestic equity is underweight hedge and structured active domestic equity relative to UTIMCO policy and holds a correspondingly overweight allocation to both passive and active domestic public equities.

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

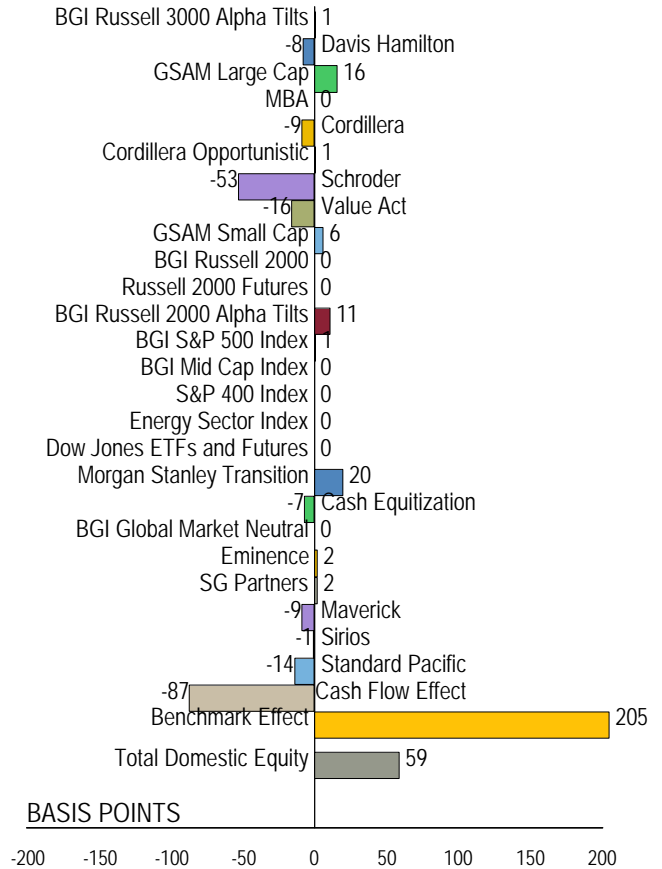
\$1,401 Million

As of November 30, 2003

MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 11/30/03



MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 11/30/03

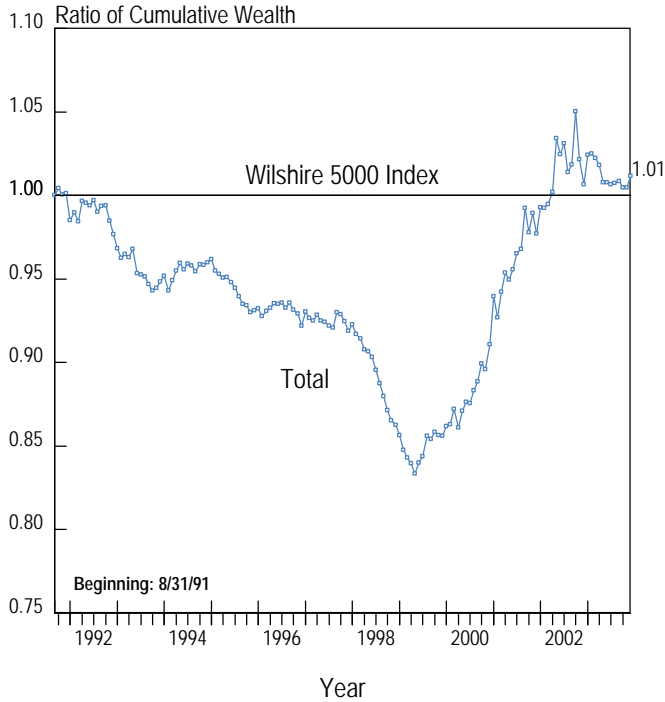


- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Total Domestic Equity" represents the component's relative performance to the Wilshire 5000 in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component. The bar labeled "Benchmark Effect" represents the difference between the benchmarks of the individual managers and the U.S. equity benchmark.
- As shown in the three-month exhibit, relative performance was positively influenced by the mid- and small-cap emphasis of the component. The benchmark effect is a result of this emphasis during a period in which mid- and small-cap stocks outperformed their large-cap counterparts. This effect is more prominent in the one-year exhibit as the performance difference between large-cap and small-cap stocks was over twenty percentage points.

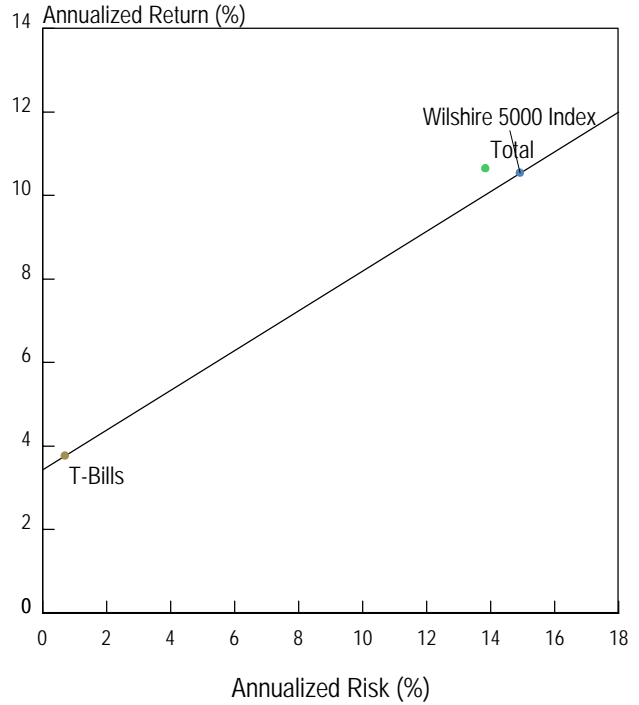


As of November 30, 2003

**RATIO OF CUMULATIVE WEALTH  
12 YEARS 3 MONTHS ENDING 11/30/03**



**ANNUALIZED RISK/RETURN  
12 YEARS 3 MONTHS ENDING 11/30/03**



- The Ratio of Cumulative Wealth graph above illustrates the domestic equity component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, performance trailed the Index prior to 1999, though it has exceeded that of the Index since 1999.
- The Risk Return graph above exhibits the risk return characteristics of the total domestic equity component, relative to that of the Performance Benchmark. As shown, the asset class has achieved a similar return as the Index at a slightly lower level of volatility.

\$1,401 Million

As of November 30, 2003

## HISTORICAL RETURNS\*

(BY YEAR)

	Total Domestic Equity	Wilshire 5000 Index	Return Difference
	Return	Return	
1991 (4 months)	5.9%	7.5%	-1.6
1992	7.1	9.0	-1.9
1993	9.4	11.3	-1.9
1994	1.0	-0.1	1.1
1995	32.3	36.4	-4.1
1996	21.0	21.2	-0.2
1997	30.2	31.3	-1.1
1998	14.6	23.4	-8.8
1999	24.3	23.6	0.7
2000	-2.8	-10.9	8.1
2001	-5.9	-11.0	5.1
2002	-18.4	-20.9	2.5
2003 (11 months)	24.4	26.0	-1.6
Trailing 1-Year	19.6%	19.0%	0.6
Trailing 3-Year	0.1	-3.3	3.4
Trailing 5-Year	4.0	0.8	3.2
Trailing 10-Year	11.0	10.3	0.7
Since Inception (8/31/91)	10.6	10.5	0.1

- The table above compares the annual return history of the total domestic equity component to that of the Wilshire 5000 Index.

\* The annual returns in this exhibit represent calendar-year periods.

As of November 30, 2003

RETURN SUMMARY  
ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>Russell 2000 Futures</b>	10.3%	--%	--%	--%	16.0%	6/30/03
Russell 2000 Index	10.2	--	--	--	22.4	
<b>BGI Russell 2000 Alpha Tilts</b>	11.3	37.8	--	--	9.5	12/31/01
Russell 2000 Index	10.2	36.3	--	--	7.4	
<b>BGI S&amp;P 500 Index</b>	5.4	15.1	-5.5	-0.5	11.4	1/31/93
S&P 500 Index	5.5	15.1	-5.5	-0.5	10.5	
<b>BGI Mid Cap Index</b>	9.6	27.9	6.9	11.4	14.7	11/30/92
S&P 400 Mid Cap Index	9.6	27.9	6.9	11.4	14.1	
<b>S&amp;P 400 Index</b>	--	--	--	--	3.4	10/31/03
S&P 400 Mid Cap Index	--	--	--	--	3.5	
<b>Energy Sector Index</b>	--	--	--	--	3.3	9/30/03
ML 90-day T-Bill	--	--	--	--	0.2	
<b>Dow Jones ETFs and Futures</b>	--	--	--	--	-0.5	10/31/03
Mdjia.Ret	--	--	--	--	0.1	
<b>Morgan Stanley Transition</b>	--	--	--	--	11.8	9/30/03
S&P 400 Mid Cap Index	--	--	--	--	11.3	
<b>Cash Equitization</b>	5.0	14.5	--	--	-4.8	2/28/01
S&P 500 Index	5.5	15.1	--	--	-4.1	
<b>BGI Russell 3000 Alpha Tilts</b>	6.5	--	--	--	6.5	8/31/03
Russell 3000 Index	6.3	--	--	--	6.3	
<b>Davis Hamilton</b>	3.3	10.7	-7.3	0.3	9.6	12/31/93
S&P 500 Index	5.5	15.1	-5.5	-0.5	10.6	
<b>GSAM Large Cap</b>	6.8	18.3	-4.2	0.5	0.6	3/31/98
S&P 500 Index	5.5	15.1	-5.5	-0.5	0.7	
<b>MBA</b>	4.4	17.0	-8.9	-4.5	2.6	10/31/95
S&P 500 Index	5.5	15.1	-5.5	-0.5	9.4	
<b>Cordillera</b>	7.7	35.9	-5.8	9.8	10.3	12/31/93
Russell 2000 Growth Index	9.3	37.7	-0.2	2.5	5.4	
<b>Cordillera Opportunistic</b>	--	--	--	--	4.9	10/31/03
Russell 2000 Index	--	--	--	--	3.5	
<b>Schroder</b>	7.1	27.2	7.4	8.8	10.9	12/31/93
Russell 2000 Index	10.2	36.3	8.5	8.0	9.3	
<b>Value Act</b>	-0.4	--	--	--	3.2	7/31/03
Russell 2000 Index	10.2	--	--	--	15.2	
<b>GSAM Small Cap</b>	12.5	38.4	12.3	10.1	5.4	3/31/98
Russell 2000 Index	10.2	36.3	8.5	8.0	3.6	
<b>BGI Global Market Neutral</b>	6.8	--	--	--	19.1	12/31/02
S&P 500 Index	5.5	--	--	--	22.3	
<b>Futures Overlay</b>	--	--	--	--	0.8	10/31/03
S&P 500 Index	--	--	--	--	0.9	
<b>Eminence</b>	5.5	--	--	--	3.5	6/30/03
90-Day T-Bill + 4%	1.3	--	--	--	2.1	
<b>SG Partners</b>	2.7	--	--	--	2.7	8/31/03
90-Day T-Bill + 4%	1.3	--	--	--	1.3	
<b>Maverick</b>	2.4	5.4	6.7	14.1	11.4	7/31/98
90-Day T-Bill + 4%	1.3	5.3	6.8	7.9	8.0	
<b>Sirios</b>	0.8	--	--	--	4.4	4/30/03
90-Day T-Bill + 4%	1.3	--	--	--	3.0	
<b>Standard Pacific</b>	2.2	--	--	--	-4.4	2/28/03
90-Day T-Bill + 4%	1.3	--	--	--	3.9	

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

Ennis Knupp + Associates

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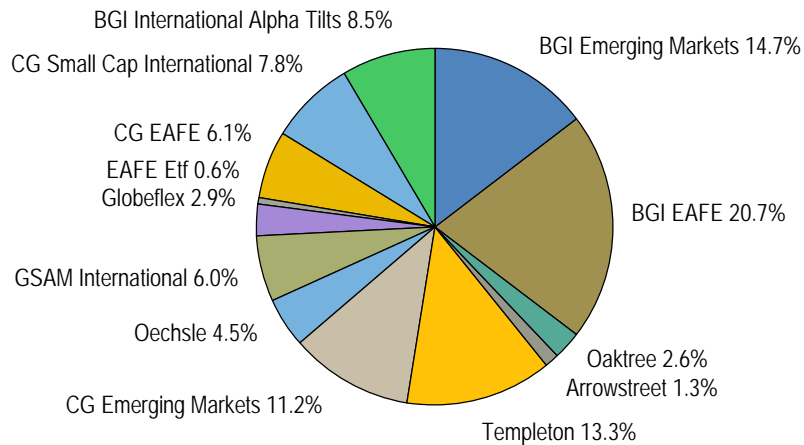
\$902 Million

As of November 30, 2003

RETURN SUMMARY  
ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>Total International Equity</b>	<b>10.8%</b>	<b>29.5%</b>	<b>-0.9%</b>	<b>0.7%</b>	<b>4.8%</b>	<b>3/31/93</b>
MSCI AC World Ex-U.S. Free Index	11.9	27.1	-2.3	0.7	5.5	

MANAGER ALLOCATION AS OF 11/30/03

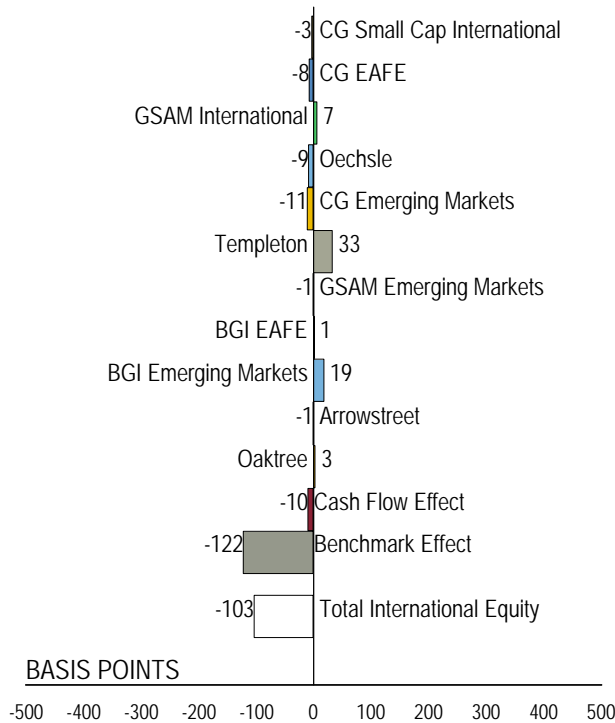


- The table above details the trailing-period performance of the total non-U.S. equity component relative to the MSCI All-Country World ex-U.S. Index. The current quarter's underperformance was directly a result of the relatively low returns earned by the Oaktree and Arrowstreet hedge funds and the underperformance of the Capital Guardian portfolios and Oechsle. The component has outperformed its benchmark over the one-year and three-year periods.
- The graph above details the manager allocations of the international equity asset class as of quarter-end. One additional investment was made during the quarter in the form of an EAFE ETF vehicle. The international equity component had a slightly greater bias to active equities as of November 30 than it had at the prior quarter's end.

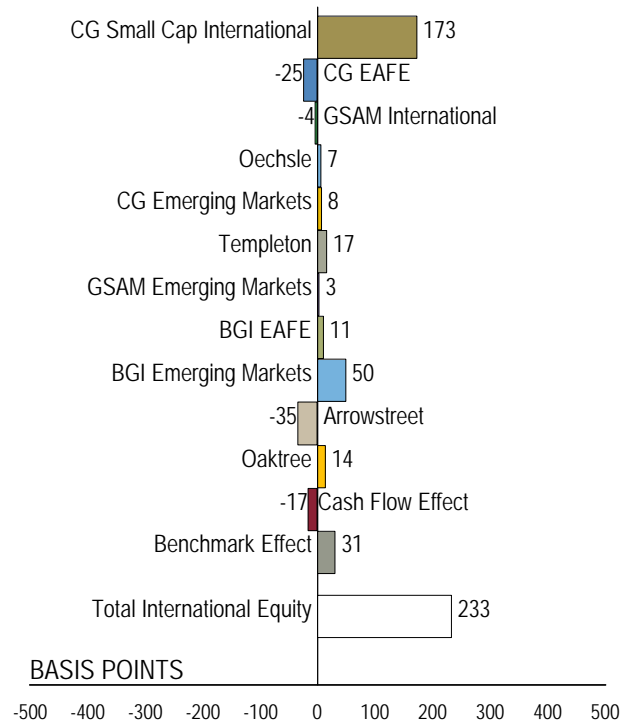
\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

As of November 30, 2003

MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 11/30/03



MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 11/30/03

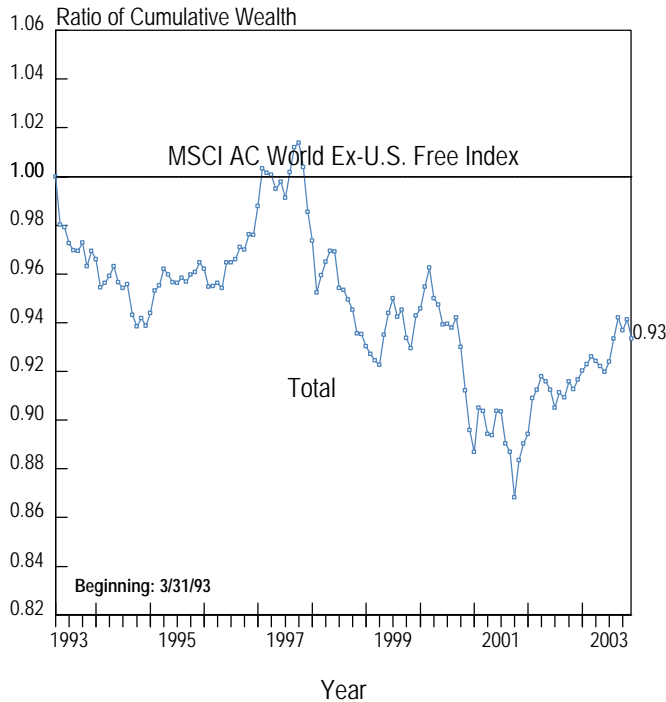


- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Total International Equity" represents the component's relative performance to the MSCI All Country World ex-U.S. Free Index in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component. The bar labeled "Benchmark Effect" represents the difference between the benchmarks of the individual managers and the international equity benchmark.
- As shown in both exhibits, manager results have been mixed. The Capital Guardian Small Cap International portfolio has performed best relative to its benchmark during the one-year period. Six of the managers underperformed over the three-month period, and three underperformed over the one-year period. The negative benchmark effect during the quarter is a result of the low returns represented by the hedge fund benchmark, whereas the positive benchmark effect over the one-year period was significantly impacted by the large positive returns earned in the emerging markets.

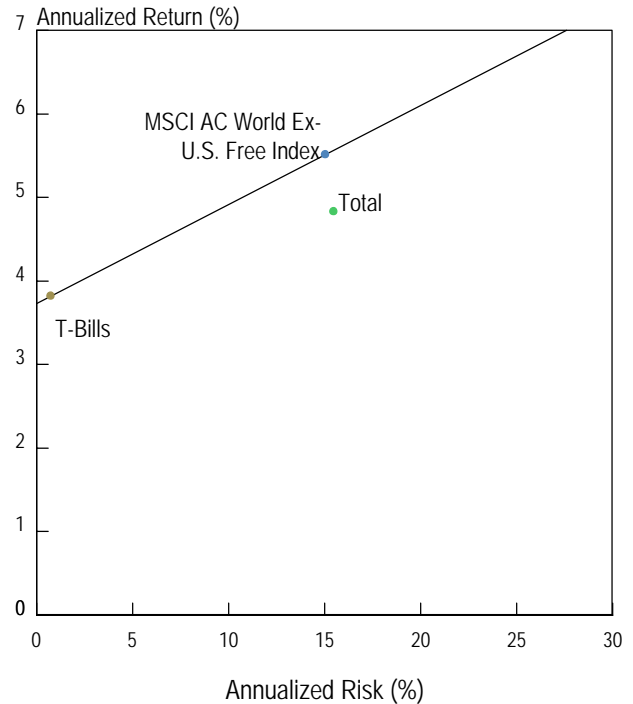
\$902 Million

As of November 30, 2003

**RATIO OF CUMULATIVE WEALTH**  
10 YEARS 8 MONTHS ENDING 11/30/03



**ANNUALIZED RISK/RETURN**  
10 YEARS 8 MONTHS ENDING 11/30/03



- The Ratio of Cumulative Wealth graph above illustrates the international equity component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, performance exceeded that of the Index from 1994 to 1997, trailed it from 1997 to 2001 and has exceeded it since 2001.
- The Risk Return graph above exhibits the risk return characteristics of the total international equity component, relative to that of the Performance Benchmark. As shown, the asset class has earned a lower return than the Index at a similar level of volatility.

As of November 30, 2003

**HISTORICAL RETURNS\***

(BY YEAR)

	Total International Equity	MSCI AC World Ex-U.S. Free Index	Return Difference
	Return	Return	
1993 (9 months)	16.8%	21.0%	-4.2
1994	4.2	6.6	-2.4
1995	12.0	9.9	2.1
1996	9.6	6.7	2.9
1997	0.6	2.0	-1.4
1998	9.3	14.5	-5.2
1999	33.1	30.9	2.2
2000	-20.4	-15.1	-5.3
2001	-18.8	-19.5	0.7
2002	-12.2	-14.7	2.5
2003 (11 months)	33.3	31.4	1.9
Trailing 1-Year	29.5%	27.1%	2.4
Trailing 3-Year	-0.9	-2.3	1.4
Trailing 5-Year	0.7	0.7	0.0
Trailing 10-Year	4.3	4.7	-0.4
Since Inception (3/31/93)	4.8	5.5	-0.7

- The table above compares the annual return history of the international equity component to that of its performance benchmark.

\* The annual returns in this exhibit represent calendar-year periods.

\$902 Million

As of November 30, 2003

RETURN SUMMARY  
ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>BGI EAFE</b>	<b>12.0%</b>	<b>24.5%</b>	<b>-3.7%</b>	<b>-0.9%</b>	<b>5.6%</b>	<b>3/31/93</b>
EAFE Index	11.9	24.2	-4.2	-0.8	5.1	
<b>BGI Emerging Markets</b>	<b>11.2</b>	<b>42.5</b>	<b>--</b>	<b>--</b>	<b>16.1</b>	<b>1/31/02</b>
MSCI Emerging Markets Free Index	10.1	36.7	--	--	13.5	
<b>BGI International Alpha Tilts</b>	<b>11.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>11.9</b>	<b>8/31/03</b>
EAFE Index	11.9	--	--	--	11.9	
<b>CG Small Cap International</b>	<b>11.5</b>	<b>45.1</b>	<b>-1.9</b>	<b>2.5</b>	<b>0.4</b>	<b>11/30/96</b>
EAFE Index	11.9	24.2	-4.2	-0.8	1.6	
<b>CG EAFE</b>	<b>10.9</b>	<b>21.5</b>	<b>-3.6</b>	<b>--</b>	<b>-6.7</b>	<b>7/31/00</b>
EAFE Index	11.9	24.2	-4.2	--	-6.7	
<b>Globeflex</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2.1</b>	<b>10/31/03</b>
MSCI EAFE Index	--	--	--	--	2.2	
<b>GSAM International</b>	<b>13.0</b>	<b>24.1</b>	<b>-4.9</b>	<b>-0.5</b>	<b>-0.7</b>	<b>3/31/98</b>
EAFE Index	11.9	24.2	-4.2	-0.8	-0.6	
<b>Oechsle</b>	<b>10.2</b>	<b>26.5</b>	<b>-7.2</b>	<b>--</b>	<b>-9.6</b>	<b>7/31/00</b>
EAFE Index	11.9	24.2	-4.2	--	-6.7	
<b>CG Emerging Markets</b>	<b>9.2</b>	<b>37.2</b>	<b>7.9</b>	<b>--</b>	<b>-1.8</b>	<b>7/31/00</b>
MSCI Emerging Markets Free Index	10.1	36.7	8.2	--	-0.6	
<b>Templeton</b>	<b>13.2</b>	<b>39.4</b>	<b>13.3</b>	<b>7.3</b>	<b>2.0</b>	<b>12/31/95</b>
MSCI Emerging Markets Free Index	10.1	36.7	8.2	6.3	-1.3	
<b>Arrowstreet</b>	<b>0.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-12.0</b>	<b>5/31/03</b>
90-Day T-Bill + 4%	1.3	--	--	--	2.6	
<b>Oaktree</b>	<b>1.9</b>	<b>9.1</b>	<b>--</b>	<b>--</b>	<b>8.7</b>	<b>12/31/01</b>
90-Day T-Bill + 4%	1.3	5.3	--	--	5.6	

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

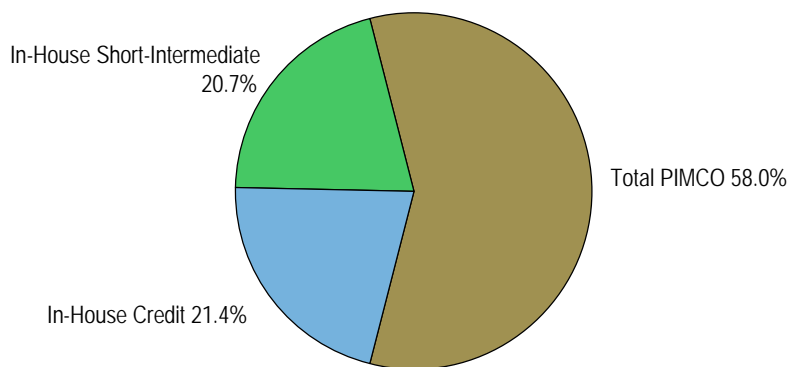


As of November 30, 2003

**RETURN SUMMARY  
ENDING 11/30/03**

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>Total Fixed Income</b>	<b>4.2%</b>	<b>10.4%</b>	<b>8.9%</b>	<b>6.6%</b>	<b>11.2%</b>	<b>8/31/81</b>
LB Aggregate Bond Index	1.9	5.2	7.9	6.5	10.6	

**MANAGER ALLOCATION AS OF 11/30/03**



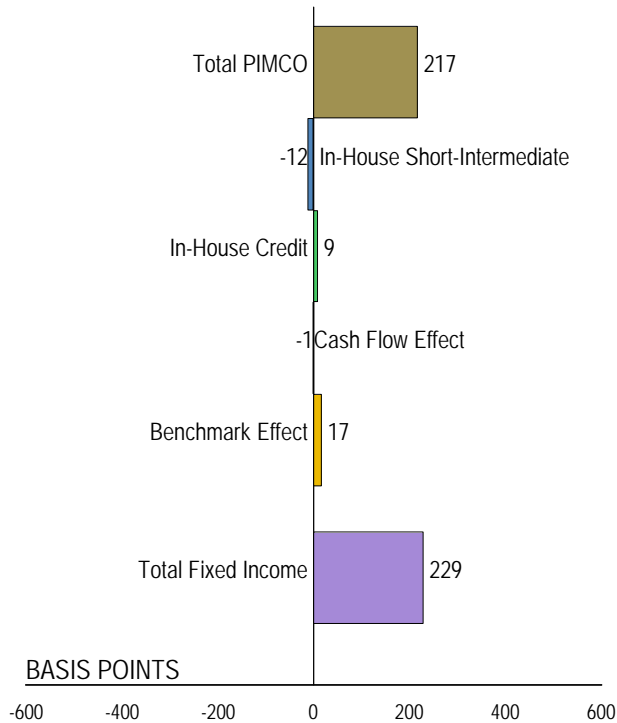
- The table above details the trailing-period performance of the total fixed income component relative to the Lehman Brothers Aggregate Bond Index. The component has outperformed its benchmark over each period shown. Outperformance has been aided by the component's international market exposure as these markets have significantly outperformed the domestic market.
- The graph above details the allocation to each manager of the fixed income component as of quarter-end. Beginning with this quarter's performance reporting, UTIMCO and this report are combining the domestic PIMCO and international PIMCO portfolios into one item named Total PIMCO. Additionally, the GSAM U.S. Fixed Income portfolio (1.9% of fixed income assets as of August 31st) was eliminated from the program during the quarter.

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

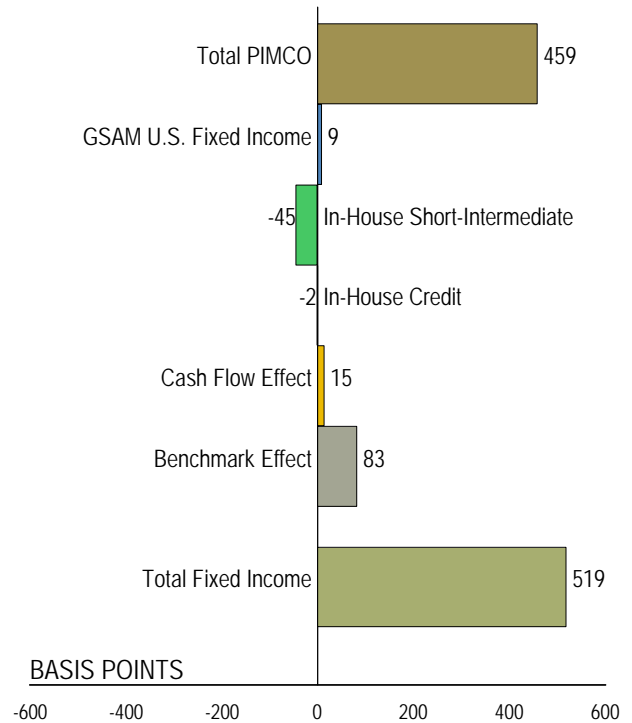
\$491 Million

As of November 30, 2003

MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 11/30/03



MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 11/30/03

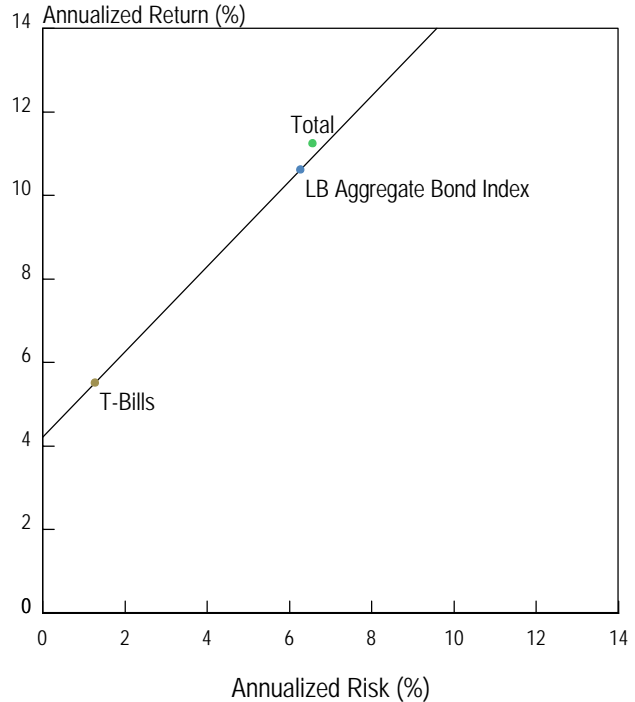
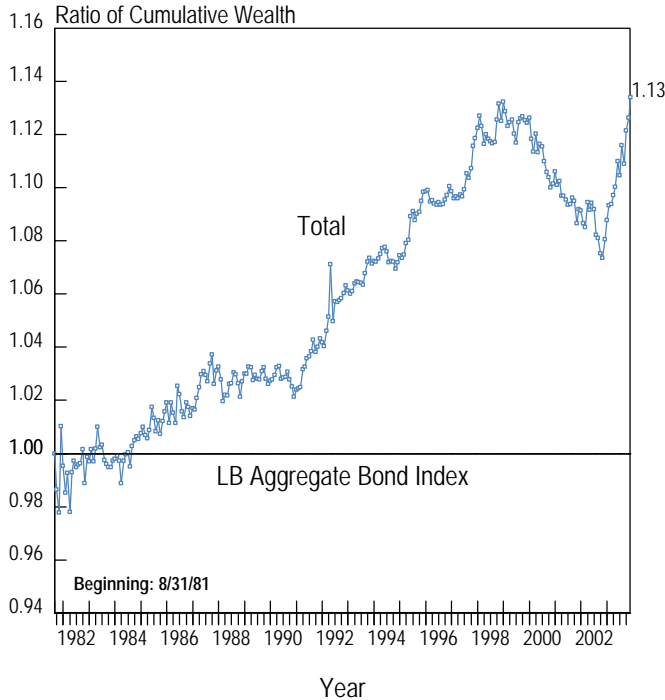


- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Total Fixed Income" represents the component's relative performance to the Lehman Aggregate Bond Index in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component.

As of November 30, 2003

**RATIO OF CUMULATIVE WEALTH**  
22 YEARS 3 MONTHS ENDING 11/30/03

**ANNUALIZED RISK/RETURN**  
22 YEARS 3 MONTHS ENDING 11/30/03



- The Ratio of Cumulative Wealth graph above illustrates the fixed income component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, performance has generally been favorable relative to the Index, despite a period of underperformance in 2000 and 2001. Recent outperformance has resulted in increased value-added relative to the Lehman Aggregate Bond Index since inception.
- The Risk Return graph above exhibits the risk return characteristics of the total fixed income asset class, relative to that of the Performance Benchmark. As shown, the asset class has earned a slightly greater return than the Index at a slightly greater level of volatility.

\$491 Million

As of November 30, 2003

## HISTORICAL RETURNS\*

(BY YEAR)

	Total Fixed Income	LB Aggregate Bond Index	Return Difference
	Return	Return	
1981 (4 months)	10.0%	10.5%	-0.5
1982	32.8	32.6	0.2
1983	8.5	8.4	0.1
1984	16.3	15.1	1.2
1985	23.5	22.1	1.4
1986	15.0	15.3	-0.3
1987	4.3	2.8	1.5
1988	7.6	7.9	-0.3
1989	14.2	14.5	-0.3
1990	8.6	9.0	-0.4
1991	18.0	16.0	2.0
1992	9.4	7.4	2.0
1993	10.9	9.7	1.2
1994	-2.7	-2.9	0.2
1995	21.1	18.5	2.6
1996	3.6	3.6	0.0
1997	12.0	9.7	2.3
1998	9.6	8.7	0.9
1999	-1.3	-0.8	-0.5
2000	9.6	11.6	-2.0
2001	7.0	8.4	-1.4
2002	9.9	10.3	-0.4
2003 (11 months)	7.4	3.1	4.3
Trailing 1-Year	10.4%	5.2%	5.2
Trailing 3-Year	8.9	7.9	1.0
Trailing 5-Year	6.6	6.5	0.1
Trailing 10-Year	7.5	6.9	0.6
Since Inception (8/31/81)	11.2	10.6	0.6

- The table above compares the annual return history of the total fixed income component to that of the Lehman Aggregate Bond Index.

\* The annual returns in this exhibit represent calendar-year periods.

As of November 30, 2003

RETURN SUMMARY  
ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>Total PIMCO</b>	<b>5.7%</b>	<b>14.0%</b>	<b>11.0%</b>	<b>7.4%</b>	<b>7.7%</b>	<b>2/28/98</b>
LB Aggregate Bond Index	1.9	5.2	7.9	6.5	6.9	
<b>In-House Short- Intermediate</b>	<b>1.3</b>	<b>3.5</b>	<b>5.8</b>	<b>--</b>	<b>7.3</b>	<b>1/31/00</b>
LB Aggregate Bond Index	1.9	5.2	7.9	--	8.8	
<b>In-House Credit</b>	<b>3.1</b>	<b>9.0</b>	<b>--</b>	<b>--</b>	<b>7.2</b>	<b>1/31/01</b>
Credit Related Composite Index**	2.7	9.2	--	--	8.6	

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

\*\* The description of the composite benchmark can be found in the appendix of this report.  
Ennis Knupp + Associates

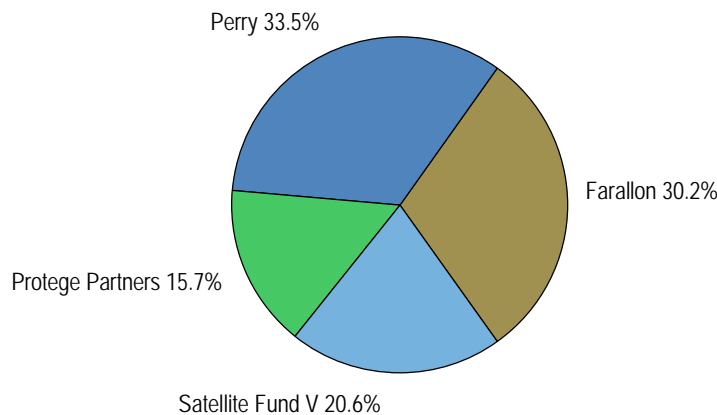
\$407 Million

**As of November 30, 2003**

**RETURN SUMMARY  
ENDING 11/30/03**

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>Total Absolute Return</b>	<b>5.6%</b>	<b>23.8%</b>	<b>11.5%</b>	<b>12.8%</b>	<b>11.0%</b>	<b>7/31/98</b>
90-Day T-Bill + 4%	1.3	5.3	6.8	7.9	8.0	

**MANAGER ALLOCATION AS OF 11/30/03**

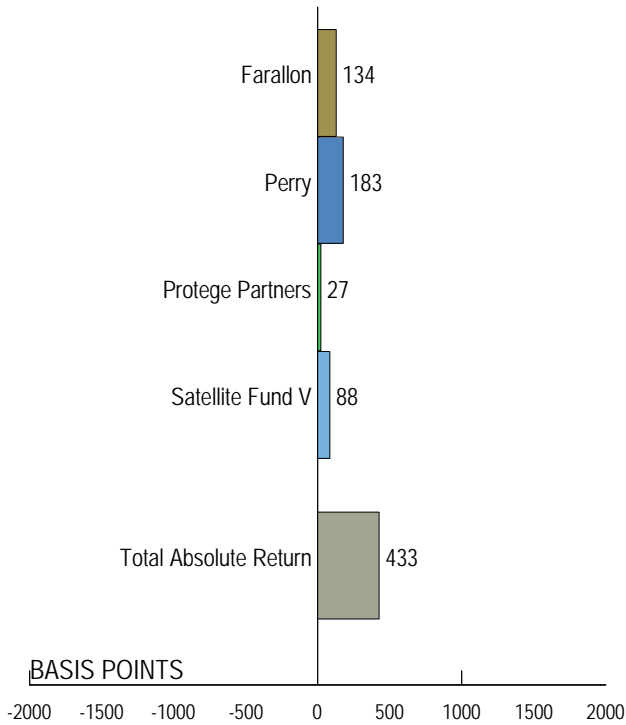


- The total absolute return component outperformed in the recent fiscal quarter as each of the managers earned a return exceeding that of the benchmark during the period. Longer-term performance shown above is also favorable as the component outperformed its benchmark by over five percentage points since inception.
- The graph above details the allocation to each manager of the absolute return component as of quarter-end.

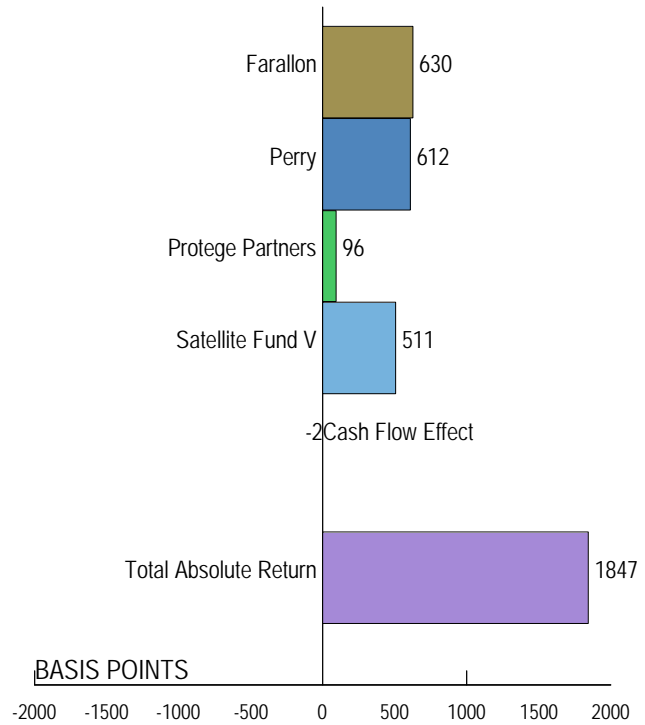
\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

As of November 30, 2003

MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 11/30/03



MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 11/30/03



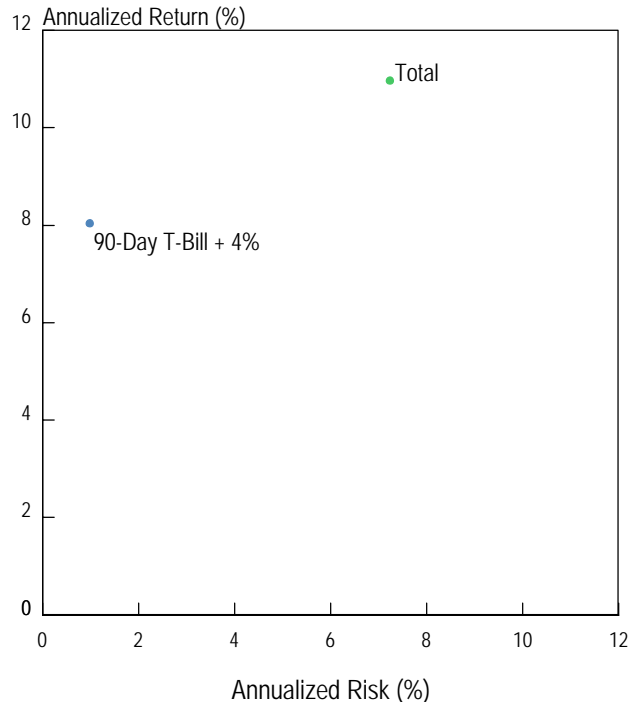
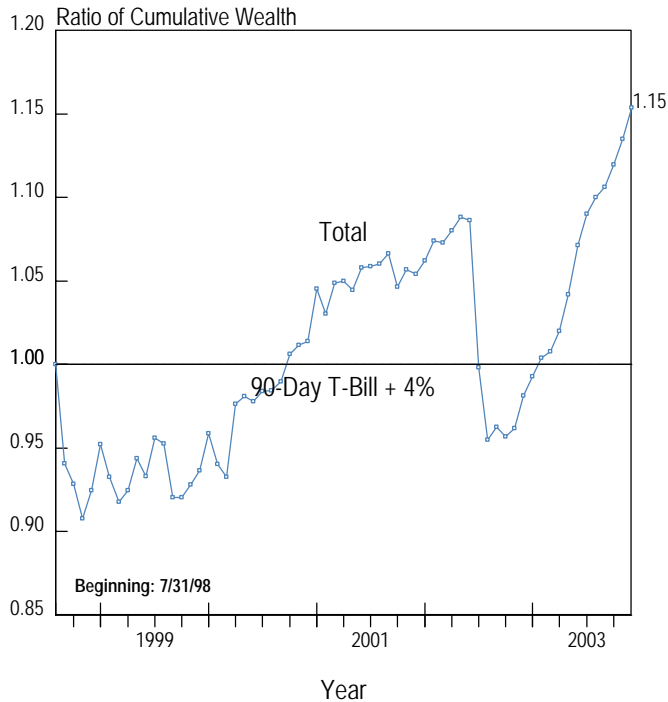
- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Total Absolute Return" represents the component's relative performance to the performance benchmark in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component.

\$407 Million

As of November 30, 2003

**RATIO OF CUMULATIVE WEALTH  
5 YEARS 4 MONTHS ENDING 11/30/03**

**ANNUALIZED RISK/RETURN  
5 YEARS 4 MONTHS ENDING 11/30/03**



- The Ratio of Cumulative Wealth graph above illustrates the absolute return component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, performance has generally been favorable relative to the Index, despite a period of underperformance in 2002.
- The Risk Return graph above exhibits the risk return characteristics of the absolute return asset class, relative to that of the benchmark. As shown, the asset class has earned a greater return than the benchmark at a greater level of volatility.



As of November 30, 2003

**HISTORICAL RETURNS\***

(BY YEAR)

	Total Absolute Return	90-Day T-Bill + 4%	Return Difference
	Return	Return	
1998 (5 months)	-1.1%	3.8%	-4.9
1999	9.8	9.1	0.7
2000	20.5	10.5	10.0
2001	10.4	8.7	1.7
2002	-1.0	6.0	-7.0
2003 (11 months)	21.8	4.8	17.0
Trailing 1-Year	23.8%	5.3%	18.5
Trailing 3-Year	11.5	6.8	4.7
Trailing 5-Year	12.8	7.9	4.9

- The table above compares the annual return history of the total absolute return component to that of the performance benchmark.

\* The annual returns in this exhibit represent calendar-year periods.

\$407 Million

As of November 30, 2003

RETURN SUMMARY  
ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>Farallon</b>	<b>5.6%</b>	<b>25.0%</b>	<b>13.7%</b>	<b>15.4%</b>	<b>13.8%</b>	<b>7/31/98</b>
90-Day T- Bill + 4%	1.3	5.3	6.8	7.9	8.0	
<b>Perry</b>	<b>6.6</b>	<b>22.0</b>	<b>14.3</b>	<b>16.2</b>	<b>13.6</b>	<b>7/31/98</b>
90-Day T- Bill + 4%	1.3	5.3	6.8	7.9	8.0	
<b>Protege Partners</b>	<b>3.3</b>	--	--	--	<b>11.4</b>	<b>2/28/03</b>
90-Day T- Bill + 4%	1.3	--	--	--	3.9	
<b>Satellite Fund V</b>	<b>5.4</b>	<b>29.3</b>	<b>5.8</b>	--	<b>6.8</b>	<b>8/31/00</b>
90-Day T- Bill + 4%	1.3	5.3	6.8	--	7.1	

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

As of November 30, 2003

RETURN SUMMARY  
ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>Private Capital</b>	2.3%	-0.6%	-11.4%	3.4%	9.5%	11/30/86
Wilshire 5000 Index + 4%	7.4	23.8	0.6	4.9	15.7	

- As shown in the table above, Private Capital has underperformed its performance benchmark over all periods shown. The component's return lagged its benchmark by over twenty-four percentage points in the last twelve months and trails its benchmark by over six percentage points since inception.
- The returns shown in the table above are reported on a time-weighted basis, consistent with the methodology used for returns throughout this report. Time-weighted returns are calculated using monthly asset values and daily cash flows. Time-weighted rates of return are the industry standard for reporting the performance of traditional, marketable investments. For investments such as private equity, the time-weighted return calculation methodology suffers from a number of flaws, including the attribution of control over cash flows to the investor rather than the investment manager. In these cases, the industry standard is to use the internal rate of return (IRR), which is the annualized rate of return implied by a series of cash flows and a beginning and ending market value. The internal rates of return for the Private Capital component are shown in the table on the following page. Each return shown represents a since-inception return ending at a given fiscal year-end. For example, the 8.6% return shown for 2003 corresponds to a 8.6% annualized IRR for the since-inception period ending at fiscal year-end 2003.
- The benchmark results shown represent the return (IRR) earned on the actual cash flows experienced in the Private Capital portfolio, had they been invested in the Wilshire 5000 Index plus 4% annually.

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

\$402 Million

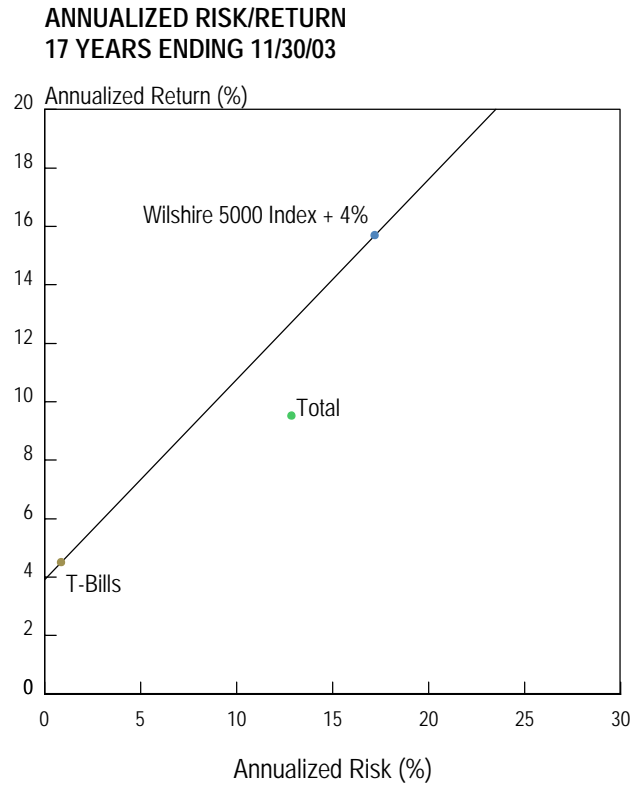
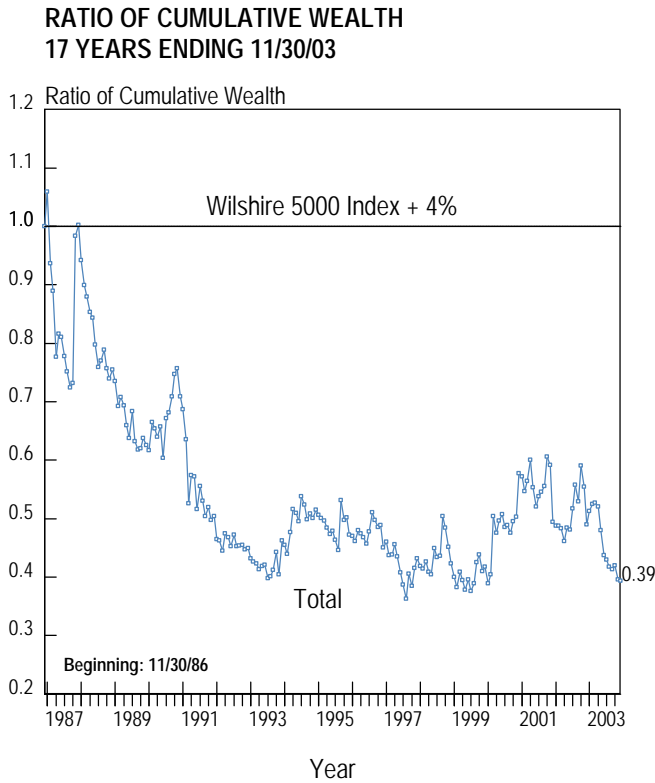
As of November 30, 2003

HISTORICAL RETURNS  
 GEF SINCE INCEPTION IRR  
 FISCAL YEAR ENDING 8/31/03

Fiscal Year Ending	Private Capital	Wilshire 5000 Index + 4%	Return Difference
1987	31.6 %	31.0 %	0.6 %
1988	8.1	0.0	8.1
1989	3.1	20.3	-17.2
1990	9.5	8.2	1.3
1991	5.6	14.0	-8.4
1992	4.4	12.8	-8.4
1993	6.1	14.1	-8.0
1994	10.7	12.8	-2.1
1995	13.0	13.8	-0.8
1996	13.6	14.2	-0.4
1997	13.9	16.2	-2.3
1998	15.5	15.1	0.4
1999	16.1	17.0	-0.9
2000	18.5	17.5	1.0
2001	15.4	12.1	3.3
2002	11.1	8.1	3.0
2003	8.6	9.6	-1.0

- The IRRs shown in the table above were provided by UTIMCO, as with all other data shown in this report.
- The since-inception IRR as of 11/30/03 was not available for inclusion in this report.

As of November 30, 2003



- The data shown in the exhibits above reflect time-weighted returns.
- The Ratio of Cumulative Wealth graph above illustrates the private capital component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, performance has generally trailed the benchmark.
- The Risk Return graph above exhibits the risk return characteristics of the private capital asset class, relative to that of the benchmark. As shown, the asset class has earned a lower return than the benchmark at a slightly lower level of volatility.

\$402 Million

As of November 30, 2003

## HISTORICAL RETURNS\*

(BY YEAR)

	Private Capital	Wilshire 5000 Index + 4%	Return Difference
	Return	Return	
1986 (1 month)	3.6%	-2.1%	5.7
1987	-5.4	6.5	-11.9
1988	-4.3	22.7	-27.0
1989	12.7	34.3	-21.6
1990	8.8	-2.3	11.1
1991	-5.7	39.5	-45.2
1992	5.5	13.4	-7.9
1993	21.8	15.8	6.0
1994	15.9	4.0	11.9
1995	31.5	41.9	-10.4
1996	23.5	26.1	-2.6
1997	24.3	36.5	-12.2
1998	22.4	28.4	-6.0
1999	25.1	28.5	-3.4
2000	36.4	-7.2	43.6
2001	-21.0	-7.3	-13.7
2002	-13.1	-17.6	4.5
2003 (11 months)	0.1	30.6	-30.5
Trailing 1-Year	-0.6%	23.8%	-24.4
Trailing 3-Year	-11.4	0.6	-12.0
Trailing 5-Year	3.4	4.9	-1.5
Trailing 10-Year	12.9	14.8	-1.9

- The returns shown in the table above reflect time-weighted returns.
- The table above compares the annual return history of private capital to that of its performance benchmark.

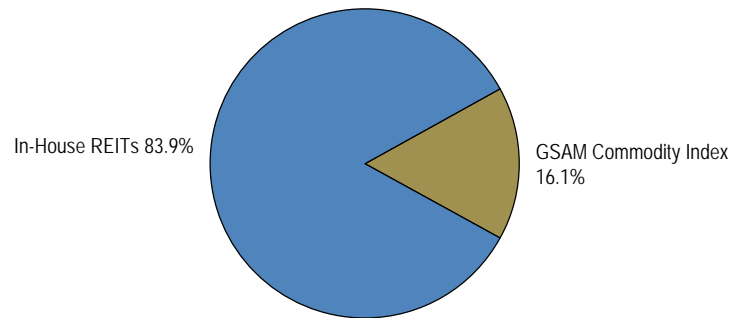
\* The annual returns in this exhibit represent calendar-year periods.

As of November 30, 2003

**RETURN SUMMARY  
ENDING 11/30/03**

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	Since Inception	Inception Date
<b>Inflation Hedging</b>	<b>8.7%</b>	<b>35.9%</b>	<b>18.7%</b>	<b>24.6%</b>	<b>11/30/99</b>
UTIMCO Inflation Hedging Benchmark	3.9	19.1	9.2	13.2	

**MANAGER ALLOCATION AS OF 11/30/03**



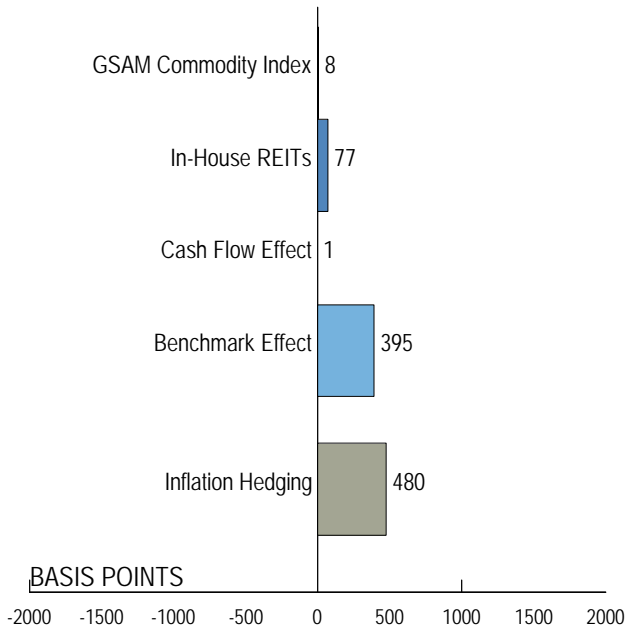
- The total inflation hedging component's return exceeded the performance of the benchmark over all periods shown above.
- The graph above details the manager allocations of the inflation hedging asset class as of quarter-end.

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

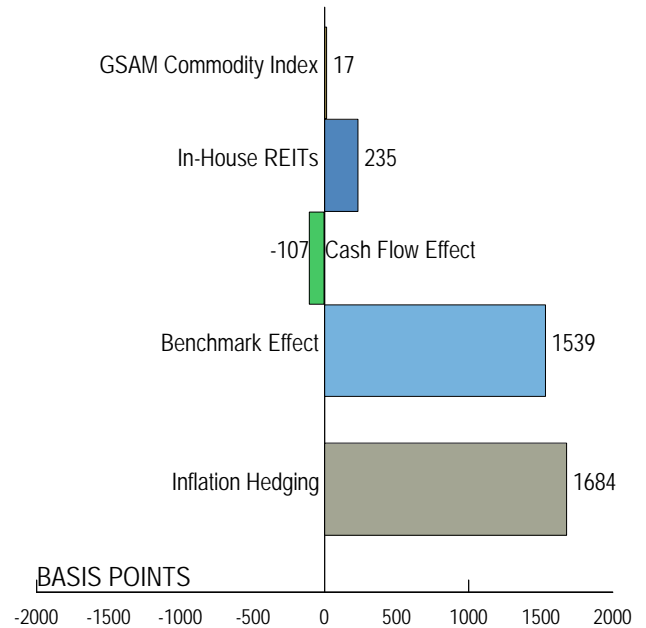
**\$337 Million**

**As of November 30, 2003**

**MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 11/30/03**



**MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 11/30/03**

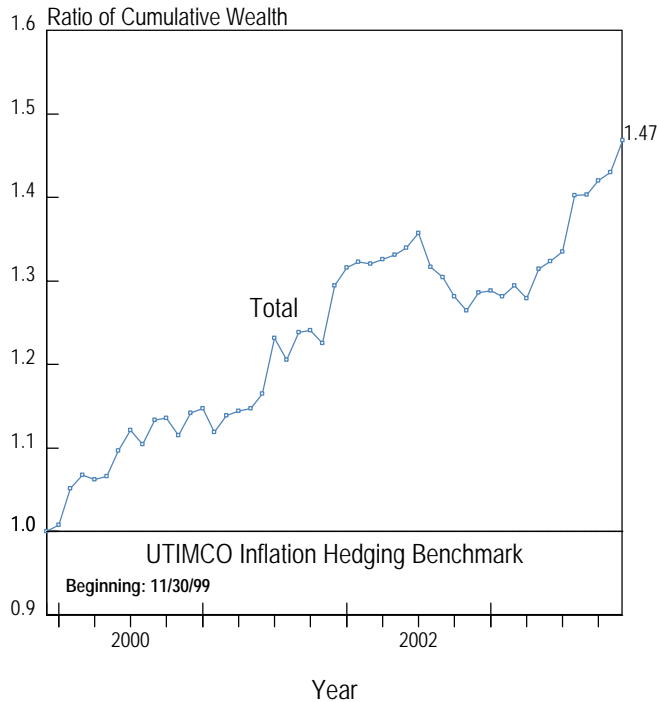


- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Total Inflation Hedging" represents the component's relative performance to the performance benchmark in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component. The bar labeled "Benchmark Effect" represents the difference between the benchmarks of the individual managers and the UTIMCO inflation hedging benchmark.

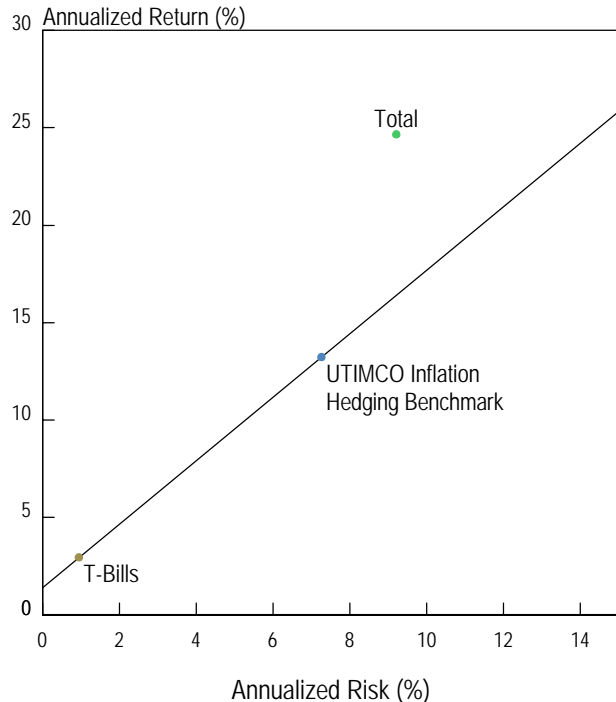


As of November 30, 2003

**RATIO OF CUMULATIVE WEALTH  
4 YEARS ENDING 11/30/03**



**ANNUALIZED RISK/RETURN  
4 YEARS ENDING 11/30/03**



- The Ratio of Cumulative Wealth graph above illustrates the inflation hedging component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, performance has generally been favorable relative to the Index.
- The Risk Return graph above exhibits the risk return characteristics of the inflation hedging asset class, relative to that of the benchmark. As shown, the asset class has earned a greater return than the benchmark at a greater level of volatility.

**\$337 Million**

**As of November 30, 2003**

**HISTORICAL RETURNS\***

(BY YEAR)

	Inflation Hedging	UTIMCO Inflation Hedging Benchmark	Return Difference
	Return	Return	
1999 (1 month)	2.8%	2.0%	0.8
2000	43.5	26.0	17.5
2001	11.9	-2.5	14.4
2002	11.5	13.9	-2.4
2003 (11 months)	31.2	15.2	16.0
Trailing 1-Year	35.9%	19.1%	16.8
Trailing 3-Year	18.7	9.2	9.5

- The table above compares the annual return history of the inflation hedging component to that of the performance benchmark.

\* The annual returns in this exhibit represent calendar-year periods.

As of November 30, 2003

RETURN SUMMARY  
ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	Since Inception	Inception Date
<b>GSAM Commodity Index</b>	<b>0.4%</b>	<b>22.7%</b>	<b>--%</b>	<b>23.1%</b>	<b>3/31/02</b>
Goldman Sachs Commodity Index - 1%	0.0	21.6	--	16.1	
<b>In-House REITs</b>	<b>10.4</b>	<b>38.1</b>	<b>19.3</b>	<b>13.8</b>	<b>3/31/93</b>
Wilshire Real Estate Securities Index	9.5	34.7	17.2	10.4	

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

# OPERATING FUNDS

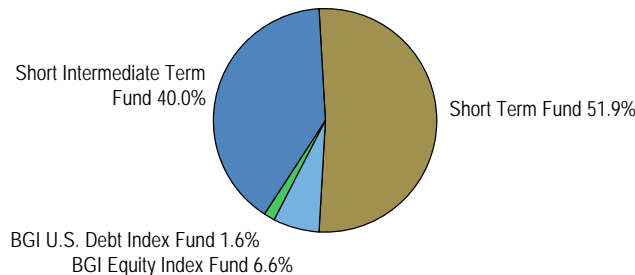
\$3,426 Million

As of November 30, 2003

## RETURN SUMMARY ENDING 11/30/03

	Since 8/31/03*	1 Year Ending 11/30/03	3 Years Ending 11/30/03	5 Years Ending 11/30/03	Since Inception	Inception Date
<b>Short Term Fund</b>	<b>0.3%</b>	<b>1.2%</b>	<b>2.6%</b>	<b>3.9%</b>	<b>4.5%</b>	<b>8/31/92</b>
ML 90-day T-Bill	0.3	1.2	2.6	3.7	4.3	
<b>Short Intermediate Term Fund</b>	<b>0.9</b>	<b>2.4</b>	<b>4.2</b>	<b>4.4</b>	<b>5.3</b>	<b>2/28/93</b>
Composite Index	0.6	2.4	5.5	5.4	5.6	
<b>BGI U.S. Debt Index Fund</b>	<b>2.0</b>	<b>5.4</b>	<b>8.0</b>	<b>--</b>	<b>7.5</b>	<b>5/31/99</b>
LB Aggregate Bond Index	1.9	5.2	7.9	--	7.4	
<b>BGI Equity Index Fund</b>	<b>5.4</b>	<b>15.1</b>	<b>-5.5</b>	<b>--</b>	<b>-3.1</b>	<b>5/31/99</b>
S&P 500 Index	5.5	15.1	-5.5	--	-3.1	

## ASSET ALLOCATION AS OF 11/30/03



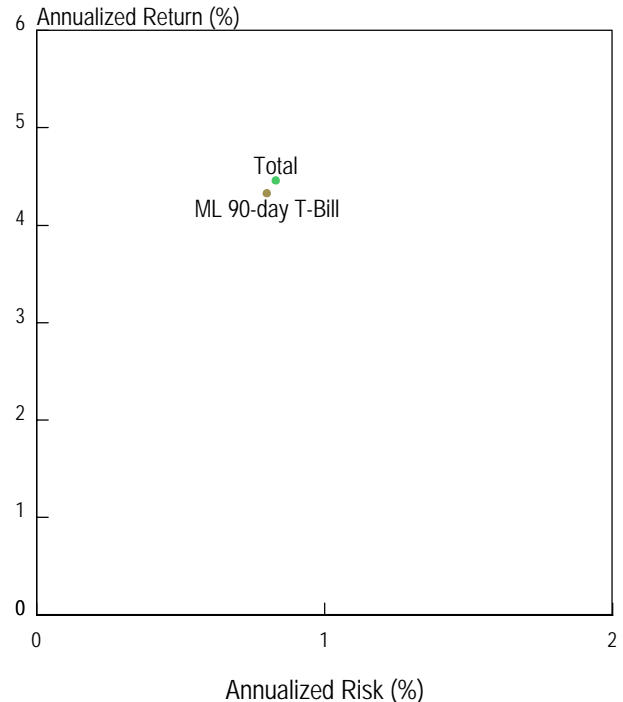
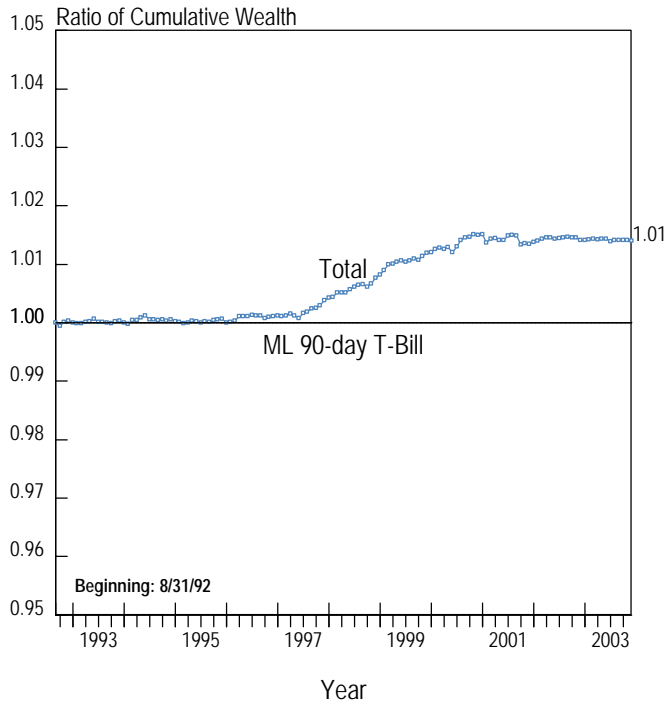
- The Short Term Fund has approximated the performance of the benchmark during the periods shown above.
- The Short Intermediate Fund outperformed the Index during the fiscal quarter by 0.3 percentage points, yet trailed the performance of the Index over the three-year, five-year and since-inception periods.
- The BGI Index funds have approximated the performance of their respective indices during all periods shown above.
- The graph above details the individual Fund allocations of the Operating Funds as of quarter-end.

\* Time period represents the total return for the fiscal first quarter ending 11/30/03.

As of November 30, 2003

**RATIO OF CUMULATIVE WEALTH**  
11 YEARS 3 MONTHS ENDING 11/30/03

**ANNUALIZED RISK/RETURN**  
11 YEARS 3 MONTHS ENDING 11/30/03



- The Ratio of Cumulative Wealth graph above illustrates the Short Term Fund's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the Fund has exceeded the performance of the benchmark.
- The Risk Return graph above exhibits the risk return characteristics of the Short Term Fixed Income Fund, relative to that of the Performance Benchmark. As shown, the Fund has approximated marginally exceeded the performance of the benchmark at a marginally greater level of volatility.

\$1,778 Million

As of November 30, 2003

**HISTORICAL RETURNS\***

(BY YEAR)

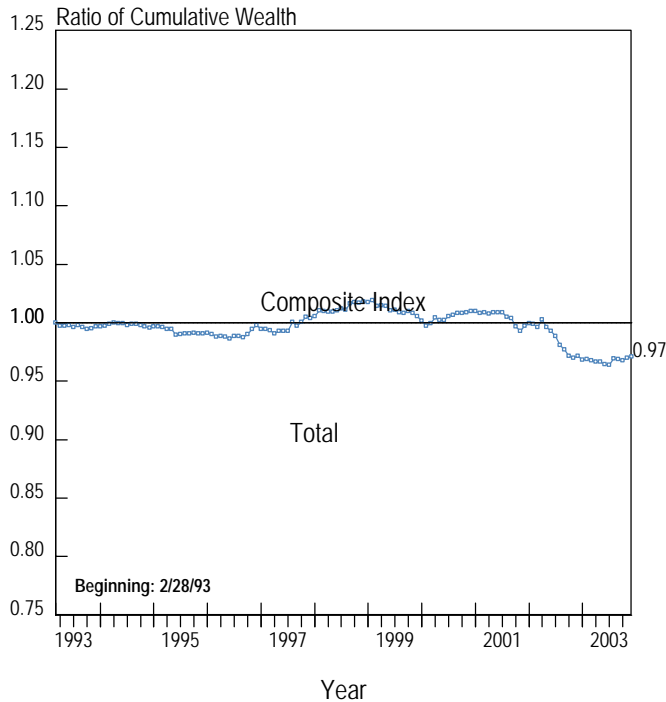
	Short Term Fund	ML 90-day T-Bill	Return Difference
	Return	Return	
1992 (4 months)	1.1%	1.1%	0.0
1993	3.2	3.2	0.0
1994	4.3	4.3	0.0
1995	6.0	6.0	0.0
1996	5.4	5.3	0.1
1997	5.7	5.3	0.4
1998	5.6	5.2	0.4
1999	5.2	4.8	0.4
2000	6.5	6.2	0.3
2001	4.3	4.4	-0.1
2002	1.9	1.8	0.1
2003 (11 months)	1.0	1.1	-0.1
Trailing 1-Year	1.2%	1.2%	0.0
Trailing 3-Year	2.6	2.6	0.0
Trailing 5-Year	3.9	3.7	0.2
Trailing 10-Year	4.6	4.5	0.1

- The table above compares the annual return history of the Short-Term Fixed Income Fund to that of the performance benchmark.

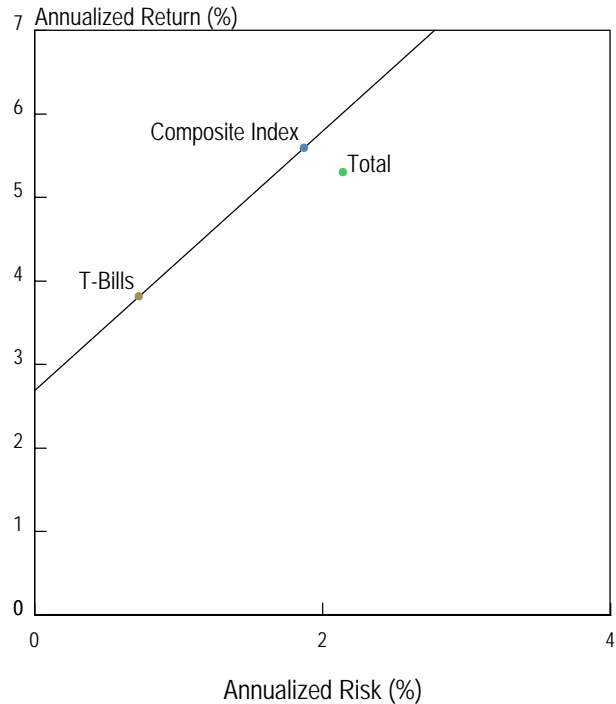
\* The annual returns in this exhibit represent calendar-year periods.

As of November 30, 2003

**RATIO OF CUMULATIVE WEALTH  
10 YEARS 9 MONTHS ENDING 11/30/03**



**ANNUALIZED RISK/RETURN  
10 YEARS 9 MONTHS ENDING 11/30/03**



- The Ratio of Cumulative Wealth graph above illustrates the Short Intermediate Term Fund's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the Fund has trailed the performance of the benchmark.
- The Risk Return graph above exhibits the risk return characteristics of the Short Term Fixed Income Fund, relative to that of the Performance Benchmark. As shown, the Fund has earned a lower return than the benchmark at a higher level of volatility.

**\$1,369 Million**

**As of November 30, 2003**

**HISTORICAL RETURNS\***

(BY YEAR)

	Short Intermediate Term Fund	Composite Index	Return Difference
	Return	Return	
1993 (10 months)	3.4%	3.7%	-0.3
1994	0.6	0.7	-0.1
1995	10.3	10.8	-0.5
1996	5.3	5.0	0.3
1997	7.8	6.6	1.2
1998	8.2	6.9	1.3
1999	1.5	3.1	-1.6
2000	9.2	8.3	0.9
2001	6.8	7.8	-1.0
2002	2.8	6.1	-3.3
2003 (11 months)	1.7	1.4	0.3
Trailing 1-Year	2.4%	2.4%	0.0
Trailing 3-Year	4.2	5.5	-1.3
Trailing 5-Year	4.4	5.4	-1.0
Trailing 10-Year	5.4	5.7	-0.3

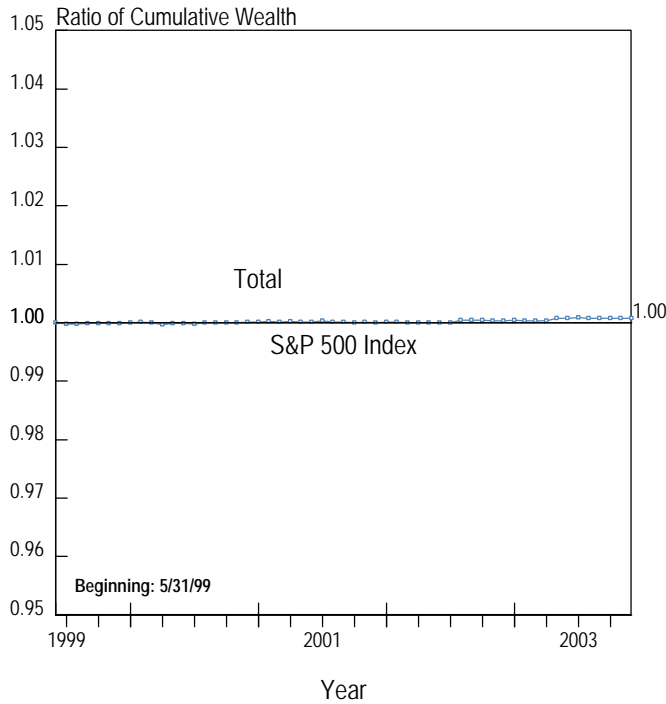
- The table above compares the annual return history of the Short-Intermediate Fund to that of the performance benchmark.

\* The annual returns in this exhibit represent calendar-year periods.

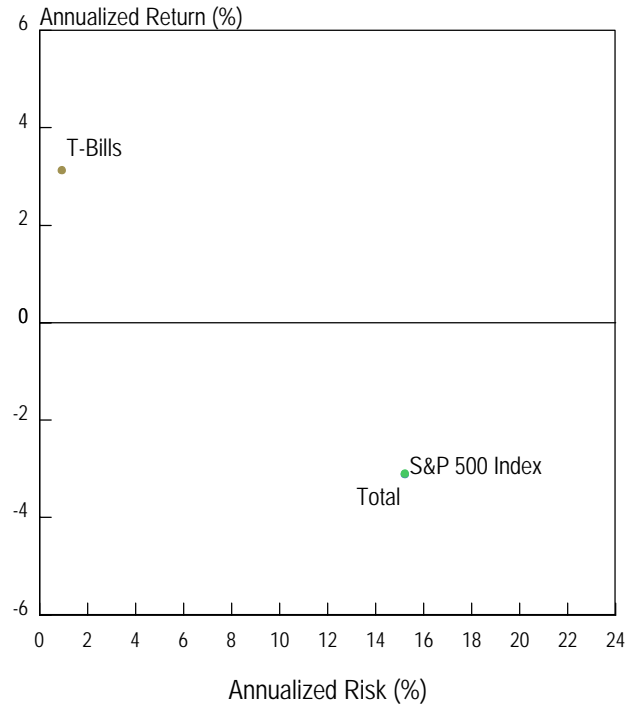


As of November 30, 2003

**RATIO OF CUMULATIVE WEALTH  
4 YEARS 6 MONTHS ENDING 11/30/03**



**ANNUALIZED RISK/RETURN  
4 YEARS 6 MONTHS ENDING 11/30/03**



- The Ratio of Cumulative Wealth graph above illustrates the BGI Equity Index Fund's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the Fund approximated the performance of the benchmark.
- The Risk Return graph above exhibits the risk return characteristics of the BGI Equity Index Fund, relative to that of the benchmark. As shown, the Fund has approximated the return and volatility of the benchmark.

\$226 Million

**As of November 30, 2003**

**HISTORICAL RETURNS\***

(BY YEAR)

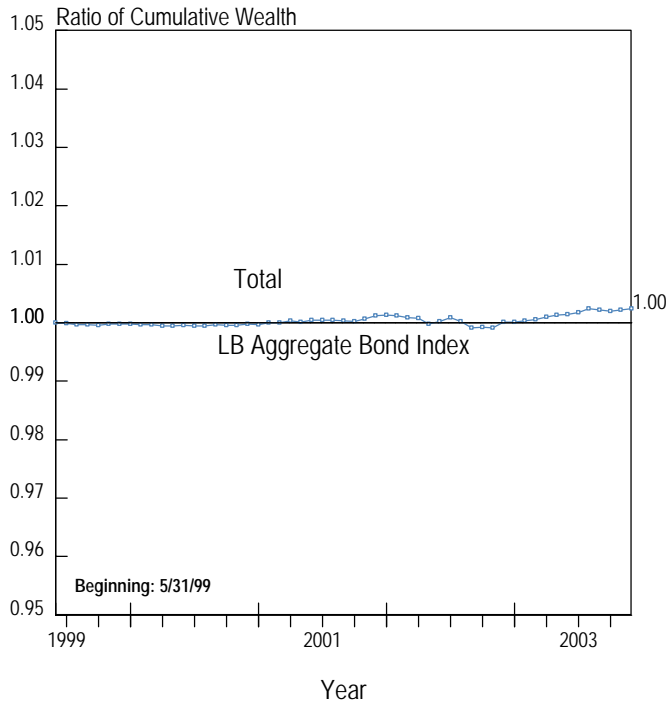
	BGI Equity Index Fund	S&P 500 Index	Return Difference
	Return	Return	
1999 (7 months)	13.7%	13.7%	0.0
2000	-9.1	-9.1	0.0
2001	-11.9	-11.9	0.0
2002	-22.1	-22.1	0.0
2003 (11 months)	22.3	22.3	0.0
Trailing 1-Year	15.1%	15.1%	0.0
Trailing 3-Year	-5.5	-5.5	0.0

- The table above compares the annual return history of the BGI Equity Index Fund to that of the performance benchmark.

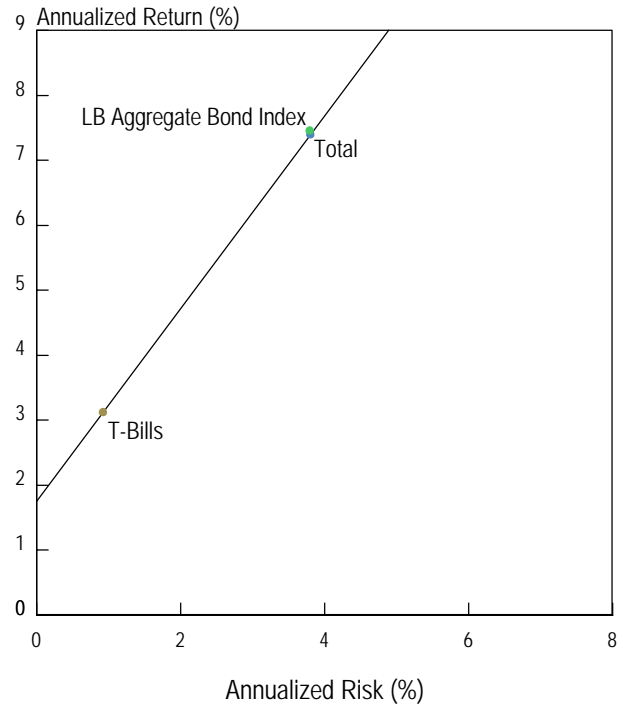
\* The annual returns in this exhibit represent calendar-year periods.

As of November 30, 2003

**RATIO OF CUMULATIVE WEALTH  
4 YEARS 6 MONTHS ENDING 11/30/03**



**ANNUALIZED RISK/RETURN  
4 YEARS 6 MONTHS ENDING 11/30/03**



- The Ratio of Cumulative Wealth graph above illustrates the BGI U.S. Debt Index Fund's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the Fund approximated the performance of the benchmark.
- The Risk Return graph above exhibits the risk return characteristics of the BGI U.S. Debt Index Fund, relative to that of the benchmark. As shown, the Fund has approximated the return and volatility of the benchmark.

\$53 Million

As of November 30, 2003

## HISTORICAL RETURNS\*

(BY YEAR)

	BGI U.S. Debt Index Fund	LB Aggregate Bond Index	Return Difference
	Return	Return	
1999 (7 months)	0.2%	0.2%	0.0
2000	11.6	11.6	0.0
2001	8.6	8.4	0.2
2002	10.1	10.3	-0.2
2003 (11 months)	3.3	3.1	0.2
Trailing 1-Year	5.4%	5.2%	0.2
Trailing 3-Year	8.0	7.9	0.1

- The table above compares the annual return history of the BGI Fixed Income Index Fund to that of the Lehman Aggregate Bond Index.

\* The annual returns in this exhibit represent calendar-year periods.

## RETURNS OF THE MAJOR CAPITAL MARKETS

## RETURNS OF THE MAJOR CAPITAL MARKETS

	Fiscal Quarter	Annualized Periods Ending 11/30/03			
		1-Year	3-Year	5-Year	10-Year
<b>Stock Indices:</b>					
Wilshire 5000 Index	6.4%	19.0%	-3.3%	0.8%	10.3%
S&P 500 Index	5.5	15.1	-5.5	-0.5	10.6
Russell Top 200 Value Index	5.2	12.4	-2.9	0.8	10.9
Russell Top 200 Growth Index	4.8	13.0	-12.8	-5.8	9.3
Russell MidCap Value Index	9.6	29.2	10.0	8.5	12.9
Russell MidCap Growth Index	8.8	32.7	-4.8	3.8	9.7
Russell 2000 Value Index	11.0	34.9	16.4	12.2	12.6
Russell 2000 Growth Index	9.3	37.7	-0.2	2.5	5.8
<b>Bond Indices:</b>					
Lehman Brothers Aggregate	1.9%	5.2%	7.9%	6.5%	6.9%
Lehman Brothers Gov't/Credit	2.1	6.4	8.4	6.5	6.9
Lehman Brothers Long-Term Gov't/Credit	3.6	8.8	9.6	6.6	7.9
Lehman Brothers Intermed. Gov't/Credit	1.7	5.7	8.0	6.6	6.6
Lehman Brothers Mortgage-Backed	1.6	3.0	6.8	6.4	6.9
Lehman Brothers 1-3 Yr Gov't	0.6	2.4	5.7	5.5	5.7
Lehman Brothers Universal	2.3	6.8	8.2	6.7	7.0
<b>Foreign Indices:</b>					
MSCI All Country World ex-U.S. Index	11.8%	26.6%	-2.6%	0.4%	4.4%
MSCI EAFE Free	11.9	24.2	-4.2	-0.8	4.4
MSCI Emerging Markets Free Net	10.6	40.5	10.8	8.5	0.7
MSCI Hedged EAFE Foreign Stock Index	3.0	6.1	-11.2	-1.5	4.9
SSB Non-U.S. World Gov't Bond	8.3	19.6	11.5	4.8	6.3
SSB Non-U.S. World Gov't Bond - Hedged	0.2	2.5	5.0	5.2	7.5
<b>Cash Equivalents:</b>					
Treasury Bills (30-Day)	0.2%	0.9%	2.1%	3.2%	3.9%
EnnisKnupp STIF Index	0.3	1.4	2.8	4.0	4.7
<b>Inflation Index</b>					
Consumer Price Index	-0.1%	1.8%	2.0%	2.4%	2.4%

## APPENDIX II

### GLOSSARY OF TERMS

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#### DESCRIPTION OF INDICES

**Endowment Performance Benchmark** - Represents the returns of the UTIMCO Board of Directors approved Endowment Policy Portfolio. The return history of this benchmark has been supplied by UTIMCO, and the composition of the benchmark is understood as follows:

Returns prior to December 1, 1999, were comprised of 30% S&P 500 Index, 10% Russell 2000 Index, 12% FT World ex-U.S. Index, 3% MSCI Emerging Markets Free Index, 7% Merrill Lynch T-Bill Index + 7%, 18% Wilshire 5000 Index + 4%, 15% Lehman Brothers Aggregate Bond Index and 5% Citigroup World Government Bond Index ex-U.S.

Effective December 1, 1999, returns were comprised of 25% S&P 500 Index, 7.5% Russell 2000 Index, 12% FT World ex-U.S. Index, 3% MSCI Emerging Markets Free Index, 10% Merrill Lynch T-Bill Index + 7%, 15% Wilshire 5000 Index + 4%, 2.5% Goldman Sachs Commodity Index, 5% NCREIF Index, 15% Lehman Brothers Aggregate Bond Index and 5% Citigroup World Government Bond Index ex-U.S.

Effective October 1, 2000, returns were comprised of 25% S&P 500 Index, 7.5% Russell 2000 Index, 12% MSCI EAFE Index, 3% MSCI Emerging Markets Free Index, 10% Merrill Lynch T-Bill Index + 7%, 15% Wilshire 5000 Index + 4%, 2.5% Goldman Sachs Commodity Index, 5% NCREIF Index, 15% Lehman Brothers Aggregate Bond Index and 5% Citigroup World Government Bond Index ex-U.S.

Effective September 1, 2002, returns are comprised of 31% Wilshire 5000 Index, 19% MSCI All Country World Free ex-U.S. Index, 15% Wilshire 5000 Index + 4%, 10% Merrill Lynch T-Bill Index + 4%, 2.5% Goldman Sachs Commodity Index, 2.5% Lehman Brothers TIPS Index, 2.5% NCREIF Index, 2.5% Wilshire Real Estate Securities Index, 5% Lehman Brothers Aggregate Bond ex-Government Index and 10% Lehman Brothers Government Bond Index.

**UTIMCO Inflation Hedging Benchmark**- Returns for this benchmark have been supplied by UTIMCO. The composition of the benchmark is understood as 25% of the Goldman Sachs Commodity Index -100 basis points, 25% of the Lehman Brothers TIPS Index, 25% of the NCREIF Index, and 25% of the Wilshire Real Estate Securities Index.

**UTIMCO Credit Composite Benchmark**- Returns for this benchmark have been supplied by UTIMCO. The composition of the benchmark is understood as including the asset-backed, collateralized mortgage-backed, and U.S. credit components of the Lehman Aggregate Bond Index in a weighted average composite.

**UTIMCO Short-Intermediate Term Fund Composite Benchmark**- Returns for this benchmark 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.

**DESCRIPTION OF INDICES CONTINUED**

**Wilshire 5000 Stock Index** - A capitalization-weighted stock index representing all domestic common stocks traded regularly on the organized exchanges. The Index is the broadest measure of the aggregate domestic stock market.

**S&P 500 Stock Index** - A capitalization-weighted stock index representing 500 large capitalization stocks in the U.S. equity market.

**Russell 2000 Stock Index** - A capitalization-weighted index of the 2000 smallest stocks in the Russell 3000 Index. This index excludes the largest and smallest capitalization issues in the domestic stock market.

**MSCI All-Country World Ex-U.S. Index** - A capitalization-weighted index of stocks representing a broad range of developed and emerging country markets, excluding the U.S. market.

**MSCI Europe, Australasia, Far East (EAFE) Index** - A capitalization-weighted index of stocks representing 21 developed markets in Europe, Australia, Asia and the Far East.

**MSCI Emerging Markets Free Index** - A capitalization-weighted index of stocks representing 26 emerging markets.

**Lehman Brothers Aggregate Bond Index** - A market value-weighted index consisting of the Lehman Brothers Corporate, Government, and Mortgage-Backed Securities Indices. The index also includes asset-backed securities, and is the broadest measure of the aggregate U.S. fixed-income market.

**Lehman Brothers Government Bond Index** - A market value-weighted index consisting of all public obligations of the U.S. Treasury, excluding flower bonds, foreign targeted issues, debt of U.S. Government Agencies and corporate debt guaranteed by the U.S. Government.

**Lehman Brothers Aggregate Bond ex-Government Index** - A market value-weighted index consisting of the Lehman Brothers Corporate and Mortgage-backed Securities Indices and includes asset-backed securities.

## APPENDIX II

### GLOSSARY OF TERMS

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#### DESCRIPTION OF TERMS

**Performance Comparison - Ratio of Cumulative Wealth:** An illustration of a portfolio's cumulative, unannualized performance relative to that of its benchmark. An upward sloping line indicates fund outperformance. Conversely, a downward sloping line indicates underperformance by the fund. A flat line is indicative of benchmark-like performance.

**Performance Comparison- Risk-Return:** The horizontal axis, annualized standard deviation, is a statistical measure of risk, or the volatility of returns. The vertical axis is the annualized rate of return. As most investors generally prefer less risk to more risk and always prefer greater returns, the upper left corner of the graph is the most attractive place to be. The line on this exhibit represents the risk and return tradeoffs associated with market portfolios, or index funds.

**Performance Attribution** A measure of the source of the deviation of a fund's performance from that of its benchmark. Each bar on the graph represents the contribution made by the manager to the total difference in performance (shown at the bottom of the exhibit). A positive value for a component indicates a positive contribution to the aggregate relative performance. A negative value indicates a detrimental impact. The magnitude of each component's contribution is a function of (1) the performance of the component relative to its benchmark, and (2) the weight of the component in the aggregate.



**12. U. T. Board of Regents: Presentation of UTIMCO Performance Compensation Plan**

PURPOSE

Vice-Chairman Woody L. Hunt will lead a discussion related to the proposed UTIMCO Compensation Plan (the Plan) as set out on Pages 29.1 - 29.20. The Plan has been developed by the UTIMCO Compensation Committee with the assistance of Mercer Human Resource Consulting, compensation consultants, and Cambridge Associates. The Plan was approved by the UTIMCO Board at its January 13, 2004 meeting. This Plan is intended to replace the Plan adopted by the UTIMCO Board in 2001.

The Plan has been proposed by the UTIMCO Board for consideration with the intent of providing a means whereby employees may develop a sense of commitment and personal involvement in the investment performance of the assets for which UTIMCO has investment responsibility and to attract and retain key investment employees of outstanding competence and ability; to encourage them to remain with and devote their best efforts to the business of UTIMCO; and to reward such employees for outstanding performance, thereby advancing the interests of UTIMCO and the U. T. Board of Regents.

BACKGROUND INFORMATION

UTIMCO, created in 1996, is a 501(c)3 investment management corporation whose sole purpose is the management of investment assets under the fiduciary care of the U. T. Board of Regents.



## COMPENSATION PLAN

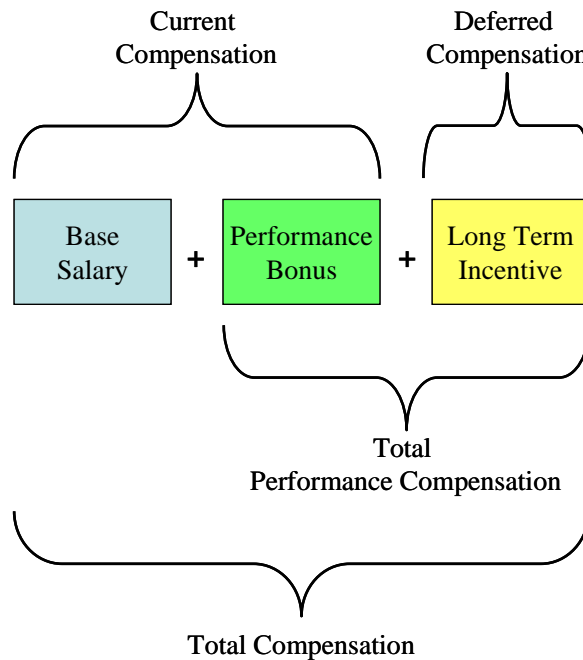
The UTIMCO Compensation Plan (the "Plan") is intended to provide a means whereby key employees may develop a sense of commitment and personal involvement in the investment performance of the assets for which UTIMCO has been delegated investment responsibility. The objectives of the Plan are to attract and retain key employees of outstanding competence and ability, to encourage such employees to remain with and devote their best efforts to the business of UTIMCO, and to reward such employees for outstanding performance, thereby advancing the interests of UTIMCO and the Board of Regents of The University of Texas System.

This Plan document consists of the following sections:

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## PLAN STRUCTURE

The UTIMCO Compensation Plan consists of three parts as defined below:



### Base Salary

UTIMCO aspires to attract and retain high caliber employees from nationally recognized peer institutions and the investment management community in general. UTIMCO Base Salaries should be “competitive” nationally, meaning they should be targeted at the blended median of the endowment and investment management industry base salary levels. An individual’s Base Salary at UTIMCO is based on three factors:

1. The blended median base salary rate for positions of similar job content in the national marketplace;
2. the employee’s level of experience, education, knowledge, and skills; and
3. the employee’s responsibilities and regular performance results.

Base Salaries are specifically not based on seniority or tenure at UTIMCO, but are based solely on the experience, skill, and success factors listed above.

Base Salaries are administered through the use of a base salary range structure. The base salary range structure for a particular position at UTIMCO is defined by the national market median salary for a position with similar job content, level of responsibility, and function as the particular position, with the base salary “target” set at the national market median salary for the position, within a range from 10% below the base salary “target” as the salary range minimum, to 20% above the “target” base salary as the salary range maximum.

Base Salary ranges for each position will be adjusted annually to correct for overall changes in market compensation. These adjustment factors will be obtained from a qualified compensation consultant selected by UTIMCO management. A comprehensive review of market compensation levels for all management positions will be conducted on at least a tri-annual basis using data provided by a qualified compensation consultant selected by UTIMCO management.

Individual Base Salaries will be reviewed at least annually, and will be set within the appropriate base salary range on the basis of each participant's career experience level, education, knowledge, skills, as well as the individual's current responsibilities and performance relative to the market standards for the particular position.

In the event that an individual either exceeds or does not meet all of the market criteria for a particular position as defined above, a Base Salary may be temporarily set for that individual that is outside the base salary range for that particular position.

### **Performance Bonus**

This Plan establishes criteria through which Performance Compensation Awards may be determined for each Eligible Employee in the Plan. The Plan also establishes the portion of Total Performance Compensation that will be paid for each Performance Period as the Performance Bonus. The Performance Bonus will be calculated as a multiple of Base Salary, and the Performance Bonus multiple will vary across the Eligible Employees in the Plan on the basis of each Employee's performance during the Plan Year. Performance Bonus awards, if any, are paid in full at the conclusion of each Performance Period.

### **Long Term Incentive**

Plan criteria establish the portion of Total Performance Compensation that will be designated as Long Term Incentive compensation. In order to encourage Eligible Employees to remain at UTIMCO, the Long Term Incentive portion of Total Performance Compensation will be deferred over a period specified in the Deferral and Vesting Provisions of the Plan section of this Plan document. In addition, in order to better align the longer term interests of Eligible Employees with those of UTIMCO, the Long Term Incentive awards will increase (or decrease) at the rate of return of the General Endowment Fund during the deferral period. After Long Term Incentive awards are fully vested, they may continue to remain in the Plan and earn the return of the General Endowment Fund at the option of the Eligible Employee.

### **Total Performance Compensation**

UTIMCO aspires to attract and retain high caliber employees from nationally recognized peer institutions and the investment management community in general. In order to achieve this objective, Total Performance Compensation Award possibilities will be set

so that at maximum performance level, an Eligible Employee's Total Compensation, which is the combination of Base Salary and Total Performance Compensation, will be at the 75<sup>th</sup> percentile level in a national salary survey for a position with similar job content (where 100<sup>th</sup> percentile equals the highest compensation level), level of responsibility, and function as the particular position.

## **PLAN ADMINISTRATION**

### **Effective Date**

The Effective Date of this Compensation Plan is September 1, 2003.

### **Authority and Responsibilities**

The Plan is administered by the UTIMCO Board and the Compensation Committee of the UTIMCO Board. The Board has sole authority to:

- 1) Establish the conditions for the determination and payment of compensation by establishing the provisions of this Compensation Plan;
- 2) Select the Eligible Employees who are to be granted Performance Compensation Awards under the Plan;
- 3) Subject to the terms of the Plan, determine the amount and timing of distributions under the Plan; and
- 4) Establish the Base Salary and Total Performance Compensation for the Chief Executive Officer.

The UTIMCO Board has delegated the following authority to the Compensation Committee of the UTIMCO Board:

- 1) Establish Base Salaries for all UTIMCO officers except the Chief Executive Officer; and
- 2) Establish the amounts of Total Performance Compensation for all Eligible Employees except the Chief Executive Officer.

The Board shall interpret the Plan and may from time to time adopt such rules and regulations, consistent with the provisions of the Plan, that it may deem advisable to carry out the Plan. All decisions made by the Board in selecting the Eligible Employees who shall be paid Performance Compensation Awards and the amount thereof and in construing the provisions of the Plan or the terms of any Performance Compensation Awards are final and binding on all Eligible Employees.

## **Eligibility**

The persons who shall receive Performance Compensation Awards shall be such Eligible Employees as the Board shall select. Except as provided in the General Conditions section of this Plan document, such employees must be employed by UTIMCO on the last day of a Performance Period, and must have been recommended by the President and CEO and the Compensation Committee to receive Performance Compensation Awards.

Any Eligible Employee who begins employment with UTIMCO during a Performance Period shall be eligible to earn Performance Compensation Awards for that Performance Period provided that the Eligible Employee's employment begins prior to the first day of the tenth month of the Performance Period. In the event an Eligible Employee's employment begins during a Performance Period, any Performance Compensation Award shall be pro rated as provided in the Technical Details: Calculating Performance Compensation section of this Plan document.

## **Duration, Amendment, and Termination**

The Board shall have the right in its discretion to amend the Plan from time to time, to terminate it entirely or to direct the discontinuance of Performance Compensation Awards, either temporarily or permanently. However, no amendment, discontinuance or termination of the Plan shall operate to annul a Performance Compensation Award during any unexpired Performance Period unless otherwise provided by the terms of this Plan. The term of the Plan shall be from its Effective Date until terminated by the Board.

## **Authorizing Performance Compensation Awards**

Within 120 days following the end of a Performance Period, the Board shall award Performance Compensation Awards to such Eligible Employees whom it determines, in its sole discretion, to have met or exceeded the performance benchmarks for the Performance Period established for each such Eligible Employee. The Board has the right to adjust Performance Compensation Awards in any amount and on any basis as determined by the Board in its discretion in order to recognize particular circumstances which may have affected the achievement of performance during the Performance Period.

Following the award of Performance Compensation Awards, the Board shall promptly notify each Eligible Employee who has been awarded Performance Compensation Awards under the Plan as to the amount of such award, and the terms, provisions, conditions, and limitations of such award. Performance Compensation Award payments shall be excluded from computation of employee benefits and shall be subject to withholding taxes.

## **Deferral and Vesting Provisions**

All payments of Base Salary and any Performance Bonus awards authorized by the Board are to be made as current cash payments and are not subject to any deferral or vesting. Any Long Term Incentive awards authorized by the Board under this Plan will be subject to a three-year vesting schedule (described below) and deferred during this vesting period (the deferral period).

The deferred Long Term Incentive award will vest, and become payable in cash, in three equal installments. Assuming and contingent on continued employment with UTIMCO up to the applicable vesting date (except as later described in the Plan document), one third of the award will be vested and payable at the end of the first Performance Period following the Performance Period for which the award was granted; another third of the award will be vested and payable at the end of the second Performance Period following the Performance Period for which the award was granted; and the final third of the award will be vested and payable at the end of the third Performance Period following the Performance Period for which the award was granted. During the period that the Long Term Incentive award is vesting and deferred, the value of the deferred balance will accrue returns equal to the returns of the General Endowment Fund. The cash payment of the deferred award at the end of year one of the deferral period will be equal to one third (33.3%) of the original Long Term Incentive award plus any returns earned on that amount over the one year deferral period at the rate of return of the General Endowment Fund for that one year period. The cash payment at the end of year two of the deferral period will be equal to one third (33.3%) of the original Long Term Incentive award plus any returns earned on that amount over the two year deferral period at the rate of return of the General Endowment Fund for that two year period. The final payment of the deferred Long Term Incentive award will be made at the end of year three, and will consist of the balance amount (33.4%) of the original award plus any returns earned on that amount over the three year deferral period at the rate of return of the General Endowment Fund for that three year period. This vesting, deferral, and payment procedure will be repeated for any years in which a Long Term Incentive award is authorized by the Board.

All cash payments made under this vesting procedure will be made within 120 days of the end of each respective Performance Period. An Eligible Employee may elect to continue deferral of his vested amounts and not to receive vested amounts as a cash payment, in which case the vested amounts will continue to be credited with (or debited for) the returns of the General Endowment Fund until withdrawn as a cash payment. An Eligible Employee may elect to withdraw any vested amounts at any time. Eligible Employees are responsible for all income tax consequences of vested but not received amounts.

## **General Conditions**

Unless otherwise expressly provided by the Board, any Eligible Employee who voluntarily terminates employment with UTIMCO prior to the termination of a Performance Period in which the Eligible Employee has not reached 60 years of age shall forfeit any and all eligibility to receive payment of Performance Compensation Awards for the current Performance Period, and shall also forfeit any unvested Long Term Incentive balances from prior Performance Periods.

All unvested Long Term Incentive balances for an Eligible Employee will become fully vested at the end of the Performance Period during which that Eligible Employee has reached 60 years of age. Any subsequent Long Term Incentive awards will vest immediately. An Eligible Employee who has reached 60 years of age voluntarily terminating employment with UTIMCO during a Performance Period will forfeit all eligibility to receive Performance Compensation Awards for that Performance Period only.

In the event an Eligible Employee's employment with UTIMCO is terminated involuntarily for any reason other than Cause, as defined in the Definition of Terms section of this Plan, such Eligible Employee's Performance Compensation Award for the current Performance Period, if any, shall be calculated on a prorated basis from the first day of the current Performance Period to the monthly performance measurement date immediately preceding the date of such Eligible Employee's involuntary termination date. In addition, all unvested Long Term Incentive balances from the current and prior Performance Periods will vest immediately. Payment of all amounts due under this provision will be made within 60 days of the involuntary termination date.

In the event a formerly Eligible Employee is determined by the UTIMCO Board to no longer be an Eligible Employee under this Plan, such Eligible Employee's Performance Compensation Award for the current Performance Period, if any, shall be calculated on a prorated basis from the first day of the current Performance Period to the monthly performance measurement date immediately preceding the date such formerly Eligible Employee was determined by the UTIMCO Board to no longer be an Eligible Employee. In addition, all unvested Long Term Incentive balances awarded to that employee in the current and prior Performance Periods will vest immediately.

In the event an Eligible Employee's employment with UTIMCO terminates prior to the termination of a Performance Period by reason of his or her death or disability, as defined in the IRC 22(e)(3), as amended, the Board shall determine such Eligible Employee's Performance Compensation Award, if any, on a prorated basis from the first day of the unexpired Performance Period to the monthly performance measurement date immediately preceding the date of such Eligible Employee's death or disability. In addition, all unvested Long Term Incentive balances from the current and prior Performance Periods will vest immediately. Payments of all amounts due under this provision will be made to the estate or designated beneficiaries of such Eligible



Employee or to such Eligible Employee, as the case may be, within 60 days of the date of termination of employment.

For purposes of this Plan, a leave of absence (paid or unpaid) authorized by UTIMCO shall not be considered a termination of employment.

The Board shall have the discretion and authority to make changes in the administration and terms of the Plan if circumstances outside the control of the Eligible Employees or the Board have occurred during the Performance Period so as to make such adjustment appropriate in the opinion of the Board.

An employee shall be considered to be employed with UTIMCO as long as he or she remains an employee with UTIMCO. Nothing in the adoption of this Plan or the awarding of Performance Compensation Awards shall confer on any employee the right to continued employment with UTIMCO or affect in any way the right of UTIMCO to terminate his or her employment at any time.

Except for the rights of the estate or designated beneficiaries of Eligible Employees to receive payments, as set forth herein, awards under this Plan are non-assignable and nontransferable and are not subject to anticipation, adjustment, alienation, encumbrance, garnishment, attachment or levy of any kind.

The establishment of the Plan or the awarding of Performance Compensation Awards shall not be deemed to create a trust. The Plan shall constitute an unfunded, unsecured liability of UTIMCO to make payments in accordance with the provisions of the Plan, and no Eligible Employee shall have any security or other interest in any assets of UTIMCO or the Board of Regents of The University of Texas System.

Nothing contained in the Plan shall be deemed to give any Eligible Employee, or any personal representative or beneficiary, any interest or title to any specific property of UTIMCO or any right against UTIMCO other than as set forth in the Plan.

Neither the officers of UTIMCO nor the members of the Board shall under any circumstances have any liabilities with respect to the Plan or its administration except for gross and intentional malfeasance. UTIMCO officers and the members of the Board may rely upon opinions of counsel as to all matters.

No portion of the Plan shall be effective at any time when such portion violates an applicable state or federal law, regulation or governmental order or directive, which is subject to sanctions whether direct or indirect.

Any Performance Compensation Award payable under this Plan shall be subject to any deductions required by federal, state, or local law. UTIMCO shall not be obligated to advise an employee of the existence of the tax or the amount, which UTIMCO will be required to withhold.

## Transition from Prior Plan

This Plan supercedes the prior plan entitled UTIMCO Performance Compensation Plan for August 31, 2001. The following terms and conditions assure an orderly transition from the prior plan:

1. Time Periods to be Used in Calculating Aggregate UTIMCO Relative Performance: The table below indicates the time periods to be used in calculating rolling 3 year UTIMCO aggregate relative performance during the transition Performance Compensation Periods ending in years 2004, 2005, and 2006.

Years in Rolling 3 Year Performance Calculations	Performance Period Ending in Year		
	2004	2005	2006
Year 1	September 1, 2002 through August 31, 2003	September 1, 2002 through August 31, 2003	July 1, 2003 through June 30, 2004
Year 2	July 1, 2003 through June 30, 2004	July 1, 2003 through June 30, 2004	July 1, 2004 through June 30, 2005
Year 3		July 1, 2004 through June 30, 2005	July 1, 2005 through June 30, 2006

2. Benchmarks and Asset Categories to be Used in Calculating Aggregate UTIMCO Relative Performance: All asset categories shall be included in the aggregate UTIMCO relative performance calculation except the non-marketable asset categories which will be excluded from all aggregate UTIMCO performance calculations in the September 1, 2002 through August 31, 2003 fiscal year. The benchmarks to be used in the UTIMCO aggregate relative performance calculations for all marketable asset categories for the September 1, 2002 through August 31, 2003 fiscal year are defined below:

Asset Category	Policy Portfolio Weights (% of Portfolio)	Benchmarks
U S Equities	26.0	Wilshire 5000 Index
Global ex US Equities	14.0	MSCI All Country World Index ex US
All Hedge Funds	20.0	91 Day T-Bills + 4%
Inflation Hedge	10.0	Combination Benchmark: 25% GSCI minus 100 basis points, plus 25% Lehman Brothers US TIPS Index, plus 25% NCREIF Index, plus 25% Wilshire Associates Real Estate Securities Index
REITS		Wilshire Associates Real Estate Securities Index
Commodities		GSCI - 1%
TIPS		Lehman Brothers US TIPS Index
Fixed Income	15.0	Combination Benchmark: 67% Lehman Brothers Government Bond Index plus 33% Lehman Brothers Aggregate Index ex Government Bonds
Cash	0.0	91 Day T-Bills

3. Performance Compensation Periods and Benchmarks for Calculating Individual Quantitative Relative Performance in all Marketable Assets Categories: All available performance history shall be used in calculating individual quantitative relative performance in marketable assets categories. Relative performance calculations for the September 1, 2002 through August 31, 2003 fiscal year shall use the benchmarks defined in paragraph number 2 above. Individual relative performance calculations for performance periods prior to the fiscal year ending August 31, 2003 shall use the benchmarks in place in the particular prior fiscal year.
4. Performance Compensation Periods and Benchmarks for Calculating Individual Quantitative Relative Performance in the Non-Marketable Assets Categories: The first year to be used in calculating Internal Rates of Return (IRR) since inception of UTIMCO non-marketable assets and the benchmark for the non-marketable asset categories shall be the calendar year beginning January 1, 2001. The benchmark to be used in calculating relative performance is the benchmark defined in the Benchmark Definitions, Policy Portfolio Weights, and Relative Performance Targets section of this Plan document.
5. Relative Performance Standards to be Used in Calculating Performance Compensation Awards: For the purposes of calculating Performance Compensation Awards during the transition from the prior plan, the relative performance maximum value added targets for both UTIMCO aggregate and individual quantitative relative performance calculations shall be those targets

defined by the Performance Compensation Plan in place during each particular Performance Period.

6. Treatment of Prior Deferred Compensation: All performance compensation deferred under the terms and conditions of the prior Performance Compensation Plan will retain the vesting schedule defined under the prior plan. Amounts deferred under the prior plan will increase or decrease at the rate of the return of the General Endowment Fund over the deferral period. Deferred balances earned under the prior plan will be subject to all terms and conditions for deferred amounts under this Plan except the vesting period.

### **Record Keeping and Reporting**

All records for the Plan shall be maintained by the Managing Director, Accounting, Finance, and Administration at UTIMCO. Relative performance data and calculations shall be reviewed and certified by the UTIMCO general consultant.

UTIMCO will provide all Plan participants with a comprehensive report of the current value of all deferred compensation balances, including a complete vesting schedule of those balances, on at least a quarterly basis.

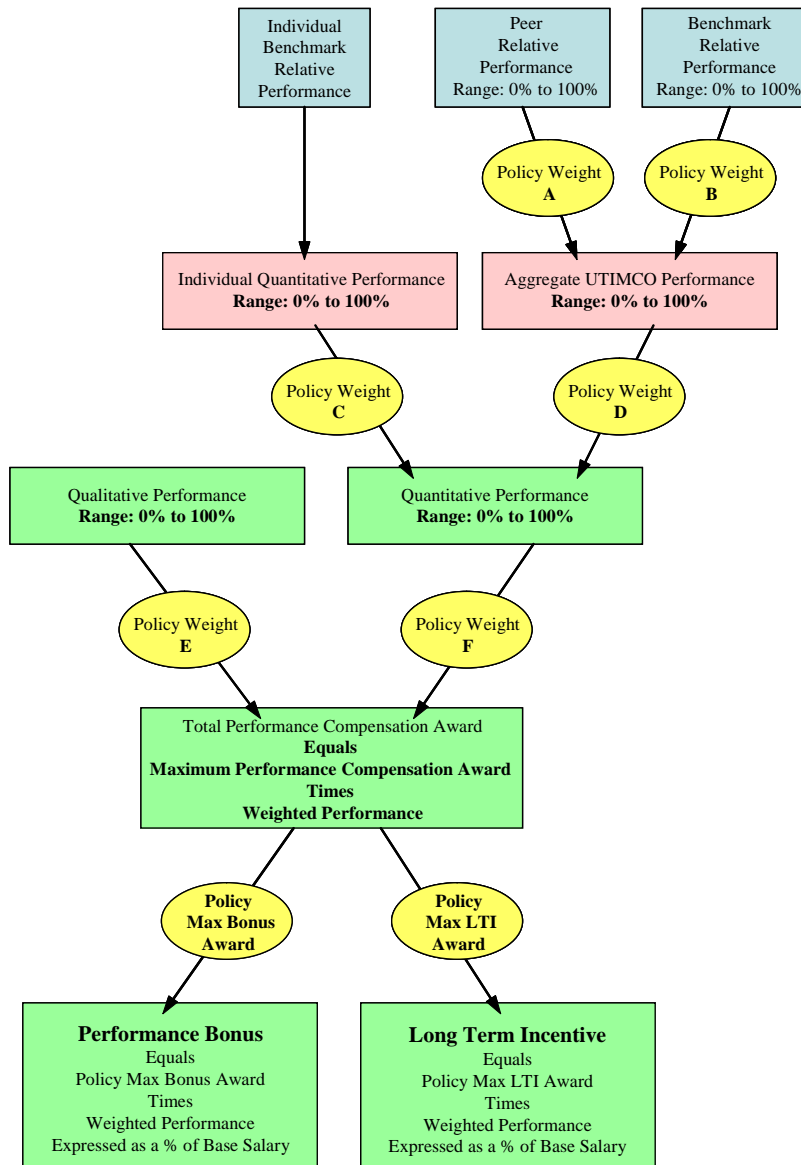
# TECHNICAL DETAILS: Calculating Performance Compensation

## Performance Period

The Performance Period for this Plan shall be July 1 through June 30.

## General Procedure for Calculating Performance Awards

The following diagram provides an overview of the procedure for determining Performance Compensation Awards:



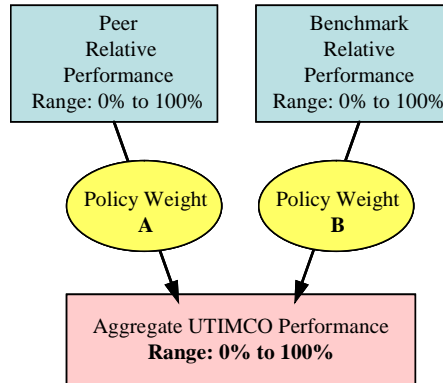
## Policy Performance Compensation Ranges

The Total Performance Compensation Award for an Eligible Employee is based on both qualitative and quantitative criteria as indicated by the prior diagram. The range for the Total Performance Compensation Award is from zero to a Maximum Performance Compensation Award, expressed as a percentage of Base Salary for Each Eligible Employee in the Plan. The maximum Total Performance Compensation Award percentage of Base Salary, the policy maximum award for Performance Bonus, the policy maximum award for Long Term Incentive, the policy weights E and F which determine the relative importance of qualitative and quantitative performance factors, and policy weights C and D which determine the relative importance of individual and aggregate UTIMCO quantitative performance factors in determining overall quantitative performance, vary by position as detailed in the following table:

Policy Performance Compensation Ranges	Diagram Policy Weights (%)				Policy Maximum Amounts (% of Base Salary)		
	C	D	E	F	Performance Bonus	Long Term Incentive	Total Performance Compensation
Position	Individual Quantitative Performance Weight	Aggregate UTIMCO Quantitative Performance Weight	Qualitative Performance Weight	Overall Quantitative Performance Weight			
<b>Investment Professionals</b>							
President, CEO, CIO	0	100	20	80	125	55	180
Deputy CIO & MD	50	50	20	80	90	40	130
Risk Manager	0	100	50	50	85	35	120
MD, Public Markets	75	25	20	80	85	35	120
MD, Inflation Hedge	75	25	20	80	85	35	120
MD, Non-Mkt Alternative	75	25	20	80	85	35	120
Portfolio Manager, Equity Inv	75	25	20	80	70	30	100
Sr. Portfolio Manager, Fixed Income	75	25	20	80	70	30	100
Portfolio Manager, Fixed Income	75	25	20	80	70	30	100
Analytical Support	75	25	25	75	35	15	50
<b>Operations/Support Professionals</b>							
MD, Accounting, Finance & Admin	0	100	50	50	85	35	120
MD, Information Technology	0	100	50	50	85	35	120
Manager, Finance & Administration	0	100	50	50	45	15	60
Manager, Investment Reporting	0	100	50	50	45	15	60
Manager, Portfolio Accounting & Operations	0	100	50	50	45	15	60

## Calculating Aggregate UTIMCO Quantitative Performance

Aggregate UTIMCO relative performance under this Plan will be based on both performance relative to a peer group defined below as well as performance relative to an established benchmark as defined in the Benchmark Definitions, Policy Portfolio Weights, and Relative Performance Targets section of this Plan. As the diagram below indicates, these two elements of aggregate UTIMCO performance will be weighted by policy weights defined by the Board.



**Peer Relative Performance:** Peer relative performance will be calculated by determining the percentile rank of the investment performance of the Total Endowment Assets relative to the investment performance of the Endowments Larger Than \$1 billion Peer Group developed and maintained by Cambridge Associates. The Endowments Larger Than \$1 billion Peer Group shall consist of all endowment funds with total assets equal to \$1 billion or more as of July 1<sup>st</sup> of each Performance Period, excluding Harvard University and Yale University. The peer relative performance score will be calculated on a scale of 0% to 100%. If the Total Endowment Assets relative percentile rank is 50<sup>th</sup> percentile (with 0 percentile equal to the highest rank; 100th percentile equal to the lowest rank), the peer relative performance score is 0%; if the relative percentile rank is 25<sup>th</sup> percentile, the score is 100%; if the percentile rank is between the 50<sup>th</sup> and the 25<sup>th</sup> percentile, the score is a linear interpolation between 0% and 100%. The Policy Weight (A in the diagram above) to be applied to the peer relative performance score and the time period over which performance results will be compared in the peer comparisons are detailed in the following table:

	Performance Period Ending in Year			
	2004	2005	2006	2007 and beyond
Peer Relative Performance Weight (Policy Weight A)	25%	33%	41%	50%
Time Period of Peer Relative Performance Measurement	1 Year	2 Years	3 Years	3 Years

In all Performance Periods subsequent to 2007, the peer relative performance weight will be 50% and the measurement period will be rolling 3 year periods.

**Benchmark Relative Performance:** Benchmark relative performance will be calculated by comparing Total Endowment Assets Performance with the performance of the Endowment Policy Benchmark, and the Short Intermediate Term Fund Performance with the SITF Policy Benchmark Performance. Both the endowment assets and the SITF benchmark relative performance scores will be calculated on a scale of 0% to 100%. If Total Endowment Assets Performance is equal to or less than the Endowment Policy Benchmark Performance, the endowment assets benchmark relative score will be 0%; if Total Endowment Assets Performance is equal to or greater than the Endowment Policy Benchmark Performance plus the UTIMCO aggregate Maximum Value Added Target specified in the Benchmark Definitions, Policy Portfolio Weights, and Relative Performance Targets section of this Plan, the score is 100%; if Total Endowment Assets Performance is between the 0% and 100% limits, the score is a linear interpolation between 0% and 100%. The SITF relative performance score will be calculated in a similar manner using the SITF actual performance, the SITF Policy Benchmark



Performance and the SITF Maximum Value Added Target. The Total Endowment Assets relative performance score will be weighted 95% and the SITF relative performance score will be weighted 5% to calculate an aggregate Benchmark Relative Performance score. The time period for all performance calculations will be a rolling three year period except during the transition period as defined in the Transition from Prior Plan section of this Plan and except in the case of a new Eligible Employee as defined in the Calculating Rolling 3 Year Returns section of this Plan. The benchmark relative performance weights to be used in calculating aggregate UTIMCO performance are specified in the following table:

	Performance Period Ending in Year			
	2004	2005	2006	2007 and beyond
<b>Benchmark Relative Performance Weight (Policy Weight B)</b>	75%	67%	59%	50%

In all Performance Periods subsequent to 2007, the benchmark relative performance weight will be 50%.

### **Calculating Individual Quantitative Performance**

Individual quantitative benchmark relative performance will be calculated by comparing actual Total Endowment Assets returns earned in the relevant asset category for each Eligible Employee to the benchmark for that particular asset category as defined in the Benchmark Definitions, Policy Portfolio Weights, and Relative Performance Targets section of this Plan. The individual quantitative performance score will be calculated on a scale of 0% to 100%. If the actual endowment funds return in the asset category is equal to or less than the benchmark return for that asset category, the individual quantitative performance score is 0%; if the actual endowment funds return in the asset category is equal to or greater than the benchmark return for that asset category plus the Maximum Value Added Target for that asset category, the score is 100%; if the actual return is between those two limits, the score is a linear interpolation between 0% and 100%. In the event that an Eligible Employee is responsible for more than one asset category, the calculation for each asset category will be completed as described above, and the resultant individual quantitative scores will be weighted by the ending relative asset values of each asset category to produce a weighted average individual quantitative performance score. The time period for calculating all returns will be a rolling 3 year time period except as provided in the Transition from Prior Plan or Calculating Rolling 3 Year Returns sections of this Plan.

## Benchmark Definitions, Policy Portfolio Weights, and Relative Performance Targets

The following table provides benchmarks, policy portfolio weights, and Maximum Value Added Targets that will be used in all UTIMCO aggregate and individual quantitative performance calculations:

Asset Category	Policy Portfolio Weights (% of Portfolio)	Benchmarks	Maximum Value Added Target (Basis Points)
U S Equities	20.0	Russell 3000 Index	62
Global ex US Equities	17.0	MSCI All Country World Index ex US	105
Equity Hedge Funds	10.0	91 Day T-Bills + 4%	130
Absolute Return Hedge Funds	15.0	91 Day T-Bills + 3%	100
Private Capital	15.0	Two- Part, Custom Commitment-Weighted Vintage Year Benchmark Created from Venture Economics Venture Capital and Private Equity Databases.	210
Venture Capital			225
Private Equity			200
Inflation Hedge	13.0	Combination Benchmark: 24% GSCI minus 100 basis points, plus 38% Lehman Brothers US TIPS Index, plus 38% Wilshire Associates Real Estate Securities Index	30
REITS		Wilshire Associates Real Estate Securities Index	75
Commodities		GSCI - 1%	0
TIPS		Lehman Brothers US TIPS Index	5
Fixed Income	10.0	Lehman Brothers Aggregate Index	25
Cash	0.0	91 Day T-Bills	0
Aggregate UTIMCO	100.0	Policy Portfolio Weighted Combination Benchmark	100
Short Intermediate Term Fund	n/a	Benchmark defined in Short Intermediate Term Fund Investment Policy Statement	10

The aggregate Maximum Value Added Targets for the private capital and inflation hedge asset categories are weighted averages of the sub components of those asset categories. The benchmark for private capital is a commitment weighted vintage year benchmark constructed of two parts. One part is weighted by the actual partnership commitments made by the current private capital team since 2001. This part of the total benchmark is weighted 75%. The second part of the benchmark is weighted by currently active partnership commitments made since the inception of the private capital program, but not by the current private capital team, which are monitored and managed by the current team. This part of the benchmark is weighted 25%. All benchmark returns are internal rates of return (IRR's). Actual private capital asset category IRR's will be compared to this aggregate custom weighted benchmark.

### Calculating Rolling 3 Year Returns

In general, rolling 3 year periods will be used in all quantitative relative performance calculations. There are two exceptions: calculations for new Eligible Employees and the transition period from the prior Plan to this Plan.

**Calculations for New Eligible Employees:** The table below indicates the weights that will be used in quantitative relative performance calculations for Eligible Employees who have been employed by UTIMCO for less than three (consecutive) years:

Year of Performance	Performance Period				
	1	2	3	4	5
1	100%	50%	33%		
2		50%	33%	33%	
3			34%	33%	33%
4				34%	33%
5					34%

For example, the table indicates that in the Eligible Employee's second Performance Period calculations, year 1 performance (performance during the first year of employment) would be weighted 50%, and year 2 performance would be weighted 50% in all relative performance calculations. An exception would occur if the actual number of months an employee worked in year 1 was 6 months or less. The performance compensation calculations in Performance Period 1 would be prorated by the number of months the employee had worked during the Performance Period, and all relative performance calculations would be made over the actual months of employment. However, in order to prevent performance over a short time period from having too large an impact on performance compensation calculations over several years, the formulas for weighting year 1 and year 2 in the performance compensation calculations for Performance Period 2 would be:

$$\text{Weight for performance year 1} = ((\text{Months worked in year 1})/6) \times 50\%$$

$$\text{Weight for performance year 2} = 100\% - \text{weight for performance year 1}$$

The formulas for calculating the weights for years 1, 2, and 3 in Performance Period 3 would be:

$$\text{Weight for performance year 1} = ((\text{Months worked in year 1})/6) \times 33\%$$

$$\text{Weight for performance year 2} = (100\% - \text{Weight for performance year 1})/2$$

$$\text{Weight for performance year 3} = (100\% - \text{Weight for performance year 1})/2$$

All quantitative relative performance calculations after year 3 are standard 3 year rolling calculations.

**Calculations during the Transition Period:** The second exception to the standard rolling 3 year methodology is the first three years of this Plan. As detailed in the Transition from Prior Plan section of this Plan, the table below defines the time periods and weights to be used in calculating rolling performance numbers over the first three years of this Plan:

Years in Rolling Performance Calculations	Performance Period Ending in Year		
	2004	2005	2006
September 1, 2002 through August 31, 2003	50%	33%	
July 1, 2003 through June 30, 2004	50%	33%	33%
July 1, 2004 through June 30, 2005		34%	33%
July 1, 2005 through June 30, 2006			34%

## DEFINITION OF TERMS

1. **Base Salary** – The element of Total Compensation consisting of regular payments, which is not contingent on specific performance goals.
2. **Board** – The UTIMCO Board of Directors.
3. **Cause (Termination for Cause)** – Shall mean a determination by the Board that the termination is due to gross incompetence, insubordination, violation of any applicable laws or professional rules or regulations, violation of established ethical rules and standards, insanity, or inability to perform professional duties as a result of any professional sanctions or rulings.
4. **Effective Date of Plan** – Shall mean the day upon which all Plan terms become effective. Unless otherwise stated in the Plan, the Effective Date of the Plan is September 1, 2003.
5. **Eligible Employee** – Except as provided in the General Conditions section of this Plan document, an individual employed by UTIMCO on the last day of a Performance Period, who was recommended by the President and CEO and the Compensation Committee to receive Performance Compensation Awards shall be defined as an Eligible Employee.
6. **Endowments Larger than \$1 billion Peer Group** – A peer group of endowment funds maintained by Cambridge Associates that is composed of all endowment funds with assets greater than \$1 billion at a specific July 1<sup>st</sup> date. Harvard University and Yale University are excluded from this peer group.
7. **Long Term Incentive** – The element of Total Compensation that is based on specific performance goals that is deferred for future payment.
8. **Performance Bonus** – The element of Total Compensation that is based on specific performance goals and paid as current income at the end of a Performance Period.
9. **Maximum Value Added Target** – The return increment by which actual performance must exceed a particular benchmark for maximum quantitative relative performance awards to be earned.
10. **Performance Compensation Award**- An award of Long Term Incentive and/or Performance Bonus.
11. **Performance Period (Performance Compensation Period)** – Shall mean the time period over which performance results are evaluated for the purpose of making Performance Compensation Awards. Unless otherwise stated in the Plan, this period is July 1 through June 30.
12. **Total Compensation** – The sum of Base Salary and Total Performance Compensation.
13. **Total Endowment Assets** – Shall mean the combination of the Permanent University Fund and the General Endowment Fund, but does not include any other endowment funds monitored by UTIMCO such as the Separately Invested Fund.
14. **Total Performance Compensation** – The sum of Performance Bonus and Long Term Incentive.

**THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION  
DOCKET NO. 116**

January 15, 2004

TO MEMBERS OF THE FINANCE AND PLANNING COMMITTEE:

Woody L. Hunt, Chairman  
John W. Barnhill, Jr.  
H. Scott Caven, Jr.  
James Richard Huffines  
Cyndi Taylor Krier

The Docket for The University of Texas System Administration and the Dockets recommended by the Presidents concerned and prepared by the component institutions listed below are submitted for approval as appropriate at the meeting of the U. T. Board of Regents on February 4, 2004. The Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Interim Vice Chancellor for Business 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 - 22
The University of Texas at Arlington	Docket 23 - 71
The University of Texas at Austin	Docket 72 - 86
The University of Brownsville	Docket 87-100
The University of Texas at Dallas	Docket 101-102
The University of Texas at El Paso	Docket 103-115
The University of Texas - Pan American	Docket 116-119
The University of Texas of the Permian Basin	Docket 120-123
The University of Texas at San Antonio	Docket 124-134
The University of Texas at Tyler	Docket 135-139
The University of Texas Southwestern Medical Center at Dallas	Docket 140-149
The University of Texas Medical Branch at Galveston	Docket 150-157
The University of Texas Health Science Center at Houston	Docket 158-159
The University of Texas Health Science Center at San Antonio	Docket 160-162
The University of Texas M. D. Anderson Cancer Center	Docket 163-168

Mark G. Yudof  
Chancellor

xc: Other Members of  
the Board

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## U. T. SYSTEM ADMINISTRATION

### CONTRACTS

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

#### GENERAL CONTRACTS

##### FUNDS COMING IN

1. Agency: Texas Education Agency  
Funds: \$7,543,000  
Period: October 21, 2003 through September 30, 2004  
Description: The U. T. System has received a grant from the Texas Education Agency to provide oversight for the technical assistance infrastructure for the "Texas Reading First Initiative." This initiative is designed to improve reading instruction in grades K-3. The Office of Academic Affairs will be responsible for administering oversight of the grant.

## AMENDMENTS TO THE 2003-04 BUDGET

### TRANSFERS OF FUNDS

The following Request for Budget Change (RBC) has been administratively approved by the Assistant Vice Chancellor-Controller and Chief Budget Officer and the Chancellor and is recommended for approval by the U. T. Board of Regents.

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
COMPREHENSIVE PROPERTY PROTECTION PLAN		
1. Amount of Transfer:	3,070,000	4

From: Income Account

To: All Expenses Account

To increase available funds to reimburse claims filed due to hail loss at U. T. Dallas and fire loss at U. T. Arlington.

## OTHER FISCAL ITEMS

### EMPLOYMENT AGREEMENTS

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

1. Item: Executive Vice Chancellor for Health Affairs  
Funds: \$475,000 annual salary rate  
Period: beginning November 24, 2003  
Description: Agreement for employment of Executive Vice Chancellor for Health Affairs, Kenneth I. Shine, M.D. The Executive Vice Chancellor for Health Affairs reports to the Chancellor and holds office without fixed term, subject to the pleasure of the Chancellor. Compensation also includes \$8,400 annual automobile allowance to be paid monthly. System Administration will reimburse professional memberships and continuing education allowances, including reasonable travel.

## OTHER FISCAL ITEMS (CONTINUED)

### BANKING AGREEMENTS

The following standard banking depository agreements have been administratively approved by the Interim Vice Chancellor for Business Affairs or his delegate. Banking depository agreements are made and entered into by and between the U. T. Board of Regents and the respective bank and inclusion of the proposed agreements in the Docket assures that any interests of members of the Board in the contracting banks are identified and disclosed.

1.       Bank:       Southwest Bank of Texas  
      Effective:   July 14, 2003
2.       Bank:       Wells Fargo Bank Texas N.A.  
      Effective:   August 15, 2003
3.       Bank:       Bank One  
      Effective:   August 20, 2003
4.       Bank:       Frost National Bank  
      Effective:   September 4, 2003

## OTHER FISCAL ITEMS (CONTINUED)

### TEXAS UNIVERSITIES HEALTH PLAN, INC. UPDATE

Texas Universities Health Plan, Inc., a Texas nonprofit corporation ("TUHP"), the sole member of which was The University of Texas System, was created to become a licensed health maintenance organization (HMO) in Texas. Its purpose as a licensed HMO was to be in a position to bid on and arrange to provide health insurance to the employees of U. T. System and their dependents and to participate in health programs offered by the Employees Retirement System and Children's Health Insurance Program (CHIP).

In May 2001, the Board of Directors of TUHP determined that all contracts with the exception of CHIP would terminate in August 2001. The Board instructed management to pursue a buyer for the remaining CHIP contract. Superior Health Plan purchased the CHIP contract in 2002 and assumed the obligations of TUHP under the CHIP contract. The run-out related to CHIP was concluded in June 2003. In September 2003, TUHP submitted its request to the Texas Department of Insurance to relinquish its HMO license. The Texas Department of Insurance issued an Order to allow the relinquishment of license on December 30, 2003, and the Secretary of State of the State of Texas issued a Certificate of Dissolution for TUHP on December 31, 2003.

It is anticipated that approximately \$1,200,000, representing the net assets of TUHP, will be distributed to U. T. System on or about February 1, 2004 and U. T. System will then distribute proportionate shares of such amount to the component institutions of U. T. System and Texas Tech participating in the funding of TUHP. The statutory deposit held by the Texas Department of Insurance in the amount of \$250,000 will be placed in a trust account with Wells Fargo Bank to be used to satisfy any claims. After potential claims are settled or dismissed, the amount held by Wells Fargo Bank will be distributed in the same manner as the other net assets.

# REAL ESTATE REPORT

## THE UNIVERSITY OF TEXAS SYSTEM REAL ESTATE ASSETS

Managed by U. T. System Real Estate Office

Summary Report at November 30, 2003

### FUND TYPE

	Current Purpose Restricted		Endowment & Similar Funds		Annuity & Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
<b>Land &amp; Buildings:</b>								
Ending Value 2/28/03	\$ 6,313,822	\$ 24,510,537	\$ 25,166,108	\$ 119,970,692	\$ 1,249,644	\$ 858,515	\$ 23,729,574	\$ 145,339,744
Increase or Decrease	(122,000)	(122,000)	-	446,951	-	-	(121,999)	324,951
Ending Value 5/31/03	\$ 6,191,822	\$ 24,388,537	\$ 25,166,108	\$ 120,417	\$ 1,249,644	\$ 858,515	\$ 32,607,575	\$ 145,664,695
<b>Other Real Estate:</b>								
Ending Value 2/28/03	\$ 144,619	\$ 144,619	\$ 218,546	\$ 218,546	\$ -	\$ -	\$ 363,165	\$ 363,165
Increase or Decrease	(3,674)	(3,674)	87,744	87,744	-	-	84,070	84,070
Ending Value 5/31/03	\$ 140,945	\$ 140,945	\$ 306,290	\$ 306,290	\$ -	\$ -	\$ 447,235	\$ 447,235

Report prepared in accordance with Sec. 51.0032 of the [Texas Education Code](#).

Details of individual assets by account furnished on request.



**The University of Texas System**  
**Physician/Dental Practice Plans Year-to-Date Summary of Operations**  
**For the Three Months Ending November 30, 2003**

	Cumulative Year-to-Date FY 2004	Cumulative Year-to-Date FY 2003 (Restated)	Increase/ (Decrease)	Percent Increase/ (Decrease)
<b>Operating Revenues:</b>				
Gross Charges	\$ 543,806,766	476,436,666	67,370,100	14.14%
Less:				
Un-sponsored Charity Care	161,248,073	138,500,035	22,748,038	16.42%
Contractual Adjustments	182,612,108	159,612,345	22,999,763	14.41%
Other Unreimbursed Medical Costs	16,128,511	11,971,228	4,157,283	34.73%
Bad Debt Expense	15,301,833	14,388,244	913,589	6.35%
Net Patient Revenue	168,516,241	151,964,814	16,551,427	10.89%
Contractual Revenues	59,098,518	51,829,095	7,269,423	14.03%
Other Operating Revenues	5,304,404	6,820,792	(1,516,388)	-22.23%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<b>232,919,163</b>	<b>210,614,701</b>	<b>22,304,462</b>	<b>10.59%</b>
<b>Operating Expenses:</b>				
Faculty Salaries	87,169,072	76,703,807	10,465,265	13.64%
Staff Salaries	43,684,187	38,567,897	5,116,290	13.27%
Resident Salaries	981,329	866,555	114,774	13.24%
Fringe Benefits	47,036,577	44,292,499	2,744,078	6.20%
Maintenance and Operations	37,741,319	36,926,045	815,274	2.21%
Professional Liability Insurance	3,330,062	5,074,544	(1,744,482)	-34.38%
Travel	2,613,276	2,403,743	209,533	8.72%
Official Functions	378,405	358,602	19,803	5.52%
Other Operating Expenses	5,214,820	6,242,000	(1,027,180)	-16.46%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<b>228,149,047</b>	<b>211,435,692</b>	<b>16,713,355</b>	<b>7.90%</b>
<b>Operating Income (Loss)</b>	<b>4,770,116</b>	<b>(820,991)</b>	<b>5,591,107</b>	<b>681.02%</b>
Investment Income	1,432,869	1,435,638	(2,769)	-0.19%
Interest Expense on Debt Service	(353,938)	(351,518)	(2,420)	-0.69%
<b>Adjusted Income (Loss)</b>	<b>5,849,047</b>	<b>263,129</b>	<b>5,585,918</b>	<b>2122.88%</b>
<b>Adjusted Income (Loss) - as a percentage</b>	<b>2.50%</b>	<b>0.12%</b>		
Other Nonoperating Revenues (Expenses)	1,134,704	(1,092,433)	2,227,137	203.87%
Extraordinary Revenues (Expenses)	-	150,000	(150,000)	-100.00%
<b>Income (Loss) Before Other Items</b>	<b>6,983,751</b>	<b>(679,304)</b>	<b>7,663,055</b>	<b>1128.07%</b>
Transfers In	1,462,299	2,834,610	(1,372,311)	-48.41%
Transfers Out	(5,831,476)	(6,058,678)	227,202	3.75%
Debt Service	(935,831)	(676,265)	(259,566)	-38.38%
Capital Outlay	(1,531,970)	(1,322,656)	(209,314)	-15.83%
<b>Change in Net Assets</b>	<b>146,773</b>	<b>(5,902,293)</b>	<b>6,049,066</b>	<b>102.49%</b>
<b>Beginning Net Assets - As Previously Reported</b>	<b>385,054,795</b>	<b>374,591,980</b>	<b>10,462,815</b>	<b>2.79%</b>
<b>Restatements</b>	<b>-</b>	<b>(10,522,087)</b>	<b>10,522,087</b>	<b>100.00%</b>
<b>Beginning Net Assets - As Restated</b>	<b>385,054,795</b>	<b>364,069,893</b>	<b>20,984,902</b>	<b>5.76%</b>
<b>Ending Net Assets</b>	<b>\$ 385,201,568</b>	<b>358,167,600</b>	<b>27,033,968</b>	<b>7.55%</b>

**The University of Texas System  
Physician/Dental Practice Plans  
Comparison of Year-to-Date FY 2004 Adjusted Income (Loss)  
to Year-to-Date FY 2003 Adjusted Income (Loss)  
For the Three Months Ending November 30, 2003**

	<u>Year-to-Date FY 2004 Adjusted Income (Loss)</u>	<u>Year-to-Date FY 2003 Adjusted Income (Loss) (Restated)</u>	<u>Variance of Current Year-to-Date to Prior Year-to-Date</u>	<u>Fluctuation Percentage</u>
U. T. Southwestern Medical Center - Dallas	\$ 1,546,892	(2,421,428)	3,968,320	163.88% (1)
U. T. Southwestern Medical Center - Dallas (Allied Health)	(71,315)	77,578	(148,893)	-191.93%
U. T. Medical Branch - Galveston	1,081,132	(1,527,354)	2,608,486	170.78% (2)
U. T. Health Science Center - Houston	1,482,658	(976,442)	2,459,100	251.84% (3)
U. T. Health Science Center - San Antonio (Physician)	(556,700) (4)	106,820	(663,520)	-621.16%
U. T. Health Science Center - San Antonio (Dental)	282,896	742,254	(459,358)	-61.89% (5)
U. T. M. D. Anderson Cancer Center	2,382,384	4,768,396	(2,386,012)	-50.04% (6)
U. T. Health Center at Tyler	<u>(298,900) (7)</u>	<u>(506,695)</u>	<u>207,795</u>	<u>41.01%</u>
Total Adjusted Income (Loss)	<u>\$ 5,849,047</u>	<u>263,129</u>	<u>5,585,918</u>	<u>2122.88%</u>

**EXPLANATIONS OF VARIANCES ON THE  
PRACTICE PLANS SUMMARY OF OPERATIONS  
FOR THE THREE MONTHS ENDING NOVEMBER 30, 2003**

Explanations are provided for institutions having the largest variances in adjusted income (loss) for current year-to-date as compared to the prior year, both in terms of dollars and percentages. Explanations are also provided for institutions with a current year-to-date adjusted loss.

- (1) *U. T. Southwestern Medical Center - Dallas* – The \$4 million (163.9%) increase in adjusted income as compared to the same period last year was due to an increase of \$9.1 million in total operating revenues, partially offset by an increase in total operating expenses of \$5.1 million. Total operating revenues increased primarily due to growth in patient volumes and an increase in fee schedules. Total operating expenses increased largely due to increases in faculty and staff salaries, as well as higher maintenance and operations expenses. Faculty and staff salaries increased primarily due to the addition of personnel in the Radiology, Surgery, Pathology and Psychiatry departments. The opening of the new Radiation Oncology Center in the beginning of 2004 also resulted in the addition of personnel. In addition, the reorganization of the Clinical Information department and the Health Systems Affairs office created new positions, and researchers and nurses in the Pediatrics department that were previously funded by grants were funded by the physician practice plan in 2004. Maintenance and operations increased primarily as a result of an increase in the purchase of lab and medical supplies, furnishings, computer equipment and building renovation expenses not meeting the capitalization thresholds.
  
- (2) *U. T. Medical Branch - Galveston* – The \$2.6 million (170.8%) increase in adjusted income as compared to the same period last year was largely attributable to an increase in total operating revenues of \$1.4 million, as well as a decrease in total operating expenses of \$807,000. Gross charges increased as a result of fee increases implemented in September 2003. Additionally, the increase in gross charges reflects improvements by many departments in the documenting and charge capture processes. The largest contributor to the decrease in total operating expenses was a reduction in maintenance and operations due to cost-cutting measures.
  
- (3) *U. T. Health Science Center - Houston* – The \$2.5 million (251.8%) increase in adjusted income as compared to the same period last year was due to an increase in total operating revenues of \$4.7 million, partially offset by an increase in total operating expenses of \$2.1 million. Total operating revenues increased as a result of higher net patient revenues attributable to an increase in the fee schedule in September 2003, an increase in faculty productivity and slightly improved collection efforts. Additionally, contractual revenues increased \$3.3 million primarily due to greater contractual revenue from Memorial Hermann Hospital, Harris County Hospital District and U. T. M. D. Anderson resulting largely from increased services

**EXPLANATIONS OF VARIANCES ON THE  
PRACTICE PLANS SUMMARY OF OPERATIONS  
FOR THE THREE MONTHS ENDING NOVEMBER 30, 2003 (CONTINUED)**

provided by *U. T. Health Science Center-Houston's* faculty. Total operating expenses increased primarily due to an increase in faculty salaries related to the realignment of expenses in the physician practice plan from state funds as a result of reductions in state appropriations, as well as salary increases.

- (4) *U. T. Health Science Center - San Antonio (Physician Practice Plan)* – The \$557,000 year-to-date adjusted loss was due to the realignment of expenses in the physician practice plan from state funds as a result of reductions in state appropriations. Also, management determined there were certain contracts related to the physician practice plan that were being captured in other areas of the institution. Individual departments have historically managed Veteran's Administration and other small contracts. However, as new contracts are negotiated they will flow through central management, and it will become more feasible to accrue these revenues. *U. T. Health Science Center-San Antonio* anticipates the physician practice plan will end the fiscal year with a positive margin of approximately \$1 million.
- (5) *U. T. Health Science Center - San Antonio (Dental Practice Plan)* – The \$459,000 (61.9%) decrease in adjusted income as compared to the same period last year was due to a reduction in total operating revenues of \$228,000, as well as an increase in total operating expenses of \$254,000. A portion of the decrease in total operating revenues was a result of the loss of a \$100,000 grant from the government of Saudi Arabia to teach dentistry to three of its nationals. The remainder of the variance in operating revenues was due to a decrease in miscellaneous income as compared to the first quarter of 2003. Total operating expenses increased due to the realignment of expenses in the dental practice plan from state funds as a result of reductions in state appropriations. Management determined that there were certain contracts related to the dental practice plan that were being captured in other areas of the institution.
- (6) *U. T. M. D. Anderson Cancer Center* – The \$2.4 million (50%) decrease in adjusted income as compared to the same period last year was attributable to a \$7.1 million increase in total operating expenses, partially offset by a \$5.2 million increase in total operating revenues. Faculty salaries increased due to new faculty positions filled in 2004, as well as salary increases. Staff salaries increased due to a shift in classified salaries from Educational and General funds to the practice plan. The increases in faculty and staff salaries also resulted in an increase in fringe benefits. Total operating revenues increased due to higher patient volumes and activity.

**EXPLANATIONS OF VARIANCES ON THE  
PRACTICE PLANS SUMMARY OF OPERATIONS  
FOR THE THREE MONTHS ENDING NOVEMBER 30, 2003 (CONTINUED)**

- (7) U. T. Health Center - Tyler – The \$299,000 year-to-date adjusted loss was due to increased salaries and benefits expenses associated with the 25 additional full-time equivalents (FTEs) from the Pedi and Primary Health Clinics. These clinics became physician-based clinics on January 1, 2003; however, the FTEs were not moved to the physician practice plan until September 1, 2003. Additionally, the physician practice plan's anesthesiologists were terminated in October 2003 as part of a cost-cutting measure. Therefore, expenses for contracted anesthesiologists from East Texas Anesthesiology have increased. *U. T. Health Center-Tyler's* management anticipates that anesthesiology revenue will increase once the contract with East Texas Anesthesiology is complete. The physician practice plan is expected to break even in 2004.

## **GLOSSARY OF TERMS**

### **OPERATING REVENUES:**

**GROSS CHARGES** - Posted charges for patient care services at scheduled rates.

**UNSPONSORED CHARITY CARE** - Unreimbursed charges to financially or medically indigent patients, including contractual adjustments and other unreimbursed charges to Medicaid, State Children's Health Insurance Program, and other governmental programs indexed to the federal poverty. Contractual adjustments include fee-for-service and capitation.

**CONTRACTUAL ADJUSTMENTS** - The difference between the gross charge and the discounted amount agreed to by a third party contract, such as Preferred Provider Organizations, Health Maintenance Organizations and Medicare, including the difference between gross charges and the related capitated payments.

**OTHER UNREIMBURSED MEDICAL COSTS** - All other write-offs (i.e., unbilled charges, discounts for personal courtesy and employees, unreimbursed research expenses, denied charges, missed billing deadlines).

**BAD DEBT EXPENSE** - Charges that were at one time the responsibility of a private pay patient that are deemed uncollectible.

**NET PATIENT REVENUES** - Gross charges less all deductions.

**CONTRACTUAL REVENUES** - Lump sum income for contracted physician services related to affiliated hospitals and organizations, jails, medical director services, and clinical oversight.

**OTHER OPERATING REVENUES** - Other operating-related revenue items not listed elsewhere.

### **OPERATING EXPENSES:**

**FACULTY SALARIES** - All faculty salary payments including salary augmentation. Does not include incentive payments or supplemental retirement annuities.

**STAFF SALARIES** - All nonfaculty salary payments, excluding resident salaries.

**RESIDENT SALARIES** - Salaries paid to resident physicians.

## **GLOSSARY OF TERMS (CONTINUED)**

**FRINGE BENEFITS** - Group insurance premiums (net of premium sharing) paid by the plan, supplemental retirement payments, incentive payments, and parking fees as authorized by the Medical Services Research and Development Plan/Physicians' Referral Service Bylaws, and mandatory state benefits (retirement, OASI, WCI, premium sharing, etc.).

**MAINTENANCE AND OPERATIONS** - All expenses not classified elsewhere, i.e., utilities, supplies, repairs and maintenance, shipping and postage, etc.

**PROFESSIONAL LIABILITY INSURANCE** - Professional liability insurance premiums paid by the institution on behalf of plan members.

**TRAVEL** - All costs associated with travel.

**OFFICIAL FUNCTIONS** - Business related events that are of documented benefit to the institution.

**OTHER OPERATING EXPENSES** - Other operating-related expense items not listed elsewhere.

**OPERATING INCOME (LOSS)** - Total operating revenues less total operating expenses before other nonoperating adjustments like investment income and interest expense.

### **OTHER NONOPERATING ADJUSTMENTS:**

**INVESTMENT INCOME** - Income earned from investments.

**INTEREST EXPENSE ON DEBT SERVICE** - Interest expense only on debt service.

**ADJUSTED INCOME (LOSS)** - Operating income (loss) adjusted for investment income and interest expense on debt service.

**ADJUSTED INCOME (LOSS) AS A PERCENTAGE** - Adjusted income (loss) divided by total operating revenues plus investment income.

**OTHER NONOPERATING REVENUES (EXPENSES)** - Other nonoperating revenue or expense items not identified elsewhere.

**EXTRAORDINARY REVENUES (EXPENSES)** - Revenues (expenses) that result from unusual and infrequent events.

## **GLOSSARY OF TERMS (CONTINUED)**

INCOME (LOSS) BEFORE OTHER ITEMS - Adjusted income (loss) net of other nonoperating revenues (expenses).

TRANSFERS IN - Transfers from non-practice plan funds.

TRANSFERS OUT - Transfers to non-practice plan funds.

DEBT SERVICE - Principal paid on any debt, i.e., building construction, renovation, lease-purchase agreements, etc.

CAPITAL OUTLAY - Cost of capital acquisitions funded from plan resources.



**The University of Texas Southwestern Medical Center at Dallas  
Physician Practice Plan Year-to-Date Summary of Operations\*  
For the Three Months Ending November 30, 2003**

	Cumulative Year-to-Date FY 2004	Cumulative Year-to-Date FY 2003 (Restated)	Increase/ (Decrease)	Percent Increase/ (Decrease)
<b>Operating Revenues:</b>				
Gross Charges	\$ 167,509,383	147,087,356	20,422,027	13.88%
Less:				
Un-sponsored Charity Care	69,308,910	63,600,288	5,708,622	8.98%
Contractual Adjustments	41,233,653	35,028,561	6,205,092	17.71%
Other Unreimbursed Medical Costs	4,883,833	4,327,330	556,503	12.86%
Bad Debt Expense	2,512,090	2,152,628	359,462	16.70%
Net Patient Revenues	49,570,897	41,978,549	7,592,348	18.09%
Contractual Revenues	22,135,089	21,004,382	1,130,707	5.38%
Other Operating Revenues	1,868,956	1,494,822	374,134	25.03%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<b>73,574,942</b>	<b>64,477,753</b>	<b>9,097,189</b>	<b>14.11%</b>
<b>Operating Expenses:</b>				
Faculty Salaries	24,893,551	22,908,521	1,985,030	8.67%
Staff Salaries	18,723,551	17,172,984	1,550,567	9.03%
Fringe Benefits	14,676,155	14,004,377	671,778	4.80%
Maintenance and Operations	12,077,742	10,908,095	1,169,647	10.72%
Professional Liability Insurance	859,568	1,274,316	(414,748)	-32.55%
Travel	669,334	671,125	(1,791)	-0.27%
Official Functions	124,990	-	124,990	100.00%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<b>72,024,891</b>	<b>66,939,418</b>	<b>5,085,473</b>	<b>7.60%</b>
<b>Operating Income (Loss)</b>	<b>1,550,051</b>	<b>(2,461,665)</b>	<b>4,011,716</b>	<b>162.97%</b>
Investment Income	350,779	390,691	(39,912)	-10.22%
Interest Expense on Debt Service	(353,938)	(350,454)	(3,484)	-0.99%
<b>Adjusted Income (Loss)</b>	<b>1,546,892</b>	<b>(2,421,428)</b>	<b>3,968,320</b>	<b>163.88%</b>
<b>Adjusted Income (Loss) - as a percentage</b>	<b>2.09%</b>	<b>-3.73%</b>		
Transfers In	1,405,287	2,799,128	(1,393,841)	-49.80%
Transfers Out	(2,607,554)	(2,618,044)	10,490	0.40%
Debt Service	(935,831)	(676,265)	(259,566)	-38.38%
Capital Outlay	(1,172,369)	(580,335)	(592,034)	-102.02%
<b>Change in Net Assets</b>	<b>(1,763,575)</b>	<b>(3,496,944)</b>	<b>1,733,369</b>	<b>49.57%</b>
<b>Beginning Net Assets - As Previously Reported</b>	<b>124,005,876</b>	<b>141,810,647</b>	<b>(17,804,771)</b>	<b>-12.56%</b>
<b>Restatements</b>	<b>-</b>	<b>52,524</b>	<b>(52,524)</b>	<b>-100.00%</b>
<b>Beginning Net Assets - As Restated</b>	<b>124,005,876</b>	<b>141,863,171</b>	<b>(17,857,295)</b>	<b>-12.59%</b>
<b>Ending Net Assets</b>	<b>\$ 122,242,301</b>	<b>138,366,227</b>	<b>(16,123,926)</b>	<b>-11.65%</b>

\*Includes the operations of the nonprofit healthcare corporation.

**The University of Texas Southwestern Medical Center at Dallas**  
**Allied Health Faculty Services Plan Year-to-Date Summary of Operations**  
**For the Three Months Ending November 30, 2003**

	Cumulative Year-to-Date FY 2004	Cumulative Year-to-Date FY 2003	Increase/ (Decrease)	Percent Increase/ (Decrease)
<b>Operating Revenues:</b>				
Gross Charges	\$ 392,000	456,990	(64,990)	-14.22%
Less:				
Un-sponsored Charity Care	124	1,819	(1,695)	-93.18%
Contractual Adjustments	116,537	75,251	41,286	54.86%
Other Unreimbursed Medical Costs	1,555	23,543	(21,988)	-93.40%
Bad Debt Expense	2,791	14,549	(11,758)	-80.82%
Net Patient Revenues	<u>270,993</u>	<u>341,828</u>	<u>(70,835)</u>	<u>-20.72%</u>
Contractual Revenues	96,326	118,387	(22,061)	-18.63%
Other Operating Revenues	13,875	11,395	2,480	21.76%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<u>381,194</u>	<u>471,610</u>	<u>(90,416)</u>	<u>-19.17%</u>
<b>Operating Expenses:</b>				
Faculty Salaries	63,064	57,832	5,232	9.05%
Staff Salaries	151,090	149,641	1,449	0.97%
Fringe Benefits	62,958	65,876	(2,918)	-4.43%
Maintenance and Operations	156,514	116,520	39,994	34.32%
Professional Liability Insurance	2,228	1,758	470	26.73%
Travel	19,098	6,681	12,417	185.86%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<u>454,952</u>	<u>398,308</u>	<u>56,644</u>	<u>14.22%</u>
<b>Operating Income (Loss)</b>	(73,758)	73,302	(147,060)	-200.62%
Investment Income	2,443	4,276	(1,833)	-42.87%
<b>Adjusted Income (Loss)</b>	(71,315)	77,578	(148,893)	-191.93%
<b>Adjusted Income (Loss) - as a percentage</b>	-18.59%	16.30%		
Transfers In	1,587	2,364	(777)	-32.87%
Transfers Out	(33,071)	(31,319)	(1,752)	-5.59%
Capital Outlay	(163)	-	(163)	-100.00%
<b>Change in Net Assets</b>	<u>(102,962)</u>	<u>48,623</u>	<u>(151,585)</u>	<u>-311.76%</u>
<b>Beginning Net Assets - As Previously Reported</b>	<u>3,122,421</u>	<u>2,776,476</u>	<u>345,945</u>	<u>12.46%</u>
<b>Ending Net Assets</b>	<u>\$ 3,019,459</u>	<u>2,825,099</u>	<u>194,360</u>	<u>6.88%</u>

**The University of Texas Medical Branch at Galveston  
Physician Practice Plan Year-to-Date Summary of Operations  
For the Three Months Ending November 30, 2003**

	Cumulative Year-to-Date FY 2004	Cumulative Year-to-Date FY 2003	Increase/ (Decrease)	Percent Increase/ (Decrease)
<b>Operating Revenues:</b>				
Gross Charges	\$ 82,173,189	73,148,202	9,024,987	12.34%
Less:				
Un-sponsored Charity Care	25,325,707	21,020,132	4,305,575	20.48%
Contractual Adjustments	23,221,854	22,423,047	798,807	3.56%
Other Unreimbursed Medical Costs	5,781,752	3,529,985	2,251,767	63.79%
Bad Debt Expense	3,696,377	3,383,440	312,937	9.25%
Net Patient Revenues	24,147,499	22,791,598	1,355,901	5.95%
Contractual Revenues	7,946,940	8,635,500	(688,560)	-7.97%
Other Operating Revenues	710,449	16,005	694,444	4338.92%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<b>32,804,888</b>	<b>31,443,103</b>	<b>1,361,785</b>	<b>4.33%</b>
<b>Operating Expenses:</b>				
Faculty Salaries	13,857,354	12,143,976	1,713,378	14.11%
Staff Salaries	7,732,874	8,406,644	(673,770)	-8.01%
Resident Salaries	981,329	866,555	114,774	13.24%
Fringe Benefits	5,085,440	5,294,868	(209,428)	-3.96%
Maintenance and Operations	2,938,615	4,012,779	(1,074,164)	-26.77%
Professional Liability Insurance	1,108,867	1,567,464	(458,597)	-29.26%
Travel	233,818	440,307	(206,489)	-46.90%
Official Functions	6,641	19,078	(12,437)	-65.19%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<b>31,944,938</b>	<b>32,751,671</b>	<b>(806,733)</b>	<b>-2.46%</b>
<b>Operating Income (Loss)</b>	<b>859,950</b>	<b>(1,308,568)</b>	<b>2,168,518</b>	<b>165.72%</b>
Investment Income	221,182	(218,786)	439,968	201.10%
<b>Adjusted Income (Loss)</b>	<b>1,081,132</b>	<b>(1,527,354)</b>	<b>2,608,486</b>	<b>170.78%</b>
<b>Adjusted Income (Loss) - as a percentage</b>	<b>3.27%</b>	<b>-4.89%</b>		
Transfers In	50,000	-	50,000	100.00%
Transfers Out	(100,000)	(3,000)	(97,000)	-3233.33%
Capital Outlay	(284,493)	(444,779)	160,286	36.04%
<b>Change in Net Assets</b>	<b>746,639</b>	<b>(1,975,133)</b>	<b>2,721,772</b>	<b>137.80%</b>
<b>Beginning Net Assets - As Previously Reported</b>	<b>51,732,957</b>	<b>45,932,815</b>	<b>5,800,142</b>	<b>12.63%</b>
<b>Ending Net Assets</b>	<b>\$ 52,479,596</b>	<b>43,957,682</b>	<b>8,521,914</b>	<b>19.39%</b>

**The University of Texas Health Science Center at Houston  
Physician Practice Plan Year-to-Date Summary of Operations\*  
For the Three Months Ending November 30, 2003**

	Cumulative Year-to-Date FY 2004	Cumulative Year-to-Date FY 2003 (Restated)	Increase/ (Decrease)	Percent Increase/ (Decrease)
<b>Operating Revenues:</b>				
Gross Charges	\$ 99,111,563	73,159,431	25,952,132	35.47%
Less:				
Un-sponsored Charity Care	32,805,927	24,888,838	7,917,089	31.81%
Contractual Adjustments	33,126,598	20,118,844	13,007,754	64.65%
Other Unreimbursed Medical Costs	3,072,458	1,828,986	1,243,472	67.99%
Bad Debt Expense	6,144,917	4,007,108	2,137,809	53.35%
Net Patient Revenues	23,961,663	22,315,655	1,646,008	7.38%
Contractual Revenues	15,694,578	12,354,767	3,339,811	27.03%
Other Operating Revenues	1,157,011	1,464,740	(307,729)	-21.01%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<b>40,813,252</b>	<b>36,135,162</b>	<b>4,678,090</b>	<b>12.95%</b>
<b>Operating Expenses:</b>				
Faculty Salaries	18,412,149	15,453,194	2,958,955	19.15%
Staff Salaries	6,119,844	5,516,452	603,392	10.94%
Fringe Benefits	5,033,708	4,662,275	371,433	7.97%
Maintenance and Operations	4,032,075	4,373,854	(341,779)	-7.81%
Professional Liability Insurance	498,159	790,493	(292,334)	-36.98%
Travel	151,733	203,011	(51,278)	-25.26%
Official Functions	121,621	239,361	(117,740)	-49.19%
Other Operating Expenses	5,214,820	6,242,000	(1,027,180)	-16.46%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<b>39,584,109</b>	<b>37,480,640</b>	<b>2,103,469</b>	<b>5.61%</b>
<b>Operating Income (Loss)</b>	<b>1,229,143</b>	<b>(1,345,478)</b>	<b>2,574,621</b>	<b>191.35%</b>
Investment Income	253,515	370,100	(116,585)	-31.50%
Interest Expense on Debt Service	-	(1,064)	1,064	100.00%
<b>Adjusted Income (Loss)</b>	<b>1,482,658</b>	<b>(976,442)</b>	<b>2,459,100</b>	<b>251.84%</b>
<b>Adjusted Income (Loss) - as a percentage</b>	<b>3.61%</b>	<b>-2.67%</b>		
Extraordinary Revenues (Expenses)	-	150,000	(150,000)	-100.00%
<b>Income (Loss) Before Other Items</b>	<b>1,482,658</b>	<b>(826,442)</b>	<b>2,309,100</b>	<b>279.40%</b>
Transfers Out	(44,851)	(406,315)	361,464	88.96%
Capital Outlay	(39,270)	(157,126)	117,856	75.01%
<b>Change in Net Assets</b>	<b>1,398,537</b>	<b>(1,389,883)</b>	<b>2,788,420</b>	<b>200.62%</b>
<b>Beginning Net Assets - As Previously Reported</b>	<b>37,535,735</b>	<b>47,906,025</b>	<b>(10,370,290)</b>	<b>-21.65%</b>
<b>Restatements</b>	<b>-</b>	<b>(9,788,926)</b>	<b>9,788,926</b>	<b>100.00%</b>
<b>Beginning Net Assets - As Restated</b>	<b>37,535,735</b>	<b>38,117,099</b>	<b>(581,364)</b>	<b>-1.53%</b>
<b>Ending Net Assets</b>	<b>\$ 38,934,272</b>	<b>36,727,216</b>	<b>2,207,056</b>	<b>6.01%</b>

\*Includes the operations of the nonprofit healthcare corporation.

**The University of Texas Health Science Center at San Antonio  
Physician Practice Plan Year-to-Date Summary of Operations\*  
For the Three Months Ending November 30, 2003**

	Cumulative Year-to-Date FY 2004	Cumulative Year-to-Date FY 2003 (Restated)	Increase/ (Decrease)	Percent Increase/ (Decrease)
<b>Operating Revenues:</b>				
Gross Charges	\$ 49,139,105	46,999,703	2,139,402	4.55%
Less:				
Un-sponsored Charity Care	20,555,762	18,299,774	2,255,988	12.33%
Contractual Adjustments	12,236,816	12,344,777	(107,961)	-0.87%
Other Unreimbursed Medical Costs	(24,920)	113,713	(138,633)	-121.91%
Bad Debt Expense	1,233,564	1,328,793	(95,229)	-7.17%
Net Patient Revenues	15,137,883	14,912,646	225,237	1.51%
Contractual Revenues	12,623,145	9,426,911	3,196,234	33.91%
Other Operating Revenues	1,435,345	3,240,302	(1,804,957)	-55.70%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<b>29,196,373</b>	<b>27,579,859</b>	<b>1,616,514</b>	<b>5.86%</b>
<b>Operating Expenses:</b>				
Faculty Salaries	9,353,004	8,243,738	1,109,266	13.46%
Staff Salaries	2,163,364	1,681,665	481,699	28.64%
Fringe Benefits	5,740,674	5,049,168	691,506	13.70%
Maintenance and Operations	12,089,360	11,902,735	186,625	1.57%
Professional Liability Insurance	244,809	453,708	(208,899)	-46.04%
Travel	269,397	171,912	97,485	56.71%
Official Functions	84,368	48,164	36,204	75.17%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<b>29,944,976</b>	<b>27,551,090</b>	<b>2,393,886</b>	<b>8.69%</b>
<b>Operating Income (Loss)</b>	<b>(748,603)</b>	<b>28,769</b>	<b>(777,372)</b>	<b>-2702.12%</b>
Investment Income	191,903	78,051	113,852	145.87%
<b>Adjusted Income (Loss)</b>	<b>(556,700)</b>	<b>106,820</b>	<b>(663,520)</b>	<b>-621.16%</b>
<b>Adjusted Income (Loss) - as a percentage</b>	<b>-1.89%</b>	<b>0.39%</b>		
Transfers In	-	32,478	(32,478)	-100.00%
Transfers Out	(38,772)	-	(38,772)	-100.00%
Capital Outlay	(28,162)	(312,934)	284,772	91.00%
<b>Change in Net Assets</b>	<b>(623,634)</b>	<b>(173,636)</b>	<b>(449,998)</b>	<b>-259.16%</b>
<b>Beginning Net Assets - As Previously Reported</b>	<b>49,471,461</b>	<b>35,934,204</b>	<b>13,537,257</b>	<b>37.67%</b>
<b>Ending Net Assets</b>	<b>\$ 48,847,827</b>	<b>35,760,568</b>	<b>13,087,259</b>	<b>36.60%</b>

\*Includes the operations of the nonprofit healthcare corporation.

**The University of Texas Health Science Center at San Antonio  
Dental Practice Plan Year-to-Date Summary of Operations  
For the Three Months Ending November 30, 2003**

	Cumulative Year-to-Date FY 2004	Cumulative Year-to-Date FY 2003 (Restated)	Increase/ (Decrease)	Percent Increase/ (Decrease)
<b>Operating Revenues:</b>				
Gross Charges	\$ 1,659,608	1,887,684	(228,076)	-12.08%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<u>1,659,608</u>	<u>1,887,684</u>	<u>(228,076)</u>	<u>-12.08%</u>
<b>Operating Expenses:</b>				
Faculty Salaries	260,656	113,298	147,358	130.06%
Staff Salaries	358,720	370,781	(12,061)	-3.25%
Fringe Benefits	260,804	249,297	11,507	4.62%
Maintenance and Operations	435,602	346,766	88,836	25.62%
Professional Liability Insurance	21,519	22,991	(1,472)	-6.40%
Travel	47,114	36,576	10,538	28.81%
Official Functions	15,220	5,721	9,499	166.04%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<u>1,399,635</u>	<u>1,145,430</u>	<u>254,205</u>	<u>22.19%</u>
<b>Operating Income (Loss)</b>	259,973	742,254	(482,281)	-64.98%
Investment Income	22,923	-	22,923	100.00%
<b>Adjusted Income (Loss)</b>	282,896	742,254	(459,358)	-61.89%
<b>Adjusted Income (Loss) - as a percentage</b>	16.81%	39.32%		
Transfers In	-	640	(640)	-100.00%
Transfers Out	(1,228)	-	(1,228)	-100.00%
Capital Outlay	(7,513)	(47,784)	40,271	84.28%
<b>Change in Net Assets</b>	274,155	695,110	(420,955)	-60.56%
<b>Beginning Net Assets - As Previously Reported</b>	8,035,114	8,037,871	(2,757)	-0.03%
<b>Ending Net Assets</b>	<u>\$ 8,309,269</u>	<u>8,732,981</u>	<u>(423,712)</u>	<u>-4.85%</u>

**The University of Texas M. D. Anderson Cancer Center  
Physician Practice Plan Year-to-Date Summary of Operations  
For the Three Months Ending November 30, 2003**

	Cumulative Year-to-Date FY 2004	Cumulative Year-to-Date FY 2003 (Restated)	Increase/ (Decrease)	Percent Increase/ (Decrease)
<b>Operating Revenues:</b>				
Gross Charges	\$ 134,651,434	124,947,218	9,704,216	7.77%
Less:				
Un-sponsored Charity Care	11,531,582	9,263,983	2,267,599	24.48%
Contractual Adjustments	69,114,881	66,174,500	2,940,381	4.44%
Other Unreimbursed Medical Costs	2,240,706	1,972,292	268,414	13.61%
Bad Debt Expense	1,174,582	2,568,230	(1,393,648)	-54.26%
Net Patient Revenues	50,589,683	44,968,213	5,621,470	12.50%
Other Operating Revenues	31,734	495,179	(463,445)	-93.59%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<b>50,621,417</b>	<b>45,463,392</b>	<b>5,158,025</b>	<b>11.35%</b>
<b>Operating Expenses:</b>				
Faculty Salaries	18,139,206	15,792,604	2,346,602	14.86%
Staff Salaries	7,778,994	4,743,936	3,035,058	63.98%
Fringe Benefits	15,520,895	14,453,062	1,067,833	7.39%
Maintenance and Operations	5,445,901	4,796,863	649,038	13.53%
Professional Liability Insurance	514,373	828,132	(313,759)	-37.89%
Travel	1,192,843	839,295	353,548	42.12%
Official Functions	25,565	46,278	(20,713)	-44.76%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<b>48,617,777</b>	<b>41,500,170</b>	<b>7,117,607</b>	<b>17.15%</b>
<b>Operating Income (Loss)</b>	<b>2,003,640</b>	<b>3,963,222</b>	<b>(1,959,582)</b>	<b>-49.44%</b>
Investment Income	378,744	805,174	(426,430)	-52.96%
<b>Adjusted Income (Loss)</b>	<b>2,382,384</b>	<b>4,768,396</b>	<b>(2,386,012)</b>	<b>-50.04%</b>
<b>Adjusted Income (Loss) - as a percentage</b>	<b>4.67%</b>	<b>10.31%</b>		
Other Nonoperating Revenues (Expenses)	1,134,704	(1,078,172)	2,212,876	205.24%
<b>Income (Loss) Before Other Items</b>	<b>3,517,088</b>	<b>3,690,224</b>	<b>(173,136)</b>	<b>-4.69%</b>
Transfers Out	(3,000,000)	(3,000,000)	-	0.00%
Capital Outlay	-	220,302	(220,302)	-100.00%
<b>Change in Net Assets</b>	<b>517,088</b>	<b>910,526</b>	<b>(393,438)</b>	<b>-43.21%</b>
<b>Beginning Net Assets - As Previously Reported</b>	<b>110,794,314</b>	<b>92,760,304</b>	<b>18,034,010</b>	<b>19.44%</b>
<b>Ending Net Assets</b>	<b>\$ 111,311,402</b>	<b>93,670,830</b>	<b>17,640,572</b>	<b>18.83%</b>

**The University of Texas Health Center at Tyler  
Physician Practice Plan Year-to-Date Summary of Operations\*  
For the Three Months Ending November 30, 2003**

	Cumulative Year-to-Date FY 2004	Cumulative Year-to-Date FY 2003 (Restated)	Increase/ (Decrease)	Percent Increase/ (Decrease)
<b>Operating Revenues:</b>				
Gross Charges	\$ 9,170,484	8,750,082	420,402	4.80%
Less:				
Un-sponsored Charity Care	1,720,061	1,425,201	294,860	20.69%
Contractual Adjustments	3,561,769	3,447,365	114,404	3.32%
Other Unreimbursed Medical Costs	173,127	175,379	(2,252)	-1.28%
Bad Debt Expense	537,512	933,496	(395,984)	-42.42%
Net Patient Revenues	3,178,015	2,768,641	409,374	14.79%
Contractual Revenues	602,440	289,148	313,292	108.35%
Other Operating Revenues	87,034	98,349	(11,315)	-11.50%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<b>3,867,489</b>	<b>3,156,138</b>	<b>711,351</b>	<b>22.54%</b>
<b>Operating Expenses:</b>				
Faculty Salaries	2,190,088	1,990,644	199,444	10.02%
Staff Salaries	655,750	525,794	129,956	24.72%
Fringe Benefits	655,943	513,576	142,367	27.72%
Maintenance and Operations	565,510	468,433	97,077	20.72%
Professional Liability Insurance	80,539	135,682	(55,143)	-40.64%
Travel	29,939	34,836	(4,897)	-14.06%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<b>4,177,769</b>	<b>3,668,965</b>	<b>508,804</b>	<b>13.87%</b>
<b>Operating Income (Loss)</b>	<b>(310,280)</b>	<b>(512,827)</b>	<b>202,547</b>	<b>39.50%</b>
Investment Income	11,380	6,132	5,248	85.58%
<b>Adjusted Income (Loss)</b>	<b>(298,900)</b>	<b>(506,695)</b>	<b>207,795</b>	<b>41.01%</b>
<b>Adjusted Income (Loss) - as a percentage</b>	<b>-7.71%</b>	<b>-16.02%</b>		
Other Nonoperating Revenues (Expenses)	-	(14,261)	14,261	100.00%
<b>Income (Loss) Before Other Items</b>	<b>(298,900)</b>	<b>(520,956)</b>	<b>222,056</b>	<b>42.62%</b>
Transfers In	5,425	-	5,425	100.00%
Transfers Out	(6,000)	-	(6,000)	-100.00%
<b>Change in Net Assets</b>	<b>(299,475)</b>	<b>(520,956)</b>	<b>221,481</b>	<b>42.51%</b>
<b>Beginning Net Assets - As Previously Reported</b>	<b>356,917</b>	<b>(566,362)</b>	<b>923,279</b>	<b>163.02%</b>
<b>Restatements</b>	<b>-</b>	<b>(785,685)</b>	<b>785,685</b>	<b>100.00%</b>
<b>Beginning Net Assets - As Restated</b>	<b>356,917</b>	<b>(1,352,047)</b>	<b>1,708,964</b>	<b>126.40%</b>
<b>Ending Net Assets</b>	<b>\$ 57,442</b>	<b>(1,873,003)</b>	<b>1,930,445</b>	<b>103.07%</b>

\*Includes the operations of the nonprofit healthcare corporation.



## 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.

U. T. Arlington proposes revising its graduate admissions guidelines to bring them into closer compliance with the published psychometric guidelines for graduate admissions tests such as the GRE and GMAT. Texas state law (H.B. 1641, codified as Texas Education Code Section 51.808) requires that the requirements for admission be published separately for each graduate program. Because U. T. Arlington has many graduate programs, implementing this fairly technical change in the use of test scores requires the many separate pages included here in the docket. The following changes have been administratively approved by the Executive Vice Chancellor for Academic Affairs and recommends them for approval by the U. T. Board of Regents.

#### Summary of Changes to Graduate School Admission Criteria

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.

Changes to previously approved admission requirements that are listed along with newly proposed replacements. In a few instances, new requirements are proposed that do not replace old requirements and are intended to add to previously approved admission criteria.

Overview of Major Changes: We propose to end the practice of using the sum of scores on subtests of the Graduate Record Examination (GRE) as an admission criteria (e.g., requiring a score of 1000 on the verbal and quantitative subtests) as recommended by the Educational Testing Service. Subtest scores will be considered specified separately by all graduate programs. It should be emphasized, however, in compliance with House Bill 1641, standardized test scores are not used as the sole or primary determinant of admission on this campus. If test scores do not meet expectations, students may be admitted on the basis of other strengths through the previously approved admission procedures that we will continue to follow.

We also propose to change the policy on the admission status required for a teaching or research assistantship. As students may be admitted on probation for poor performance on a standardized test, and past policy precluded probationary students from consideration for teaching or research assistantships, it was felt that this policy should be changed to allow students admitted under this condition to be considered for such financial support. Students admitted on probation for poor performance on some admission criteria will be considered for assistantships under the proposed policy change. However, students admitted provisionally for failing to provide all documents necessary to complete their application file will not be considered for these awards until that documentation is provided and their admission condition changed.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

Proposed new requirement concerning qualification for assistantships:

Old requirement: A student must be unconditionally admitted to be considered for a graduate research or teaching assistantship.

New requirement: A student must be admitted either unconditionally or on probation to be considered for a graduate research or teaching assistantship.

#### **Program in Architecture:**

Old admission requirement: GRE score of 1000.

New admission requirement: Minimum score of 500 in the verbal and 500 quantitative portions of the Graduate Record Exam (GRE).

#### **Program in Landscape Architecture:**

Old admission requirement: Average GRE scores of successful applicants since 1998 have been approximately 1100.

New admission requirement: Average GRE scores of successful applicants since 1998 have been approximately 550 Verbal and 550 Quantitative.

#### **Program in Business Administration:**

Old admission requirements:

Probationary Admission: For an applicant with an index score below 1080, probationary admission may be available when at least three items of 1 through 5 above strongly indicate potential for successful academic performance as a graduate business student. Items 6 through 9 will also be used to identify positive indicators for admission. Students who are admitted on probation will have one or more conditions specified, such as no grade less than 'B' for the first 12 hours of graduate study.

New admission requirements: (Admission Criteria 1-9 were previously approved and are unchanged in new proposal)

**Probationary Admission:** For an applicant with an index score below 1080 or an applicant who shows deficiency in one or more areas of items 1-9, probationary admission may be available when at least three items of 1 through 5 above strongly indicate potential for successful academic performance as a graduate business student. Items 6 through 9 will also be used to identify positive indicators for admission. Students who are admitted on probation will have one or more conditions specified, such as no grade less than 'B' for the first 12 hours of graduate study.

#### **Accounting:**

Old admission requirement: Accept either GMAT or GRE test scores.

New admission requirement: Accept only GMAT test scores.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **Economics:**

##### Old admission requirements:

For the case of GMAT (GMAT index), the GPA computed by the Graduate School is multiplied by 200 plus the total GMAT score. For the case of GRE (GRE index), the GPA computed by the Graduate School is multiplied by 400 plus the total GRE score. Index factors are weighed equally at the outset of applicant evaluation. A graduate grade point average is used in the index when it is 3.0 or above and is based on at least 24 semester hours.

Along with grade point average and GMAT total score, admission criteria include the following:

1. GMAT or GRE sub scores (verbal and quantitative)
2. GMAT or GRE writing sample
3. Grades in specified undergraduate business and non-business courses (math, accounting, economics, statistics, for example)
4. Educational objectives and quality of written expression of the application essay
5. Letters of recommendation from three persons familiar with the applicant's academic background and/or work experience
6. Undergraduate major
7. General and specific program Accreditation status of degree granting institution
8. Professional work experience
9. Professional certification or licensure

**Unconditional Admission:** For unconditional admission, the applicant's composite total from the GMAT index must be 1080 or higher and items 1 through 5 above should strongly indicate potential for successful academic performance as a graduate economics student. The corresponding GRE index total is 2200. Students who are unconditionally admitted have a minimum undergraduate grade point average of 3.0 as calculated by the Graduate School (or 3.0 at the graduate level), and enroll for a minimum of six semester credit hours will be eligible for available fellowship and/or scholarship support. A standardized test score (GMAT or GRE) will not be used as the sole criterion for determining fellowship and/or scholarship eligibility.

**Probationary Admission:** For an applicant with a GMAT index score below 1080 or GRE index score below 2200, probationary admission may be available when at least three items of 1 through 5 above strongly indicate potential for successful academic performance as a graduate economics student. Items 6 through 9 will also be used to identify positive indicators for admission. Students who are admitted on probation will have one or more conditions specified, such as no grade less than 'B' for the first 12 hours of graduate study.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **Economics:** (Continued)

##### New admission requirements:

**Unconditional admission:** Based on the following criteria, no single criteria is used to deny admission.

1. A bachelor's degree from an accredited general or specific program.
2. An acceptable undergraduate GPA as calculated by the Graduate School, generally greater than 3.0 on a 4.0 scale.
3. An acceptable score on the Graduate Record Examination or GMAT. Successful students generally have a minimum score of 600 on the quantitative section and 450 on the verbal section of the GRE or a minimum score of 480 on the GMAT.
4. Favorable letters of recommendation from at least three individuals able to assess the applicant's potential for success in graduate school.
5. Grades in specified undergraduate business and non-business courses (math, accounting, economics, statistics, for example).
6. For applicants whose primary language is not English, a minimum score of 550 on the Test of English as a Foreign Language (or an equivalent score on a computer-based test) or a score of 40 on the Test of Spoken English.

Regardless of a student's score on the GRE or GMAT, he or she may be considered for unconditional admission if further review of the undergraduate transcript, recommendation letters, correspondence or direct interactions with the Economics faculty, and statement of professional research interests indicates that he or she is qualified to enter the Master's Program.

**Probationary admission:** If an applicant does not meet items 1-6 (above) for unconditional admission they may be considered for probationary admission after careful examination of their application materials.

#### **Health Care Administration:**

Old admission requirement: Composite GRE or GMAT and GPA score of 1050 was required for unconditional admission.

New admission requirement: The GMAT test may be waived for individuals who have received satisfactory scores on the verbal, quantitative, and analytical sections of the GRE.

#### **Information Systems:**

Old admission requirement: Accept either GMAT or GRE test scores.

New admission requirement: Accept only GMAT test scores.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **Educational Leadership and Policy Studies:**

Old admission requirement: Required 1000 total on verbal and quantitative subtests of the GRE for unconditional admission.

New admission requirement: GRE score of 500 verbal and 500 quantitative. If an applicant's verbal or quantitative score is less than 500 but greater than 400 and the analytical writing score is at least 4.0, the applicant will be considered as having met the GRE minimum score criteria for unconditional admission.

#### **Department of Kinesiology:** (New program)

##### New admission requirements:

#### **Unconditional Admission:**

1. Current GRE score of at least 400 on the test of the GRE and a score of at least 600 on the quantitative test of the GRE
2. 3.0 GPA for the degree and/or 3.0 GPA during the last 60 hours of undergraduate work
3. Undergraduate and/or graduate course work related to exercise physiology
4. 3.0 GPA on all graduate work
5. Three letters of reference on file

#### **Probationary Admission:**

Applicants failing to meet the unconditional admission GRE criteria or having a GPA less than 3.0 may be considered for probationary admission in which case the following additional criteria will also be considered by the Graduate Studies Committee:

Professionally relevant experience

A sample of technical writing may be requested

Applicants admitted on probation will be required to maintain a B or better average during their first 12 hours of graduate study.

#### **Aerospace Engineering:**

Old admission requirement: A sum of verbal and quantitative GRE scores of at least 1050 for MS or 1250 for Ph.D. required for unconditional admission.

New admission requirement: GRE verbal/quantitative scores of at least 400/650 respectively for MS candidates and 500/750 for Ph.D. applicants for unconditional admission

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **Biomedical Engineering:**

Master's program: Old admission requirement: Combined verbal and quantitative score greater than 1100 for unconditional admission.

New admission requirement: GRE quantitative score greater of 700 and a verbal score of 400 or better for unconditional admission

Doctoral program: Old admission requirement: Combined verbal and quantitative score greater than 1175 for unconditional admission.

New admission requirement: GRE combined verbal and quantitative score of 775 and verbal score of 400 or better for unconditional admission.

#### **Civil Engineering:**

Master's program: Old admission requirements:

1. A Bachelor' Degree in Engineering (Applicant with Bachelor's Degree in another discipline is considered, subject to satisfactory completion of deficiency courses for area of interest.)
2. A minimum total combined score of 1000 on the verbal and quantitative portions of the Graduate Record Examination (GRE) is required for unconditional admission.

New admission requirements:

1. A Bachelor's Degree in Civil Engineering (Applicant with a Bachelor's in an appropriate Bachelor's Degree in another discipline is considered, subject to satisfactory completion of deficiency courses for area of interest.)
2. A Graduate Record Exam (GRE) Quantitative score of 600 and a Verbal score of 450 are typical of a successful applicants.

Doctoral program: Old admission requirements:

1. A minimum total combined score of 1200 on the verbal and quantitative portions of the Graduate Record Examination (GRE), meeting the UTA Graduate School standard required for unconditional admission.
2. If an applicant has a combined verbal and quantitative GRE score less than 1200, the applicant may be considered for Unconditional Admission when a further, in-depth review of the following information indicates the applicant is qualified to enter the Doctoral Program.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **Civil Engineering:**

Doctoral: Old admission requirements: (Continued)

Statement of purpose or research interest,  
Undergraduate and graduate transcripts,  
Recommendation letters,  
Correspondence, direct interaction with Civil Engineering Program faculty, or  
personal interview,  
Professional/work background,  
Maturity and professional development since previously attending a college or  
university.  
Rigor of undergraduate degree,  
Standing of University/College from which applicant received degree.

**Probationary Admission:** Applicants with a combined verbal and quantitative GRE score less than 1200, and/or a graduate GPA below 3.0 in their graduate coursework as calculated by the UTA Graduate School, may be considered for Probationary Admission when an in-depth review of indicators in item [2] above (each having equal weight) indicates these exams may not reflect the academic potential of the applicant. Decision to grant will be made by a simple majority of indicators. Probationary Admission may be considered when Test of English as a Foreign Language (TOEFL) scores are below 550 (written) or 220 (computer).

Doctoral program: New admission requirements:

1. A Graduate Record Exam (GRE) Quantitative score of 700 and a Verbal score of 500 is typical of a successful applicant
2. Probationary Admission: If an applicant does not meet a majority of standards for unconditional admission [as listed under old admission requirement 2 above], he or she may be considered for probationary admission after careful examination of application materials.

#### **Electrical Engineering:**

Old admission requirement: A sum of verbal and quantitative GRE scores of at least 1050 for M.S. and 1150 for Ph.D. applicants. GRE quantitative score of at least 700  
GRE verbal score of at least 350  
TOEFL -- at least 550 on the Test of English as a Foreign Language.

New admission requirement: GRE scores of at least the following:

1. Quantitative score  $\geq 720$  for MS or  $\geq 750$  for Ph.D.
2. Verbal score  $\geq 500$
3. Analytical Writing  $\geq 4$
4. TOEFL  $\geq 560$  for the paper and pencil test and 220 for the computer based test

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **Engineering Management:**

##### Old admission requirements:

1. A minimum score of 1000 on the GRE or 500 on the GMAT
2. A minimum score of 550 on the handwritten TOEFL (215 on the computer-based version) if English is not the applicant's primary language

##### New admission requirements:

1. A minimum score of 550 on the GRE quantitative section and 350 on the GRE verbal section and a minimum score of 3 on the GRE analytical writing section for GRE's taken after October 2002
2. A minimum score of 500 on the handwritten TOEFL (215 on the computer-based version) if English is not the applicant's primary language

#### **Logistics:**

##### Old admission requirements:

1. A minimum score of 1000 on the GRE or 500 on the GMAT.
2. 550 on the handwritten TOEFL (215 on the computer-based version) if English is not the applicant's primary language

##### New admission requirements:

1. A minimum score of 550 on the GRE quantitative section and 350 on the GRE verbal section or 500 on the GMAT and a minimum score of 3 on the GRE analytical writing section for GRE's taken after October 2002
2. A minimum score of 500 on the handwritten TOEFL (215 on the computer-based version) if English is not the applicant's primary language

#### **Industrial and Manufacturing Systems Engineering:**

Old admission requirement: A minimum score of 1000 on the GRE.

New admission requirements: A minimum score of 550 on the GRE quantitative section and 350 on the GRE verbal section or a minimum score of 3 on the GRE analytical writing section for GRE's taken after October 2002



## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **Communications:**

Old admission requirement: (New program) requirements not previously published

New admission requirements:

<b>Admission Criteria</b>	<b>Unconditional</b>		<b>Probationary</b>
GPA on last 60 hours of Undergraduate Program (as calculated by Graduate School of UTA)	3.3	3.0*	2.8-2.99
GRE	Evaluated	Evaluated	Evaluated
3 letters of recommendation	Evaluated	Evaluated	Evaluated
Essay	Evaluated	Evaluated	Evaluated

#### **Criminology and Criminal Justice:**

Old admission requirement:

**Unconditional Admission:** A minimum GRE score of 880.

**Probationary admission:** When considering acceptance to the program, the CRCJ graduate faculty will weigh the applicant's grade point average (GPA), Graduate Records Examination (GRE) scores, and letters of recommendation (3) on an equal basis. A GPA of 3.0, a minimum GRE score of 880 and strong letters of recommendation are required for unconditional admission. Applicants meeting only two of the minimum criteria for unconditional admission will be granted probationary admission.

New admission requirement:

**Unconditional Admission:** A minimum of 440 on both the verbal and quantitative subtests of the GRE is required.

**Probationary admission:** Applicants failing to meet the four criteria for unconditional admission may be considered for probationary admission. Applicants who fail to meet the GPA or GRE requirements for unconditional admission may be granted probationary admission if the GPA falls between 2.5 and 3.0 and the remainder of the application package is satisfactory.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **English:**

Master's program: Old admission requirements: GRE scores: a minimum of 500 verbal and 1000 verbal and quantitative or verbal and analytical and at least a 500 on the old analytical portion of the GRE or a 4.5 on the new Analytical Writing subtest.

New admission requirements: GRE scores: a minimum of 500 verbal and, at least a 500 on the old analytical portion or at least a 4.5 on the new Analytical Writing measure. Quantitative scores are not considered.

Doctoral program: GRE scores: a minimum of 500 verbal and, at least a 500 on the old analytical portion or at least a 4.5 on the new Analytical Writing measure.

#### **History:**

Doctoral program: Old admission requirements: All four criteria for unconditional admission must be met in order to receive consideration for unconditional admission.

1. Graduate GPA of 3.5 (as calculated by the Graduate School) in the course of completing an M.A. degree in History (or an appropriate other field) from an accredited institution.
2. An academic writing sample (e.g. research essay, thesis chapter) from a previous course assignment.
3. Three letters of recommendation (from faculty if possible).
4. A minimum score of 550 on the verbal section and a minimum score of 5 on the analytical writing section of the GRE aptitude test. GPA of 3.5 in the course of completing an M.A. degree in History (or an appropriate other field) from an accredited institution.

#### New admission requirements:

All criteria must be met in order to receive consideration for unconditional admission.

1. A prior academic degree (either B.A. or M.A.) in History from an accredited institution. If the prospective candidate has no prior degree in History, the doctoral advisor will refer the applicant to the advisor of UTA's M.A. program in History.
2. A graduate GPA of 3.5 (as calculated by the Graduate School) in the course of completing an M.A. degree in History or an appropriate other field from an accredited institution
3. An academic writing sample (e.g. research essay, thesis chapter) from a previous course assignment.
4. Three letters of recommendation (from faculty if possible)
5. A minimum score of 550 on the verbal section and a minimum score of 5 on the analytical writing section of the GRE aptitude test

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **Humanities:**

Old admission requirement: A GRE score no lower than 1000

New admission requirements: GRE scores falling in the range of or surpassing those submitted by typical students in program: Verbal – (540-610); Quantitative – (540-640); Analytic – (580-640) or Analytic Writing – (3-5).

#### **Linguistics:**

Master's program: Old admission requirements: TESOL:

#### **Unconditional Admission:**

1. GPA of 3.0 and above, a GRE score of 1,500 (V+Q+A) and above, and a full set of acceptable Qualitative Factors, except for international applicants: TOEFL score of 600 or higher (250 or higher on the computerized version)
2. GPA of 3.5 and above, a GRE score of 1,300-1,499 (V+Q+A), and a full set of acceptable Qualitative Factors except for international applicants: TOEFL score of 600 or higher (250 or higher on the computerized version)

#### **Probationary Admission**

1. GPA of less than 3.0; or
2. GRE score of less than 1,500 (V+Q+A); or
3. Lacks the undergraduate preparation specified but otherwise meet a majority of the admission factors listed in Section A.

New admission requirements:

#### **Unconditional Admission**

1. Undergraduate GPA of at least 3.0, a GRE Verbal score of at least 550, a GRE Quantitative score of at least 450, a GRE Analytical score of at least 4.0, and a full set of Qualitative Factors. In addition, applicants for whom English is not their primary language and who have not been granted an undergraduate degree by an English-medium institution must also present a TOEFL score of at least 250.
2. The applicant presents an undergraduate GPA of at least 3.5, a GRE Verbal score of at least 500, a GRE Quantitative score of at least 400, a GRE Analytical score of at least 3.5, and a full set of Qualitative Factors. In addition, applicants for whom English is not their native language and who have not been granted an undergraduate degree by an English-medium institution must also present a TOEFL score of at least 250.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **Linguistics**

##### New admission requirements (Continued):

##### **Probationary Admission**

1. GRE Verbal score of less than 500; or
2. GRE Quantitative score of less than 400; or
3. GRE Analytical score of less than 3.5
4. Lacks the undergraduate preparation specified above but who otherwise meet a majority of the remaining admission criteria (including an undergraduate GPA of at least 3.0), will be offered probationary admission. Students on probation must:

Master's program in Linguistics: Old admission requirements:

##### **Unconditional Admission:**

1. GPA of 3.0 and above, a GRE score of 1,500 (V+Q+A) and above, and a full set of acceptable Qualitative Factors except for international applicants, who must also present a TOEFL score of 550 or higher (213 or higher on the computerized version).
2. GPA of 3.5 and above, a GRE score of 1,300-1,499 (V+Q+A), and a full set of acceptable Qualitative Factors, except for international applicants, who must also present a TOEFL score of 550 or higher (213 or higher on the computerized version).

##### **Probationary Admission:**

Applicants who present a complete application file that:

1. GPA of less than 3.0; or
2. GRE score of less than 1,500 (V+Q+A); or
3. Lacks the undergraduate preparation but who otherwise meet a majority of the admission factors for unconditional admission will be offered probationary admission.

##### New admission requirements:

##### **Unconditional Admission:**

Applicants for the M.A. in Linguistics will be offered unconditional admission if they meet either of the following sets of criteria:

1. The applicant presents an undergraduate GPA of at least 3.0, a GRE Verbal score of at least 450, a GRE Quantitative score of at least 550, a GRE Analytical score of at least 4.0, and a full set of Qualitative Factors. In addition, applicants for whom English is not their primary language and who have not been granted an undergraduate degree by an English-medium institution must also present a TOEFL score of at least 230.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **Linguistics**

##### New admission requirements (Continued):

2. The applicant presents an undergraduate GPA of at least 3.5, a GRE Verbal score of at least 400, a GRE Quantitative score of at least 500, a GRE Analytical score of at least 3.5, and a full set of Qualitative Factors. In addition, applicants for whom English is not their primary language and who have not been granted an undergraduate degree by an English-medium institution must also present a TOEFL score of at least 230.

##### **Probationary Admission:**

Applicants for the M.A. in Linguistics who present a complete application that:

1. GRE Verbal score of less than 400; or
2. GRE Quantitative score of less than 500; or
3. GRE Analytical score of less than 3.5
4. Lacks the undergraduate preparation that otherwise meet a majority of the remaining admission criteria (including an undergraduate GPA of at least 3.0), will be offered probationary admission.

Old admission requirements: Doctoral program - Linguistics:

##### **Unconditional Admission:**

1. GPA of 3.5 and above, a GRE score of 1,650 (V+Q+A) and above, and a full set of acceptable Qualitative Factors, except for international applicants, who must also present TOEFL score of 550 or higher (213 or higher on the computerized version).
2. GPA of 3.7 and above, a GRE score of 1,400-1,649 (V+Q+A), and a full set of acceptable Qualitative Factors, except for international applicants, who must also present a TOEFL score of 550 or higher (213 or higher on the computerized version).

##### **Probationary Admission:**

1. GPA of less than 3.5; or
2. GRE score of less than 1,650 (V+Q+A); or
3. Lacks the undergraduate preparation but who otherwise meet a majority of the admission factors listed in paragraph one above will be offered probationary admission.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

Doctoral program – Linguistics: New admission requirements: Continued

**Unconditional Admission:**

1. Graduate GPA of at least 3.3, a GRE Verbal score of at least 500, a GRE Quantitative score of at least 550, a GRE Analytical score of at least 4.0, and a full set of Qualitative Factors. In addition, applicants for whom English is not their primary language and who have not been granted an undergraduate degree by an English-medium institution must also present a TOEFL score of at least 230.
2. Undergraduate GPA of at least 3.6, a GRE Verbal score of at least 450, a GRE Quantitative score of at least 500, a GRE Analytical score of at least 3.5, and a full set of Qualitative Factors. In addition, applicants for whom English is not their primary language and who have not been granted an undergraduate degree by an English-medium institution must also present a TOEFL score of at least 230.

**Probationary Admission:**

1. GRE Verbal score of less than 450; or
2. GRE Quantitative score of less than 500; or
3. GRE Analytical score of less than 3.5
4. Lacks the undergraduate preparation but who otherwise meet a majority of the remaining admission criteria (including a graduate GPA of at least 3.3), will be offered probationary admission.

**Modern Languages:**

Old admission requirement: GRE score of 1000 required for unconditional admission

New admission requirement: GRE is required, no specific scores specified but performance will be considered as one of several admission factors

**Sociology/Anthropology:**

Sociology: Old admission requirement:

**Unconditional Admission:**

A minimum GRE score of 1000 (combined verbal and quantitative).

Sociology: New admission requirement:

**Unconditional Admission:**

Preferred GRE score of 500 on the verbal and 500 on the quantitative

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **Sociology/Anthropology (Continued):**

Anthropology: Old admission requirement:

#### **Unconditional admission:**

Minimum summed verbal and quantitative GRE score of 1000.

#### New admission requirement:

Acceptable GRE scores; experience has shown that successful students have a verbal GRE score of 500 and a quantitative GRE score of 500.

#### **Nursing:**

Master's program: Old admission requirements:

Unconditional and Probationary admission criteria (described in the following table)

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

<b>GRADUATE ADMISSION</b> Nursing Master's Program			
<b>Admission Criteria</b>	<b>Unconditional</b>		<b>Probationary</b>
GPA on last 60 hours of Undergraduate Program (BSN) (as calculated by Graduate School of UTA)	3.3	3.0*	2.8-2.99
<a href="#">GRE**</a>	Waived***	1000 score (Verbal + Quantitative) or Analytical Writing $\geq 4$ plus Verbal $\geq 500$	830-990**** (V + Q) (based on <a href="#">GPA/GRE</a> ratio) or Analytical Writing = 3.0 – 3.5 plus Verbal = 410-440****
TOEFL	550 or 213 on computer-based test		550 or 213 on computer-based test
3 letters of recommendation	Evaluated		Evaluated
Two years clinical experience recommended	Reviewed		Reviewed
Essay	Evaluated		Evaluated
Unencumbered RN <a href="#">Licensed</a> in Texas	Current		Current
BSN from NLNAC or CCNE Accredited Program	Present		Present
Statistics	Minimum grade of "C"		Minimum grade of "C"
Physical Assessment for Nurse Practitioner Applicants	Current within last three years (course or continuing education program)		Current within last three years (course or continuing education program)
Computer expertise for Nursing Administration applicants	Reviewed by Director of Nursing Administration		Reviewed by Director of Nursing Administration



## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

\* Minimum undergraduate GPA requirement for unconditional admission is a 3.00 on a 4.0 scale.

\*\*GMAT or GRE scores will be accepted for dual degree seeking students desiring MSN/MBA or MSN/HCAD.

\*\*\*GRE Waiver Rationale: Graduate Faculty and Graduate Advisors have noted that students with a GPA of 3.3 or greater are more successful in the graduate nursing program than those with GPAs less than 3.3. Research literature strongly correlates undergraduate GPA in professional courses (last 60 hours) of BSN with success in Graduate Nursing Programs.

\*\*\*\*Students not meeting GPA/GRE ratio will be reviewed by a committee of Chair of the GSC in Nursing, Graduate Advisor, Director of Program student has selected for study, and a Core Faculty. The committee will review the following: GPA; GRE scores (verbal, quantitative and analytical writing); letters of recommendation; TOEFL (if applicable); essay; and statistic's grade. An applicant who performs successfully on a majority of these criteria will be admitted on probation. The committee will make a final admission decision and document that decision for the student record.

### **GPA-GRE RATIO**

#### **Probationary Admission:**

<u>GPA</u>	<u>GRE</u>		
	<u>Minimum</u>	<u>Minimum Verbal</u>	
	<u>Verbal +</u>	<u>+</u>	
	<u>Quantitative</u>	<u>OR</u>	<u>Analytical</u>
	<u>e</u>		<u>Writing</u>
2.8	870		440 and 3.5
2.9	860		430 and 3.5
3.0	850		430 and 3.5
3.1	840		420 and 3.5
3.2	830		410 and 3.5

#### New admission requirements:

1. Potential students must also possess a current unencumbered Texas RN license for admission.
2. Unconditional and Probationary admission criteria (described in the following table)

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

**Nursing:**

New admission requirements: (Continued):

<b>M.S.N. Graduate Admission Table</b>			
<b>Admission Criteria</b>	<b>Unconditional</b>		<b>Probationary</b>
GPA on last 60 hours of Undergraduate Program (BSN) (as calculated by UTA Graduate Office)	3.3	3.0*	2.8-2.99
<a href="#">GRE**</a> Two highest GRE scores will be used in the admission process.	Waived***	Verbal: $\geq 500$ score or Quantitative: $\geq 500$ score or Analytical Writing: $\geq 4$ Analytical: $\geq 500$	Verbal: 400-490**** or Quantitative: 400-490**** or Analytical Writing: 3.0 – 3.5**** Analytical: 400-490**** (based on <a href="#">GPA/GRE</a> ratio)
GMAT Required for M.S.N./MBA Dual Degree	GPA X 200 + GMAT score = Minimum 1080		See MBA Advisor
TOEFL (Test of English as a Foreign Language) or TSE (Test of Spoken English)	550 (or 213 on computer-based test) (TOEFL) or Score of 40 or higher (TSE)		

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

**Nursing:**

New admission requirements: (Continued):

<b>Admission Criteria</b>	<b>Unconditional</b>
3 letters of recommendation	Evaluated by Associate Dean and Program Director of M.S.N. Program
Two years clinical experience recommended	Evaluated by Associate Dean and Program Director of M.S.N. Program
Essay	Evaluated by Associate Dean and Program Director of M.S.N. Program
Unencumbered RN <a href="#">Licensed</a> in Texas	Evaluated by Associate Dean and Program Director of M.S.N. Program
BSN from NLNAC or CCNE Accredited Program	Evaluated by Associate Dean and Program Director of M.S.N. Program
Statistics	Minimum grade of "C"
Physical Assessment for Nurse Practitioner Applicants	Current within last three years (course or continuing education program)
Computer expertise for Nursing Administration applicants	Evaluated by Director of Nursing Administration

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

**Nursing:**

New admission requirements: (Continued):

\*Minimum undergraduate GPA required for unconditional admission is a 3.00 on a 4.0 scale.

\*\*Verbal, Quantitative, and Analytical Writing GRE scores will be reviewed and the two highest scores will be considered for the admission process. Rationale: The three GRE scores have similar correlations ( $r = .3 - .4$ ) with the UTA M.S.N. graduates' GPA. Thus, the scores seem to have similar ability to predict success in graduate study. The Graduate Study Committee (GSC) in Nursing approved that the two highest GRE scores be considered for the admission process, allowing the student some flexibility in the admission process. \*\*\*GRE Waiver Rationale: Graduate Faculty and Graduate Advisors have noted that students with a GPA of 3.3 or greater are more successful in the graduate nursing program than those with GPAs less than 3.3. Research literature strongly correlates undergraduate GPA in professional courses (last 60 hours) of BSN with success in Graduate Nursing Programs. GSC in Nursing approved waiver of GRE with 3.3 GPA on last 60 hours of undergraduate program.

\*\*\*\*Students not meeting GPA/GRE ratio will be reviewed by a committee of Chair of the GSC in Nursing, Graduate Advisor, Director of Program student has selected for study, and a core faculty. The committee will review the following: GPA; GRE scores (verbal, analytical/analytical writing, and quantitative); letters of recommendation; TOEFL (if applicable); essay; and statistic's grade. An applicant who performs successfully on a majority of these criteria will be admitted on probation. The committee will make a final admission decision and document that decision for the student record.

**GPA-GRE Ratio**

**Probationary Admission:**

GPA	VERBAL	QUANTITATIVE	ANALYTICAL WRITING OR ANALYTICAL
3.2	400-490	400-490	400-490 or 3.0-3.5
3.1	410-490	410-490	410-490 or 3.0-3.5
3.0	420-490	420-490	420-490 or 3.0-3.5
2.9	≥ 430	≥ 430	≥ 430 or ≥ 3.5
2.8	≥ 440	≥ 440	≥ 440 or ≥ 3.5

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **Nursing:**

New admission requirements: Continued):

3. Admission Policy for Individuals Ineligible to Continue Graduate Study at Another University: If potential students are ineligible to continue graduate study at another university and apply to The University of Texas at Arlington Graduate Nursing Program, we recommend that they be reviewed by a committee. The committee will be composed of: 1) Director of the Program they wish to study, 2) Representative core faculty, and 3) Graduate Advisor. The committee will make their recommendation for admission or denial based on the following: 1) Admission materials (GPA on the last 60 hours of BSN, graduate GPA, GRE scores, grade of C or higher on statistics, letters of recommendation, essay, and TOEFL score if applicable); 2) a narrative statement from the potential student providing a rationale for his or her ineligibility at another university; and 3) a plan for successful study at UTA. The committee reserves the right to ask for additional materials as are needed. The committee will make its recommendation of admission or denial to the Graduate Office for the University.

Nursing Doctoral Program: Old admission requirements: New program, not previously listed in Catalog.

New admission requirements:

#### PH.D. ADMISSION OPTIONS

The School of Nursing admission criteria are detailed in the table that follows. The admission status options are defined below.

#### **Unconditional Admission:**

Applicants must meet all criteria for unconditional admission

#### **Probationary Admission:**

Criteria for probationary admission status are designated in the following table.

\*Students not meeting GPA/GRE ratio will be reviewed by the Admission Committee, which is chaired by the Associate Dean for Ph.D. The committee will review the following: GPA, GRE scores, TOEFL (if applicable), Goal Statement, and Interview scores. An applicant who performs successfully on a majority of these criteria will be admitted on probation. The committee will make a final admission decision and document that decision for the student record. When on probation, students can make no grade lower than a 3.0 in their first 12 semester hours of graduate coursework.

#### **Provisional Admission:**

An applicant unable to supply all required documentation prior to the admission deadline but who otherwise appears to meet admission requirements.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

New admission requirements: (Continued):

**Deferred Status:**

Deferred decision is granted when a file is incomplete or when a denied decision is not appropriate.

**Denial of Admission:**

An applicant will be denied admission if he/she has less than satisfactory performance on a majority of admission criteria listed in the table below. The Ph.D. Admissions Committee will make a recommendation for denial.

**Ph.D. Fellowship Criteria:**

Fellowship selection will be based on the following criteria:

1. Highest GPA but no lower than 3.0 on M.S.N.
2. New students admitted to UT Arlington in the Fall semester.
3. Minimum 3.0 GPA in graduate credit hours while receiving fellowship.
4. Enrolled in a minimum of 6 semester hours in the long semesters.

<b>The Ph.D. Program in Nursing Admission Requirements</b>		
<b>Admission Criteria</b>	<b>Unconditional</b>	<b>Probationary</b>
Master's Degree in Nursing from a National League for Nursing Accrediting Commission (NLNAC) or American Association of Colleges of Nursing's Commission on Collegiate Nursing Education (CCNE) accredited School of Nursing or equivalent.	Evaluated by Associate Dean for Doctoral Studies	Evaluated by Associate Dean for Doctoral Studies
GPA on master's course work.	3.0 GPA on a 4.0 scale	3.0 GPA on a 4.0 scale

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

New admission requirements: (Continued):

Admission Criteria	Unconditional	Probationary
GRE	GRE with a total minimum score of 1000 on verbal and quantitative sections, $\geq 4$ on written.	GPA of 3.3 if GRE is 900-990*
For international students, TOEFL score or TSE-A.	TOEFL minimum score of 550 on written portion, 213 on computer based test, OR a score of at least 40 on the TSE-A.	TOEFL minimum score of 550 on written portion, 213 on computer based test, OR a score of at least 40 on the TSE-A.
Graduate level statistics course with a minimum grade of B.	Implement as stated	
Interview	7 or higher on rating scale of 1-10	6 or less on rating scale of 1-10 Evaluated by Admissions Committee
Written statement of goals	7 or higher on rating scale of 1-10	6 or less on rating scale of 1-10 Evaluated by Admissions Committee
Professional liability insurance.	Evaluated by Associate Dean for Doctoral Studies.	Evaluated by Associate Dean for Doctoral Studies.
Current unencumbered license as a RN; license in the state where student is participating in clinical activities.	Evaluated by Associate Dean for Doctoral Studies.	Evaluated by Associate Dean for Doctoral Studies.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

New admission requirements: (Continued):

<b>Admission Criteria</b>	<b>Unconditional</b>	<b>Probationary</b>
Immunizations required by the School of Nursing.	Evaluated by Associate Dean for Doctoral Studies.	Evaluated by Associate Dean for Doctoral Studies.
Criminal background check, which satisfies the Dallas/Fort Worth Hospital council and the Texas Board of Nurse Examiners.	Evaluated by Associate Dean for Doctoral Studies.	Evaluated by Associate Dean for Doctoral Studies.
Drug screen prior to clinical and research activities in health care agencies, which satisfies the Dallas/Fort Worth Hospital council and the Texas Board of Nurse Examiners.	Evaluated by Associate Dean for Doctoral Studies.	Evaluated by Associate Dean for Doctoral Studies.
Demonstrate proficiency in use of computer for word processing, spreadsheet development, and data and text file creation and manipulation.	Evaluated by Associate Dean for Doctoral Studies.	Evaluated by Associate Dean for Doctoral Studies.

#### **Interdisciplinary Studies:**

New admission requirement: If the focus is interdisciplinary business administration and a student submits a GMAT score, he or she would be expected to score a minimum of 500 and/or an equivalent percentile range of the GRE scores expected for the quantitative and verbal focuses.



## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **Biology:**

Biology Master's program: Old admission requirements:

1. An acceptable score on the Graduate Record Examination, generally a combined score of 1000 or higher on the Verbal plus Quantitative sections.
2. If a student has a combined verbal and quantitative GRE score of less than 1000, they may be considered for unconditional admission if further review of their undergraduate transcript, recommendation letters, correspondence or direct interactions with Biology faculty, and statement of professional research interests indicates that they are qualified to enter the Masters Program.

New admission requirements:

1. A satisfactory score on the Verbal and Quantitative sections of the Graduate Record Exam.
2. (The following text is to proposed to be deleted from current admission requirements) If a student has a combined verbal and quantitative GRE score of less than 1000, they may be considered for unconditional admission if further review of their undergraduate transcript, recommendation letters, correspondence or direct interactions with Biology faculty, and statement of professional research interests indicates that they are qualified to enter the Masters Program.

#### **Environmental Science and Engineering (EVSE):**

Master's program: Old admission requirements: A minimum total combined score of 1000 on the verbal and quantitative portions of the Graduate Record Examination (GRE).

New admission requirements: Graduate Record Examination (GRE) scores are considered in admission decisions. Masters students who have succeeded in the EVSE Program typically score higher than 550 on the quantitative portion of the GRE.

Doctoral program: Old Admission Requirements: A minimum total combined score of 1200 on the verbal and quantitative portions of the Graduate Record Examination (GRE).

New admission requirements: Graduate Record Examination (GRE) scores are considered in admission decisions. Doctoral students who have succeeded in the EVSE Program typically score higher than 600 on the quantitative portion of the GRE.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **Geology:**

Old admission requirements: A minimum of 60% of the possible combined total score on the verbal, quantitative and analytical of the GRE examination.

New admission requirements: GRE scores are combined with the other measures of achievement to determine admission. Successful students in the past have scored above the 60% percentile on the verbal, quantitative and analytical writing portions. International students have been successful with somewhat lower scores on the verbal and analytical writing portions.

#### **Mathematics:**

Master's of Arts program: Old admission requirement: A minimum total combined score of 1000 on the verbal and quantitative portions of the Graduate Record Examination (GRE).

New admission requirement: Minimum of 400 on the verbal and 600 on quantitative portions of the Graduate Record Examination (GRE).

Master's of Science program: Old admission requirement: A minimum total combined score of 1000 on the verbal and quantitative portions of the Graduate Record Examination (GRE).

New admission requirement: Minimum of 350 on the verbal and 650 on quantitative portions of the Graduate Record Examination (GRE).

Doctoral Mathematical Science program: Old admission requirement: A minimum total combined score of 1100 on the verbal and quantitative portions of the Graduate Record Examination (GRE).

New admission requirement: Minimum of 350 on the verbal and 700 quantitative portions of the Graduate Record Examination (GRE).

#### **Physics:**

Physics Master's program: Old admission requirement: A score of 1000 (verbal + quantitative) on the GRE.

New admission requirement: should have minimal GRE scores of 350 in Verbal, 650 in Quantitative, and 450 in Analytical Writing.

Physics Doctoral program: Old admission requirement: have score of 1000 (verbal + quantitative) on the GRE.

New admission requirement: have minimal GRE scores of 350 in Verbal, 650 in Quantitative, and 450 in Analytical Writing.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **Psychology:**

##### Old admission requirements:

1. Submission of verbal and mathematic GRE scores is required. High GRE scores are viewed as positive indicants, while low GRE scores need not exclude a candidate who shows positive indicants in other areas.
2. Letters of reference in general have little impact except where they offer evidence of commitment to experimental research.

##### New admission requirements:

1. Submission of Verbal, Quantitative, and Analytical Writing GRE scores is required. High GRE scores in each area are viewed as positive indicants, while a low GRE score on one subscale need not exclude a candidate who shows positive indicants in other areas.
2. At least three letters of reference are required and will be used as evidence of strong commitment to experimental research (as in letters from an undergraduate research sponsor).
3. As the expectation is that students will begin research in their first semester, they will be assigned a faculty member with whom they will work. This assignment will be based on space available in the student's program of interest and the fit of student to specific faculty's research interests.

#### **Social Work:**

Master's program: Old Admission Requirements:

##### **Unconditional admission:**

Undergraduate GPA must be equal to or greater than 3.0 in the last 60 hours as calculated by the Graduate School or 1000 GRE score (V&Q).

##### **Probationary Admission:**

Candidates with less than a 3.0 GPA in the last 60 hours of undergraduate program as calculated by the Graduate School and less than 1000 on the GRE (V&Q) may be admitted on probation if other admission criteria are satisfactory and indicate academic potential.

##### New admission requirement:

##### **Unconditional admission:**

Undergraduate GPA must be equal to or greater than 3.0 in the last 60 hours as calculated by the Graduate School or a minimum score of 500 on the verbal and on the quantitative sections of the GRE.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **Social Work:**

New admission requirements: Master's program (Continued):

#### **Probationary Admission:**

Candidates with less than a 3.0 GPA in the last 60 hours of undergraduate program as calculated by the Graduate School and less than 500 on the verbal or the quantitative sections of the GRE may be admitted on probation if other admission criteria are satisfactory and indicate academic potential.

Doctoral program: Old admission requirements:

#### **Unconditional admission:**

Master's degree in Social Work or related field, a background in social and behavioral science and research methods is desirable.

Master's GPA of 3.4 minimum as calculated by the Graduate school or a GRE score of 1000 (Q&A) or a 500 score on the PAEG.

#### **Probationary Admission:**

An applicant whose Master's GPA is below 3.4 or whose score on the GRE or the PAEG do not indicate ability to do satisfactory graduate work may be admitted on probation when performance on the majority of the remaining criteria is acceptable.

New admission requirements:

#### **Unconditional admission:**

#### **Master's degree in Social Work or related field:**

For applicants with a master's in a related field, a background in social and behavioral science and research methods is desirable.

Master's GPA of 3.4 minimum as calculated by the Graduate school.

A Graduate Record Examination or PAEG score that evidences an ability to do satisfactory graduate work if master's GPA is less than 3.4.

#### **Probationary Ph.D. Admission:**

An applicant whose Master's GPA is below 3.4 or whose score on the GRE or the PAEG do not indicate ability to do satisfactory graduate work may be admitted on probation when performance on the majority of the remaining criteria is acceptable.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **School of Urban and Public Affairs:**

Master of Arts in Urban Affairs and the Master in Public Administration Programs:

##### Old admission requirements:

Level 1: Applicants with a GPA of 3.0 and above and a GRE of 1,000 and above will automatically be admitted, except for international applicants who will also be required to have a score of 550 or higher on the TOEFL.

Level 2: Based on a majority of enhancing factors and all determinative factors, the Graduate Advisor will unconditionally admit applicants with a GPA of 3.0 and above and a GRE score of 800-999.

Level 3: The Graduate Advisor may admit applicants with the GPA of less than 3.0 and/or a GRE of less than 1,000 on probation based on a majority of enhancing and determinative factors. The Graduate Advisor will set the probationary conditions.

##### New Admission requirements:

Level 1: Applicants with a GPA of 3.0 and above, a Verbal GRE score of at least 400, a Quantitative GRE score of at least 400, and combined Verbal and Quantitative score of at least 1,000 will automatically be admitted, except for international applicants who will also be required to have a score of 550 or higher on the TOEFL.

Level 2: Based on a majority of enhancing factors and all determinative factors, the Graduate Advisor will unconditionally admit applicants with a GPA of 3.0 and above and a Verbal GRE score of at least 400 and a Quantitative GRE score of at least 400, and combined Verbal and Quantitative score of 800-999.

Level 3: The Graduate Advisor may admit applicants with a GPA of less than 3.0 and/or a Verbal GRE score less than 400 and a Quantitative GRE score less than 400, and a combined Verbal and Quantitative GRE score of less than 1,000 on probation based on a majority of enhancing and determinative factors. The Graduate Advisor will set the probationary conditions.

Level 4: Applicants who do not meet the standards of Level 3 will be referred to the admissions committee for final adjudication. If admitted on probation, the committee will set probationary standards.

Master of City and Regional Planning Programs: Old admission requirements:

Level 1: Applicants with a GPA of 3.0 and above, a Verbal GRE score of 1000 or above will be automatically admitted except for international applicants who will also be required to have a score of 550 or higher on the TOEFL.

Level 2: Based on a majority of enhancing factors and all determinative factors, the Graduate Advisor will unconditionally admit applicants with a GPA of 3.0 and above and combined Verbal and Quantitative score of 800-999.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **School of Urban and Public Affairs:**

Master of City of Regional Planning Programs: Old admission requirements:  
(Continued):

Level 3: The Graduate Advisor may admit applicants with a GPA of less than 3.0 and/or a GRE of less than 1,000 on probation based on a majority of enhancing and determinative factors. The Graduate Advisor will set the probationary standards.

Level 4: Applicants who do not meet the standards of Level 3 will be referred to the admissions committee for final adjudication. If admitted on probation, the committee will set probationary standards.

#### New admission requirements:

Level 1: Applicants with a GPA of 3.0 and above, a Verbal GRE score of at least 350 and a Quantitative GRE score of at least 450, and combined Verbal and Quantitative score of at least 1,000 will automatically be admitted, except for international applicants who will also be required to have a score of 550 or higher on the TOEFL.

Level 2: Based on a majority of enhancing factors and all determinative factors, the Graduate Advisor will unconditionally admit applicants with a GPA of 3.0 and above and a Verbal GRE score of at least 350 and a Quantitative GRE score of at least 450, and combined Verbal and Quantitative score of 800-999.

Level 3: The Graduate Advisor may admit applicants with a GPA of less than 3.0 and/or a Verbal GRE score less than 350 and a Quantitative GRE score of less than 450, and a combined Verbal and Quantitative score of less than 1,000 on probation based on a majority of enhancing and determinative factors. The Graduate Advisor will set the probationary conditions.

Level 4: Applicants who do not meet the standards of Level 3 will be referred to the admissions committee for final adjudication. If admitted on probation, the committee will set probationary standards.

#### Doctoral program in Urban and Public Administration: Old admission requirements:

Level 1: Applicants with a graduate GPA of 3.6 and above and a GRE of 1,000 and above will be automatically admitted, except for international applicants who will also be required to have a score of 550 or higher on the TOEFL.

Level 2: The Graduate Advisor will unconditionally admit applicants with a GPA above 3.7 and a GRE score of 900-999.

Level 3: The Graduate Advisor may admit applicants with a GPA of less than 3.6 and a GRE of less than 1,000 on probation, based on a majority of enhancing and determinative factors. The Graduate Advisor will set the probationary conditions.

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Summary of Changes to Graduate School Admission Criteria (Continued)

#### **School of Urban and Public Affairs (Continued):**

##### New admission requirements:

Level 1: Applicants with a graduate GPA of 3.6 and a Verbal GRE score of at least 500, a Quantitative GRE score of at least 500 will be automatically admitted, except for international applicants who will also be required to have a score of 550 or higher on the TOEFL.

Level 2: The Graduate Advisor will unconditionally admit applicants with a GPA above 3.7, only one of the Verbal or Quantitative GRE score greater than 500, and a combined GRE score of between 900 and 999.

Level 3: The Graduate Advisor may admit applicants with a GPA of less than 3.6 and a Verbal GRE score of less than 500 and a Quantitative GRE score of less than 500 on probation, based on a majority of enhancing and determinative factors. The Graduate Advisor will set the probationary conditions.

## 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.

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

<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>	
<b>SCHOOL OF ARCHITECTURE</b>					
Office of the Dean					
1. Donald F. Gatzke (T)					32
From: Dean and Professor	12/15-8/31	100	12	145,000	
	12/15-5/31	0	09	95,000	
To: Dean and Professor	11/1-8/31	100	12	145,000	
	11/1-8/31	0	09	95,000	
<b>COLLEGE OF BUSINESS ADMINISTRATION</b>					
Office of the Dean and Economics					
2. Daniel D. Himarios (T)					7
From: Dean, Chairperson and Professor		100	12	169,074	
		0	09	95,633	
To: Dean, Chairperson, Professor and West Distinguished Professor	9/1-8/31	100	12	169,074	
	9/1-5/31	0	09	95,633	
	9/1-8/31	SUPLT	12	20,000	
<b>COLLEGE OF ENGINEERING</b>					
Electrical Engineering					
3. Wei-Jen Lee (T)					9
From: Professor		100	09	84,000	
To: Professor and Director	9/1-8/31	100	09	84,000	



**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 LIBERAL ARTS and SCHOOL OF URBAN AND PUBLIC AFFAIRS					
Offices of the Dean					
4. Richard L. Cole (T)					4
From: Interim Dean, College of Liberal Arts and Dean, School of Urban and Public Affairs, and Professor		SUPLT 100 0	12 12 09	12,000 132,294 90,970	
To: School of Urban and Public Affairs, Dean and Professor	9/1-8/31 9/1-5/31	100 0	12 09	144,294 90,970	
COLLEGE OF LIBERAL ARTS					
Office of the Dean and Art and Art History					
5. Beth Wright (T)					14
From: Professor		100	09	64,626	
To: Interim Dean and Professor	9/1-8/31 9/1-5/31	100 0	12 09	115,000 70,000	
Office of the Dean and Modern Languages					
6. Kimberly P. Van Noort (T)					13
From: Associate Professor		100	09	45,545	
To: Associate Dean and Associate Professor	9/1-8/31 9/1-5/31	100 0	12 09	68,727 45,545	

**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>	
<b>COLLEGE OF LIBERAL ARTS (Continued)</b>					
Office of the Dean and Political Science					
7. Victoria Farrar-Myers (T)					6
From: Associate Professor		100	09	44,200	
To: Associate Dean and	9/1-8/31	SUPLT	12	9,000	
Associate Professor, Honors	9/1-5/31	100	09	44,200	
<b>COLLEGE OF LIBERAL ARTS and HONORS COLLEGE</b>					
Office of the Dean and Sociology					
8. Karl M. Petruso (T)					10
From: Associate Professor		100	09	60,526	
To: Associate Professor and	9/1-5/31	100	09	60,526	
Associate Dean, Honors	9/1-8/31	SUPLT	12	9,000	
<b>COLLEGE OF SCIENCE</b>					
Chemistry					
9. Edward Bellion (T)					23
From: Professor		100	09	65,820	
To: Professor and Interim	9/15-5/31	100	09	65,820	
Chairperson	9/15-8/31	SUPLT	09	7,000	
Chemistry and Office of the Dean					
10. Krishnan Rajeshwar (T)					12
From: Professor		100	12	83,065	
To: Professor and	9/1-5/31	0	09	83,065	
Associate Dean	9/1-8/31	100	12	117,748	

**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 SCIENCE and COLLEGE OF ENGINEERING and OFFICE OF RESEARCH Chemistry and Materials Science and Engineering					
11. Ronald L. Elsenbaumer (T)					17
From: Professor and Chair, Chemistry and Professor and Chair		100 SUPLT	09 09	106,275 10,500	
To: Associate Vice President, Research and Professor and Chair	9/15-5/31 9/15-5/31 9/15-8/31	SUPLT 16 84	09 09 12	3,402 106,275 170,000	
SCHOOL OF NURSING Associate Professor					
12. Cheryl D. Levine (T)	9/1-5/31	100	09	54,000	15
Office of the Dean					
13. Mary L. Bond (T)					2
From: Professor		100	09	76,289	
To: Professor and Associate Dean	9/1-5/31 9/1-8/31	50 50	09 12	76,289 101,718	

**AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)**

**TRANSFERS OF FUNDS**

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
PROVOST		
14. Amount of Transfer:	150,000	1
From: Provost – Unallocated Faculty Salaries – Balance Forward		
To: Provost – Liberal Arts Instructional Reserve – Unallocated		
To provide funds for faculty appointments in the College of Liberal Arts.		
VICE PRESIDENT FOR FINANCE AND ADMINISTRATION		
15. Amount of Transfer:	946,177	19
From: VPFA – Computer Equipment Reserve M&O		
To: Provost – Academic Computing M&O		
To provide funds for academic computing equipment allocations for FY 2003-04.		
VICE PRESIDENT FOR FINANCE AND ADMINISTRATION		
16. Amount of Transfer:	539,500	20
From: VPFA – Student Information Systems M&O		
To: Provost – Academic Computing M&O		
To provide funds for the initialization of the UNIX platform for Oracle database applications.		

## FEES AND MISCELLANEOUS CHARGES

Approval is recommended for the following new fees to be effective with the Fall Semester 2004. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

### SPECIAL COURSE FEES

Course Number	Course Title	Proposed Fee \$
KINE 2320	Intro to Athletic Training	25
KINE 4317	Exercise for Special Populations	54
KINE 5226	Pulmonary Physiology	45
KINE 5320	Advanced Physiology	50
KINE 5322	Metabolism	68
KINE 5328	Neuromuscular Physiology	50
KINE 5330	Body Composition	58
KINE 5335	Graded Exercise Testing	54
KINE 5345	Nutrition in Health	25
KINE 5350	Applied Biomechanics	42
ART 3344	Neon Art	75
ART 4200	Professional Practices	8
ART 4314	Topics in 20 <sup>th</sup> Century Art	8
ART 4315	Aspects of Contemporary Art	8
ART 4348	Digital Alternative Photography	60
ART 4396	Special Studies in Art History	8
ART 5391	Independent Study	8
ANTH 2339	Archaeology	10
ENGL 1301	English	3
LING 5380	Field Methods	50
LING 6380	Advanced Field Methods	75
MUSI 0101	Marching Band	15
MUSI 0101	Marching Band	10
MUSI 0102	Wind Ensemble	10
MUSI 0103	Concert Band	10
MUSI 0104	A Capella Choir	10
MUSI 0106	Chamber Singers	10
MUSI 0110	Woodwind Ensemble	5
MUSI 0112	Jazz Orchestra	10
MUSI 0116	Jazz Band II	10
MUSI 0121	Colorguard	85
MUSI 0128	Symphony Orchestra	10
MUSI 0130	University Band	10
MUSI 1300	Music Appreciation	5
MUSI 1302	History of Jazz	5
MUSI 3394	Computers in Music	25

**FEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**SPECIAL COURSE FEES (CONTINUED)**

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
THEA 1101	Theatre Symposium	20
THEA 4315	Special Effects Makeup	150
THEA 4320	Welding, Rigging, Fabrication	130
THEA 4344	Advanced Design	50
THEA 4345	Summer Theatre	50
BIOL 1450	Computer Literacy	25
BIOL 2460	Nursing Microbiology	30
BIOL 2460	Nursing Microbiology	20
BIOL 2460	Nursing Microbiology	20
BIOL 4353	Scanning Electron Microscopy	35
BIOL 4353	Scanning Electron Microscopy	25
CHEM 1445	Chemistry/Non-Science Majors	15
CHEM 1446	Chemistry/Non-Science Majors	15
CHEM 1451	General/Biological Chemistry	15
CHEM 3175	Biophysics	25
MATH 1322	Pre-Calculus I	15
PHYS 3445	Optics	17
NURS 1123	Intro to Nursing	15
NURS 1124	Service Learning in Nursing	10
NURS 3224	Computers in Nursing	10
NURS 5309	Teaching & Learning Strategies	25
NURS 5440	Acute Care Pediatric Nursing I	25
NURS 5440	Acute Care Pediatric Nursing I	40
NURS 5441	Acute Care Pediatric Nursing II	20
NURS 5441	Acute Care Pediatric Nursing II	40
NURS 6301	Theoretical Evolution/Science	20
NURS 6302	Culturally Diverse/Vulnerable	20
NURS 6303	Culture of Science	20
NURS 6304	Culturally Diverse/Vulnerable	20
NURS 6305	Qualitative Methodologies	20
NURS 6306	Designing/Testing Interventions	20
NURS 6308	Research Seminar	20
NURS 6309	Scientific Products	20
NURS 6311	Academic Role in Higher Ed	20

**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**SUPPLEMENTAL FEES**

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
MUSI 1252	Private Instruction	100
MUSI 1253	Private Instruction	100
MUSI 2252	Private Instruction	100
MUSI 2253	Private Instruction	100
MUSI 3252	Private Instruction	100
MUSI 3253	Private Instruction	100
MUSI 3362	Private Instruction	100
MUSI 3363	Private Instruction	100
MUSI 4252	Private Instruction	100
MUSI 4253	Private Instruction	100
MUSI 4462	Private Instruction	100
MUSI 4463	Private Instruction	100

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### OTHER FEES AND CHARGES

The following new charges recommended for approval by the U. T. Board of Regents and inclusion in institutional catalogs have been approved by the Executive Vice Chancellor for Academic Affairs. All recommended charges are consistent with applicable statutory requirements under Section 54.504 and Section 55.16 of the Texas Education Code.

<u>Name/Description</u>	<u>\$ Amount of Fee</u>
<b>DROP FEE</b>	
Accounting and Business Services To defray costs associated with billing and collecting student accounts receivable due to continuing adjustments in tuition and fee amounts	3 per semester credit hour
<b>U.S. GRADUATE APPLICANT ADMISSION DEFERRAL FEE</b>	
Graduate School To defray administrative costs of processing U.S. applicant deferrals	30
<b>U.S. GRADUATE STUDENT READMISSION FEE</b>	
Graduate School To defray administrative costs of processing U.S. student readmissions	30
<b>INTERNATIONAL GRADUATE STUDENT READMISSION FEE</b>	
Graduate School To defray administrative costs of processing international student readmissions	60
<b>INTERNATIONAL GRADUATE APPLICANT ADMISSION DEFERRAL FEE</b>	
Graduate School To defray administrative costs of processing international applicant deferrals	60



## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### HOUSING RATES (including Apartments, Dormitory Rooms, Residence Halls)

Approval is recommended for the following housing and rental rates to be effective beginning with the Fall Semester 2004. The proposed rates are consistent with applicable statutory requirements under Section 55.16 of the Texas Education Code and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>University Residence Halls</u>			
Arlington Hall			
Double – Regular Fall/Spring	3,160	3,240	2.53%
Double – Super Fall/Spring	3,660	3,750	2.46%
Private – Regular Fall/Spring	4,290	4,400	2.56%
Private – Super Fall/Spring	4,680	4,800	2.56%
Brazos			
Double Occupancy Rate Fall/Spring	2,080	2,130	2.40%
Lipscomb North			
Double Occupancy Rate Fall/Spring	2,300	2,360	2.61%
Private Occupancy Rate Fall/Spring	3,910	4,000	2.30%
Lipscomb South			
Double Occupancy Rate Fall/Spring	2,360	2,420	2.54%
Double Occupancy Rate Fall/Spring with Winter	2,850	2,920	2.46%
Private Occupancy Rate Fall/Spring	4,080	4,180	2.45%
Private Occupancy Rate Fall/Spring with Winter	4,760	4,880	2.52%

**FEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**HOUSING RATES (CONTINUED)**  
**(including Apartments, Dormitory Rooms, Residence Halls)**

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>University Residence Halls</u>			
(Continued)			
Kalpana Chawla Hall (NEW)			
Double – Regular Fall/Spring	n/a	3,290	n/a
Double – Regular Fall/Spring with Winter	n/a	3,820	n/a
Double – Super Fall/Spring	n/a	3,800	n/a
Double – Super Fall/Spring with Winter	n/a	4,420	n/a
Private – Regular Fall/Spring	n/a	4,450	n/a
Private – Regular Fall/Spring with Winter	n/a	5,170	n/a
Private – Super Fall/Spring	n/a	4,850	n/a
Private – Super Fall/Spring with Winter	n/a	5,640	n/a
Trinity			
Double Occupancy Rate Fall/Spring	2,300	2,360	2.61%
Private Occupancy Rate Fall/Spring	3,910	4,000	2.30%

**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**HOUSING RATES (CONTINUED)**  
**(including Apartments, Dormitory Rooms, Residence Halls)**

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Residence Hall summer rates (11 weeks)</u>			
Arlington Hall			
Double - Regular	\$730	\$740	1.37%
Double - Super	800	820	2.50%
Private - Regular	870	890	2.30%
Private - Super	960	970	1.04%
Brazos			
Double Occupancy	650	660	1.54%
Kalpana Chawla Hall (NEW)			
Double – Regular	n/a	740	n/a
Double – Super	n/a	820	n/a
Private – Regular	n/a	890	n/a
Private – Super	n/a	970	n/a
Lipscomb North			
Double Occupancy	650	660	1.54%
Private Occupancy	1,100	1,120	1.82%
Lipscomb South			
Double Occupancy	650	660	1.54%
Private Occupancy	1,100	1,120	1.82%
Trinity			
Double Occupancy	650	660	1.54%
Private Occupancy	1,100	1,120	1.82%

**FEEs AND MISCELLANEOUS CHARGES (CONTINUED)**

**HOUSING RATES (CONTINUED)**  
**(including Apartments, Dormitory Rooms, Residence Halls)**

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Daily for guests/conferences</u>			
Arlington Hall			
Double Occupancy per night, per person	25	25	n/a
Private Occupancy per night, per person	30	30	n/a
Brazos			
Double Occupancy per night, per person	14	15	7.14%
Kalpna Chawla Hall (NEW)			
Double Occupancy per night, per person	n/a	25	n/a
Private Occupancy per night, per person	n/a	30	n/a
Lipscomb North			
Double Occupancy per night, per person	14	15	7.14%
Lipscomb South			
Double Occupancy per night, per person	14	15	7.14%
Trinity			
Double Occupancy per night, per person	14	15	7.14%

**FEEs AND MISCELLANEOUS CHARGES (CONTINUED)**

**HOUSING RATES (CONTINUED)**

**RENTAL RATES**

<u>Per month</u>	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<b><u>UNIVERSITY APARTMENTS</u></b>			
Arbor Oaks*			
1 bedroom	650	667	2.62%
2 bedroom	895	918	2.57%
Autumn Hollow Efficiency	353*	398	12.75%
Border Trail			
1 bedroom	487	504	3.49%
2 bedroom	628	648	3.18%
Center Point*			
1 bedroom	389	396	1.80%
Cooper Chase			
1 bedroom	515	529	2.72%
2 bedroom	699	724	3.58%
Cottonwood Ridge N.			
1 bedroom	458	470	2.62%
Cottonwood Ridge S.			
1 bedroom	458	470	2.62%
2 bedroom	525	543	3.43%

**FEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**RENTAL RATES (CONTINUED)**

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<i>Per month</i>			
<u>UNIVERSITY APARTMENTS (CONTINUED)</u>			
Creek Bend			
1 bedroom	492	506	2.85%
Studio	504	518	2.78%
Forest Glen			
1 bedroom	458	472	3.06%
1 bedroom	463	477	3.02%
2 bedroom	597	615	3.02%
2 bedroom	602	620	2.99%
Garden Club			
1 bedroom	515	529	2.72%
2 bedroom	699	724	3.58%
Maple Square			
1 bedroom	490	504	2.86%
1 bedroom	505	519	2.77%
Maverick House*			
1 room	393	398	1.27%
Meadow Run*			
1 bedroom	650	667	2.62%
2 bedroom	895	918	2.57%
Oak Landing			
Efficiency	405	410	1.23%
1 bedroom	502	516	2.79%
1 bedroom	514	528	2.72%
Pecan Place			
1 bedroom	493	507	2.84%

**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**RENTAL RATES (CONTINUED)**

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<i>Per month</i>			
<u>UNIVERSITY APARTMENTS (Continued)</u>			
Shady Park			
1 bedroom	444	461	3.83%
Timber Brook*			
1 bedroom	650	667	2.62%
2 bedroom	895	918	2.57%
University Village*			
1 bedroom	461	466	1.08%
1 bedroom	476	481	1.05%
1 bedroom	481	486	1.04%
1 bedroom	501	506	1.00%
West Crossing*			
1 bedroom	423	430	1.65%
2 bedroom	594	609	2.53%
Woodland Springs*			
1 bedroom	466	478	2.58%

\* Resident pays electric bill

**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**RENTAL RATES (CONTINUED)**

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>UNIVERSITY HOUSES</u>			
409 S. Davis	822	847	3.04%
415 S. Davis	668	693	3.74%
419 S. Davis	778	803	3.21%
703 Kerby	810	835	3.09%
707 Kerby	780	805	3.21%
1202 S. Oak	830	855	3.01%
1218 S. Oak	830	855	3.01%
1230 S. Oak	818	843	3.06%
1322A S. Oak	650	675	3.85%
1322B S. Oak	850	875	2.94%
1326 S. Oak	825	850	3.03%
1330 S. Oak	773	798	3.23%
1102A S. Pecan	462	477	3.25%
1102B S. Pecan	462	477	3.25%
1104A S. Pecan	462	477	3.25%
1104B S. Pecan	462	477	3.25%
1214 S. Pecan	787	812	3.18%
1222 S. Pecan	764	789	3.27%
1302 S. Pecan	678	703	3.69%

SOUTHDALE HOUSES

All houses on Southdale will be removed for construction of new apartments.



## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### MEDICAL SERVICES FEES

Approval is recommended for the following medical services fee increases to be effective beginning with the Fall Semester 2004. The fee increases have been the subject of appropriate student input and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each regular semester</u>			
Per Student Maximum	35.00	38.50	10.00%
<u>For summer session</u>			
Five-Week Session: Per Student Maximum	17.50	19.25	10.00%
Eleven-Week Session: Per Student Maximum	35.00	38.50	10.00%

## U. T. AUSTIN

### 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: Exxon Mobil Corporation  
College/School/ Department: Center for American History  
Purpose: Exxon Mobil Corporation Archives collection  
Asset Type: Non-Monetary  
Value: \$10,000,000
  
2. Donor Name: The Lyndon Baines Johnson Foundation  
College/School/ Department: LBJ School of Public Affairs  
Purpose: Benefiting programs and activities in the school  
Asset Type: Cash  
Value: \$779,739

## CONTRACTS

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

### GENERAL CONTRACTS

#### FUNDS GOING OUT

- Agency: City of Austin

Funds: \$54,482 (of a total annual contract cost of \$1.5 million for FY 2004)

Period: October 1, 2003 through September 30, 2004 with potential automatic annual renewals for 40 years

Description: The purpose of this agreement is to enable U. T. Austin to be a 3.63% participant with the City of Austin, Travis County, Austin Independent School District, Capital Metropolitan Transportation Authority, and the Texas Legislative Council and House of Representatives in the organizational and management structure for ongoing administration, operation, and maintenance of the Regional Radio System, including establishing a budget proposal process, a funding process, and the allocation of costs associated with the operation, maintenance, and enhancements to the system. The implementation of this system will improve the ability of public safety and public service agencies to communicate and cooperate with each other and allow direct access to and exchange of data in the event of an emergency.

## 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.

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

<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>	
<b>RED McCOMBS SCHOOL OF BUSINESS</b>					
Management					
1. Alison Davis-Blake (T)					34
From: Eleanor T. Mosle Fellowship and Professor Fellowship Supplement		100 SUPLT	09 09	137,000 5,500	
To: Eleanor T. Mosle Fellowship and Professor Fellowship Supplement and Associate Dean for Academic Affairs Administrative Supplement	9/1-5/31 9/1-5/31 6/1-8/31 9/1-8/31	50 SUPLT 50 100 SUPLT	09 09 12 12 12	145,000 5,500 193,333 193,333 24,000	
<b>COLLEGE OF COMMUNICATION</b>					
Radio-TV-Film					
2. Thomas G. Schatz (T)					38
From: Philip G. Warner Regents Professorship and Professor Professorship Supplement		100 SUPLT	09 09	100,000 10,000	
To: Philip G. Warner Regents Professorship and Professor Professorship Supplement, and Interim Associate Dean	9/1-5/31 6/1-8/31	100 SUPLT 100	09 09 12	100,000 10,000 146,666	

**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>	
<b>SCHOOL OF INFORMATION</b>					
3. Fred M. Heath (T)					60
From: Vice Provost and Director, General Libraries		100	12	190,000	
To: Professor and Vice Provost and Director, General Libraries	9/1-5/31	0	09	125,000	
	9/1-8/31	100	12	190,000	
<b>COLLEGE OF NATURAL SCIENCES</b>					
<b>Mathematics</b>					
Computational and Applied Mathematics Chair I and Professor					
4. Bjorn Enquist (T)	1/16-5/31	100	09	270,000	58
<b>Marine Sciences and Integrative Biology</b>					
5. Peter Thomas (T)					61
From: Professor and Research Professor, Marine Science Institute		0 100	09 12	94,818 126,424	
To: HEB Endowed Chair in Marine Science and Professor Chair Supplement and Research Professor	9/1-5/31 9/1-5/31 9/1-5/31	0 SUPLT 100	09 09 12	94,818 13,000 126,424	
<b>SCHOOL OF SOCIAL WORK</b>					
6. Darlene Grant (T)					40
From: Associate Professor		100	09	56,500	
To: Associate Professor and Associate Dean for Recruitment and Admission, Graduate Studies	9/1-5/31 9/1-5/31 6/1-8/31	50 50 100	09 12 12	56,500 90,000 90,000	

**AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)**

**TRANSFERS OF FUNDS**

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
<b>DESIGNATED FUNDS</b>		
General Libraries – Library Fee		
7. Amount of Transfer:	600,000	49
From: Operating Income		
To: Book Expenses		
Transfer balance forward income to expense account for book purchases and related expenses.		
Vice President and Chief Financial Officer – Interest on Temporary Investments		
8. Amount of Transfer:	3,923,988	51
From: Investment Income		
To: Allocation for Budget Adjustment		
Budget balance forward in interest accounts to better control the use of funds in the current fiscal year.		
Physical Plant Director’s Office – Special Unallocated Account		
9. Amount of Transfer:	1,075,744	64
From: Operating Income	1,075,744	
To: Maintenance, Operation, Equipment	43,000	
Travel	63,000	
Special Equipment	500,000	
Computer Equipment	169,744	
Equipment Replacement	300,000	
Transfer funds from the income account to set up a new budget group for the Director’s Office Special Account and to budget for annual Physical Plant terminal rental charges from the Computation Center for Fiscal Year 2003-04. The Director’s Office Income Account was funded by transfer from the Physical Plant Maintenance Operating Expense Account.		

**AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)**

**TRANSFERS OF FUNDS (CONTINUED)**

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
PLANT FUNDS		
Physical Plant – Welch Hall		
10. Amount of Transfer:	500,000	29
From: Dean of Natural Sciences Special Equipment Designated Funds		
To: Welch Hall – Comprehensive Study with 3D/I		
Funding for a comprehensive study of Welch Hall by the architectural firm 3 D/I.		
ITS Relocation Project		
11. Amount of Transfer:	1,111,080	65
From: Interest on Temporary Investments Designated Funds		
To: Flawn Academic Center – ITS Relocation Project		
Funding to move the Information Technology Services (ITS) Help Desk, Communication Services, Training Services, Software Distribution Services and the Computer Store from the Varsity Center to the Flawn Academic Center.		

## FEES AND MISCELLANEOUS CHARGES

### HOUSING RATES (INCLUDING APARTMENTS, DORMITORY ROOMS, RESIDENCE HALLS)

Approval is recommended for the following housing, board and rental rates to be effective beginning with the Fall Semester 2004. The proposed rates are consistent with applicable statutory requirements under Section 55.16 of the Texas Education Code and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each regular semester</u>			
Double rooms			
Older Residence Halls	3,433	3,569	3.96%
San Jacinto Residence Hall	4,291	4,568	6.46%

The rate for single rooms will decrease from 1.6 to 1.3 times the double room rate in the older residence halls while the rate for premium single rooms will be 1.6 times the double room rate. The rate for double rooms rented as singles will continue to be two times the double rate.

There will continue to be a \$400 premium for a room with a connecting or private bath. The private accommodations warrant the higher rate.

#### Residential Freshman Interest Group Program (FIGs)

The rate for the Whitis Court facility will continue to be \$100 more than the rate for older residence halls because of the recent renovation of the facilities.

#### For each summer session

Summer session rates will continue to be based on the per diem rate for the long session and the number of days in the summer session.



**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**BOARD RATES**

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Per Semester</u>			
Meal Plan	2,500	2,500	n/a

Meals are required as part of the contract for all residence halls. The cost will remain at \$2,500 and provide 540 meals allotted as follows:

Board Rate	n/a	1,000	n/a
Dine In Dollars	n/a	1,200	n/a
Bevo Bucks	n/a	300	n/a

Per each summer session

Summer session rates are based on the long session rate and the number of days in the summer session.

**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**RENTAL RATES**

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>UNIVERSITY APARTMENTS</u>			
<u>FAMILY STUDENT HOUSING</u>			
<u>Per month</u> – Gateway and Brackenridge			
1 bedroom	440	445	1.14%
2 bedroom	508	513	0.98%
<u>Per month</u> – Brackenridge			
3 bedroom	651	658	1.08%
<u>Per month</u> - Colorado Apartments			
1 bedroom	465	470	1.08%
2 bedroom	533	539	1.13%

The recommended rates include the \$5.40 per month charge for Time Warner Cable service to all of the apartments. All apartment rates include water; the residents are responsible for the electric bills in all units. Gateway is all electric. Residents of Brackenridge are responsible for natural gas. Residents of the Colorado Apartments have natural gas included in their rate.

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### PARKING PERMIT FEES

Approval is recommended for the following parking permit fees to be effective beginning with the Fall Semester 2004. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Annual fees:</u>			
<u>Student Permit Classifications</u>			
C Parking Permit	89.00	100.00	12.36%
M Parking Permit	50.00	60.00	20.00%
<u>For spring semester</u>			
C Parking Permit	60.00	67.00	11.67%
M Parking Permit	34.00	40.00	17.65%
<u>For summer session</u>			
C Parking Permit	23.00	26.00	13.04%
M Parking Permit	13.00	15.00	15.38%

NOTE: Annual parking permit fees may be prorated for permits purchased for spring semester/summer session or for summer session only and at the discretion of the institution refunds may be made for fall semester enrollment/employment only if circumstances warrant a refund.

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### STUDENT SERVICES FEES

Approval is recommended for the following student services fees to be effective beginning with the Fall Semester 2004. The statutory requirements for involvement of a student services fees committee have been met. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

### COMPULSORY STUDENT SERVICES FEES

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each regular semester</u>			
Per Semester Credit Hour	12.00	12.60	5.00%
Maximum	144.00	151.20	5.00%
Per Student (headcount fee)	9.60	10.04	4.58%
Total (12 or more semester credit hours)	153.60	161.24	4.97%
<u>For summer session</u>			
Per Semester Credit Hour	12.00	12.60	5.00%
Maximum	144.00	151.20	5.00%
Per Student (headcount fee)			
Six Week Session	4.80	5.02	4.58%
Nine Week Session	7.20	7.53	4.58%
Twelve Week Session	9.60	10.04	4.58%

Note: The headcount fee is prorated for the six and nine week summer sessions.

**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**STUDENT SERVICES FEES (CONTINUED)**

**VOLUNTARY STUDENT SERVICES FEES**

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For the year</u>			
Cactus Yearbook	45.00	75.00	66.67%

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### STUDENT UNION FEES

Approval is recommended for the following student union fees to be effective beginning with the Fall Semester of 2004. The statutory requirements for involvement of a student services fee committee have been met. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each regular semester</u>			
Per student (headcount fee)	42.72	45.44	6.37%
Maximum	42.72	45.44	6.37%
<u>For summer session</u>			
Per student (headcount fee)			
Six Week	21.36	22.72	6.37%
Nine Week	32.04	34.08	6.37%
Twelve Week	42.72	45.44	6.37%

Note: The student union fee is prorated for the six and nine week summer sessions.

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### MEDICAL SERVICES FEES

Approval is recommended for the following medical services fee increases to be effective beginning with the Fall Semester 2004. The increases have been the subject of appropriate student input and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each regular semester</u>			
Per Student	62.48	64.88	3.84%
Maximum	62.48	64.88	3.84%
<u>For summer session</u>			
Per Student (headcount fee)			
Six-Week Session	31.24	32.44	3.84%
Nine-Week Session	46.86	48.66	3.84%
Twelve-Week Session	62.48	64.88	3.84%

Note: The medical services fee is prorated for the six and nine week summer sessions.

## OTHER MATTERS

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

The following item has been approved by the Executive Vice Chancellor for Academic Affairs in accordance with the Regents' Rules and Regulations, Part One, Chapter III, Section 13 and is submitted for approval by the Board of Regents. It has been determined that the holding of this position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding the position and the appointment of Dr. Angel with The University of Texas at Austin. 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 and there is no conflict between the position and the University appointment.

- |               |  |
|---------------|--|
| Name:         | Dr. Jacqueline L. Angel  |
| Title:        | Professor, Lyndon B. Johnson School of Public Affairs  |
| Position:     | Behavior and Social Science of Aging Review Committee,<br>National Institute on Aging  |
| Period:       | August 11, 2003 through June 30, 2007  |
| Compensation: | None   |
| Description:  | The Honorable Richard J. Hodes, M.D. invited Dr. Angel to serve as a member of the Behavior and Social Science of Aging Review Committee, National Institute on Aging. This committee is advisory to the Director of the National Institutes of Health and the Director of the National Institute on Aging. The committee has primary responsibility for providing the technical review and evaluation of research, research training, grant applications, and contract proposals concerned with research on aging in the basic biological, clinical, biomedical, social, and behavioral sciences. |



**U. T. BROWNSVILLE**

**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.

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

<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>	
<b>SCHOOL OF BUSINESS</b>					
Accounting					
1. Carol Collinsworth (T)					4
From: Assistant Professor		100	09	59,870	
To: Assistant Professor	9/1-5/31	100	09	59,870	
	9/1-5/31	SUPLT	09	6,667	
2. R. B. Vinson (T)					16
From: Associate Professor		100	09	63,618	
		SUPLT	09	6,667	
To: Associate Professor	9/1-5/31	100	09	63,618	
<b>SCHOOL OF HEALTH SCIENCES</b>					
Nursing					
3. Karen Fuss-Sommer (T)					6
From: Associate Master					
Technical Instructor		100	12	53,501	
To: Associate Master					
Technical Instructor	9/1-8/31	100	12	53,501	
and Interim LVN	9/1-8/31	SUPLT	12	4,000	
Program Director					

**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 HEALTH SCIENCES (continued)					
Allied Health					
4. Ana M. Linville (T)					11
From: Instructor		100	09	41,915	
To: Technical Instructor	9/1-5/31	100	09	41,915	
5. Eusebio E. Ortiz (T)					13
From: Technical Instructor		100 SUPLT	09 09	55,459 8,664	
To: Associate Master	9/1-5/31	100	09	55,459	
Technical Instructor	9/1-5/31	SUPLT	09	8,664	
COLLEGE OF SCIENCE, MATH & TECHNOLOGY					
Physics and Astronomy					
6. Natalia Guevara (T)					7
From: Assistant Professor		100	09	46,665	
To: Assistant Professor and Interim Department Chair	9/1-5/31 9/1-5/31	100 SUPLT	09 09	46,665 6,667	
SCHOOL OF EDUCATION					
Curriculum and Instruction					
7. Bobbette Morgan (T)					12
From: Associate Professor, Interim Department Chair, and Coordinator for TExES		100	09	76,180	
To: Associate Professor	9/1-5/31	100	09	50,318	

**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 EDUCATION (Continued)					
Curriculum and Instruction (Continued)					
8. Reynaldo Ramirez (T)					14
From: Associate Professor		100	09	53,114	
To: Associate Professor, Interim Department Chair and Coordinator for TExES	9/1-5/31	100	09	53,114	
	9/1-5/31	SUPLT	09	4,667	
	9/1-12/31	SUPLT	12	1,500	
School of Specialties					
9. Olivia Rivas (T)					15
From: Professor		100	09	75,353	
To: Professor and Interim Dean	9/1-5/31	100	09	75,353	
	9/1-12/31	SUPLT	12	8,438	

## FEES AND MISCELLANEOUS CHARGES

Approval is recommended for the following new fees to be effective with the Fall Semester 2004. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

### SPECIAL COURSE FEES

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
ABDR 1411	Vehicle Measurement & Damage Repair Procedure	35
ABDR 1431	Basic Refinishing	35
ABDR 1453	Fiberglass Repair	35
ABDR 1519	Basic Metal Repair	35
ABDR 1541	Structural Analysis & Damage Repair I	35
ABDR 1542	Structural Analysis & Damage Repair II	35
ABDR 2255	Collision Repair Estimating	35
ABDR 2257	Collision Repair Shop Management	35
ABDR 2549	Advance Refinishing I	35
ACCT 3351	Information Systems in Organizations	30
AUMT 1201	Introduction and Theory of Automotive Technology	10
AUMT 1407	Automotive Electrical Systems	10
AUMT 1410	Brakes	30
AUMT 1416	Suspension and Steering	30
AUMT 1419	Automotive Engine Repair	20
AUMT 1445	Automotive Heating and Air Conditioning	20
AUMT 2209	Manual Train and Axle Theory	30
AUMT 2305	Theory of Automotive Engines	10
AUMT 2417	Engine Performance Analysis I	20
AUMT 2425	Automatic Transmission and Transaxle	30
AUMT 2434	Engine Performance Analysis II	20
BENG 3310	Pathways of Cellular Signaling	30
BENG 4320	Molecular Bioengineering	30
BENG 4120	Molecular Bioengineering Laboratory	30
BIOL 1106	Biological Principles I Laboratory	12
BIOL 1107	Biological Principles II Laboratory	12
BIOL 1306	Biological Principles I	12
BIOL 1307	Biological Principles II	12
BIOL 2101	Anatomy and Physiology Laboratory I	12
BIOL 2102	Human Anatomy and Physiology Laboratory I	12
BIOL 2301	Anatomy and Physiology	12
BIOL 2302	Human Anatomy and Physiology II	12
BMIS 1101	Introduction to Windows Software	30
BMIS 1110	Introduction to Word Processing for Windows	30

## FEEES AND MISCELLANEOUS CHARGES (CONTINUED)

### SPECIAL COURSE FEES (CONTINUED)

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
BMIS 1120	Ten-Key by Touch	30
BMIS 1125	Fundamentals of Spreadsheets	30
BMIS 1135	Fundamentals of Access for Windows Software	30
BMIS 1140	Introduction to the SPSS Statistical Program	30
BMIS 1145	Introduction to Internet with Netscape Navigator	30
BMIS 1150	Fundamentals of Desktop Publishing	30
BMIS 1155	Fundamentals of Power Point Presentation	30
BMIS 1160	Fundamentals of PageMaker for Windows	30
BMIS 1165	New Software Topics	30
BMIS 1170	Introduction to Peachtree Accounting	30
BMIS 1175	Introduction to Quickbooks	30
BMIS 3351	Information Systems in Organizations	30
BMISU 1101	Introduction to Word Processing for Windows	30
BMISU 1110	Introduction to Word Processing for Windows	30
BMISU 1120	Ten-Key by Touch	30
BMISU 1125	Fundamentals of Spreadsheets	30
BMISU 1135	Fundamentals of Access for Windows Software	30
BMISU 1140	Introduction to the SPSS Statistical Program	30
BMISU 1145	Introduction to Internet with Netscape Navigator	30
BMISU 1150	Fundamentals of Desktop Publishing	30
BMISU 1155	Fundamentals of Power Point Presentation	30
BMISU 1160	Fundamentals of PageMaker for Windows	30
BMISU 1165	New Software Topics	30
BMISU 1170	Introduction to Peachtree Accounting	30
BMISU 1175	Introduction to Quickbooks	30
BUSIU 2441	Statistics	30
CBBT 1301	Introduction to Construction	5
CHEM 1105	Introductory Chemistry Laboratory I	12
CHEM 1107	Introductory Chemistry Laboratory II	12
CHEM 1111	General Chemistry I	12
CHEM 1112	General Chemistry II Laboratory	12
CHEM 1305	Introduction to Chemistry I	12
CHEM 1307	Introduction to Chemistry II	12
CHEM 1311	General Chemistry I	12
CHEM 2123	Organic Chemistry Laboratory I	12
CHEM 2125	Organic Chemistry Laboratory II	12
CHEM 2323	Organic Chemistry I	12

## FEEES AND MISCELLANEOUS CHARGES (CONTINUED)

### SPECIAL COURSE FEES (CONTINUED)

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
CHEM 2325	Organic Chemistry II	12
CHEM 3103	Biochemistry Laboratory I	20
CHEM 3105	Analytical Laboratory	20
CHEM 3110	Physical Chemistry Lab I	20
CHEM 3112	Physical Chemistry Lab II	20
CHEM 3301	Inorganic Chemistry	20
CHEM 3303	Biochemistry I	20
CHEM 3304	Biochemistry II	20
CHEM 3305	Analytical Chemistry	20
CHEM 3306	Chemical Literature	20
CHEM 3310	Physical Chemistry I	20
CHEM 3312	Physical Chemistry II	20
CHEM 4105	Instrumental Methods of Analysis Lab	20
CHEM 4110	Chemical Seminar	20
CHEM 4305	Instrumental Methods of Analysis	20
CHEM 4320	Chemistry Problems	20
CHEM 4404	Selected Topics in Biochemistry	20
CHEM 4412	Selected Topics in Physical Chemistry	20
CHEM 4423	Selected Topics in Organic Chemistry	20
CIST 3330	Networking and Data Base Management	65
CIST 3380	Special Topic in Computer Systems	65
CIST 4313	Advanced Computer Networking	65
CIST 4346	Special Analysis and Design	65
CIST 4340	File Structures	65
CIST 4380	Special Topics in Computer Systems	65
CNBT 1302	Mechanical, Plumbing and Electrical Systems	25
CNBT 1305	Residential & Light Commercial Blueprint Reading	5
CNBT 1307	Commercial & Industrial Blueprint Reading	5
CNBT 1311	Construction Materials and Methods	25
CNBT 1342	Building Codes and Inspections	5
CNBT 1366	Practicum	5
COSC 1315	Logic and Computing	65
COSC 1418	Programming Structures I	65
COSC 2312	Foundations of Computer Science	65
COSC 2314	Computer System Tools	65
COSC 2316	Multimedia and Web Design	65
COSC 2317	Signals and Systems	65
COSC 2318	Programming Structures II	65

**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**SPECIAL COURSE FEES (CONTINUED)**

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
COSC 4335	Computer Vision	65
COSC 3310	Systems Programming and Concurrent Processes	65
COSC 3325	Digital Logic and Computer Organization	65
COSC 3330	Networking and Database Management	65
COSC 3325	Data and Information Structures	65
COSC 3355	Principles of Programming Languages	65
COSC 3380	Special Topic	65
COSC 4190	Senior Project	65
COSC 4300	Compiler Construction	65
COSC 4310	Operating Systems	65
COSC 4313	Computer Networking	65
COSC 4315	Advanced Computer Networks	65
COSC 4330	Computer Graphics	65
COSC 4332	Graphical User Interfaces	65
COSC 4333	Digital Image Processing	65
COSC 4342	Database Management Systems	65
COSC 4343	Data Mining	65
COSC 4346	Systems Analysis and Design	65
COSC 4380	Special Topic	65
CRPT 1311	Conventional Roof Systems	25
CRPT 1315	Conventional Wall Systems	25
CRPT 1323	Floor Systems	25
CRPT 1325	Forms and Foundations I	5
CRPT 1329	Introduction to Carpentry	5
CRPT 1341	Conventional Exterior Finish Systems	25
CRPT 1345	Conventional Interior Finish Systems	25
EECT 3067	Electronics Practicum I	80
EECT 2366	Electronics Practicum II	80
EECT 2367	Electronics Practicum III	80
ELET 1150	Electronics Fabrication Laboratory	80
ELET 1410	Introduction to Electrical Technology	80
ELETU1460	Circuits I	80
ELET 2140	Electronic Instrumentation Laboratory	80
ELET 2401	Introduction to Digital Circuits	80
ELET 2410	Electronics I: Semiconductor Devices	80
ELET 2415	Programming for Technologies	80
ELET 2430	Electronics II: Semiconductor Circuits & Applications	80
ELETU2460	Circuits II	80
ELET 3412	Introduction to Microprocessors	80

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### SPECIAL COURSE FEES (CONTINUED)

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
ELET 3413	Microprocessor Interfacing	80
ELET 3314	Instrumentation and Control	80
ELET 3431	Introduction to Telecommunications	80
ELET 3440	Electric Machinery	80
ELET 4423	Control Systems	80
ELET 4424	Power Distribution	80
ELPT 1311	Basic Electrical Theory	15
ELPT 1321	Introduction to Electrical Safety and Tools	25
ELPT 1325	National Electrical Code I	15
ELPT 1329	Residential Wiring	15
ELPT 1345	Commercial Wiring	15
ELPT 1349	Electrical Blueprint Reading	5
ELPT 1364	Practicum	5
ENGR 1201	Introduction to Engineering	80
ENGR 1204	Engineering Graphics	80
ENGR 1205	Engineering Graphics II	80
ENGR 2301	Engineering Mechanics I	80
ENGR 2302	Engineering Mechanics II	80
ENGR 2432	Mechanics of Materials	80
ENGT 1101	Introduction to Engineering Technology	80
ENGT 2130	Engineering Communications	80
ENGT 2303	Probability and Statistics	80
ENGT 2401	Engineering Materials	80
ENGT 3301	Advanced Analytical Math	80
ENGT 3303	Analysis for Technologists	80
ENGT 3320	Engineering Economics	80
ENGT 3325	Junior Lab and Directed Research	80
ENGT 4140	Classical Foundations of Science and Technology	80
ENGT 4241	Senior Design Project I	80
ENGT 4242	Senior Design Project II	80
ENGT 4320	Senior Lab and Directed Research	80
ENGT 4350	Topics in Engineering Technology	80
GEOL 1101	Principles of Earth Sciences Laboratory	12
GEOL 1103	Physical Geology Laboratory	12
GEOL 1104	Historical Geology Laboratory	12
GEOL 1301	Principles of Earth Sciences-Lecture	12
GEOL 1303	Physical Geology-Lecture	12
GEOL 1304	Historical Geology-Lecture	12
HART 1301	Basic Electricity for HVAC	10



## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### SPECIAL COURSE FEES (CONTINUED)

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
HART 1307	Refrigeration Principles	20
HART 1341	Residential Air Conditioning	20
HART 1345	Gas and Electrical Heating	10
HART 2336	Air Conditioning Troubleshooting	25
HART 2338	Air Conditioning Installation and Startup	20
HART 2345	Air Conditioning System Design	20
HART 2349	Heat Pumps	20
INMT 1291	Special Topics: Capstone Experience	80
MAIR 1349	Refrigerator, Freezers, Window Air Conditioners	20
MANA 4366	Small Business Management	30
MANA 6350	Information Technology for Managers	30
MCHN 1253	Intermediate Machine Shop II	30
MCHN 1300	Machinist I	5
MCHN 1302	Machinist II	30
MCHN 1305	Metals and Heat Treatment	15
MCHN 1317	Machine Shop Blueprint Reading	5
MCHN 1320	Precision Tools and Measurements	30
MCHN 1332	Bench Work and Layout	5
MCHN 1338	Basic Machine Shop I	5
MCHN 1341	Basic Machine Shop II	30
MCHN 1352	Intermediate Machine Shop I	30
MCHN 2433	Advanced Lathe Operations	30
MCHN 2437	Advanced Milling Operations	30
MEET 1301	Introduction to Computers for Technologists	80
MEET 3330	Transport Technologies I	80
MEET 3331	Transport Technologies II	80
MEET 3333	Mechanical Subsystem Design	80
MEET 3351	Mechanical Engineering Laboratory	80
MEET 4325	Mechanical Power Systems	80
MFET 2420	Manufacturing Process Technologies	80
MFET 3311	International Quality Assurance Systems	80
MFET 3320	Product and Process Design	80
MFET 3325	Manufacturing Process Planning	80
MFET 3331	Computer Aided Manufacturing	80
MFET 3332	Robots in Manufacturing	80
MFET 3341	Electronic Assembly Technology	80
MFET 3351	Plastics Manufacturing Technology	80
MFET 4321	Design Experimentation	80
MFET 4360	International Environmental Issues in Manufacturing	80

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### SPECIAL COURSE FEES (CONTINUED)

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
PFPB 1345	Piping Standards and Materials	25
PFPB 1421	Plumbing Maintenance & Repair	25
PFPB 2301	Piping Fabrication & Installation I	25
PFPB 2408	Piping Standards and Materials	25
PFPB 2409	Residential Construction Plumbing	25
PFPB 2437	Blueprint Reading for Plumbers	5
PHYS 1101	General Physics Laboratory I	12
PHYS 1102	General Physics Laboratory II	12
PHYS 1301	General Physics I	12
PHYS 1302	General Physics II	12
PHYS 1310	Conceptual Physics	12
PHYS 1411	Introduction to Astronomy	12
PHYS 2125	Engineering Physics Laboratory I	12
PHYS 2126	Engineering Physics Laboratory II	12
PHYS 2325	Engineering Physics I	12
PHYS 2326	Engineering Physics II	12
PHYS 3201	Advanced Physics Laboratory I	30
PHYS 3310	Classical Mechanics	30
PHYS 3320	Thermodynamics	30
PHYS 3390	Mathematical Methods in Physics	30
PHYS 3400	Modern Physics	30
PHYS 4300	Undergraduate Research Project	30
PHYS 4315	Analysis of Biomolecules by Physical Methods	30
PHYS 4320	Quantum Mechanics	30
PHYS 4380	Special Topics in Physics	30
PHYS 4390	Computational Methods in the Physical Science	30
PHYS 3315	Physics of Biological Systems	30
PHYS 3392	Mathematical Methods II	30
PSCI 4220	Physical Science for Educators II	30
RNSG 1108	Dosage Calculation	18
RNSG 1205	Nursing Skills	18
RNSG 1215	Health Assessment	18
RNSG 1413	Foundations for Nursing Practice	18
RNSG 2307	Transition to Nursing Practice	18
RNSG 2441	Advanced Concepts of Clinical Decision Making	18
WDWK1313	Cabinet Making	25

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### OTHER FEES AND CHARGES

The following new charges recommended for approval by the U. T. Board of Regents and inclusion in institutional catalogs have been approved by the Executive Vice Chancellor for Academic Affairs. All recommended charges are consistent with applicable statutory requirements under Section 54.504 and Section 55.16 of the Texas Education Code.

<u>Name/Description</u>	<u>\$ Amount of Fee</u>
LATE GRADUATE APPLICATION FEE To defray costs incurred in processing late applications for graduate admissions	15
LATE ADMISSIONS APPLICATION FEE To defray costs of needed personnel for counseling and transcript evaluations	15
LATE REGISTRATION FEE To defray costs of personnel, equipment and supplies related to late registration activities	30/semester
LATE LIBRARY FEE To defray costs of printing, processing and postage of late notices	0.30/day with \$30 maximum
LOST MATERIALS FEE To defray costs of book replacement	30
OVERDUE RESERVE MATERIALS FEE To encourage users to return material in a timely manner	20
WEB-BASED OR INTERACTIVE VIDEO FEE To defray cost associated with distance learning infrastructure, course content, maintenance and courseware	25/annually

**FEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**OTHER FEES AND CHARGES (CONTINUED)**

<u>Name/Description</u>	<u>\$ Amount of Fee</u>
TELECOURSE FEE To defray cost of licensing transmission and administration of Telecourse offered	25/annually
VIRTUAL COLLEGE OF TEXAS FEE To defray cost of special registration and creation of community colleges distance education courses	25
ASSET TEST FEE To defray cost of answer sheets and computer licensing software	5
TEST SCORE COPY FEE To defray cost of paper needed to provide copies of test scores to students on a daily basis	1
ORIENTATION FEE To defray cost of providing orientation materials to incoming students such as video, media, brochures, and miscellaneous supplies	20
ORIENTATION NO SHOW/CANCELLATION FEE To defray costs of money lost on food, t-shirts, and other supplies due to no show	15
BIOLOGY MAJORS FEE To defray costs of advising, copier needs, software licenses, maintenance of computers, and equipment	10
UPPER DIVISION COURSE FEE To defray cost of advising, copier needs, software licenses, computer and equipment maintenance, contracts for lab equipment, and teaching supplies.	30

**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**OTHER FEES AND CHARGES (CONTINUED)**

<u>Name/Description</u>	<u>\$ Amount of Fee</u>
COMPUTER LITERACY FEE30 To defray cost of media equipment, paper, toners, material, software licenses, computer maintenance and upgrades for students enrolling in computer literacy courses	
DRAFTING PROGRAM SUPPORT FEE To defray costs of supplies, instructional material, software licenses, and computer maintenance and upgrades	60
MED'S TOTAL CURRICULUM SUPPORT FOR ASSOCIATE DEGREE NURSING PROGRAM To defray cost of exam/assessment package	75

**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**HOUSING RATES**

**(including Apartments, Dormitory Rooms, Residence Halls)**

Approval is recommended for the following housing and/or rental rates to be effective beginning with the Fall Semester 2004. The proposed rates are consistent with applicable statutory requirements under Section 55.16 of the Texas Education Code and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

**RENTAL RATES**

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Per Semester</u>			
<u>UNIVERSITY APARTMENTS</u>			
<u>STUDENT HOUSING</u>			
1 bed	1,400	1,550	10.71%
2 bed	1,000	1,150	15.00%

All apartment/housing rates include utilities, internet access, telephone and cable service.

**U. T. DALLAS**

**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.

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

<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>	
<b>SCHOOL OF ARTS AND HUMANITIES</b>					
1. Zsuzsanna Ozsvath (T)					7
From: Professor		100	09	68,000	
To: Leah and Paul Lewis Chair of Holocaust Studies and Professor	11/1-5/31	100	09	68,000	
<b>OFFICE OF THE EXECUTIVE VICE PRESIDENT AND PROVOST AND SCHOOL OF SOCIAL SCIENCES</b>					
2. Larry D. Terry (T)					8
From: Professor and Associate Provost		100	09	133,900	
To: Professor and Executive Vice-Provost	11/1-5/31	100	09	133,900	

## FEES AND MISCELLANEOUS CHARGES

### PARKING PERMIT FEES

Approval is recommended for the following parking permit fees to be effective beginning with the Fall Semester 2003. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Annual fees:</u>			
<u>Student Permit Classifications</u>			
Student – Green Parking	50	75	50.00%
Waterview Apartments Only	20	30	50.00%
<u>Faculty/Staff Classifications</u>			
Staff/Faculty – Green Parking	58	75	29.31%
Gold – Green Parking	93	125	34.40%
Orange – Green Parking	158	190	20.25%
Purple – Green Parking	198	260	31.31%

NOTE: Annual parking permit fees may be prorated for permits purchased for spring semester/summer session or for summer session only and at the discretion of the institution refunds may be made for fall semester enrollment/employment only.



## 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: Larry Durham – Durham Family Foundation  
College/School/ Department: Intercollegiate Athletics  
Purpose: Athletic Facility Construction  
Asset Type: Cash  
Value: \$1,000,000

\*No letter of transmittal from the donor

## CONTRACTS

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

### GENERAL CONTRACTS

#### FUNDS COMING IN

1. Agency: Sodexho Services of Texas, LP  
Funds: \$3,098,687  
Period: September 1, 2005 through August 31, 2010  
Description: In accordance with the five-year amendment, Sodexho Services of Texas, LP agrees to provide food venues, catering, and concessions on the campus. The value of the contract is based on FY 2002-2003 total commissions with a projected 2% increase per contract year. This is a continuation of an existing contract.
  
2. Agency: Carnegie Corporation of New York  
Funds: \$3,249,959  
Period: Three years with a two-year extension  
Description: Carnegie Corporation of New York agrees to furnish funds for *Teachers for a New Era* contingent upon acceptance of the university's responses to Carnegie Corporation's questions regarding the submitted proposal and approval by the Board of Regents. It is anticipated that Carnegie Corporation will accept the response and make the funds available in January 2004. The term of the grant is three years with a two-year extension upon successful administration of the grant. There will be additional funds of approximately \$2,500,000 awarded with the extension. The university will match \$5,000,000 over the life of the grant.

## 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 Academic Affairs and are recommended for approval by the U. T. Board of Regents.

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

<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>	
<b>COLLEGE OF ENGINEERING</b>					
Electrical and Computer Engineering					
1. Benjamin Carrasco-Flores (T)					2
From: Professor and Associate Dean of the Graduate School		50	09	78,000	
		50	12	106,333	
To: Professor and Chairperson	9/1-5/31	100	09	88,000	
	9/1-5/31	SUPLT	09	2,000	
Civil Engineering					
2. Roberto A. Osegueda (T)					3
From: Professor		100	09	84,200	
To: Associate Dean and Professor	9/1-8/31	50	12	120,000	
	9/1-5/31	50	09	90,000	

**AMENDMENTS TO THE 2003-2004 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>	
<b>COLLEGE OF LIBERAL ARTS</b>					
English					
3. Evelyn J. Posey (T)					4
From: Associate Professor and Chairperson		100 SUPLT	09 09	58,211 2,000	
To: Associate Professor Chairperson, Dorrance D. Roderick Foundation Professorship in English and Associate Professor	9/1-5/31 9/1-5/31	100 SUPLT	09 09	62,000 2,000	
	9/1-5/31	SUPLT	09	11,000	
Political Science Institute for Policy and Economic Development					
4. Dennis Soden (T)					6
From: Professor, and Western Hemispheric Trade Policy Studies Professorship, Professor		66.67 33.33 SUPLT	09 09 09	72,782 72,782 9,000	
To: Professor, Western Hemispheric Trade Policy Studies Professorship, Professor and Office of the Dean, Professor	9/1-5/31 9/1-5/31 9/1-5/31 9/1-5/31	66.67 33.33 SUPLT SUPLT	09 09 09 09	72,782 72,782 9,000 2,000	

**AMENDMENTS TO THE 2003-2004 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>	
<b>COLLEGE OF LIBERAL ARTS</b>					
(Continued)					
Social Work					
5. Kip Coggins (T)					5
From: Associate Professor		100	09	47,500	
To: Associate Professor	9/1-5/31	100	09	47,500	
and Acting Director	9/1-5/31	SUPLT	09	2,000	
<b>OFFICE OF THE VICE PRESIDENT FOR ACADEMIC AFFAIRS</b>					
6. Karen B. Schmaling (T)					7
From: Associate Vice President and School of Allied Health/ Professor		100	12	113,705	
		WOS	09	84,460	
To: Associate Vice President College of Health Sciences, Interim Dean School of Allied Health, Professor, and Charles H. and Shirley T. Leavell Chair II	9/1-8/31	20	12	125,000	
	9/1-5/31	80	12	125,000	
	9/1-5/31	WOS	09	84,460	
	9/1-5/31	SUPLT	09	3,750	

**AMENDMENTS TO THE 2003-2004 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>	
<b>COLLEGE OF HEALTH SCIENCES</b>					
7. John B. Conway (T)					8
From: Dean and Charles H. and Shirley T. Leavell Endowed Chair, Professor		100 WOS SUPLT	12 09 09	124,800 81,885 4,500	
To: Vice President for Academic Affairs Office, Assistant to Provost and Charles H. and Shirley T. Leavell Endowed Chair, Professor	9/1-8/31  9/1-5/31	100  SUPLT	12  09	124,800  4,500	

## PARKING AND TRAFFIC REGULATIONS

The following listing summarizes the substantive changes proposed to Parking and Traffic Regulations of The University of Texas at El Paso. They have been approved by the Executive Vice Chancellor for Academic Affairs and the Office of General Counsel and are incorporated in model regulations approved by the U. T. Board of Regents. These regulations supersede all prior Parking and Traffic Regulations and continue in effect until modified.

### Parking and Traffic Regulations for 2004-2005

<u>Page Number(s)</u>	<u>Summary of Proposed Substantive Change</u>
3, 8	Section I and V revised to reference immobilization and storage of vehicles.
17, 18	Section VIII revised to clarify the appeals procedure for citations.
1	Section I revised to eliminate the option for faculty and staff members to purchase student parking permits.
8, 9, 14	Section VI revised to address change from permanent adhesive decals to hanging decals and to address upgrade charges for decals.
14	Section VI revised to differentiate temporary permits from Student Health Center permits.
19, 20, 21	Section VII revised to improve enforcement of outstanding citations on campus, to clarify the Booting Policy, and to address Abandoned and Derelict Vehicles on campus.

## FEES AND MISCELLANEOUS CHARGES

Approval is recommended for the following new fees to be effective beginning with the Fall Semester 2004. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

### LABORATORY FEES

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
PT 5407	Medical Kinesiology and Movement Science	4
PT 5421	Orthopedics II	4
PT 5411	Neurorehabilitation I: Basic Adult Pain Mgmt	4
PT 5412	Neurorehabilitation II: Complex Adult Pain Mgmt	4
PT 5414	Neurorehabilitation III: Pediatric Management	4
ESCI 1101	Environmental Science Laboratory	20
ESCI 2101	Laboratory for Environmental Practice I	20
ESCI 2102	Laboratory for Environmental Practice II	20
ESCI 2103	Laboratory for Environmental Practice III	20

### SPECIAL COURSE FEES

KIN 3311	Anatomical Kinesiology	17
KIN 1303	Foundations of Kinesiology	12
ART 3320	Whole Arts	2
HSCI 4201	Health Education for Elementary School Teachers	10



## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### OTHER FEES AND CHARGES

The following new charges recommended for approval by the U. T. Board of Regents and inclusion in the institutional catalogs have been approved by the Executive Vice Chancellor for Academic Affairs. All recommended charges are consistent with applicable statutory requirements under Section 54.504 and Section 55.16 of the Texas Education Code.

<u>Name/Description</u>	<u>\$ Amount of Fee</u>
SCHOOL OF NURSING – MAJOR FEE To offset the increased cost of the Simulation Laboratory	103 per semester
EXECUTIVE MPA PROGRAM To defray costs of sustaining the new program	40 per credit hour
LIBRARY FEE To defray increasing costs of library materials and electronic database for Undergraduate Students	4 per credit hour
To defray increasing costs of library materials and electronic database for Graduate Students	5 per credit hour
UNIVERSITY COLLEGE ENTERING STUDENT FEES To defray costs related to providing entering student services such as orientation, advising and testing	160/freshman 130/transfer student 180/International student
COURSE AUDIT FEE To offset additional resource and faculty costs for current students auditing courses	10 per course
To offset additional resource and faculty costs for non-students	30 per course

**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**OTHER FEES AND CHARGES (CONTINUED)**

<u>Name/Description</u>	<u>\$ Amount of Fee</u>
CATALOG FEE To offset increased catalog publishing costs	1 per catalog on CD if picked up  3 per printed catalog if picked up  4.50 per printed catalog if mailed
DIPLOMA REPLACEMENT FEE To offset increased printing fees	10 per replacement within first year of graduation  30 thereafter
GRADUATION FEE To offset increased cost of printing of the diploma and purchase of covers	30

## FEEES AND MISCELLANEOUS CHARGES (CONTINUED)

### RENTAL RATES

Approval is recommended for the following rental rates to be effective beginning with the Fall Semester 2004. The proposed rates are consistent with applicable statutory requirements under Section 55.16 of the Texas Education Code and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Per month</u>			
<u>UNIVERSITY APARTMENTS</u>			
2 person efficiency	315	330	4.76%
1 person efficiency	460	485	5.43%
2 bedroom	433	455	5.08%
4 bedroom	410	430	4.88%

**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**PARKING PERMIT FEES**

Approval is recommended for the following parking permit fees to be effective beginning with the Fall Semester 2004. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
Annual fees: <u>All Permit Classifications</u>			
Replacement Permit without remnants	6	Full value of permit	Varied

The option to downgrade and the related fee will be eliminated.

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### DIFFERENTIAL GRADUATE TUITION CHARGES

Approval is recommended for the following differential graduate tuition charges for the 2004-05 academic year. The fee has been the subject of discussion with representative students and has been administratively approved by the Executive Vice Chancellor for Academic Affairs. A portion of the increase will be used for financial assistance for students impacted by the increase.

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

Academic Program	<u>Current Fee \$</u>		<u>Proposed Fee \$</u>		<u>Percent Increase</u>	
	<u>Resident</u>	<u>Nonresident</u>	<u>Resident</u>	<u>Nonresident</u>	<u>Resident</u>	<u>Nonresident</u>
Liberal Arts	0	0	14	14	n/a	n/a
Education	0	0	14	14	n/a	n/a
Bus Admin	28	28	38	38	35.7%	35.7%
Health Sci	28	28	38	38	35.7%	35.7%

## U. T. PAN AMERICAN

### CHANGES TO ADMISSION CRITERIA

The following listing summarizes the changes proposed to admission criteria to be included in the Catalog of The University of Texas - Pan American. The following changes have been administratively approved by the President's Executive Committee and are recommended for approval by the U. T. Board of Regents.

#### Summary of Changes for First-Time Freshmen Admission Criteria

The Admission Policy is 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.

The University of Texas - Pan American requests approval to increase first-time freshmen admission standards to the levels reflected in the table below. An analysis of the proposed standards indicates that the impact on overall enrollment would be modest and that there would not be a significant impact on historically underrepresented groups. The proposed standards bring The University of Texas - Pan American admission standards in line with peer institutions and regional competition. The proposal was recommended by The University of Texas - Pan American Admissions Committee and approved by The University of Texas - Pan American Dean's Council and the President's Executive Committee.

#### Proposed Automatic Admission Standards for First-Time Freshmen

Current Standards			Proposed Standards		
Class Rank	Minimum ACT Score	High School Diploma	Class Rank	Minimum ACT Score	High School Diploma
Top 10%	No minimum ACT score but student must submit scores	Distinguished or Recommended or Regular	Top 10%	No minimum ACT score but student must submit scores	Distinguished or Recommended or Regular

## CHANGES TO ADMISSION CRITERIA (CONTINUED)

### Proposed Automatic Admission Standards for First-Time Freshmen (Continued)

<b>Current Standards</b>		<b>Proposed Standards</b>			
Top 25% <b>OR</b>	ACT Score $\geq 20$	Distinguished <b>OR</b> Recommended	Bottom 90%	ACT $\geq 15^*$ (Fall 2005)	Any Diploma
	Students who do not meet any of the three criteria above would be admitted under the Provisional Enrollment Program*			ACT $\geq 16$ (Fall 2007)	Distinguished or Recommended
				ACT $\geq 17$ (Fall 2009)	Distinguished or Recommended
				ACT $\geq 18$ (Fall 2011)	Distinguished or Recommended

\*The Provisional Enrollment Program will be eliminated effective Fall 2005.

### Summary of Changes to Transfer Student Admission Criteria

The University of Texas - Pan American requests approval to increase transfer student admission standards to the levels reflected in the table below. An analysis of the proposed standards indicates that the impact on overall enrollment would be modest and that there would not be a significant impact on historically underrepresented groups. The proposed standards bring The University of Texas - Pan American admission standards in line with peer institutions and regional competition. The proposal was recommended by The University of Texas - Pan American Admissions Committee and approved by The University of Texas - Pan American Dean's Council and the President's Executive Committee.

### Proposed Admission Standards for Transfer Students

<b>Current Standards</b>	<b>Proposed Standards</b>
Students with GPA $\geq 2.00$ admitted in good academic standing	Students must have GPA $\geq 2.00$ on all previous coursework
Students with GPA $< 2.00$ admitted on probation	

**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.

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

<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>	
<b>COLLEGE OF SOCIAL AND BEHAVIORAL SCIENCES</b>					
Sociology					
Professor and Chair (T)					
1. Guang-zhen Wang	01/01	100	09	72,000	7
	01/01	SUPLT	09	2,000	

**TRANSFERS OF FUNDS**

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
Haggar Building Purchase		
1. Amount of Transfer:	2,587,132	16

From: Designated Tuition

To: Unexpended Plant – Real Estate Purchased

The University of Texas - Pan American purchased the Haggar Building in Edinburg, Texas in April 2003, pursuant to the approval for the purchase at the February 12-13, 2003 Board meeting. This RBC will ratify the transfer of Designated Tuition funds to Unexpended Plant funds to document the purchase, as it will be reflected in the 2003 Annual Financial Report.



## FEES AND MISCELLANEOUS CHARGES

Approval is recommended for the following new fees to be effective with the Fall Semester 2004. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

### LABORATORY FEES

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
BIOL 4403	Introduction to Remote Sensing Tech	4
BIOL 5403	Advanced Remote Sensing Technology	4
BIOL 4418	Electron Microscopy	4
BIOL 5418	Advanced Electron Microscopy	4
BIOL 4417	Bacterial Genetics	4
BIOL 5417	Advanced Bacterial Genetics	4
BIOL 3415	Molecular Biology	4
BIOL 4420	Biotechnology	4
BIOL 5420	Advanced Biotechnology	4
BIOL 6420	Plant Biochemistry & Molecular Biology	4
BIOL 4406	Mycology	4
BIOL 5406	Advanced Mycology	4

### SPECIAL COURSE FEES

BIOL 4403	Introduction to Remote Sensing Tech	16
BIOL 5403	Advanced Remote Sensing Technology	16
BIOL 4418	Electron Microscopy	36
BIOL 5418	Advanced Electron Microscopy	36
BIOL 4417	Bacterial Genetics	20
BIOL 5417	Advanced Bacterial Genetics	20
BIOL 3415	Molecular Biology	24
BIOL 4420	Biotechnology	24
BIOL 5420	Advanced Biotechnology	24
BIOL 6420	Plant Biochemistry & Molecular Biology	24
BIOL 4406	Mycology	16
BIOL 5406	Advanced Mycology	16

## U. T. PERMIAN BASIN

### FEES AND MISCELLANEOUS CHARGES

Approval is recommended for the following new fees to be effective with the Fall Semester 2004. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

#### LABORATORY FEES

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
ARTS 1301	Art Appreciation	5
ARTS 1312	Lab/3-D Design & Steel	25
ARTS 1320	Lab/Art Technology	25
ARTS 3335	Lab/Advanced Steel	25
ARTS 4379	Lab/Selected Topics-Visual	25
COMM 2303	Lab/Audio and Radio Production	25
COMM 2332	Lab/Writing for Broadcast	25
COMM 4361	Lab/Communication Research	15
COMM 4370	Lab/Digital Imaging	25
EDUC 4372	Lab/Teaching Mathematics and Science: Grades EC-4	5
EDUC 4374	Lab/Teaching Mathematics and Science: Grades 4-8	5
EDUC 4376	Lab/Teaching Mathematics and Science: Grades 8-12	5
ENSC 1401	Lab/Environmental Science I	15
ENSC 1402	Lab/Environmental Science II	15

#### SPECIAL COURSE FEES

ARTS 1312	3-D Design & Steel	64
ARTS 2331	3-D Design	64
ARTS 2340	Art History Survey I	25
ARTS 2341	Art History Survey II	25
ARTS 3300	American Art History	25
ARTS 3301	Women Artists I	25
ARTS 3302	Women Artists II	25
ARTS 3303	Cross-Cultural Art	25
ARTS 3305	Modern Hispanic Art and Its Foundations	25
ARTS 3331	Sculpture	64
ARTS 3335	Advanced Steel	64
ARTS 3340	Ceramics for Non-Art Majors	64
ARTS 3341	Ceramic Form	64

**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**SPECIAL COURSE FEES (CONTINUED)**

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
ARTS 3342	Low-Fire Ceramics	64
ARTS 4300	Concepts in Modern Art	25
ARTS 4301	Art Since 1945	25
ARTS 4303	Theory & Criticism	25
ARTS 4330	Sculpture: Human Form	64
ARTS 4331	Sculptures: Casting	64
ARTS 4332	Special Problems: Sculpture	64
ARTS 4340	Medium to High-Fire Ceramics	64
ARTS 4341	Special Problems: Ceramics	64
ARTS 4342	Clay & Glazes	64
ARTS 4354	Computer Printmaking	60
ARTS 4389	Selected Topics – Lecture	25

## FEES AND MISCELLANEOUS CHARGES (Continued)

### HOUSING RATES (Including Apartments, Dormitory Rooms, Residence Halls)

Approval is recommended for the following housing, board and rental rates to be effective beginning with the Fall Semester 2004. The proposed rates are consistent with applicable statutory requirements under Section 55.16 of the Texas Education Code and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each regular semester</u>			
Falcon's Nest - 2 Bedroom	1,055	1,135	7.58%
Falcon's Nest - 4 Bedroom	1,263	1,415	12.03%
Manufactured Housing - Efficiency	955	1,115	16.75%
Manufactured Housing - 1 Bedroom/unit	1,610	1,803	11.99%
Manufactured Housing - 2 Bedroom/unit	1,155	1,294	12.03%
Manufactured Housing - 3 Bedroom			
Single	1,145	1,283	12.05%
Shared Master	980	1,098	12.04%
<u>For summer session</u>			
Falcon's Nest - 2 Bedroom	700	750	7.14%
Falcon's Nest - 4 Bedroom	840	930	10.71%
Manufactured Housing - Efficiency	635	740	16.54%
Manufactured Housing - 1 Bedroom/unit	1,070	1,190	11.21%
Manufactured Housing - 2 Bedroom/unit	770	850	10.39%
Manufactured Housing - 3 Bedroom			
Single	760	850	11.84%
Shared Master	650	720	10.77%

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### PARKING PERMIT FEES

Approval is recommended for the following parking permit fees to be effective beginning with the Fall Semester 2004. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<b>New Adjusted fees:</b>			
<u>Student Permit Classifications</u>			
Student parking for housing area only; no daytime campus parking in other lots	30.00	0	n/a
<b>New fees:</b>			
<u>Distant Lot Daytime Parking Fees</u>			
Student	n/a	15.00	n/a
Faculty/Staff	n/a	17.50	n/a

NOTE: Annual parking permit fees may be prorated for permits purchased for spring semester/summer session or for summer session only at the discretion of the institution, refunds may be made for fall semester enrollment/employment only.

## U. T. SAN ANTONIO

### CONTRACTS

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

#### GENERAL CONTRACTS

##### FUNDS COMING IN

1. Agency: Compass Group USA Inc., DBA Chartwells, Inc.  
Initial Contract Investment: \$ 2,116,500 (initial 5-year contract period)  
Additional Investment: \$ 1,750,000 (extended 5-year contract period)  
Initial Period: August 1, 2003 through July 31, 2008  
Extended Period: August 1, 2008 through July 31, 2013  
Description: Chartwells, Inc. agrees to provide all forms of food service to all U. T. San Antonio designated campuses. Royalty commissions apply to all sales (less applicable taxes) including retail, catering, conference, debit, national brands and concessions as follows: less than \$2,500,000 – 7%, \$2,500,000 - \$2,750,000 - 9%, \$2,750,000 - \$3,000,000 - 11%, \$3,000,000 plus - 13%. The Meal Plan commissionable rate is 10% for all plans sold. Chartwells was selected from three bidders: Chartwells Corporation from Rye Brook, New York; Sodexo from Altamonte, Florida; and Aramark from Philadelphia, Pennsylvania, following a competitive bid process.

## FEES AND MISCELLANEOUS CHARGES

### OTHER FEES AND CHARGES

The following new charges recommended for approval by the U. T. Board of Regents and inclusion in institutional catalogs have been approved by the Executive Vice Chancellor for Academic Affairs. All recommended charges are consistent with applicable statutory requirements under Section 54.504 and Section 55.16 of the Texas Education Code.

<u>Name/Description</u>	<u>\$ Amount of Fee</u>
ADMISSIONS REINSTATEMENT CHARGE To defray costs associated with reinstating former students who have been academically dismissed	30
ADVISING CHARGE – BACHELOR OF APPLIED ARTS AND SCIENCES To defray costs associated with providing advising services to students	71 per semester
APPLICATION CHARGES	
Late Processing Charge - Graduate Studies To defray costs associated with processing of late applications	10
Change of Major Charge – Graduate Studies To defray costs associated with processing of forms	5
Housing To defray costs associated with processing of housing applications and related documents	25
CERTIFICATION CHARGE – COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT To defray costs associated with providing services to post baccalaureate students seeking initial teacher certification to include advising, transcript evaluation, and processing of applications to the State Board of Education	53 per semester

**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**OTHER FEES AND CHARGES (CONTINUED)**

<u>Name/Description</u>	<u>\$ Amount of Fee</u>
<b>EDUCATION TExES CHARGES</b>	32 per semester
To defray costs associated with providing materials and services to enhance student success on the Texas Examinations of Educator Standards	
<b>GRADUATE SERVICES CHARGES</b>	
College of Education and Human Development	50 per semester
To defray costs associated with providing administrative services to master's and doctoral students to include advising, orientation, certification, placement, research support, and other support services	
College of Liberal and Fine Arts	40 per course
To defray costs associated with providing administrative services to graduate students to include advising, orientation, and laboratory maintenance administration	
<b>NO SHOW CHARGES</b>	
Counseling Services	5
To help defray cost associated with loss of income experienced with no-shows for appointments with psychologists in the Counseling Center	
Health Services	5
To help defray cost associated with loss of income experienced with no-shows for appointments with doctors	



**FEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**OTHER FEES AND CHARGES (CONTINUED)**

<u>Name/Description</u>	<u>\$ Amount of Fee</u>
<b>PROGRAM CHARGE – HONORS COLLEGE</b> To defray costs associated with providing services and programs to students enrolled in the Honors College	20 per long semester
<b>TECHNOLOGY SERVICES AND INSTRUCTIONAL SUPPORT CHARGE</b> Freshman Initiative To defray costs associated with providing personnel and equipment support for instructional design incorporating new technologies	2 per semester credit hour
College of Engineering To defray costs associated with providing additional personnel, calibration equipment, computer software and hardware, service contracts, and other support	5 per semester credit hour
<b>THREE-PEAT ENROLLMENT CHARGE</b> To defray costs associated with loss in tuition income for any student taking a course for a third or greater time or for students who exceed their degree plan by 45 hours	121 per semester credit hour
<b>EQUIPMENT AND MATERIALS FEE</b> Department of Psychology To defray costs associated with providing instructional materials and wages for assistant to enter data and keep records for research participation program	5 per course
<b>LEARNING RESOURCES FEE</b> Freshman Initiative To defray costs associated with providing materials and services to enhance student success through tutorials and instructional support and materials	4 per semester credit hour

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### HOUSING RATES

Approval is recommended for the following housing and board rates to be effective beginning with the Fall Semester 2004 and Spring Semester 2005, respectively. The proposed rates are consistent with applicable statutory requirements under Section 55.16 of the Texas Education Code and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Per Month</u>			
Chaparral Village at UTSA* (2-bedroom unit)	n/a	525-580	n/a
(4-bedroom unit)	n/a	510-565	n/a
<u>For each summer session</u>			
Chaparral Village at UTSA*	n/a	500-550	n/a
<u>Daily for guests/conferences</u>			
Chaparral Village at UTSA	n/a	30-75/day	n/a

\*These housing rates include utilities, and basic phone, internet and cable television service.

**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**BOARD RATES**

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Per semester</u>			
300-meal plan	n/a	1,096	n/a
225-meal plan	n/a	972	n/a
200-meal plan	n/a	838	n/a
175-meal plan	n/a	782	n/a
110-meal plan	n/a	738	n/a
50-meal plan (Commuter)	n/a	300	n/a
<u>Per each summer session</u>			
300-meal plan	n/a	822	n/a
225-meal plan	n/a	729	n/a
200-meal plan	n/a	629	n/a
175-meal plan	n/a	587	n/a
110-meal plan	n/a	554	n/a
50-meal plan (Commuter)	n/a	225	n/a

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### PARKING PERMIT FEES

Approval is recommended for the following parking permit fees to be effective beginning with the Fall Semester 2004. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Annual fees:</u>			
<u>Student Permit Classifications</u>			
Garage / Fall & Spring	260	288	10.76%
Garage / Spring	130	144	10.76%
Garage / Summer	130	144	10.76%
Student A / Fall & Spring	n/a	140	n/a
Student A / Spring	n/a	70	n/a
Student A / Summer	n/a	48	n/a
Student B / Fall & Spring (formerly General)	61	66	8.20%
Student B / Spring (formerly General)	31	33	6.45%
Student B / Summer (formerly General)	26	28	7.69%
Disabled/Fall & Spring	n/a	66	n/a
Disabled/Spring	n/a	33	n/a
Disabled/Summer	n/a	28	n/a
Motorcycle, Motor Scooter, Motor Bike, Moped/Fall & Spring	26	29	11.54%
Motorcycle, Motor Scooter, Motor Bike, Moped/Spring	13	15	15.38%
Motorcycle, Motor Scooter, Motor Bike, Moped/Summer	10	11	10.00%
Lot 11/Fall & Spring*	16	0	n/a
Lot 11/Spring*	8	0	n/a
Lot 11/Summer*	8	0	n/a

\*Converting to Student B category

#### Faculty/Staff Classifications

Garage-Business	432	480	11.11%
Garage-Faculty/Staff	390	432	10.77%
Reserved	312	348	11.54%
Faculty/Staff A	174	188	8.05%
Faculty/Staff B	87	94	8.05%

*Prepared by:*  
U. T. San Antonio

Docket - 130

February 4, 2004

**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**PARKING PERMIT FEES (CONTINUED)**

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Annual fees:</u>			
<u>Faculty/Staff Classifications</u>			
Disabled	n/a	94	n/a
Motorcycle, Motor Scooter, Motor Bike, Moped	36	40	11.11%
Lot 11*	24	0	n/a
*Lot converting to Student parking only			
<u>Alumni</u>	16	18	12.50%
<u>Non-benefited Temporary Faculty and Staff Employees, Vendors, Salespersons, Technical Representatives, Other Servicing Personnel, and Persons Regularly Using University Facilities</u>	37	42	13.51%

NOTE: Annual parking permit fees may be prorated for permits purchased for spring semester/summer session or for summer session only and refunds may be made for fall semester enrollment/employment only.

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### STUDENT SERVICES FEES

Approval is recommended for the following student services fees to be effective beginning with the Fall Semester 2004. The statutory requirements for involvement of a student services fees committee have been met. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

### COMPULSORY STUDENT SERVICES FEES

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each regular semester</u>			
Per Semester Credit Hour	18.70	20.50	9.63%
Maximum	198.00	217.80	10.00%

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### MEDICAL SERVICES FEES

Approval is recommended for the following medical services fee increases to be effective beginning with the Fall Semester 2004. The fee increases have been the subject of appropriate student input and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each regular semester</u>			
Per Student	19.50	21.40	9.74%

**FEEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**DESIGNATED TUITION**

Approval is recommended for the following designated tuition rate increase to be effective beginning with the Fall Semester of 2004. The proposed rate increase has been the subject of discussion at a public forum as required by Section 55.16 of the Texas Education Code and has been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rate \$</u>	<u>Proposed Rate \$</u>	<u>Percent Increase</u>
<u>Per Semester Credit Hour</u>	61	76	24.59%



U. T. TYLER

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.

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

<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 AND PSYCHOLOGY Department of Psychology					
1. Paula Lundberg-Love (T)					2
From: Professor	9/1-5/31	100	09	53,098	
To: Dr. Ben R. Fisch					
Endowed Professor	9/1-5/31	100	09	53,098	
and Professor	SUPLT	100	09	5,000	
COLLEGE OF ARTS AND SCIENCE Department of Chemistry					
2. Neil Gray (T)					3
From: Associate Professor	9/1-5/31	100	09	52,915	
To: Jack and Dorothy Fay White					
Fellowship for					
Teaching Excellence	9/1-5/31	100	09	52,915	
and Associate Professor	SUPLT	100	09	2,500	

**ADMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)**

**APPOINTMENTS AND PROMOTIONS (CONTINUED)**

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>No. Mos.</u>	<u>Full-time Salary Rate \$</u>	<u>RBC #</u>
COLLEGE OF BUSINESS AND TECHNOLOGY Department of Business Administration					
3. Mary Fischer (T)					4
From: Professor	9/1-5/31	100	09	89,015	
To: George W. and Robert S. Pirtle					
Professorship in Free	9/1-5/31	100	09	89,015	
Enterprise and Professor	SUPLT	100	09	5,000	

## FEES AND MISCELLANEOUS CHARGES

Approval is recommended for the following new fees to be effective with the Fall Semester 2004. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

### LABORATORY FEES

Course Number	Course Title	Proposed Fee \$
BIOL 4141	Ornithology Lab	5
BIOL 5133	Landscape Ecology Lab	5
CHEM 1105	Intro Chemistry I Lab	5
CHEM 1107	Intro Chemistry II Lab	5
CHEM 3121	Inorganic Chemistry Lab	5
EENG 4115	Senior Design I	5
ENGR 5307	Intro To Random Processing	5
ENGR 5308	Digital Signal Processing	5
ENGR 5309	Statistical Signal Processing	5
MENG 4325	Digital Control Of Mech System	5

### SPECIAL COURSE FEES

ACCT 5315	Acct & Report Practice & Problems	25
ALHS 4304	Needs, Processes & Outcomes	20
BIOL 4141	Ornithology Lab	10
BIOL 4340	Ornithology	10
BIOL 5133	Landscape Ecology Lab	10
BIOL 5333	Landscape Ecology	10
BIOL 5366	Phylogenetic Systematics	10
CEPH 5213	Diagnostic Tests & Ex Prescription	10
CEPH 5222	Neuromuscular Exer Phys Lab	5
CEPH 5224	Cardiorespiratory Ex Phys Lab	5
CHEM 1105	Intro Chemistry I Lab	10
CHEM 1107	Intro Chemistry II Lab	10
CHEM 1305	Intro Chemistry I	10
CHEM 1307	Intro Chemistry II	10
CHEM 3121	Inorganic Chemistry Lab	10
CHEM 4346	Adv Organic Chemistry	10
COSC 3191	Computer Science Co-Op I	100
COSC 3192	Computer Science Co-Op II	100
COSC 3193	Computer Science Co-Op III	100
EENG 4321	Microchip Design	10
EDEC 4199	Independent Study	15
EDEC 4299	Independent Study	15

### FEES AND MISCELLANEOUS CHARGES (CONTINUED)

Prepared by:  
U. T. Tyler

Docket - 137

February 4, 2004

**SPECIAL COURSE FEES (CONTINUED)**

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
EDEC 4399	Independent Study	15
EDEC 4499	Independent Study	15
EDEC 4599	Independent Study	15
EDEC 4699	Independent Study	15
EDEC 5100	Inservice Workshop	15
EDEC 5199	Independent Study	15
EDEC 5200	Inservice Workshop	15
EDEC 5299	Independent Study	15
EDEC 5302	Research In Early Childhood	15
EDEC 5352	Practicum In Kindergarten	15
EDEC 5395	Thesis	15
EDEC 5396	Thesis	15
EDEC 5399	Independent Study	15
EDEC 5499	Independent Study	15
EDEC 5599	Independent Study	15
EDEC 5699	Independent Study	15
EDFB 4364	Classroom Diagnosis & Evaluation	35
EDSP 4199	Independent Study	15
EDSP 4299	Independent Study	15
EDSP 4399	Independent Study	15
EDSP 4499	Independent Study	15
EDSP 4599	Independent Study	15
EDSP 4699	Independent Study	15
EDSP 5100	Inservice Workshop	15
EDSP 5199	Independent Study	15
EDSP 5200	Inservice Workshop	15
EDSP 5299	Independent Study	15
EDSP 5377	Internat'l Prog In S	15
EDSP 5399	Independent Study	15
EDSP 5499	Independent Study	15
EDSP 5599	Independent Study	15
EDSP 5699	Independent Study	15
EENG 3302	Digital Systems	5
EENG 3304	Linear Circuit Analysis I	5
EENG 3405	Linear Circuits Anal	5
EENG 4115	Senior Design I	5
EENG 4318	Applied Electromagne	10
ENGR 5307	Intro To Random Processing	10
ENGR 5308	Digital Signal Processing	10

**FEES AND MISCELLANEOUS CHARGES (CONTINUED)**

**SPECIAL COURSE FEES (CONTINUED)**

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
ENGR 5309	Statistical Signal Processing	10
ENGR 5317	Mechanical Systems Analysis	10
GENB 4340	Business & Professional Ethics	15
GENB 5370	Topics In General Business	25
HECC 4370	Internship	5
HECC 4371	Undergrad Intern Program	5
HECC 5317	Biometric Methods	20
HECC 5397	Internship	10
HECC 5398	Internship	10
KINE 3132	Human Motor Control & Learning Lab	10
KINE 3135	Biomech & Anatomical Kine Lab	10
KINE 3331	Human Motor Control & Learning	10
KINE 3334	Biomech & Anatomical Kine Lab	10
KINE 4305	Principles Of Training	10
KINE 4321	Sports Nutrition	10
KINE 5217	Exercise Metabolism Lab	10
KINE 5219	Rehab Exercise/Special Populat	10
KINE 5220	Rehab Exercise/Special Populat Lab	10
KINE 5341	Sports Nutrition	10
MARK 5380	Market Research And Analysis	25
MENG 4328	Fund Of Aerospace Sciences	5
MENG 4329	Compressible Flow	5
PYED 4156	Topics In Motor Performance	10
PYED 4256	Topics In Motor Performance	10
READ 4371	Secondary Reading Internship	15
READ 5100	Inservice Workshop	15
READ 5199	Independent Study	15
READ 5200	Inservice Workshop	15
READ 5299	Independent Study	15
READ 5395	Thesis	15
READ 5396	Thesis	15
READ 5399	Independent Study	15
READ 5499	Independent Study	15
READ 5599	Independent Study	15
READ 5699	Independent Study	15

## U. T. SOUTHWESTERN MEDICAL CENTER - DALLAS

### 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.

- |             |   |
|-------------|---|
| Donor Name: | Anonymous Donor   |
| Purpose:    | To support the Electronic Medical Records portion of the Clinical Services Initiative, as part of the "Innovations in Medicine" campaign. |
| Asset Type: | 100,000 shares, Pepsico, Inc., common stock (\$4,501,000) and Cash (\$6,499,000)  |
| Value:      | \$11,000,000  |

## CONTRACTS

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

### GENERAL CONTRACTS

#### FUNDS COMING IN

1. Agency: Aramark Educational Services of Texas, Inc.  
Funds: \$2,250,000  
Period: December 1, 2003 through November 30, 2013  
Description: Aramark Educational Services, Inc. agrees to furnish full service food and beverage services on The University of Texas Southwestern Medical Center campus. The contract value is the minimum guaranteed food royalties to be paid by Aramark to The University of Texas Southwestern Medical over the term of the contract. Aramark was selected from four bidders: Aramark Corporation from Coppell, Texas; Blue Mesa Restaurants, Inc. from Dallas, Texas; Culinaire International from Dallas, Texas; and Sodexo Health Care Services from Houston, Texas, following a competitive bid process

## AMENDMENTS TO THE 2003-04 BUDGET

### APPOINTMENTS AND PROMOTIONS

The following Request for Budget Changes (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.

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

<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>	
<b>SOUTHWESTERN GRADUATE SCHOOL</b>					
Office of the Dean – Southwestern Graduate School of Biomedical Sciences					
1. Philip S. Perlman (T)					1
From: Associate Dean John P. Perkins, Ph.D. Distinguished Professorship in Biomedical Science		100	12	171,000	
To: Associate Dean Roy and Christine Sturgis Chair in Biomedical Research	9/1-8/31	100	12	171,000	
<b>SOUTHWESTERN MEDICAL SCHOOL</b>					
Microbiology					
2. Michael V. Norgard (T)					2
From: Professor and Chairman Roy and Christine Sturgis Chair in Molecular Research		100	12	220,000	
To: Professor and Chairman B. B. Owen Distinguished Chair in Molecular Research	9/1-8/31	100	12	220,000	



**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>	
SOUTHWESTERN MEDICAL SCHOOL (Continued)					
Pediatrics					
3. George Lister (T)					3
From: Professor and Chairman		100	12	340,000	
To: Professor and Chairman Robert L. Moore Chair in Pediatrics	9/1-8/31	100	12	340,000	
Pharmacology					
4. Elliot M. Ross (T)					4
From: Professor, Greer Garson and E. E. Fogelson Distinguished Chair in Medical Research		100	12	189,000	
To: Professor, Greer Garson and E. E. Fogelson Distinguished Chair in Medical Research and the John P. Perkins, Ph.D. Distinguished Chair in Biomedical Science	9/1-8/31	100	12	189,000	
Radiation Oncology					
5. David A. Pistenmaa (T)					5
From: Professor, Nancy B. and Jake L. Hamon Distinguished Chair in Therapeutic Oncology Research		100	12	335,000	
To: Professor, David Bruton, Jr. Professorship in Clinical Cancer Research	9/1-8/31	100	12	335,000	

**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>	
SOUTHWESTERN MEDICAL SCHOOL (Continued)					
Internal Medicine					
6. Daniel W. Foster (T)					12
From: Professor and Chairman and Donald W. Seldin Distinguished Chair in Internal Medicine		100	12	360,000	
To: Professor, and John Denis McGarry, Ph.D. Distinguished Chair in Diabetes and Metabolic Research	11/1-8/31	100	12	360,000	
7. John G. Fitz (T)	11/1-8/31	100	12	370,000	11
Professor and Chairman Donald W. Seldin Distinguished Chair in Internal Medicine					

## FEES AND MISCELLANEOUS CHARGES

### OTHER FEES AND CHARGES

The following new charges recommended for approval by the U. T. Board of Regents and inclusion in institutional catalogs have been approved by the Executive Vice Chancellor for Health Affairs. All recommended charges are consistent with applicable statutory requirements under Section 54.504 and Section 55.16 of the Texas Education Code.

Name/Description	\$ Amount of Fee
DISSERTATION PUBLISHING & ARCHIVING FEE To defray costs incurred in the submission of abstracts and/or dissertations for Doctor of Philosophy candidates, both to internal and external vendors	81
DISSERTATION COPYRIGHT FEE (OPTIONAL) To defray costs incurred in processing copyright paperwork for the Library of Congress, at the student's request	45
THESIS ARCHIVING FEE To defray costs incurred in the submission of of thesis to internal vendor	13

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### RENTAL RATES

Approval is recommended for the following rental rates to be effective beginning June 1, 2004, and phased in over several years. The proposed rates are consistent with applicable statutory requirements under Section 55.16 of the Texas Education Code and have been administratively approved by the Executive Vice Chancellor for Health Affairs.

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

#### SOUTHWESTERN MEDICAL PARK APARTMENTS

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Per month</u>			
1 bedroom			
597 sq. ft. model	685	700-780	2-14%
655 sq. ft. model	715	735-815	3-14%
*Lease extension	735-765	750-865	2-13%
2 bedroom**			
1,015 sq. ft. model	1,050	1,050-1,200	0-14%
1,042 sq. ft. model	1,080	1,080-1,230	0-14%
*Lease extension	1,150-1,180	1,150-1,330	0-13%

Residents are responsible for the water, electric, telephone and cable bills in all units. The rates in the apartments include gas.

The residents will post a \$150 security deposit fee and will be assessed a \$50 nonrefundable administrative fee to cover processing costs.

\*A surcharge will be instituted for individuals who request the opportunity to extend their lease beyond the normal May 31 expiration date.

\*\*The two bedroom rental rates will not be increased for the 2004-2005 academic year.

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### PARKING PERMIT FEES

Approval is recommended for the following parking permit fees to be effective beginning with the Fall Semester 2004 and phased in over several years. The fees have been administratively approved by the Executive Vice Chancellor for Health Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
Annual fees:			
<u>Student Permit Classifications</u>	60	65-85	8-42%
<u>Faculty/Staff Classifications</u>			
Faculty	330-1,320	350-1,800	6-36%
Classified Employees	80-180	80-300	0-67%
Volunteers and Retirees	15	20-40	33-167%
Vendors	550	575-675	5-23%
Additional and Replacement Decals	15	20-40	33-167%
Replacement Gate Cards	35	40-60	14-71%

NOTE: Annual parking permit fees may be prorated for permits purchased for spring semester/summer session or for summer session only and at the discretion of the institution refunds may be made for fall semester enrollment/employment only.

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### PARKING AND TRAFFIC ENFORCEMENT FEES

Approval is recommended for the following parking enforcement fees to be effective beginning with the Fall Semester 2004 and phased in over several years. The fees have been administratively approved by the Executive Vice Chancellor for Health Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
Illegally parked in patient parking	25	50-70	100-180%
Blocking loading dock/dumpster	25	50-70	100-180%
Illegally parked in reserved space	25	30-50	20-100%
Parking Suspended	50	100	100%
No parking zone	25	30-50	20-100%
Official guest only space	25	30-50	20-100%
Parked wrong direction	25	30-50	20-100%
Illegally parked in visitor parking	25	30-50	20-100%
Improperly displayed decal/hang tag	25	30-50	20-100%
Exceed time limit	25	30-50	20-100%
Invalid decal/hang tag	25	30-50	20-100%
No decal or hang tag visible	25	30-50	20-100%

## 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 recommended for approval by the U. T. Board of Regents. It has been determined that the holding of this position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of Dr. Weber with The University of Texas Southwestern Medical Center at Dallas. 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 and there is no conflict between this position and the University appointment.

- |               |   |
|---------------|---|
| Name:         | Dr. Mary Ellen Weber  |
| Title:        | Associate Vice President for Commerce and Public Policy   |
| Position:     | Appointment to the Aerospace Technology Advisory Committee  |
| Period:       | December 8, 2004 through December 7, 2006   |
| Compensation: | None  |
| Description:  | The National Aeronautics and Space Administration Advisory Council has asked Dr. Weber to serve on this committee that provides oversight and guidance to NASA on the future strategy for space vehicles for the United States. |

## U. T. MEDICAL BRANCH – GALVESTON

### 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: The Sealy & Smith Foundation  
College/School/  
Department: John Sealy Hospital  
Purpose: Payment on \$6,101,452 grant for the purchase of hospital  
equipment  
Asset Type: Cash  
Value: \$1,247,054



## CONTRACTS

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

### GENERAL CONTRACTS

#### FUNDS COMING IN

1. Agency: Texas Youth Commission  
Funds: \$18,630,292  
Period: September 1, 2003 through August 31, 2005  
Description: The University of Texas Medical Branch at Galveston will provide health care services to youth at the Texas Youth Commission facilities.
  
2. Agency: The Gulf Coast Center  
Funds: \$1,824,900  
Period: September 1, 2003 through August 31, 2004  
Description: The University of Texas Medical Branch at 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.
  
3. Agency: Wyle Laboratories  
Funds: \$4,690,723  
Period: May 1, 2003 through April 30, 2008  
Description: The University of Texas Medical Branch at Galveston will provide physician services to develop, with Wyle Laboratories, medical requirements and medical operations procedures for the International Space Station and/or Space Shuttle and support research at Johnson Space Center. The services will include monitoring and evaluating National Aeronautics and Space Administration flight and ground crew health and safety at Russian training facilities, as well as the primary care at the training facility, Star City, Russia, for the United States flight crew, United States ground personnel and their dependents while in Russia.

**CONTRACTS (CONTINUED)**

**GENERAL CONTRACTS (CONTINUED)**

**FUNDS GOING OUT**

4. Agency: Xerox Corporation  
Funds: \$6,000,000  
Period: September 1, 2002 through August 31, 2006  
Description: Xerox Corporation will provide equipment and services to implement an automated document reproduction program at The University of Texas Medical Branch at Galveston. The vendor was selected from five bidders: Xerox Corporation from Houston, Texas; Ricoh Corporation from West Caldwell, New Jersey; Minolta Corporation from Ramsey, New Jersey; Danko Office Imaging Company from Houston, Texas; and Lanier Worldwide Corporation from Houston, Texas, 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 Health Affairs and are recommended for approval by the U. T. Board of Regents.

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

<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>	
<b>SCHOOL OF MEDICINE</b>					
Otolaryngology					
1. Shawn D. Newlands (T)					4
From: Associate Professor		100	12	173,000	
To : Associate Professor and Chair	9/1-8/31	100	12	300,000	
Radiation Oncology					
2. Sandra S. Hatch (T)					7
From: Associate Professor		100	12	312,000	
To: Ruth Levy Kempner Professorship and Associate Professor	10/1-8/31	100	12	312,000	

**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)					
Anatomy and Neurosciences					
Obstetrics and Gynecology					
3. Chandrasekha Yallampalli (T)					2
From: Professor		100	12	183,934	
To: Professor	9/1-8/31	100	12	193,934	
Institute for Medical Humanities; Preventive Medicine and Community Health					
4. Anne H. Jones (T)					9
From: Professor		100	12	101,661	
To: Hobby Family Professorship in Medical Humanities and Professor	10/1-8/31	100	12	101,661	
Human Biological Chemistry and Genetics; Marine Biomedical Institute					
5. Jose R. Perez-Polo (T)					6
From: Professor and Adjunct Member		100	12	185,857	
To: Professor, Chair, and Adjunct Member	10/1-8/31	100	12	214,636	

**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)					
Human Biological Chemistry and Genetics; Preventive Medicine and Community Health Surgery					
6. Robert R. Wolfe (T)					3
From: Professor		100	12	250,000	
To: John H. Sealy Distinguished Chair in Clinical Research and Professor	9/1-8/31	100	12	250,000	
ALLIED HEALTH SCIENCES SCHOOL					
Physical Therapy					
7. Caroline W. Jansen					8
From: Assistant Professor		100	12	62,773	
To: Associate Professor (T)	10/1-8/31	100	12	65,912	

## FEES AND MISCELLANEOUS CHARGES

Approval is recommended for the following new fees to be effective with the Fall Semester 2004. The fees have been administratively approved by the Executive Vice Chancellor for Health Affairs.

### LABORATORY FEES

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
HUBS 5503	Human Anatomy For Health Care Professionals	225
PHAS 6401	Clinical Rotation	32
PHAS 6402	Clinical Rotation	32
PHAS 6403	Clinical Rotation	32
PHAS 6406	Clinical Rotation	32
PHAS 6407	Clinical Rotation	32
PHAS 6408	Clinical Rotation	32
PHAS 6601	Clinical Rotation	32
PHAS 6602	Clinical Rotation	32
PHAS 6803	Clinical Rotation	32
NURS 3531	Mother & Family	10
NURS 3532	Child & Family	15
NURS 4503	Advanced Adult	20
NURS 4703	Professional Role	10
GNRS 5537	Nurse Practitioner Practice I (GNP Program)	20
GNRS 5538	Nurse Practitioner Practice II (GNP Program)	54
GNRS 5667	Primary Care Concepts I	27
GNRS 5569	Primary Care Concepts III	47
GNRS 5623	Acute Care Concepts I – Adult and Neonatal	27
GNRS 5625	Acute Care Concepts III – Adult only	20
GNRS 5604	Nurse Midwifery: Intrapartum and Postpartum Management	20
NURSXXXX*	Health Assessment	17
NURSXXXX*	Adult Theory I	65
NURSXXXX*	Adult Theory II	20
NURSXXXX*	Adult Theory III	20
NURSXXXX*	Family, Adolescent, Reproductive & Child	25
IMC 1110	Gross Anatomy-Radiology	400

\*Course numbers not yet assigned.

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### STUDENT SERVICES FEES

Approval is recommended for the following student services fees to be effective beginning with the **Fall** Semester 2004. The statutory requirements for involvement of a student services fees committee have been met. The fees have been administratively approved by the Executive Vice Chancellor for Health Affairs.

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

### COMPULSORY STUDENT SERVICES FEES

Graduate School of Biomedical Sciences  
School of Allied Health Sciences  
School of Nursing

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
Per year	359.64	395.64	
Yearbook Fee/Annual*	<u>17.00</u>	<u>17.00</u>	
Total	376.64	412.64	9.56%
School of Medicine			
<u>For each year per student</u>			
Year 1	257.73	283.50	
Yearbook Fee/Annual*	<u>17.00</u>	<u>17.00</u>	
Total Year 1	274.73	300.50	9.38%
Years 2, 3 and 4	384.78	423.26	
Yearbook Fee/Annual*	<u>17.00</u>	<u>17.00</u>	
Total Per Year	401.78	440.26	9.58%

\*The yearbook fee is compulsory.

**U. T. HEALTH SCIENCE CENTER - HOUSTON**

**FEES AND MISCELLANEOUS CHARGES**

**OTHER FEES AND CHARGES**

The following new charge recommended for approval by the U. T. Board of Regents and inclusion in institutional catalogs has been approved by the Executive Vice Chancellor for Health Affairs. All recommended charges are consistent with applicable statutory requirements under Section 54.504 and Section 55.16 of the Texas Education Code.

<u>Name/Description</u>	<u>\$ Amount of Fee</u>
ALTERNATIVE INSTRUCTION DELIVERY FEE (SCHOOL OF NURSING) For off-campus nursing students who take course offerings delivered via distance methodology to defray cost of computer hardware, software, and delivery costs.	70 per semester credit hour



## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

### STUDENT SERVICES FEES

Approval is recommended for the following student services fees to be effective beginning with the Fall Semester 2004. The statutory requirements for involvement of a student services fees committee have been met. The fees have been administratively approved by the Executive Vice Chancellor for Health Affairs.

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

### COMPULSORY STUDENT SERVICES FEES

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each regular semester</u>			
Per Semester Credit Hour	\$64.30	\$70.73	10.00%*
Maximum	\$138.54	\$152.39	10.00%*
<u>For summer session</u>			
Per Semester Credit Hour	\$31.19	\$34.31	10.00%*
Maximum	\$79.80	\$87.78	10.00%*

\*The proposed Student Services Fee increase for recreation, shuttle, counseling, and government was presented to the Student Fees Advisory Committee for its review and was approved. By law, an increase in Student Health must have an election of the student body for approval for this increase. An election was held on November 12 and 13, 2003 and a majority of the students voted to approve this increase.

## U. T. HEALTH SCIENCE CENTER - SAN ANTONIO

### 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.

- |                 |   |
|-----------------|---|
| Donor Name:     | Sam E. Barshop  |
| College/School/ | Graduate School of Biomedical Sciences  |
| Department:     | Department of Cellular and Structural Biology   |
| Purpose:        | Sam and Ann Barshop Center for Longevity and Aging Studies, third 2003 pledge payment; amount over \$800,000 credited to 2004 pledge payment (\$6,100.23) |
| Asset Type:     | 42,105 shares, Southwest Airlines Company, common stock   |
| Value:          | \$806,100.23  |

## FEES AND MISCELLANEOUS CHARGES

### OTHER FEES AND CHARGES

The following new charges recommended for approval by the U. T. Board of Regents and inclusion in institutional catalogs, have been approved by the Executive Vice Chancellor for Health Affairs. All recommended charges are consistent with applicable statutory requirements under Section 54.504 and Section 55.16 of the Texas Education Code.

<u>Name/Description</u>	<u>Amount of Fee</u>
<b>APPLICATION FEE</b> For Advanced Education Programs in the School of Dentistry to defray the costs of processing applications to advanced educational programs and for conducting the evaluation process	\$50 per application
<b>CLINICAL LABORATORY SCIENCES FEE</b> To help defray the escalating costs of laboratory supplies for the student laboratories, the Education Coordinator's salary, travel to practicum sites to oversee students, and the cost of the new molecular diagnostics program	\$350 per semester for all full-time undergraduate and post-baccalaureate certificate clinical laboratory science and cytogenetics students
Prorated part-time students rate	\$30 per semester credit hour

## OTHER MATTERS

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

The following items have been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' Rules and Regulations, Part One, Chapter III, Section 13 and are submitted for approval by the U. T. Board of Regents. It has been determined that the holding of these offices or positions is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of Dr. Norling and Dr. Johnson with The University of Texas Health Science Center at San Antonio. By approval of these items, the Board is also asked to find that holding these positions is of benefit to the State of Texas and The University of Texas and there is no conflict between the position and the University appointment.

- |               |  |
|---------------|--|
| Name:         | Scott Bostow Johnson, M.D.   |
| Title:        | Associate Professor, Division of Thoracic Surgery,<br>Department of Surgery  |
| Position:     | Member, Texas State Board of Examiners of Perfusionists  |
| Period:       | August 27, 2003 to February 1, 2007  |
| Compensation: | \$30 per diem per session twice a year   |
| Description:  | On August 27, 2003, Governor Rick Perry announced his<br>appointment of Dr. Johnson as a member of the Texas State<br>Board of Examiners of Perfusionists. |

## U. T. M. D. ANDERSON CANCER CENTER

### CONTRACTS

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

#### GENERAL CONTRACTS

##### FUNDS COMING IN

1. Agency: Cancer Aid  
Funds: Provider's reimbursement for covered services will be ninety percent (90%) of billed charges.  
Period: September 30, 2003 through September 30, 2004  
Description: M. D. Anderson will provide Cancer Aid participants with medical services on a space available basis and in addition provide Distant Second Opinion Services based on Review of Patient's Medical File (without clinic visit).

##### FUNDS GOING OUT

2. Agency: The University of Texas Health Science Center at Houston  
Funds: \$1,021,336  
Period: January 1, 2003 through June 30, 2004  
Description: Agency will provide an economical operation of mail services, including personnel and equipment necessary to deliver all incoming mail from the United States Postal Service as well as all inter-office mail in a timely manner.

## 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.

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

<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>	
THE TUMOR INSTITUTE – MEDICAL STAFF					
Head and Neck Surgery					
Professor					
1. Ehab Hanna (T)	1/15-8/31	100	12	336,000	14
Breast Medical Oncology, SVP/CAO Office					
2. Richard Theriault (T)					12
From: Professor		100	12	224,731	
To: Professor	9/1-8/31	100	12	224,731	
Professorship Supplement	9/1-8/31	SUPLT	12	20,000	

**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>	
<b>THE TUMOR INSTITUTE – MEDICAL STAFF</b>					
Gastrointestinal Medical Oncology					
3. James L. Abbruzzese (T)					9
From: Chair, Professor and Annie Laurie Howard Research Distinguished Professorship		100	12	296,628	
To: Chair, Professor and M. G. and Lillie A. Johnson Chair for Cancer Treatment and Research	9/1-8/31	100	12	299,268	
Head & Neck Surgery					
4. Randal Weber (T)					10
From: Chair, Professor		100	12	408,000	
To: Chair, Professor and Hubert L. and Olive Stringer Distinguished Professorship in Cancer Research	9/1-8/31	100	12	408,000	
Bioimmunotherapy					
5. Bharat Aggarwal (T)					15
From: Professor		100	12	178,000	
To: Professor and Ransom Horne, Jr. Professorship For Cancer Research	11/1-8/31	100	12	181,000	

**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>	
<b>THE TUMOR INSTITUTE – MEDICAL STAFF</b>					
Pediatrics					
6. Eugenie Kleinerman (T)					16
From: Division Head, Chair, Professor and Ransom Horne, Jr. Professorship For Cancer Research		100	12	285,829	
To: Division Head, Chair, Professor and Katherine Russell Dixie Distinguished Professorship	11/1-8/31	100	12	285,829	
Molecular and Cellular Oncology					
7. Rakesh Kumar (T)					11
From: Professor and Edward Rotan Distinguished Professorship		100	12	163,000	
To: Professor and John G. And Stella Kenedy Memorial Foundation Chair	9/1-8/31	100	12	195,000	



**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>	
<b>THE TUMOR INSTITUTE – CANCER PREVENTION</b>					
Behavioral Science					
8. Paul Cinciripini (T)					19
From: Professor		100	12	148,129	
To: Professor	11/1-8/31	100	12	160,000	
<b>THE TUMOR INSTITUTE – RESEARCH</b>					
Biostatistics					
9. Gary Rosner (T)					13
From: Professor		100	12	157,100	
To: Professor	9/1-8/31	100	12	170,000	

## OTHER MATTERS

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

The following items have been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' Rules and Regulations, Part One, Chapter III, Section 13 and are submitted for approval by the U. T. Board of Regents. It has been determined that the holding of these positions is of benefit to the State of Texas and The University of Texas and there is no conflict between holding these appointments of Dr. Kripke and Dr. Miller with The University of Texas M. D. Anderson Cancer Center. By approval of these items, the Board is also asked to find that holding these positions is of benefit to the State of Texas and The University of Texas and there are no conflicts between the positions and the University appointments.

1.    Name:                 Margaret L. Kripke, Ph.D.  
      Title:                Professor  
      Position:            Appointment to the President's Cancer Panel  
      Period:              Upon Board approval and expiring February 20, 2006  
      Compensation:       None  
      Description:        On March 14, 2003, President George W. Bush appointed Dr. Kripke as a member of the President's Cancer Panel. The Panel will monitor the development and execution of the activities of the National Cancer Program.
  
2.    Name:                 Michael J. Miller, M.D.  
      Title:                Professor  
      Position:            Appointment to serve as a member of the General & Plastic Surgery Devices Panel  
      Period:              June 16, 2002 to August 31, 2005  
      Compensation:       None  
      Description:        Dr. Miller will serve as a consultant to the General & Plastic Surgery Devices Panel of the Medical Devices Advisory Committee, Center for Devices and Radiological Health, Food and Drug Administration.