

MATERIAL SUPPORTING THE AGENDA

VOLUME XXXVIA

This volume contains the Material Supporting the Agenda furnished to each member of the Board of Regents prior to the meetings held on

October 7, 1988  
December 8, 1988

The material is divided according to the standing committees and the meetings that were held and is color coded as follows:

White paper - for documentation of all items that were presented before the deadline date.

Blue paper - all items submitted to the Executive Session and distributed only to the Regents, Chancellor and Executive Vice Chancellors of the System.

Yellow paper - emergency items distributed at the meeting.

Material distributed at the meeting as additional documentation is not included in the bound volume, because sometimes there is an unusual amount and other times some people get copies and some do not get copies. If the Executive Secretary was furnished a copy, then that material goes into the appropriate subject file.



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**Material Supporting the Agenda  
of the  
Board of Regents  
The University of Texas System**

**Meeting No.:** 837  
**Date:** December 8, 1988  
**Location:** Austin, Texas

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BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

CALENDAR

Place: Regents' Meeting Room, Ninth Floor  
Ashbel Smith Hall  
201 West Seventh Street  
Austin, Texas

Thursday, December 8, 1988

12:00 Noon	Convene in Open Session for the sole purpose of recessing to Executive Session
1:30 p.m. or upon recess of Executive Session	Reconvene in Open Session to continue until completion of business

See Pages B of R 1 - 3,  
Items A - N

Telephone Numbers

Board of Regents' Office	(512) 499-4402
Chancellor Mark	(512) 499-4201
Executive Vice Chancellor Duncan	(512) 499-4233
Executive Vice Chancellor Mullins	(512) 499-4224
Executive Vice Chancellor Patrick	(512) 499-4337

# Meeting of the Board

AGENDA FOR MEETING  
OF  
BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

Date: Thursday, December 8, 1988

Time: 12:00 Noon Convene in Open Session for the sole purpose of recessing to Executive Session

1:30 p.m. Reconvene in Open Session to continue or upon until completion of business recess of Executive Session

Place: Regents' Meeting Room (Open Session) and Regents' Conference Room (Executive Session), Ninth Floor, Ashbel Smith Hall

A. CALL TO ORDER

B. RECESS TO EXECUTIVE SESSION

The Board will convene in Executive Session pursuant to Vernon's Texas Civil Statutes, Article 6252-17, Sections 2(e), (f) and (g) to consider those matters set out on Page Ex.S - 1 of the Material Supporting the Agenda.

C. RECONVENE IN OPEN SESSION

D. APPROVAL OF MINUTES OF SPECIAL MEETING HELD SEPTEMBER 14, 1988 AND REGULAR MEETING HELD OCTOBER 7, 1988

E. RECESS FOR MEETINGS OF THE STANDING COMMITTEES AND COMMITTEE REPORTS TO THE BOARD

The Standing Committees of the Board of Regents of The University of Texas System will meet as set forth below to consider recommendations on those matters on the agenda for each Committee listed in the Material Supporting the Agenda. At the conclusion of each Standing Committee meeting, the report of that Committee will be formally presented to the Board for consideration and action.

Executive Committee: Chairman Blanton  
Vice-Chairman Ratliff, Vice-Chairman Roden  
MSA Page Ex.C - 1

Finance and Audit Committee: Chairman Roden  
Regent Barshop, Regent Beecherl  
MSA Page F&A - 1

Academic Affairs Committee: Chairman Baldwin  
Regent Beecherl, Regent Moncrief  
MSA Page AAC - 1

Health Affairs Committee: Chairman Yzaguirre  
Regent Barshop, Regent Blanton, Regent Moncrief  
MSA Page HAC - 1

Buildings and Grounds Committee: Chairman Hay  
Regent Baldwin, Regent Ratliff, Regent Yzaguirre  
MSA Page B&G - 1

Land and Investment Committee: Chairman Ratliff  
Regent Barshop, Regent Hay, Regent Roden  
MSA Page L&I - 1

F. RECONVENE AS COMMITTEE OF THE WHOLE

G. ITEM FOR THE RECORD

U. T. Austin - C. B. Smith, Sr. Centennial Chairs in  
United States - Mexico Relations: Report on Foreclosure  
of 19.9357 Acres of Land Out of the Santiago del Valle  
Grant, Austin, Travis County, Texas.--

#### REPORT

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

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

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

H. CONSIDERATION OF ACTION OF ANY ITEMS DISCUSSED IN THE EXECUTIVE SESSION OF THE BOARD OF REGENTS PURSUANT TO V.T.C.S., ARTICLE 6252-17, SECTIONS 2(e), (f) AND (g)

1. Pending and/or Contemplated Litigation - Section 2(e)
  - a. U. T. Southwestern Medical Center - Dallas: Proposed Settlement of Medical Liability Litigation
  - b. U. T. Medical Branch - Galveston: Proposed Settlement of Medical Liability Litigation
  - c. U. T. M.D. Anderson Cancer Center: Proposed Settlement of Medical Liability Litigation

2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)
  - a. U. T. Austin: Consideration of the Negotiated Acquisition of Approximately .5194 Acres of Land in Austin, Travis County, Texas
  - b. U. T. Austin - Archer M. Huntington Fund: Consideration of Negotiated Sale of Land Located in Galveston County, Texas
3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees

I. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

J. REPORT OF SPECIAL COMMITTEES

K. OTHER MATTERS

Report on Superconducting Super Collider

L. SCHEDULED MEETINGS

Board of Regents' Meetings

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

M. OTHER BUSINESS

N. ADJOURNMENT

J. REPORT OF SPECIAL COMMITTEE

REVISED ADDITIONAL ITEM

December 8, 1988

1. U. T. System: Report and Recommendations of the Special Committee on the Merger with Pan American University.--

Attached are documents as approved by the Board of Regents of Pan American University related to the possible merger with Pan American University.

- The Resolution and Statement of Intent regarding the merger
- Attachments referenced in the Resolution, including particularly the proposed program development plans.



## RESOLUTION AND STATEMENT OF INTENT

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Exchange any information necessary to merge efficiently the University with the System, including but not limited to information relating to funds, bank accounts, lawsuits, real property, personal property, trust agreements, contracts, bonds, inter-agency agreements, personnel, programs, courses, students, or handbooks, and to include the performance of an audit of all funds and accounts owned by the University;

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

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

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

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

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

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

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

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

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

Executed this the \_\_\_\_\_ day of \_\_\_\_\_, 1988 in \_\_\_\_\_, \_\_\_\_\_, County, Texas.

ATTEST:

PAN AMERICAN UNIVERSITY  
BOARD OF REGENTS

By \_\_\_\_\_

APPROVED AS TO CONTENT:

APPROVED AS TO FORM:

\_\_\_\_\_  
President

\_\_\_\_\_  
Office of General Counsel

Executed this the \_\_\_\_\_ day of \_\_\_\_\_, 1988 in  
\_\_\_\_\_, \_\_\_\_\_, County, Texas.

ATTEST:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_

By \_\_\_\_\_

APPROVED AS TO CONTENT:

APPROVED AS TO FORM:

\_\_\_\_\_  
Chancellor

\_\_\_\_\_  
Office of General Counsel

Exhibit A

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

1. Academic Affairs - Presidents of the U. T. general academic institutions report to the Executive Vice Chancellor for Academic Affairs. Collaborative development of position statements on issues affecting general academic institutions and development of U. T. policies takes place through the Council of Academic Institutions, an official body consisting of all of the presidents of the U. T. general academic institutions and chaired by the Executive Vice Chancellor for Academic Affairs. The U. T. System Administration, through the Office of Academic Affairs, coordinates a strategic academic planning process for all institutions. These institutional plans provide the foundation for interaction with the U. T. Board of Regents and the Texas Higher Education Coordinating Board for new degree program approvals, construction project funding and approvals, and other similar matters.
2. Business Affairs - System Administration assists in setting policies for business affairs and provides for coordinated preparation and approval of operating and capital budgets. Other business services include indirect cost negotiations, grants and contract review, and provision of property and liability insurance.

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

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

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

Exhibit B



PAN AMERICAN UNIVERSITY  
(EDINBURG)

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

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

PHASE I PROGRAMS

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

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

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

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

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

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

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

## PHASE II PROGRAMS

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

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

### ALLIED HEALTH

Nursing M.S.N.

- Program will be developed with assistance of U.T. Health Science Center at Houston.

Physical Therapy, B.P.T.  
Occupational Therapy,  
B.S.

- Because of the critical aspect of providing adequate clinical training opportunities, these programs will be developed on a cooperative basis with selected U.T. Schools of Allied Health.

Other

- Other programs in this field will be developed by staff of Pan American University.

ENGINEERING

All

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

BUSINESS

International Business,  
D.B.A.

- Program will be developed on a cooperative basis with U.T. Austin.

Other

- Other programs in this field will be developed internally, by staff of Pan American University.

EDUCATION

Educational Leadership,  
Ph.D.

- This program will be developed on a cooperative basis.

Other

- Other programs in this field will be developed internally, by staff of Pan American University.

ARTS & SCIENCES

Social Work, M.S.W.

- This program will be developed on a cooperative basis with The University of Texas at Arlington.

Other

- At this time, no need for assistance from U.T. components has been identified regarding other programs in this field.

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

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

TABLE 2

## PAN AMERICAN UNIVERSITY, PHASE II

PROGRAM DEVELOPMENT PROPOSAL  
[OCTOBER 3, 1988]

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

TABLE 2, CONT.

**ARTS & SCIENCES**

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

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

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

TABLE 4

## GRADUATE DEGREES OFFERED

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



PAN AMERICAN UNIVERSITY  
AT BROWNSVILLE

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

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

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

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

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

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

#### ARTS AND SCIENCES

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

## EDUCATION

Kinesiology, B.S. & M.S. Program development complete; faculty on hand to implement.

Table 3 presents those degree programs presently offered by PAU-Brownsville as well as those planned for implementation in the next four years (Proposal 1).

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

TABLE 1  
FALL HEADCOUNT ENROLLMENT

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

# PAN AMERICAN UNIVERSITY AT BROWNSVILLE

OCTOBER, 1988

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

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

TABLE 3  
 PAN AMERICAN UNIVERSITY AT BROWNSVILLE  
 PROGRAMS OFFERED

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

TABLE 4

# PAN AMERICAN UNIVERSITY AT BROWNSVILLE

OCTOBER, 1988

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

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

# 1989

## JANUARY

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

## JULY

S	M	T	W	T	F	S
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23	24	25	26	27	28	29
30	31					

## FEBRUARY

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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

## AUGUST

S	M	T	W	T	F	S
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

## MARCH

S	M	T	W	T	F	S
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
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## SEPTEMBER

S	M	T	W	T	F	S
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## APRIL

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## OCTOBER

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## MAY

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28	29	30	31			

## NOVEMBER

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## JUNE

S	M	T	W	T	F	S
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

## DECEMBER

S	M	T	W	T	F	S
						1
						2
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						



# Executive Committee

EXECUTIVE COMMITTEE  
Committee Chairman Blanton

Date: December 8, 1988  
Time: Following the reconvening of the Board of Regents  
at 1:30 p.m. or upon recess of Executive Session  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

	<u>Page</u> <u>Ex.C</u>
1. U. T. System: Recommendation to Establish an Investment Fee for All Endowments and Trusts; Establish the Quasi-Endowment for Investment Excellence; and to Reform Certain Bequests (Exec. Com. Letter 89-6)	2
2. U. T. Austin - Balcones Research Center - Campus Utilities Improvement Work for Microelectronics and Engineering Research Building (Project No. 102-660): Recommended Award of Construction Contract to Reddico Construction Co., Inc., Austin, Texas (Exec. Com. Letter 89-7)	3
3. U. T. Austin - Research/Laboratory Facility (Project No. 102-696): Request for Approval of Final Plans; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; and Additional Appropriation Therefor (Exec. Com. Letter 89-8)	4
4. U. T. Dallas: Recommendation to Approve a Ground Lease Agreement with the City of Richardson, Texas, and Authorize the Executive Vice Chancellor for Academic Affairs to Execute Agreement (Exec. Com. Letter 89-5)	6
5. U. T. San Antonio - Campus Site Improvement Work for Engineering Building - Phase I (Project No. 401-616): Recommended Award of Construction Contract to Kunz Construction Company, Inc., San Antonio, Texas (Exec. Com. Letter 89-4)	19
6. U. T. Health Science Center - San Antonio: Recommendation to Appoint Executive Vice Chancellor for Asset Management Michael E. Patrick or his Delegate as Regental Representative on the Board of Directors of Osteotex, Inc., a Delaware Corporation, San Antonio, Texas (Exec. Com. Letter 89-7)	20

1. U. T. System: Recommendation to Establish an Investment Fee for All Endowments and Trusts; Establish the Quasi-Endowment for Investment Excellence; and to Reform Certain Bequests (Exec. Com. Letter 89-6).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor and the Executive Vice Chancellor for Asset Management that the U. T. Board of Regents take the following action with regard to the endowments and trusts managed by the Office of Asset Management and with regard to the professional investors employed by the U. T. System:

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

#### BACKGROUND INFORMATION

The Charter for the Common Trust Fund does not prohibit the imposition of a reasonable fee for investment services. Such charges are standard in the investment community at significantly higher levels than those proposed. Additionally, Section 65.31 of the Texas Education Code authorizes the deposit and expenditure of "funds received as administrative fees or charges for services rendered in the management and administration of any trust estate."

Significantly higher salaries for professionals generally prevail in the investment and financial industries than those provided by the U. T. System. The ability to recruit and retain a highly qualified professional staff requires greater parity between the U. T. System salaries and those provided in the general investment and financial community. It is proposed that such salary supplement be provided only when prior performance warrants such consideration.

2. U. T. Austin - Balcones Research Center - Campus Utilities Improvement Work for Microelectronics and Engineering Research Building (Project No. 102-660): Recommended Award of Construction Contract to Reddico Construction Co., Inc., Austin, Texas (Exec. Com. Letter 89-7).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs and President Cunningham that the U. T. Board of Regents award a construction contract for Extension of Campus Utilities for the Microelectronics and Engineering Research Building at the Balcones Research Center at U. T. Austin to the lowest responsible bidder, Reddico Construction Co., Inc., Austin, Texas, for the Base Bid in the amount of \$426,760.50.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in June 1988, bids for campus utilities improvement work in preparation for the Microelectronics and Engineering Research Building project were received and opened on September 27, 1988, as shown below:

<u>Bidder</u>	<u>Base Bid</u>
Reddico Construction Co., Inc., Austin, Texas	\$426,760.50
Haegelin Construction Co., Inc., Austin, Texas	455,629.00
Pepper-Lawson Construction, Inc., Houston, Texas	496,484.00
W. K. Jennings Electric Co., Inc., Austin, Texas	543,260.00
Austin Rio Construction Co., Inc., Austin, Texas	556,700.00
Bay Maintenance Co., Inc. Horseshoe Bay, Texas	590,000.00

In the final stages of preparing plans for extension of Campus Utilities for the Microelectronics and Engineering Research Building, it became apparent that certain chilled water lines and wastewater lines, which had been included in the main contract documents for the building, could more easily and probably more economically be installed under the contract for extension of the campus utilities. Accordingly, the scope of the utilities contract was increased to include these items and the scope of the building contract was modified to delete these items. For this reason, the low bid of \$426,760.50 exceeded the project cost of \$375,000, estimated for the U. T. Board of Regents at the June 1988 meeting. The proposed total project cost of \$490,000 for this initial phase of the Microelectronics project can be accommodated within the estimated

total project cost of \$20,000,000 for the entire project without adverse impact on the budget. The \$490,000 total project cost for this initial utilities phase is composed of the following elements:

Construction Cost	\$426,760.50
Fees and Administrative Expenses	40,748.00
Miscellaneous Expenses	1,000.00
Project Contingency	<u>21,491.50</u>
Total Project Cost	\$490,000.00

Permanent University Fund Bond Proceeds and U. T. Austin General Fee Balances totaling \$20,000,000 have previously been appropriated by the U. T. Board of Regents. This initial utilities phase project and subsequent projects authorizing construction of the Microelectronics and Engineering Research Building are within the scope of the Capital Improvement Program approved by the U. T. Board of Regents in January 1987.

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

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, President Cunningham and President Leach that the U. T. Board of Regents:

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

## BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in October 1988, final plans and specifications for a Research/Laboratory Facility for U. T. Austin (to be located at the U. T. Permian Basin Center for Energy and Economic Diversification) have been prepared by the Project Architect, Rhotenberry Wellen, Midland, Texas, and the Project Engineer, Landgraf, Crutcher and Associates, Odessa, Texas. The same firms have prepared final plans and specifications for a second facility, an Administrative/Support Services Facility, to be financed by the Texas Permian Basin Foundation, Inc. and to be located at the Center. In accordance with Board authorization, the Office of Facilities Planning and Construction represents the Foundation as Project Manager for the Administrative/Support Services Facility and related site development.

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

The estimated construction cost of the 31,500 gross square feet of space (both facilities) is \$2,750,000 resulting in a unit cost of \$87.30 per gross square foot. The estimated construction cost for site development and utility extensions is \$550,000. The remaining project cost of \$1,200,000 includes fees and administrative expenses, furniture and institutional equipment, air balancing, miscellaneous expenses, and contingencies.

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

The prospect of meeting a December 1, 1988, bid date necessitated approval via Executive Committee Letter.

4. U. T. Dallas: Recommendation to Approve a Ground Lease Agreement with the City of Richardson, Texas, and Authorize the Executive Vice Chancellor for Academic Affairs to Execute Agreement (Exec. Com. Letter 89-5).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs and President Rutford that the U. T. Board of Regents authorize the lease for a nominal consideration of 4.8761 acres of land on the campus of U. T. Dallas to the City of Richardson, Texas, for an original term of five (5) years. The City will be limited to using the land for access to and the enhancement of a city park on campus land already under long-term lease to the City.

It is further requested that upon approval by the U. T. Board of Regents the Executive Vice Chancellor for Academic Affairs be authorized to execute the ground lease agreement as set forth on Pages Ex.C 7 - 18.

#### BACKGROUND INFORMATION

In November 1975, the U. T. Board of Regents authorized a ground lease for approximately 5.07 acres to the City of Richardson for a period of ninety-nine (99) years for the purpose of developing a city park to serve students, faculty and staff of U. T. Dallas. Use of the park is limited by the lack of parking at the site, and vehicular access is down a narrow alley serving rear lot garages to area private residences. The City of Richardson proposes to use the new lease land to provide direct access to the park from Floyd and Renner Roads and to construct parking spaces for the existent park, thereby making the park more accessible and alleviating the alley congestion problem.

The proposed ground lease agreement has been prepared and approved by the Office of General Counsel and approved by the City of Richardson. The agreement provides for an initial term of five (5) years for a rental of one dollar (\$1.00) per year. After the initial five-year term, the ground lease agreement is to be automatically extended each year for an additional one (1) year term unless cancelled by either party within thirty (30) days prior to the expiration of the existing term.

Use of an Executive Committee Letter for this proposed action was necessitated when preparation of the ground lease agreement was not completed by the October 1988 Board of Regents' agenda deadline. The City needs approval prior to the December 1988 Board meeting in order to take advantage of the best weather conditions for construction purposes.

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

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

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

ARTICLE 1. DEMISE OF LEASED PREMISES

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

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

ARTICLE 2. LEASE TERM

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



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

#### ARTICLE 3. RENT

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

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

#### ARTICLE 4. UTILITIES AND TAXES

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

#### ARTICLE 5. LIMITED USE OF PREMISES

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

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

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

ARTICLE 6. CONSTRUCTION BY LESSEE

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

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

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

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

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

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

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

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

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

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

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

#### ARTICLE 7. REPAIRS

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

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

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

#### ARTICLE 8. INSURANCE AND INDEMNIFICATION

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

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

#### ARTICLE 9. ASSIGNMENT AND SUBLEASE

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

#### ARTICLE 10. DEFAULT AND REMEDIES

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

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

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

#### ARTICLE 11. WARRANTIES

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

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

#### ARTICLE 12. GENERAL PROVISIONS

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

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

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

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

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

#### ARTICLE 13. MISCELLANEOUS

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

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

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

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

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

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

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

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

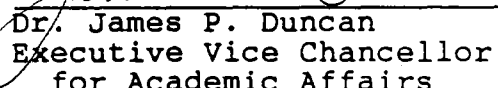
Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

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

ATTEST:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Arthur H. Dilly  
Executive Secretary

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



APPROVED AS TO FORM:

E. Janice Summer  
E. Janice Summer  
University Attorney  
Office of General Counsel

APPROVED AS TO CONTENT:

Robert L. Lovitt  
Robert L. Lovitt  
Vice President for  
Business Affairs

ATTEST:

CITY OF RICHARDSON

By: Wendy Gruben  
Secretary

By: Bob Hughey  
City Manager

STATE OF TEXAS

COUNTY OF TRAVIS

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

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

Holly Wright  
Notary Public, State of Texas

My Commission Expires:  
2-22-89

Holly WRIGHT  
Type or print notary's name

STATE OF TEXAS

COUNTY OF DALLAS

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

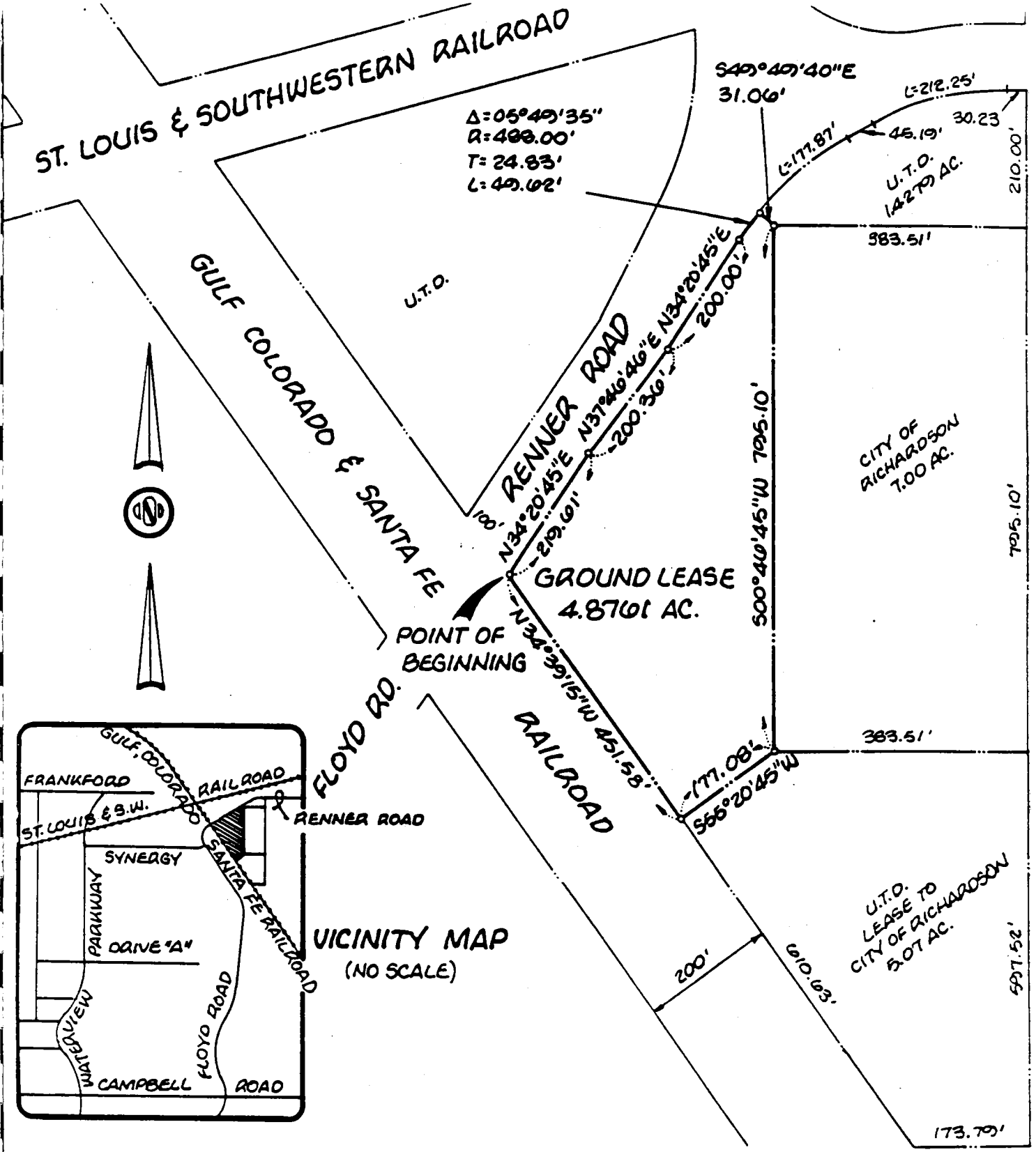
GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 23 day of August, 1988.

Zee Adams  
Notary Public, State of Texas

My Commission Expires:  
11/29/90

Zee Adams  
Type or print notary's name

EJS-4: GRND-LSE.UTD



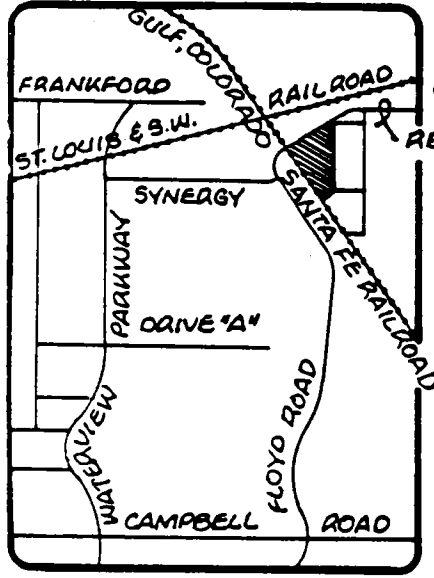
$\Delta = 05^{\circ}49'35''$   
 $R = 400.00'$   
 $T = 24.83'$   
 $L = 49.62'$

U.T.O.  
 1.4279 AC.

GROUND LEASE  
 4.8701 AC.

CITY OF RICHARDSON  
 7.00 AC.

U.T.O.  
 LEASE TO  
 CITY OF RICHARDSON  
 5.07 AC.



VICINITY MAP  
(NO SCALE)



Consulting  
 Civil  
 Engineers

Beck, Sandhu and Martin, Inc.

5401 North Central Expressway, Suite 350  
 Dallas, Texas 75205

SCALE: 1" = 200'  
 AUG., 1988

EXHIBIT "A" - Page 1 of 2

### CITY OF RICHARDSON GROUND LEASE

CITY OF RICHARDSON, COLLIN CO., TEXAS  
 FOR  
 THE UNIVERSITY OF TEXAS AT DALLAS

5401 North Central Expressway, Suite 350 • Dallas, Texas 75205 • (214) 522-0970

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

FIELD NOTES

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

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

THENCE North 34°20'45" East along the southeasterly right-of-way line of Renner Road a distance of 219.61 feet to a point for corner;

THENCE North 37°46'46" East continuing along the southeasterly right-of-way line of Renner Road a distance of 200.36 feet to a point for corner;

THENCE North 34°20'45" East continuing along the southeasterly right-of-way line of Renner Road a distance of 200.00 feet to a point for corner at the beginning of a curve to the right;

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

THENCE South 49°49'40" East along the southwesterly line of the said 1.43 acre tract a distance of 31.06 feet to a point at the northwesterly corner of a 7.00 acre tract of land owned by the City of Richardson;

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

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

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

Exhibit "A" - Page 2 of 2

5. U. T. San Antonio - Campus Site Improvement Work for Engineering Building - Phase I (Project No. 401-616): Recommended Award of Construction Contract to Kunz Construction Company, Inc., San Antonio, Texas (Exec. Com. Letter 89-4).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs and President Wagener that the U. T. Board of Regents award a construction contract for Campus Service and Access Roadway at the Arts Building, Engineering Building - Phase I at U. T. San Antonio to the lowest responsible bidder, Kunz Construction Company, Inc., San Antonio, Texas, for the Base Bid and Alternate Bid Item No. 1 in the amount of \$325,500.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in June 1988, bids for campus site improvement work in preparation for the Engineering Building - Phase I project were received and opened on September 14, 1988, as shown below:

<u>Bidder</u>	<u>Base Bid</u>	<u>Alt. No. 1*</u>
Kunz Construction Company, Inc. San Antonio, Texas	\$321,000.00	\$4,500.00
Peco, Inc., dba Peco Construction Company San Antonio, Texas	355,800.00	7,400.00
H. L. Zumwalt Construction, Inc., Helotes, Texas	405,703.75	9,000.00
Joeris, Inc., San Antonio, Texas	425,900.00	6,350.00
Bartlett Cocke Jr. Construction Company, San Antonio, Texas	480,000.00	9,000.00

\*Add ten parking spaces.

The recommended contract award to Kunz Construction Company, Inc., San Antonio, Texas, can be made within a total project cost of \$390,000 and is under the \$450,000 total project cost for this work estimated in June 1988.

The \$390,000 total project cost is composed of the following elements:

Construction Cost	\$325,500
Fees and Administrative Expenses	37,693
Furniture and Equipment	1,800
Miscellaneous Expenses	1,600
Project Contingency	<u>23,407</u>
Total Project Cost	\$390,000

This project is a part of the scope of the \$12,900,000 total project cost authorized for the Engineering Building - Phase I project and is within the scope of the Capital Improvement Program approved by the U. T. Board of Regents in January 1987.

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

6. U. T. Health Science Center - San Antonio: Recommendation to Appoint Executive Vice Chancellor for Asset Management Michael E. Patrick or his Delegate as Regental Representative on the Board of Directors of Osteotex, Inc., a Delaware Corporation, San Antonio, Texas (Exec. Com. Letter 89-7).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor that Executive Vice Chancellor for Asset Management Michael E. Patrick or his delegate be appointed as Regental representative on the Board of Directors of Osteotex, Inc., a Delaware corporation doing business in San Antonio, Texas.

#### BACKGROUND INFORMATION

At its April 1988 meeting, the U. T. Board of Regents approved a joint venture agreement among U. T. Health Science Center - San Antonio, Rorer Group, Inc., a Pennsylvania corporation, and Gregory R. Mundy, M.D. The joint venture has since been incorporated as Osteotex, Inc., a Delaware corporation, San Antonio, Texas. The joint venture agreement provided that the U. T. Board of Regents would receive 10% of the original issue of the common stock of Osteotex, Inc. and would have the right to appoint a member of the Board of Directors of Osteotex, Inc.

This action was requested via Executive Committee Letter due to the fact that the Board of Directors of Osteotex, Inc. will hold its meeting prior to the December 1988 U. T. Board of Regents' meeting.

# Finance and Audit Com.

FINANCE AND AUDIT COMMITTEE  
Committee Chairman Roden

Date: December 8, 1988  
Time: Following the meeting of the Executive Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

	<u>Page</u> <u>F&amp;A</u>
1. U. T. System: Recommendation to Approve <u>Chancellor's Docket No. 43</u>	2
2. U. T. Board of Regents: Proposed Amend- ments to the Regents' <u>Rules and Regula-</u> <u>tions</u> , Part Two, Chapter VI, Sections 4 (Group Hospitalization and Medical Bene- fit Plan) and 6 (Health Maintenance Organizations) and Repeal of "Procedures for Inclusion of Health Maintenance Organizations"	2

1. U. T. System: Recommendation to Approve Chancellor's Docket No. 43.--

#### RECOMMENDATION

It is recommended that Chancellor's Docket No. 43 be approved.

It is requested that the committee confirm that authority to execute contracts, documents, or instruments approved therein has been delegated to the officer or official executing same.

2. U. T. Board of Regents: Proposed Amendments to the Regents' Rules and Regulations, Part Two, Chapter VI, Sections 4 (Group Hospitalization and Medical Benefit Plan) and 6 (Health Maintenance Organizations) and Repeal of "Procedures for Inclusion of Health Maintenance Organizations."--

#### RECOMMENDATION

The Chancellor with the concurrence of the Executive Vice Chancellor for Health Affairs and the Executive Vice Chancellor for Academic Affairs recommends that the Regents' Rules and Regulations, Part Two, Chapter VI, Sections 4 (Group Hospitalization and Medical Benefit Plan) and 6 (Health Maintenance Organizations) be amended as set forth below in congressional style:

#### Sec. 4. Group Hospitalization and Medical Benefit Plan.

- 4.1 A person employed at least one-half time for at least four and one-half months may elect optional group hospitalization and medical insurance coverage under a System-wide contract approved by the U. T. Board of Regents.
- 4.2 Employees who do not enroll within 60 days of eligibility may do so only in the annual enrollment period during the month of September.
- 4.3 The anniversary date of the contract is September 1 of each year.
- 4.4 An employee enrolled for group hospitalization and medical coverage is automatically enrolled for group dental coverage. [~~See~~ Section-5-below]
- 4.5 To ensure that all carriers have an opportunity to bid, The University of Texas System shall advertise its intent to solicit bids on its employee Group Insurance Program. Specifications encompassing at least the basic coverage standards shall be submitted to any authorized carrier responding to the advertisement; expressing an interest in bidding on the Group Insurance Program; or requesting the specifications.



Sec. 6. Health Maintenance Organizations.

- 6.1 ~~[In accordance with PROCEDURES FOR INCLUSION OF HEALTH MAINTENANCE ORGANIZATIONS adopted by the U. T. Board of Regents,]~~ The ~~[Office of the]~~ Vice Chancellor for Business Affairs, with the concurrence of the Executive Vice Chancellor for Health Affairs~~[,]~~ and the Executive Vice Chancellor for Academic Affairs, will review and analyze bid specification responses submitted by qualified organizations and recommend health maintenance organizations to the U. T. Board of Regents for award of contracts to provide HMO services. Recommendations will include consideration of requirements of federal and state law concerning the HMO option ~~[may approve the inclusion of qualified organizations to provide services as a health maintenance organization].~~
- 6.2 ~~[In consultation with the Vice Chancellor for Business Affairs and the Executive Vice Chancellor for Health Affairs and in accordance with state and federal laws and regulations, The University of Texas System Personnel Director is authorized to issue "Guidelines for Administration" of the health maintenance organization option and to promulgate a "Request for Inclusion" form, which will include criteria against which HMO's will be evaluated.]~~
- 6-3] A person eligible to enroll in the group hospitalization and medical benefit plan may, as an option, elect to enroll in a health maintenance organization under a contract approved by the ~~[Vice Chancellor for Business Affairs pursuant to conditions approved by the]~~ U. T. Board of Regents.
- 6.3 ~~[6-4]~~ Employees who do not enroll within 60 days of eligibility may do so only in the annual enrollment period during the month of September.
- 6.4 ~~[6-5]~~ The anniversary date of the contract is September 1 of each year.
- 6.5 ~~[6-6]~~ An employee enrolled in a health maintenance organization is automatically enrolled for group dental coverage.

It is further recommended that the Board repeal in its entirety as no longer necessary "Procedures for Inclusion of Health Maintenance Organizations" as originally approved by the U. T. Board of Regents in December 1982 and amended in February 1983.

## BACKGROUND INFORMATION

These proposed changes are intended to clarify procedures related to bidding the employee group insurance plan and to institute similar competitive bid procedures for the selection of health maintenance organizations (HMOs), an option required by federal law.

The proposed amendments to Section 4 of Chapter VI, Part Two of the Regents' Rules and Regulations recognize the current indemnity plan bidding practice of the U. T. Board of Regents in accordance with Article 3.50-3, Texas Insurance Code. Presently, the System utilizes a competitive bidding process in the selection of an insurance carrier for the group health and dental coverages and the other group insurance coverages (term life, accidental death and dismemberment, and long-term disability).

The proposed revision of Section 6 of Chapter VI, Part Two of the Regents' Rules and Regulations authorizes a bidding and selection procedure for HMOs similar to that used for other group insurance coverages. The U. T. System is required, pursuant to federal law, to offer to employees within certain geographic areas the option of participating in an HMO in lieu of the group health insurance plan. In the past, selection of HMOs has not utilized the formal bid process. Rather, any federally qualified or state certified organization which could demonstrate compliance with the "Procedures for Inclusion of Health Maintenance Organizations" (approved by the U. T. Board of Regents on December 3, 1982, and amended at the meeting held on February 10, 1983) has been granted approval to offer the HMO option to eligible employees. This practice was based upon an expression of legislative intent related to the applicable provision of the Texas Insurance Code and has led to a proliferation in the number of HMOs approved by the U. T. System with some approved HMOs having only minimal levels of enrollment.

The Attorney General's opinion clarifies that an institution of higher education is not required to offer HMOs without limit and may use a bid process to select which HMO or HMOs will be authorized.

The repeal of the current "Procedures for Inclusion of Health Maintenance Organizations" is recommended as the proposed amendments to Section 6 obviates the need for an extant U. T. Board of Regents' policy on HMOs. The bid specifications will be drawn primarily from the existing qualifications contained in the "Procedures for Inclusion of Health Maintenance Organizations." Thus, there is no need for a formal Board policy on HMO approval separate from the Regents' Rules and Regulations as the final award of HMO contracts will be by Board action following recommendations from U. T. System officials.

Academic Affairs Com.

ACADEMIC AFFAIRS COMMITTEE  
Committee Chairman Baldwin

Date: December 8, 1988  
Time: Following the meeting of the Finance and Audit Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

	<u>Page</u> <u>AAC</u>
1. U. T. Board of Regents: Proposed Amendment to Regents' <u>Rules and Regulations</u> , Part One, Chapter VI, Section 6, Subsection 6.12 (Use of University-Owned Facilities)	3
2. U. T. Arlington: Request for Authorization to Establish a Ph.D. in Nursing Administration Program and to Submit the Proposal to the Coordinating Board for Approval (Catalog Change)	4
3. U. T. Austin: Proposed Appointment to the Third Cockrell Family Regents Chair in Engineering in the College of Engineering Effective January 16, 1989	7
4. U. T. Austin: Proposed Appointment to the Texas Atomic Energy Research Foundation Professorship in the College of Natural Sciences Effective Immediately	7
5. U. T. Austin: Proposed Appointment to the George H. Hitchings Professorship in Drug Design in the College of Pharmacy Effective September 1, 1989	8
6. U. T. Austin: Recommendation to Name Room in the Chemical and Petroleum Engineering Building in the College of Engineering (Regents' <u>Rules and Regulations</u> , Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings)	9
7. U. T. Austin and U. T. San Antonio: Report on Agreement to Cooperatively Administer a Ph.D. Program in Educational Administration	9
8. U. T. Dallas, U. T. Permian Basin and U. T. Tyler: Request for Approval of Undergraduate Admission Requirement for Upper-Level General Academic Institutions Effective with the Fall Semester 1989 (Catalog Change)	10
9. U. T. El Paso: Proposed Appointment to the Betty M. MacGuire Professorship in Business Administration Effective Immediately	11

10. U. T. El Paso: Proposed Memoranda of Agreement with La Universidad Regiomontana, Monterrey Nuevo Leon, Mexico, and La Universidad de Guanajuato, Guanajuato, Mexico, and Request for Authorization to Execute Agreements 12
11. U. T. San Antonio: Request for Approval of Private Fund Campaign to Support Development of Doctoral Degree Programs, Pursuant to the Regents' Rules and Regulations, Part One, Chapter VII, Section 2, Subsection 2.44 21
12. U. T. San Antonio: Request for Authorization to Establish a Doctor of Philosophy Degree in Biology and to Submit the Proposed Program to the Coordinating Board for Approval (Catalog Change) 23
13. U. T. San Antonio: Request for Authorization to Establish Master of Science Programs in Engineering and to Submit the Proposed Programs to the Coordinating Board for Approval (Catalog Change) 25

1. U. T. Board of Regents: Proposed Amendment to Regents' Rules and Regulations, Part One, Chapter VI, Section 6, Subsection 6.12 (Use of University-Owned Facilities).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs that the Regents' Rules and Regulations, Part One, Chapter VI, Section 6, Subsection 6.12 concerning solicitation be amended to add a new Subdivision 6.12(11) as set out below in congressional style:

Sec. 6. Use of University-Owned Facilities.

. . . .

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

. . . .

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

. . . .

#### BACKGROUND INFORMATION

The Regents' Rules and Regulations currently prohibit display of banners by event sponsors and event-related advertising in regular university athletic facilities. The University of Texas at Austin would like to implement an institutional policy to allow University approved acknowledgements and advertisements in athletic facilities. The proposed addition of Subdivision 6.12(11) to Subsection 6.12, Section 6, Chapter VI, Part One of the Regents' Rules and Regulations except these types of communication from the definition of prohibited solicitation on campus.

2. U. T. Arlington: Request for Authorization to Establish a Ph.D. in Nursing Administration Program and to Submit the Proposal to the Coordinating Board for Approval (Catalog Change).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nedderman that a Ph.D. in Nursing Administration program be established at U. T. Arlington. The program is to be administered within the structure of the existing multi-track Ph.D. in Administration. If approved by the U. T. Board of Regents, this proposal will be submitted to the Texas Higher Education Coordinating Board for review and appropriate action. The proposed program is included in the U. T. Arlington strategic plan and in the Role and Scope Table of Programs approved by the U. T. Board of Regents in June 1984.

#### BACKGROUND INFORMATION

##### Program Description

The program will provide as the major study focus an option of either Nursing Service Administration or Nursing Education Administration. The major objectives for the nursing service administration curriculum are to (1) prepare the nurse executive/administrator for managing the nursing services in a hospital or community agency setting, and (2) provide an opportunity for the student to acquire the essential knowledge base for developing and applying management and research skills in the nursing service setting. The major objectives for the nursing education administration curriculum are to (1) prepare the nurse dean/director in managing the academic unit in a college or university, and (2) provide an opportunity for the student to acquire the essential knowledge base for developing and applying management and research skills in the academic setting.

The proposed program will be administered within the current administrative structure of the existing multi-track Ph.D. in Administration degree. That degree is administered by the Graduate School and an interdisciplinary faculty committee currently drawn from Business Administration, Urban Administration, and Social Work Administration. If the proposal is approved, Nursing faculty will be added to this committee. The requirements for the degree will include courses which are provided by the College of Business Administration, the Graduate School of Social Work and the Institute of Urban Studies as well as courses provided by the School of Nursing.

##### Program Need

A recent statewide study (completed August 1987) of graduate nursing education was conducted by a panel of experts for the Coordinating Board. That panel confirmed the need for additional graduate programs in nursing and affirmed U. T. Arlington's ability to offer doctoral level work.

There are no universities in Texas which offer a Ph.D. specifically in nursing administration. Texas Woman's University offers a Ph.D. in Nursing which focuses on theory development in nursing but not on nursing service or educational administration. The nearest institution to U. T. Arlington which offers a program similar to the proposed program is U. T. Austin, which offers a Ph.D. in Nursing with an opportunity for the student to select a major study area of nursing service administration or educational administration.

Because nursing service departments in health care agencies are beginning to decentralize, the nursing service administrator is required to be more knowledgeable and competent in order to be an effective leader. Management of health care agencies also is becoming more complex, and the demands for quality care at less cost require that the nurse administrator be prepared academically in administration and possess the essential research and analytical skills for investigating newer creative approaches to delivering cost-effective nursing and health care. The education administrator must be knowledgeable of strategic and financial planning, management, economics, marketing, and research.

In the past, a doctoral degree in any field was all that was required of the nurse administrator. This has resulted in cases of ineffective leadership in many instances. With today's complex role, the nurse administrator must be an effective leader and researcher in nursing administration. In reviewing the National League for Nursing's 1984-85 listing of locations nationwide that offer doctoral programs in nursing, it becomes clear that these 35 universities presently do not provide an adequate resource to prepare nurses academically for executive/administrator positions in nursing service and nursing education.

Local needs of nurses were assessed by a survey conducted in the Spring Semester 1983. One-hundred-forty-six questionnaires were mailed to directors of nursing service and educational programs for dissemination to nurses holding a master's degree, preferably in nursing. Seventy-eight of the questionnaires were returned. Conclusions of the survey were that: there is an expressed need for a doctoral program in nursing administration, in the areas of both education and service; there is evidence of potential students to support the proposed program; a part-time and full-time evening doctoral program in nursing administration at U. T. Arlington would provide an opportunity for those currently employed and unable to relocate to Austin to pursue advanced studies in nursing administration. Based on the 1983 survey, it is estimated that headcount enrollment would reach 25 in Service and 30 in Education by the fifth year.

### Quality

In addition to the general Graduate School admission requirements, a successful applicant to the proposed program will be required to hold a Master's degree in Nursing (or master's degree in another field in addition to a baccalaureate degree in Nursing), hold current licensure as a registered nurse, have a minimum grade point average of 3.5 on graduate work for the master's degree, present a satisfactory score on the aptitude tests of the Graduate Record Examination (no more than five years old), have a personal interview with the Graduate Advisor, and present evidence of professional liability insurance prior to enrolling in the Internship in Nursing Administration course. Students must maintain a 3.5 minimum grade point average for progression in the program. The desire is to maintain a small enrollment and provide for a high quality program.



Of U. T. Arlington's proposed nursing program, the panel of experts assembled by the Coordinating Board found in its August 1987 report that, "...there is an excellent potential for success of this proposed doctoral program in nursing administration." The panel further recommended that "implementation be delayed one or two years so that faculty can implement their own research program...." The earliest date upon which implementation could begin is September 1989, two years after the report was issued.

#### Cost

Library resources are strong. However, weaknesses to be remedied include lack of group-study rooms and need to increase the number of available professional journals. There is no anticipated need for additional specialized equipment or supplies for this program, nor is there any anticipated need to add, renovate or alter existing facilities to support the proposed program. No additional funds for research are required to support the proposed program. However, it is anticipated that the research budget will be significantly expanded from externally generated contract and grant funds. No additional faculty are required to initiate the program. However, three FTE faculty positions will be added by the fifth year to accommodate projected enrollment growth. The new faculty will teach in the undergraduate and master's program to allow existing faculty to have time to teach in the Ph.D. program.

#### Summary

The proposed doctoral program in nursing administration will strengthen the total academic program of the institution by allowing for advanced research activities, critical evaluation, and scholarship in nursing administration. The involvement of faculty in the support area will foster collaborative research and sharing of knowledge and experience among faculty and students in the School of Nursing, College of Business Administration, Graduate School of Social work, and the Institute of Urban Studies. The offering of a doctoral program in nursing administration will provide the needed pathway to enhance and encourage research and scholarly activities among faculty in the School of Nursing. The involvement of the health care agencies and educational program in the metroplex will provide an opportunity to share learning experiences and stimulate research activities in the participating institutions. This involvement will allow for increased application of knowledge in nursing administration and ultimately will result in effective administrative and research skills that are essential for the provision of quality patient care and quality nursing education.

There is proven need for the program. The proposed program is within the current role and scope of the university as approved by the U. T. Board of Regents in June 1984. Additional cost will be low, added externally generated research funds will be obtained, and the program will strengthen the total academic program of the institution.

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

3. U. T. Austin: Proposed Appointment to the Third Cockrell Family Regents Chair in Engineering in the College of Engineering Effective January 16, 1989.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that Dr. Joe C. Campbell, AT&T Bell Laboratories, Holmdel, New Jersey, be appointed as the initial holder of the Third Cockrell Family Regents Chair in Engineering in the College of Engineering at U. T. Austin effective January 16, 1989.

BACKGROUND INFORMATION

Dr. Campbell's appointment as Professor at U. T. Austin has been approved effective January 16, 1989. Dr. Campbell currently is Supervisor, Lightwave Photodetectors Group, for AT&T Bell Laboratories. He is internationally recognized for his expertise in the field of semiconductor optoelectronic materials and devices and is considered the world's ranking expert on high-sensitivity, high-speed photodetectors for optoelectronics. Dr. Campbell has authored and coauthored over 90 scholarly publications and has delivered a number of major invited lectures nationally and internationally.

The Third Cockrell Family Regents Chair in Engineering in the College of Engineering was established at the February 1985 meeting of the U. T. Board of Regents.

4. U. T. Austin: Proposed Appointment to the Texas Atomic Energy Research Foundation Professorship in the College of Natural Sciences Effective Immediately.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that Dr. William E. Drummond, Professor of Physics, be appointed as the initial holder of the Texas Atomic Energy Research Foundation Professorship in the College of Natural Sciences at U. T. Austin effective immediately.

BACKGROUND INFORMATION

Professor Drummond joined the U. T. Austin faculty in 1965 and is internationally recognized for his expertise in fusion physics. He established the U. T. Austin Fusion Research Center and has served as Director since 1968. Dr. Drummond developed and was primarily responsible for building the first of the Texas Tokamaks, the Texas Turbulently Heated Tokamak. Under his leadership, U. T. Austin built a new

Tokamak, the Texas Experimental Tokomak. A Tokamak is a device for creating magnetic fields for the ohmic heating of gases to form plasmas in which nuclear fusions are tested. He has authored and coauthored over 50 scholarly publications and 100 classified and unclassified federal research reports. Dr. Drummond has delivered a significant number of invited scientific lectures nationally and internationally, including lectures in Italy and Russia.

The Texas Atomic Energy Research Foundation Professorship was established by the U. T. Board of Regents at the October 1983 meeting.

5. U. T. Austin: Proposed Appointment to the George H. Hitchings Professorship in Drug Design in the College of Pharmacy Effective September 1, 1989.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that Dr. Laurence H. Hurley, James E. Bauerle Centennial Professor in Drug Dynamics, be appointed as the initial holder of the George H. Hitchings Professorship in Drug Design in the College of Pharmacy at U. T. Austin effective September 1, 1989.

#### BACKGROUND INFORMATION

Professor Hurley joined the U. T. Austin faculty in 1981 and is nationally recognized for his research in the areas of biosynthesis and mechanism of action of antitumor antibiotics. His research has been published in many scholarly journals, and he serves as a member of several editorial boards. Dr. Hurley has received over thirty research grants including grants from the National Institutes of Health, National Science Foundation, Research Corporation, Welch Foundation and a number of pharmaceutical companies totalling over \$4.0 million received since 1975. He is a frequent lecturer at universities and pharmaceutical houses both in the United States and abroad and is the recipient of numerous awards. Dr. Hurley will relinquish the James E. Bauerle Centennial Professorship in Drug Dynamics on the effective date of the new appointment.

The Regents Professorship in Psychiatric Pharmacy was established at the June 1984 meeting of the U. T. Board of Regents and was redesignated as the George H. Hitchings Professorship in Drug Design at the October 1988 meeting.

6. U. T. Austin: Recommendation to Name Room in the Chemical and Petroleum Engineering Building in the College of Engineering (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that Room 2.212 in the Chemical and Petroleum Engineering Building in the College of Engineering at U. T. Austin be named the W. Pat Biggs Classroom. This recommendation is in accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings.

#### BACKGROUND INFORMATION

The proposed classroom name is in recognition of gifts from colleagues, friends and students of Mr. W. Pat Biggs who was a Senior Lecturer in the Department of Petroleum Engineering at U. T. Austin from 1978 to 1986. The income from the endowment will be used at the discretion of the Department of Petroleum Engineering to promote departmental-wide excellence. Acceptance of these gifts and establishment of a permanent endowment account is provided for in Item 4 on Page L&I - 8.

At its December 1981 meeting, the U. T. Board of Regents approved the naming of facilities other than buildings as part of a special private fund development campaign for the College of Engineering, in accordance with Part One, Chapter VII, Section 2, Subsection 2.44 of the Regents' Rules and Regulations.

7. U. T. Austin and U. T. San Antonio: Report on Agreement to Cooperatively Administer a Ph.D. Program in Educational Administration.--

#### REPORT

The Executive Vice Chancellor for Academic Affairs, President Cunningham, and President Wagener report that U. T. Austin and U. T. San Antonio have agreed to cooperatively administer a Ph.D. program in Educational Administration in order to better serve the San Antonio region. The program will be offered under the degree program authority of U. T. Austin with portions of the program taught on the U. T. San Antonio campus. A detailed proposal for cooperative administration of the program has been approved by the graduate councils of both institutions and by their respective presidents.

The proposal as approved by the respective institutions calls for a three stage development over a period of several years. During the first stage, students will enroll primarily in

U. T. Austin courses, although courses taken on either campus may count towards the residency requirement. In the second stage, U. T. San Antonio will offer sufficient doctoral level courses to allow a student to meet all residency requirements in San Antonio and will take greater responsibility for supervising dissertations. The third stage will occur when U. T. San Antonio is prepared to offer the full program independently, subject to appropriate U. T. Board of Regents and Coordinating Board authority.

This cooperative program is an outgrowth of negotiations concerning cooperative programs in Educational Administration between U. T. San Antonio and Texas A&M University in December 1986. At that time, the U. T. Board of Regents requested that U. T. Austin consider ways of meeting this San Antonio need. Since that time, the faculties of U. T. Austin and U. T. San Antonio have worked together to develop plans for this cooperative program. The two universities estimate that between 25 and 30 students will be enrolled in the program within four years of its initiation. The program will be administered by existing faculty and staff until such time as enrollment growth warrants recruitment of additional faculty.

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

8. U. T. Dallas, U. T. Permian Basin and U. T. Tyler: Request for Approval of Undergraduate Admission Requirement for Upper-Level General Academic Institutions Effective with the Fall Semester 1989 (Catalog Change).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Presidents Rutford, Leach, and Hamm that the following additional undergraduate admission requirement be adopted for U. T. Dallas, U. T. Permian Basin, and U. T. Tyler to comply with the academic skills testing provisions of the Texas Education Code (Subsection 51.306) adopted in 1987 by the 70th Legislature and testing implementation guidelines subsequently approved by the Texas Higher Education Coordinating Board. The requirement is to be effective beginning with the Fall Semester 1989.

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

Upon Regental approval, the next institutional catalogs published will be amended to reflect this action.

## BACKGROUND INFORMATION

The 70th Legislature passed an act in 1987 that requires students entering Texas colleges and universities in the Fall Semester 1989 and subsequent semesters to be tested for reading, writing and mathematics skills. The resulting program is now known as the Texas Academic Skills Program (TASP). The law also requires institutions to provide remedial programs for students who do not pass the TASP test. A student must pass the test before being eligible to receive an associate degree or to take any upper-level courses. Section 5.13(h) of the implementation guidelines adopted by the Texas Higher Education Coordinating Board allows public upper level institutions of higher education to use passage of the exam as a condition of admission. The Coordinating Board guidelines for administration of the TASP are published in the Texas Administrative Code, Title 19, Chapter 5, Subchapter P.

If the U. T. System upper-level institutions do not adopt successful TASP performance as a requirement for admission, they will be required to provide remedial programs for small numbers of students who may not have previously passed the TASP examination. Although students transferring to U. T. Dallas, U. T. Permian Basin or U. T. Tyler from private or out-of-state colleges may be inconvenienced by the proposed requirement, that number is small compared to the substantial cost that would be incurred for providing remedial programs.

9. U. T. El Paso: Proposed Appointment to the Betty M. MacGuire Professorship in Business Administration Effective Immediately.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that Dr. Gary Sullivan, Associate Professor in the College of Business Administration, be appointed as the initial holder of the Betty M. MacGuire Professorship in Business Administration at U. T. El Paso effective immediately.

## BACKGROUND INFORMATION

Dr. Sullivan, a faculty member at U. T. El Paso since 1985, has established a strong record of successful research in marketing during his short academic career. He has authored and coauthored numerous publications for journals and conferences and has chaired several major university committees. Dr. Sullivan has proven to be an effective teacher and he was awarded the Outstanding Faculty Research Award, 1987-1988 at U. T. El Paso.

The Betty M. MacGuire Professorship in Business Administration was established at the February 1986 meeting of the U. T. Board of Regents.

10. U. T. El Paso: Proposed Memoranda of Agreement with La Universidad Regiomontana, Monterrey Nuevo Leon, Mexico, and La Universidad de Guanajuato, Guanajuato, Mexico, and Request for Authorization to Execute Agreements.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that approval be given to the two memoranda of agreement set out on Pages AAC 14 - 20 by and between U. T. El Paso and the following Mexican facilities:

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

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

#### BACKGROUND INFORMATION

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

- a. Cooperation in fields of mutual interest which include, but are not limited to, the physical and biological sciences, engineering, and administration
- b. Exchange of faculty and researchers for defined periods of time
- c. Team teaching of seminars, professional development or teaching methods courses, and specialized technical training courses
- d. Exchange of faculty, administrators, and students
- e. Sharing of cultural and social experiences
- f. Exchange of pedagogical equipment and materials
- g. Reciprocal awarding of scholarships
- h. Exchange of statistical, technical, and educational data

- i. Cooperation in research related to problems common to both institutions and the border
- j. Other programs that would be mutually beneficial.

The proposed agreements have been reviewed and approved by the Office of General Counsel and are similar to other agreements approved by the U. T. Board of Regents at earlier meetings on behalf of U. T. El Paso.



## MEMORANDUM OF AGREEMENT

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

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

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

IT IS MUTUALLY AGREED AS FOLLOWS:

### Section 1. Goals

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

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

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

## Section 2. Planning

Both institutions agree:

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

## Section 3. Future Agreements

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

**EXECUTION**

Executed on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, in  
duplicate originals.

**ATTEST:**

**Universidad Regiomontana**

\_\_\_\_\_

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

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

**Recommend for Approval:**

\_\_\_\_\_

**Diana S. Natalicio  
President**

**FORM APPROVED:**

**CONTENT APPROVED:**

\_\_\_\_\_

**Office of General Counsel  
The University of Texas  
System**

\_\_\_\_\_

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

**MEMORANDUM OF AGREEMENT**

**Between**

**UNIVERSITY OF GUANAJUATO  
and  
THE UNIVERSITY OF TEXAS AT EL PASO**

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

**GENERAL DECLARATIONS**

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

**PRINCIPAL CLAUSES**

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

exchange program on the basis of mutual obligations and rights in regard to the exchange of students, academic personnel, bibliographic material, and scientific and cultural information and events.

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

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

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

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

**EXECUTION**

Executed on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,  
in duplicate originals.

Attest:

University of Guanajuato

\_\_\_\_\_

By: \_\_\_\_\_

Rector

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

Recommend for Approval:

\_\_\_\_\_  
Diana S. Natalicio, President

FORM APPROVED:

CONTENT APPROVED:

\_\_\_\_\_  
Office of General Counsel  
The University of Texas System

\_\_\_\_\_  
James P. Duncan  
Executive Vice Chancellor for  
Academic Affairs

**ENCLOSURE #1**

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

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

11. U. T. San Antonio: Request for Approval of Private Fund Campaign to Support Development of Doctoral Degree Programs, Pursuant to the Regents' Rules and Regulations, Part One, Chapter VII, Section 2, Subsection 2.44.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Wagener for approval of a private fund campaign to support the development of doctoral degree programs in science and engineering at U. T. San Antonio, pursuant to the Regents' Rules and Regulations, Part One, Chapter VII, Section 2, Subsection 2.44.

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

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

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

It is further requested that the U. T. Board of Regents concur in the development of the proposed doctoral programs with the understanding that each program proposal will be presented to the U. T. Board of Regents for review and approval prior to submission to the Coordinating Board for consideration and approval.

BACKGROUND INFORMATION

The private fund campaign goal of \$10 million includes an initial goal of \$7 million by 1995 to provide start-up operational costs for the three doctoral programs projected for implementation and to assist with financing new building construction and equipment. The remaining goal of \$3 million to be raised not later than the year 2000 is to create at least one endowed academic chair for each of the proposed doctoral programs. Although the fund campaign is to be a combined community/institutional effort, the consortium of San Antonio organizations will assume primary responsibility for \$5 million of the initial fund goal and the \$3 million to endow academic positions. A simultaneous U. T. San Antonio development effort will raise an additional \$2 million to complete



the total fund goal. These private sector funds will augment \$27.8 million in Permanent University Fund Bond Proceeds now reserved or committed in the U. T. System Capital Improvement Program for science/engineering building additions on the U. T. San Antonio campus.

The San Antonio community has already made a major commitment to the development of a strong academic research base. Initial efforts have been directed towards raising \$26 million in private funds (including a \$15 million gift from Mr. H. Ross Perot) to construct and equip facilities and to endow operations in Texas Research Park and in the South Texas Medical Center. The total initial effort in conjunction with the U. T. Health Science Center - San Antonio, including that to be funded from Permanent University Fund Bond Proceeds and from federal funds, is projected to be \$41.5 million. In addition, the private sector has contributed land valued at more than \$6.8 million to this effort and will underwrite some start-up cost for a private nonprofit research laboratory. Coupled with the proposed campaign, this total private sector initiative in San Antonio, exclusive of land, is in excess of \$36 million.

The fund development campaign proposed in this agenda item builds upon the momentum created by the currently ongoing private sector initiative associated primarily with the U. T. Health Science Center - San Antonio and focused entirely upon the field of biotechnology. It should be noted that the first doctoral program proposed for initiation at U. T. San Antonio is in Biology and will further support the community's efforts to build strength in biotechnology.

#### Need for Doctoral Programs in San Antonio

San Antonio, the ninth largest city in the United States, is the only major U. S. city without a comprehensive public university offering doctoral programs in science and engineering. The San Antonio community has made a commitment to develop the regional economy with a strong base in bioscience and biotechnology. The development of the proposed doctoral programs and the associated research base is critical to the implementation of San Antonio's economic development strategy. Texas Business has said, "the lack of doctoral programs... handicaps (San Antonio's) program because the supply of Ph.D.s ready to start new companies must be imported." Several companies, including MCC, have cited San Antonio's lack of a university with Ph.D. programs as the reason for not locating in the area.

#### Endowed Chairs

Although the initial emphasis in the campaign is to be placed upon the provision of start-up and enrichment resources for these proposed doctoral programs, it is anticipated that funds will be raised to endow at least one chair in each field of doctoral studies. The early establishment of endowed chairs in these fields of doctoral study will demonstrate to the national and international academic community the commitment of U. T. San Antonio to high quality doctoral programs. Not only will it enable the University to attract outstanding scholars to hold the endowed chairs, but it will enhance the University's ability to recruit junior scholars and attract highly qualified graduate students, many of whom may then remain a part of the San Antonio community. The establishment of endowed chairs will be carried out in accordance with the Regents' Rules and Regulations policies for establishing endowed academic positions.

## Summary

The U. T. Board of Regents is asked to concur in the recommendation for approval of a fund raising campaign to support the development of doctoral programs in biology, computer science and engineering at U. T. San Antonio. Implementation of these doctoral programs is a critical element in its regional economic development strategy. The community has already demonstrated its commitment to this economic development strategy by raising private funds to support a major effort in biotechnology in conjunction with the U. T. Health Science Center - San Antonio. This proposed campaign builds on and follows that effort to create a total community contribution for academic science and technology in excess of \$36 million.

12. U. T. San Antonio: Request for Authorization to Establish a Doctor of Philosophy Degree in Biology and to Submit the Proposed Program to the Coordinating Board for Approval (Catalog Change).--

## RECOMMENDATION

The Chancellor concurs with the recommendation of the Executive Vice Chancellor for Academic Affairs and President Wagener that authorization be granted for U. T. San Antonio to establish a Doctor of Philosophy (Ph.D.) degree program in Biology. Upon Regental approval, the proposal will be submitted to the Texas Higher Education Coordinating Board for approval. The goal for program implementation is for Fall 1989 or shortly after Coordinating Board approval.

The proposed degree program is consistent with the U. T. Board of Regents approved role and scope statement for U. T. San Antonio and with its current strategic plan. Upon Regental and Coordinating Board approval, the next appropriate catalog published at U. T. San Antonio will be amended to reflect this action.

## BACKGROUND INFORMATION

### Program Description

The proposed program is to be administered by the Division of Life Sciences within the College of Sciences and Engineering of U. T. San Antonio in conjunction with the Division of Life Sciences Committee on Graduate Studies. The program will involve the expertise of existing faculty in Life Sciences as well as scientists and graduate faculty from the U. T. Health Science Center - San Antonio and military and research institutions in the area, such as: the U. S. Air Force School of Aerospace Medicine; the Southwest Foundation for Biomedical Research; the Southwest Research Institute; and the Veteran's Administration Hospital in San Antonio. The program is designed to provide advanced training and course work at the doctoral level for persons involved in high technology biological fields with emphasis on neurobiology and bioprocessing. The program will build on the only master's degree program in biotechnology in Texas and an established base of outstanding faculty research.

The proposed doctoral level program in Biology is intended to address the long-term personnel needs for the growing high technology biosciences industry in San Antonio and other areas of Texas. The curriculum encompasses courses and research in neurobiology that will emphasize an understanding of brain mechanisms and will explore explanations for behavior in terms of molecular functions at the neuronal membrane level. Courses in the area of bioprocessing will prepare scientists for applications in food processing, brewing industries, drug and specialty chemical production, and the development of biosensors for the detection of toxins.

The objectives will be accomplished through course work on the campus, with numerous opportunities for additional research and part-time employment in nearby organizations which conduct bioscience technology research.

### Need

The proposed Ph.D. program in Biology will be the only such program in Texas with emphases on molecular neurobiology and bioprocessing. In conjunction with existing degree programs at the baccalaureate and master's levels, the proposed program will provide the first complete and integrated program in biosciences in the San Antonio and South Texas regions. A 1987 report published in American Society for Microbiology News reported an anticipated demand for Ph.D. graduates by biotechnology firms. For the specialties described in this proposal, the survey indicated a 25% increase in demand over the ensuing 18 months. An even greater demand is likely to occur in San Antonio because of a concentration of biotechnology firms in the area.

In the past several years, leaders in Texas government and industry have become increasingly aware of the positive relationship between research and economic development and have taken bold new steps to foster such growth. Civic leaders in San Antonio have clearly set a course to establish that area as an internationally recognized center for biotechnology. Economic development in this technical era cannot occur without the strong support of university research and training in high technology fields. Furthermore, experience has demonstrated that an institution of higher education cannot effectively compete for large research grants without the presence of doctoral programs. The proposed Ph.D. degree program in Biology will be an important and essential part of biotechnology developments in San Antonio.

### Program Quality

The Division of Life Sciences at U. T. San Antonio is particularly well suited to offer the proposed doctoral level program in Biology. The twelve tenured and tenure-track research faculty in the Life Sciences will be the major contributing faculty in the program under the direction and leadership of Professor Matthew J. Wayner, an internationally renowned neurobiologist and editor of four major international journals in the field. The program will also be enhanced by the participation of scientists from the other medical and bioscience entities in San Antonio.

All prospective students will be required to meet University-wide graduate admissions requirements including a minimum grade point average of 3.0 in previous upper-division and graduate work and acceptable scores on the Graduate Record

Examination. The program will require all candidates to complete a minimum of ninety semester hours of graduate credit beyond the Bachelor's Degree with high quality academic performance expectations. Original experimental research with the likelihood of publication in reputable scientific journals will be required of each student for submission as a dissertation for approval by the student's Doctoral Committee.

#### Adequacy of Funding

No new faculty, facilities or equipment will be required to initiate the proposed program. As enrollment in the program increases over the first few years, the addition of as many as five new faculty positions is anticipated, with funding coming from the formula related to the semester credit hours generated by the program. The faculty, which currently hold approximately \$1.3 million in research grants and contracts, anticipates receiving as much as \$3 million more in support of research activities with the addition of the doctoral program. Although library holdings are generally adequate, \$26,000 from institutional resources will be spent in the first two years of the program to supplement existing library resources. Existing equipment is adequate for initiation of the program, although new research initiatives will likely require additional equipment which is expected to cost approximately \$40,000 in each of the first five years, for a total of \$200,000 to be requested from the U. T. System Capital Improvement Program equipment reserves. The expansion of the current Science and Engineering Building has already been planned. The building will house additional classrooms, teaching laboratories, research laboratories, and offices to service this proposed program, clearly adding to current capabilities and strengthening the proposed program.

#### Summary

The proposed new doctoral program in Biology is a needed addition to the biotechnology emphasis in the San Antonio area. A recent report from the National Academy of Sciences, the National Academy of Engineering and the National Institute of Medicine indicated that the neurosciences was one of the seven most important future research areas at the national level. The location of an advanced training program in San Antonio will augment the research interests at other high technology organizations and related institutions in the area.

13. U. T. San Antonio: Request for Authorization to Establish Master of Science Programs in Engineering and to Submit the Proposed Programs to the Coordinating Board for Approval (Catalog Change).--

#### RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs and President Wagener that authorization be granted to U. T. San Antonio to establish Master of Science degree programs in Civil Engineering, Electrical Engineering, and Mechanical Engineering. Upon Regental approval, the proposal will be submitted to the Texas Higher Education Coordinating Board for approval. If approved by the Coordinating Board, implementation will be in Fall 1989.

The programs are included in the role and scope statement for U. T. San Antonio approved by the U. T. Board of Regents and are a part of the current strategic plan for U. T. San Antonio. Upon Regental and Coordinating Board approval, the next appropriate catalog published at U. T. San Antonio will be amended to reflect this action.

## BACKGROUND INFORMATION

### Program Descriptions

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

The curriculum in Civil Engineering is designed to explore solutions to environmental and urban problems which are encountered in both the private and the public sectors and will provide courses of study for environmental engineering and urban systems engineering. The students are expected to be able to provide scientific and engineering analyses that can serve as the basis for decision making and implementation by managers or executives.

The Electrical Engineering master's degree program includes a traditional curriculum as a base, with opportunity to select an emphasis on design of instrumentation for biological applications and for communication and control systems. A second area of emphasis, bioengineering, provides skills for technologies in diagnostic medicine, biomedical instrumentation, man-machine integration technology, and electromechanical systems for industrial processing of biological materials.

A flexible curriculum is designed for the master's program in Mechanical Engineering with three primary thrusts: mechanics and materials, thermal and fluids systems and biomechanical engineering. The program is intended to prepare students for careers in research, development, and design for related industries.

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

## Need

The area from San Antonio south to the Mexico border has only one institution which currently offers master's degrees in engineering, Texas A&I, which is inconveniently located for students in the San Antonio area. With a metropolitan population of approximately one and one-half million and burgeoning industrial/research activities in San Antonio, the need for advanced preparation for engineering applications is large. The presence of the U. T. Health Science Center - San Antonio, Southwest Research Institute, Southwest Foundation for Biomedical Research, Brooks Air Force Base, Brooke Army Medical Center, and Texas Research Park creates an anchor for a growing high-technology industry which will depend on a well-trained scientific work force including all three of the engineering disciplines included in this proposal. A 1987 survey of 23 community and industrial employers indicated an interest by 270 persons for a master's program in engineering. An estimated 85 job openings are expected to be available by the fourth year of the program. Based on level of interest and job prospects, a total of 58 students are projected to be enrolled in the programs by the end of the fourth year.

## Program Quality

The existence of undergraduate programs in each of the three proposed program disciplines and the cooperative programs with U. T. Austin have already attracted faculty with a high level of preparation and experience. The addition of graduate level training will enhance the research activities which are already present and provide new research opportunities for both graduate students and faculty. Students who will be admitted will be expected to meet all requirements for graduate admission and to achieve a satisfactory score on the GRE General Aptitude test as determined by the Engineering Graduate Studies Committee. Applicants will be required to have earned an appropriate undergraduate degree from an accredited institution or to make up deficiencies in the undergraduate engineering curriculum.

Each of the three proposed programs will offer an option for a degree with a thesis, in which case 30 semester credit hours will be mandated in a combination of required core courses, designated electives, free electives, and a thesis or equivalent. A non-thesis option will require 33 semester credit hours and include a special project.

## Adequacy of Funding

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

### Summary

The proposed Master's Degree programs in Civil Engineering, Electrical Engineering, and Mechanical Engineering build on a cooperative program between U. T. San Antonio and U. T. Austin and are designed to meet growing demands by the professional community in San Antonio for opportunities to update their skills and for those engineering undergraduates who desire additional specialized training. San Antonio is the only one of the top ten largest cities in the United States which does not have a public university offering graduate education in engineering. The programs will also offer support for the growing research and technology industries in the San Antonio area.

# Health Affairs Committee



HEALTH AFFAIRS COMMITTEE  
Committee Chairman Yzaguirre

Date: December 8, 1988  
Time: Following the meeting of the Academic Affairs Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

	<u>Page</u> <u>HAC</u>
1. U. T. Southwestern Medical Center - Dallas: Proposal to Designate Regental Professor	3
2. U. T. Medical Branch - Galveston (U. T. Allied Health Sciences School - Galveston): Request for Approval of an Additional Cur- ricular Option in Substance Abuse Counsel- ing and Therapy Program Administration within the Department of Health Related Studies, Division of Health Care Adminis- tration, and to Submit the Proposed Option to the Coordinating Board for Approval (Catalog Change)	3
3. U. T. Medical Branch - Galveston: Request for Approval of Proposed Amended and Restated Affiliation Agreement with Shriners Hospitals for Crippled Children, Galveston, Texas	5
4. U. T. Health Science Center - Houston: Development Board - Proposed Nominee Thereto (NO PUBLICITY UNTIL ACCEPTANCE IS RECEIVED)	24
5. U. T. Health Science Center - Houston (U. T. Nursing School - Houston): Request for Authorization to Establish a Doctor of Science in Nursing and to Submit the Pro- posed Program to the Coordinating Board for Approval (Catalog Change)	24
6. U. T. Health Science Center - Houston (U. T. Nursing School - Houston): Request for Authorization to Establish a Coopera- tive Master of Science in Nursing Degree Program with the Department of Nursing at Pan American University and to Submit the Proposed Program to the Coordinating Board for Approval (Catalog Change)	26
7. U. T. Health Science Center - San Antonio (U. T. Nursing School - San Antonio and U. T. G.S.B.S. - San Antonio): Request for Authorization to Establish a Doctor of Philosophy in Nursing and to Submit the Proposed Program to the Coordinating Board for Approval (Catalog Change)	27

8. U. T. Health Science Center - San Antonio:  
Request for Approval of Bone Marrow Trans-  
plant Affiliation Agreement and Memorandum  
of Understanding with Southwest Texas  
Methodist Hospital, San Antonio, Texas

29

1. U. T. Southwestern Medical Center - Dallas: Proposal to Designate Regental Professor.--

#### RECOMMENDATION

On October 19, 1988, a member of the faculty of the U. T. Southwestern Medical Center - Dallas was awarded the Nobel Prize in Chemistry. In recognition of this prestigious achievement, it is recommended that the U. T. Board of Regents award Johann Deisenhofer, Ph.D., the title of Regental Professor.

It is also recommended that the U. T. Board of Regents provide \$500,000 over the next five years to further the efforts of this Nobel laureate. Professor Deisenhofer will be granted \$100,000 annually, \$50,000 for general programmatic and research support and \$50,000 for equipment purchases. These annual grants will be from funds controlled by the U. T. Board of Regents.

#### BACKGROUND INFORMATION

The designation of Regental Professor is in accordance with the Regents' Rules and Regulations, Part One, Chapter III, Subsection 1.86, which states that a faculty member who is awarded the Nobel Prize may be given the title of Regental Professor.

Dr. Johann Deisenhofer, Investigator at the Howard Hughes Medical Institute and Professor, Department of Biochemistry at the U. T. Southwestern Medical Center - Dallas, is one of the world's leading x-ray crystallographers. He joined the staff at U. T. Southwestern Medical Center - Dallas and Howard Hughes Medical Institute in 1987, having received his Ph.D. at Max-Planck-Institut fur Biochemie, Martinsried in Frankfurt, Federal Republic of Germany. Dr. Deisenhofer shares this Nobel Prize in Chemistry with two West German researchers, Drs. Robert Huber and Hartmut Michel. They are honored for the determination of the three-dimensional structure of a photosynthetic reaction centre.

2. U. T. Medical Branch - Galveston (U. T. Allied Health Sciences School - Galveston): Request for Approval of an Additional Curricular Option in Substance Abuse Counseling and Therapy Program Administration within the Department of Health Related Studies, Division of Health Care Administration, and to Submit the Proposed Option to the Coordinating Board for Approval (Catalog Change).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that approval be granted to provide an additional curricular option in Substance Abuse Counseling and Therapy Program Administration within the Department of Health Related Studies, Division

of Health Care Administration of the U. T. Allied Health Sciences School - Galveston at the U. T. Medical Branch - Galveston. Upon Regental approval, the proposal will be submitted to the Texas Higher Education Coordinating Board for approval. If approved by the Coordinating Board, implementation will be Summer 1989.

#### BACKGROUND INFORMATION

The U. T. Allied Health Sciences School - Galveston is requesting approval for an additional option in Substance Abuse Counseling and Therapy Program Administration by adding four new substance abuse counseling course electives of three hours each. The courses will be offered in the existing Health Care Administration baccalaureate curriculum and will prepare individuals for health care service in the field of substance abuse treatment program administration.

A baccalaureate degree program such as this is not currently offered within the State of Texas. The nearest program is located in the northeastern portion of the United States. Only associate degree programs in alcohol and drug abuse counseling are available in Texas. These programs do not include courses in administration.

The purpose of the proposed program is to offer a specific area of study for individuals interested in the field of substance abuse counseling and therapy program administration. Prior to admission, students will have received the Associate of Arts degree in Alcoholism and Drug Abuse. As the students take the four electives along with the existing health care administration studies, the opportunity to gain specific substance abuse counseling skills will be provided.

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

The objectives of this curriculum option are to:

Increase the number of qualified professional alcoholism and drug abuse counselors and managers in non-hospital as well as hospital treatment programs

Allow the current Health Care Administration program to provide courses relevant to the requirements identified by the Texas Association of Alcoholism and Drug Abuse Counselors

Support the increased local, state and national efforts to minimize the impact of alcohol and drug related problems.

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

While this is a minor education program change, the Coordinating Board considers an addition of a curricular option that requires new courses to be offered as a substantive change. Therefore, consideration of this proposal by the U. T. Board of Regents is necessary prior to submitting it to the Coordinating Board.

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

3. U. T. Medical Branch - Galveston: Request for Approval of Proposed Amended and Restated Affiliation Agreement with Shriners Hospitals for Crippled Children, Galveston, Texas.--

#### RECOMMENDATION

The Chancellor concurs with the recommendation of the Executive Vice Chancellor for Health Affairs and President James that the U. T. Board of Regents authorize the Executive Vice Chancellor for Health Affairs to approve and execute, on behalf of the U. T. Board of Regents, an Amended and Restated Affiliation Agreement between the U. T. Medical Branch - Galveston and Shriners Hospitals for Crippled Children, Galveston, Texas, in a form substantially equivalent to the proposed agreement set out on Pages HAC 6 - 23.

#### BACKGROUND INFORMATION

Since 1963, the U. T. Board of Regents has had an affiliation agreement with the Shriners Hospitals for Crippled Children. Under that agreement, U. T. Medical Branch - Galveston faculty has provided medical, scientific and support services to the Shriners Hospital Galveston Unit of the Shriners Burns Institute.

In conjunction with the construction by Shriners Hospitals of a new \$40 million hospital facility in Galveston, an Amended and Restated Affiliation Agreement has been negotiated and is now being proposed for approval by the U. T. Board of Regents.

The proposed agreement will continue the previous relationship, while refining it in certain areas. For example, the desire and intent of the agreement that the Chief of Staff at the Galveston Unit and the Chief of the U. T. Medical Branch - Galveston Burns Service be the same person. To achieve this end, the Galveston Unit and the U. T. Medical Branch - Galveston would collaborate in recruiting efforts. For another example, there would be close consultation between the Galveston Unit and the U. T. Medical Branch - Galveston regarding changes in salary levels and fringe benefits for persons employed by the U. T. Medical Branch - Galveston but assigned duties under the agreement at the Galveston Unit. The practice of submitting operating addenda to the affiliation agreement would be continued so that more specific agreements could be appropriately articulated. Provisions are proposed for research projects and joint public relations. A Joint Liaison Committee would be appointed to continue the harmonious relationship between the Galveston Unit and the U. T. Medical Branch - Galveston.

The agreement would remain in force on an annual basis; however, a five years' notice would be required to terminate the Agreement.

AMENDED AND RESTATED AFFILIATION AGREEMENT

BETWEEN

SHRINERS HOSPITALS FOR CRIPPLED CHILDREN

AND

THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

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

WITNESSETH:

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

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

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

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

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

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

1. DEFINITIONS:

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

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

2. EXTENT OF AFFILIATION:

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

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

3. SEPARATE POWERS AND CONTROL OF GALVESTON UNIT FACILITIES:

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

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

4. ADMISSIONS:

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

5. NAME OF FACILITY:

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



6. CHIEF OF STAFF:

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

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

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

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

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

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

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

**7. MEDICAL AND SCIENTIFIC STAFFS:**

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

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

**8. ACTIVE AND CONSULTING STAFF MEMBERS:**

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

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

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

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

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

10. SALARY AND FRINGE BENEFITS:

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

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

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

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

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

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

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

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

11. HOUSE STAFF:

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

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

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

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

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

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

## 12. STUDENTS:

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

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

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

## 13. SUPPORT AND SPECIAL SUPPORT SERVICES:

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

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

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

#### 14. OPERATING ADDENDA:

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

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

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



15. RESEARCH FACILITIES AND PROJECTS:

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

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

- b. Research projects of Shriners Hospitals:

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

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

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

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

16. JOINT PUBLIC RELATIONS ANNOUNCEMENTS:

a. Research Activities:

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

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

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

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

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

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

b. Personnel:

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

17. INSURANCE AND INDEMNIFICATION:

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

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

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

18. JOINT LIAISON COMMITTEE:

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

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

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

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

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

19. NOTICE:

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

TO SHRINERS HOSPITALS AT:

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

and

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

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

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

and

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

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

20. AMENDMENT, MODIFICATION OR WAIVER:

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

21. ASSIGNMENT:

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

22. ORDINARY MEANING OF WORDS:

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

23. APPLICABLE LAW:

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

24. USE OF CAPTIONS:

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

25. COUNTERPARTS:

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

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

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

27. ENTIRE AGREEMENT:

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

28. TERMINATION:

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

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

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

SHRINERS HOSPITALS FOR CRIPPLED CHILDREN,  
a Colorado corporation

By: \_\_\_\_\_  
GENE BRACEWELL, President

By: \_\_\_\_\_  
JOHN W. DEAN, III, Secretary

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

ATTEST:

\_\_\_\_\_  
ARTHUR H. DILLY  
Executive Secretary  
Board of Regents

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

APPROVED AS TO FORM:

RECOMMENDED FOR APPROVAL:

\_\_\_\_\_  
Attorney  
Office of General Counsel  
University of Texas System

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

4. U. T. Health Science Center - Houston: Development Board - Proposed Nominee Thereto (NO PUBLICITY UNTIL ACCEPTANCE IS RECEIVED).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and Interim President Ribble that Mrs. Laura Hobby Beckworth, Vice President/General Counsel, H & H Communications, Inc., Houston, Texas, be approved for membership to the U. T. Health Science Center - Houston Development Board for a two-year term to expire in 1990.

BACKGROUND INFORMATION

This development board was established and initial nominees were approved at the December 1977 U. T. Board of Regents' meeting. The nomination of Mrs. Beckworth is to an unfilled vacancy.

In accordance with usual procedures, no publicity will be given to this nomination until acceptance is received and reported for the record at a subsequent meeting of the U. T. Board of Regents.

5. U. T. Health Science Center - Houston (U. T. Nursing School - Houston): Request for Authorization to Establish a Doctor of Science in Nursing and to Submit the Proposed Program to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and Interim President Ribble that authorization be granted to establish a Doctor of Science in Nursing (D.S.N.) Program in the U. T. Nursing School - Houston at the U. T. Health Science Center - Houston. Upon Regental approval, the proposal will be submitted to the Texas Higher Education Coordinating Board for approval. If approved by the Coordinating Board, implementation will be Fall 1990.

BACKGROUND INFORMATION

Program Description

This program prepares scholars in clinical nursing, the goal being to produce advanced clinicians and researchers who will significantly improve the delivery and quality of nursing care. The graduate of this D.S.N. program will assume a leadership role as a nursing practice specialist who functions as a researcher, administrator and/or consultant.



Scholars with the D.S.N. degree will extend and generate new nursing practice protocols for the purpose of improving health care. The focus is on acquisition of knowledge in a specialized area of practice for the purpose of testing and validating application of this knowledge to practice through extensive study of: (a) health care practices in a specialized area, (b) biological and psychological principles as they apply to nursing practice in a specialized area and (c) clinical research methodologies. Graduates will be prepared to occupy such roles as clinical researcher, clinical administrator, collaborative practitioner with physicians, and joint appointee with hospitals and nursing schools.

There are no D.S.N. degree programs in Texas. Currently, there are two Ph.D. in Nursing programs in Texas: one at U. T. Austin and the other at Texas Woman's University, Denton (branch in Houston). Neither is as clinically oriented as the D.S.N. program.

The faculty at the U. T. Nursing School - Houston is fully qualified to provide this program. As of August 1988, 42 of 67 total nursing faculty held doctoral degrees. Within these, there are 12 with doctorates in nursing (7 with the Ph.D. degree and 5 with the D.S.N. degree), 7 public health doctorates and 20 educational doctorate degrees.

#### Need

In 1987, the Texas Higher Education Coordinating Board established an independent review panel to evaluate graduate nursing education in Texas. The panel's rationale for recommending additional programs stressed the expanding need for nurses as the population of Texas grows. It also pointed out that while such a program would enhance the State's health care, it would also contribute to economic growth. The panel also affirmed the ability of the U. T. Nursing School - Houston to offer doctoral level work.

The advanced technology and widely available medical therapy that characterizes Houston with the presence of the Texas Medical Center and the U. T. Health Science Center - Houston require nurses with doctoral degrees that focus on advanced clinical nursing practice. Nurses with Master's degrees who practice in the Houston area and wish to pursue a doctorate degree would have a choice between the Ph.D. and the D.S.N. programs.

In the Houston-Galveston area, there is a need for nurses with doctorates in the local schools of nursing. The deans and directors of nursing programs in the Houston area have expressed the need and support for a D.S.N. program as have faculty members of the U. T. Medical School - Houston. Physicians, especially those who have worked with doctorate nurses in other states, say that these highly trained nurses enhance the quality of patient care and clinical research. Moreover, other health care officials within the Texas Medical Center support upgrading clinical training for nurses, the emphasis of the D.S.N. program.

## Costs

By exercising various options during the first five years, the D.S.N. degree program can be implemented at no additional cost to the State of Texas. Options include:

A Federal Grant

U. T. Health Science Center - Houston's institutional development funds

U. T. Nursing School - Houston's endowments

Nursing Faculty Practice Funds

Reallocation of Resources to the D.S.N. program from sources to be determined by the Dean and the President based on productivity of component units

Partial Funding through the Valley Border Health Care Services Delivery Project.

The exact mechanism for funding will be determined at a later date and upon final approval by the Coordinating Board.

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

6. U. T. Health Science Center - Houston (U. T. Nursing School - Houston): Request for Authorization to Establish a Cooperative Master of Science in Nursing Degree Program with the Department of Nursing at Pan American University and to Submit the Proposed Program to the Coordinating Board for Approval (Catalog Change).--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and Interim President Ribble that approval be granted to establish a cooperative Master of Science in Nursing Degree Program between the U. T. Nursing School - Houston and the Department of Nursing at Pan American University. Upon Regental approval, the proposal will be submitted to the Texas Higher Education Coordinating Board for approval. If approved by the Coordinating Board, implementation will be Fall 1989.

## BACKGROUND INFORMATION

This program is designed as a cooperative endeavor between the U. T. Nursing School - Houston and the Department of Nursing at Pan American University (PAU), Edinburg, Texas, and is based on two years of mutual planning. It will be administered through, and the degree awarded by, the U. T. Nursing School - Houston. The degree will be a Master of Science in Nursing (MSN) with the emphasis being on critical care clinical nursing. PAU will provide space and equipment for classes, registration and advisory services, and elective courses in other areas.

The curriculum and degree requirements for this program will be the same as the program presently being offered on the campus in Houston. However, courses will be taught by U. T. Nursing School - Houston faculty on PAU campus in Edinburg and PAU students will have planned experience in Houston meeting program objectives and utilizing the resources of a health science center complex.

This MSN degree program will offer graduate nursing education opportunities for a student enrollment which is approximately 85% Hispanic. Accordingly, it is anticipated that this program will significantly increase the number of Hispanic nurses in Texas with a master's degree.

Forty-eight percent of the prospective students who were surveyed in 1987 indicated that they would enroll in an available graduate program. The students also indicated their preference for critical care clinical emphasis in a master's degree nursing program.

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

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

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

7. U. T. Health Science Center - San Antonio (U. T. Nursing School - San Antonio and U. T. G.S.B.S. - San Antonio): Request for Authorization to Establish a Doctor of Philosophy in Nursing and to Submit the Proposed Program to the Coordinating Board for Approval (Catalog Change).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that authorization be granted to establish a Doctor of Philosophy (Ph.D.) in Nursing program in the U. T. Nursing School - San Antonio and the U. T. G.S.B.S. - San Antonio at the U. T. Health Science Center - San Antonio. Upon Regental approval, the proposal will be submitted to the Texas Higher Education Coordinating Board for approval. If approved by the Coordinating Board, implementation will be Fall 1989 or Spring 1990.

## BACKGROUND INFORMATION

### Program Description

This proposed Ph.D. program in nursing, developed over the past year and a half, is in keeping with the role and scope of the U. T. Health Science Center - San Antonio as approved by the U. T. Board of Regents in June 1984 and complements the present doctoral programs in the U. T. G.S.B.S. - San Antonio.

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

To be accepted, students will have to display the characteristics of superior ability, heightened motivation and dedication to learning. The course work will enhance the preparation of students in problem solving skills, uses and abuses of various research designs and statistics. It will result in the development of the graduates' capacities for significant contribution to knowledge. Graduates will demonstrate commitment to the discipline and scholarship of nursing. These graduates, having developed the skills of a practitioner, theorist and researcher, will be prepared to participate in and lead the multidisciplinary and multisited research efforts needed to address current nursing problems.

The U. T. Health Science Center - San Antonio will collaborate with Texas Tech University School of Nursing. Texas Tech will be able, through the sharing of faculty and audiovisual transmission, to provide courses and support for West Texas students to earn a doctoral degree.

The program, which allows early recruitment of individuals seeking a career in clinical nursing research, provides opportunity for multiple points of entrance and exit. Although the Ph.D. is emphasized in this post-baccalaureate education program, a student may obtain the M.S. in Nursing prior to completion of the requirements for the Ph.D. degree program. Many of the courses are included in both the M.S. and the Ph.D. degree programs. In the doctoral program, students normally will complete between 25 and 30 semester hours of the 36 semester hours and course requirements for the M.S. in Nursing. Students entering with a B.S. in Nursing will be provided the opportunity to gain clinical expertise in a selected area of direct patient care. Students entering with an M.S. in Nursing, which includes appropriate training in an accredited program, will receive credit for their work. Both post-baccalaureate and post-master's students will receive advanced courses in clinical practice research.

The faculty at the U. T. Nursing School - San Antonio is well qualified to enhance this program. The nurses and other interdisciplinary faculty are nationally acknowledged experts in their areas. Graduate faculty are represented in all of the specialized clinical areas, which address not only types of health problems, but also professional development. In addition, the faculty represents expertise in the arena of health policy, health service systems, nursing care delivery, education, and issues of cost/benefit ratio and quality assurance.

Currently, 43 of 75 total faculty are graduate faculty with 36 having doctoral preparation. This faculty is currently engaged in more than 60 research projects.

#### Program Need

There currently are two Ph.D. nursing programs in Texas: one at U. T. Austin and the other at Texas Woman's University, Denton (branch in Houston). Southwest and West Texas are clearly void of a doctorate in nursing program. This proposed program uniquely addresses this need.

In 1987, the Texas Higher Education Coordinating Board established an independent review panel to evaluate graduate nursing education in Texas. The panel's rationale for recommending additional programs stressed the expanding need for nurses as the population of Texas grows. The panel also pointed out that while such a program would enhance the State's health care, it would also contribute to economic growth. This panel also affirmed the ability of the U. T. Nursing School - San Antonio to offer doctoral level work.

A local Need Assessment Survey conducted by the U. T. Nursing School - San Antonio, which included B.S. and M.S. students, alumni and selected faculty, reflected a high degree of interest in doctoral preparation in nursing.

#### Cost

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

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

8. U. T. Health Science Center - San Antonio: Request for Approval of Bone Marrow Transplant Affiliation Agreement and Memorandum of Understanding with Southwest Texas Methodist Hospital, San Antonio, Texas.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that the U. T. Board of Regents approve the Bone Marrow Transplant Affiliation Agreement and Memorandum of Understanding between the U. T. Health Science Center - San Antonio and the Southwest Texas Methodist Hospital, San Antonio, Texas, as set forth on Pages HAC 31 - 40.

## BACKGROUND INFORMATION

The U. T. Health Science Center - San Antonio began the Bone Marrow Transplant Program several years ago. A transplantation laboratory was located in the Audie Murphy VA Hospital, San Antonio, Texas. Subsequently, the program (but not the laboratory) was established in the Medical Center Hospital of the Bexar County Hospital District.

The program's success was so great that expansion became necessary and several sites were considered. In September 1987, a group of physicians at the Southwest Texas Methodist Hospital came to support the expansion to that facility and appropriate changes to the medical staff bylaws were passed to facilitate the expansion.

The proposed affiliation agreement and memorandum of understanding complete the legal documentation for the expansion of the program to the Southwest Texas Methodist Hospital.

The proposed affiliation agreement indicates that the hospital will be a site for an affiliated Bone Marrow Transplant Service. The Service will be directed by co-directors, one each from the U. T. Medical School - San Antonio and the hospital. Procedures for hospital staff appointments for this program are delineated. The agreement will be on an annual basis, automatically renewable, with a 90-day written notice of termination provision. The memorandum of understanding indicates position descriptions for the co-directors and the process for their appointments. It also addresses various matters related to Fellows on the hospital's medical staff and the limits of participation by residents and medical students in the Service.

BONE MARROW TRANSPLANT  
AFFILIATION AGREEMENT

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

W I T N E S S E T H

WHEREAS, it is mutually recognized that ~~Board of Trustees~~ <sup>HOSPITAL</sup> and University have certain objectives in common, mainly:

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

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

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

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

1. LOCATION AND ADMINISTRATION OF SERVICE:

A. The Service shall be located in the facilities of Southwest Texas Methodist Hospital, San Antonio, Texas. The Service shall be available to appropriately credentialed appointees of the Medical Staff of Hospital as defined in the By-Laws of the Medical Staff of the Hospital. University physicians shall be appointed in accordance with Sec. 2A hereof.

B. It is the intent of both parties that University and Hospital shall remain as separate entities. University shall retain all jurisdictional powers incident to separate ownership, including the power to determine the general and fiscal policies of the University and to appoint administrative, faculty and other personnel under their jurisdiction.

C. Hospital shall retain for its facilities, all jurisdictional powers incident to separate ownership, including the powers to determine general and fiscal policies and to appoint its administrative officers and other personnel. ~~The Board of Trustees is not to be understood as intending, and neither is it~~ <sup>P.W.</sup> ~~the intent of this Agreement to obligate the Hospital to engage in any activities, research or otherwise beyond those necessary for accreditation of the Service, and neither is it the present intent of the Board of Trustees to undertake activities, research or otherwise, which are properly the responsibility of University.~~ <sup>HOSPITAL P.W. JHE</sup>   
 <sup>IT IS NOT P.W. JHE</sup>

D. ~~The Board of Trustees~~ <sup>HOSPITAL P.W. JHE</sup> retains final jurisdiction over the administration and supervision of its facilities and over admission of patients and the assignment of beds therein, and will seek counsel and advice from the University when the exercise of such jurisdiction affects teaching and research related to the Service.

E. ~~The Board of Trustees~~ <sup>HOSPITAL P.W. JHE</sup> will operate the Service in a manner and



with standards consistent with Hospital and University accreditation requirements.

- F. In accordance with the Corporate Charter, part 3, dated July 30, 1973 (copy attached), patients admitted to the Service shall be admitted upon the same qualifications as any other patient to the Hospital. All patients admitted to the Service shall be responsible for paying their own hospital bill. The Hospital will not be responsible for the expenses incurred as a result of any medical complication of any research protocol.
- G. The Dean of University's School of Medicine and the Hospital's Administrator shall serve as liaison between the parties in order to facilitate effective communication.
- H. A representative from the Medical Staff of Hospital and a representative of the faculty of University shall act as co-directors of the Service. The Dean of University's School of Medicine and the Hospital's Administrator shall develop a position description for co-directors.

2. STAFF APPOINTEES FROM THE MEDICAL FACULTY AND STAFF:

- A. Physicians who are faculty of University may apply for appointment to the Medical Staff of Hospital as an appointee under the category of Consulting Staff under Article IV, Section 6(c) of the By-Laws of the Medical Staff. Post-graduate non-faculty physicians (Fellows) may apply for appointment to the Medical Staff of the Hospital under the category of Provisional Staff under Art. IV, section 5(d) of the Bylaws of the Medical Staff. Such application shall proceed in the usual manner and method required by the Bylaws and Rules and Regulations of the Medical Staff of the Hospital. Physicians accepted to the Medical Staff for BMT and related procedures will be part of the Hematology/Oncology Section of the Medicine Department. The Service is open to all appropriately trained physicians who comply with Hospital's criteria for privileges in the BMT service.

Students of the University may participate in limited patient care under the direct supervision of a medical staff member in accordance with guidelines agreed upon by the co-directors.

- B. University will provide qualified physicians from its faculty who are Consulting appointees of the Hospital Medical Staff to supervise and direct professional services to patients admitted by faculty to the Service. Said faculty shall supervise all medical training and medical research activities originating from University which is conducted on the Service. All post-graduate physicians (Fellows) from University shall be under the supervision of University faculty in all of their medical care and activities on the Service. No faculty or post-graduate physicians (Fellows) from University shall be considered agents, servants, or employees of the Hospital. Both parties recognize that patients of faculty on the Service may be research subjects.
- C. All research conducted on the Service shall be subject to review and approval under the Bylaws of the Board of Trustees of the Hospital and Medical Staff.
- D. University and its faculty and staff agree to cooperate with the Hospital and abide by all applicable Bylaws, Rules and Regulations and policies of the Hospital and Medical Staff.

3. **MEDICARE ACCESS:**

University and its faculty and staff by and through its Board of Regents or duly elected officer agree that with respect to this Agreement and with respect to any subcontract with a related organization (x) through which University carries out any of its duties of this Agreement and (y) which subcontract has a value or cost of \$10,000.00 or more over any 12-month period, University will perform the obligations as may be from time to time specified for subcontractors in the Social Security Act, Sec. 1861(v) (1) (I) and the regulations promulgated and implementation thereof (initially

codified at 42 C.F.R., Sec. 420.300 et seq). If any request for University's or its faculty's or staff's or related organization's books, documents and records is made pursuant to these statutory and regulatory provisions, University and its faculty and staff and any related organization shall immediately give notice of such request to Hospital and provide Hospital with a copy of such request, and University shall consult and cooperate with Hospital concerning the proper response to such request. Moreover, University and its faculty and staff or any related organization shall provide Hospital with a copy of each book, document and record made available to one or more of the persons and agencies referred to in these statutory and regulatory provisions, or shall identify each such book, document and record to Hospital and shall grant Hospital access thereto for review and copying.

4. TERM OF THE AGREEMENT:

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

5. INDEMNITY AGREEMENT:

- A. To the extent authorized by the Constitution and laws of the State of Texas, University agrees to indemnify and hold Hospital harmless against all loss, damage, costs and the expenses which it

may hereinafter suffer or pay out by reason of any claims, action and rights of action, law or equity, arising out of this Bone Marrow Transplant Affiliation Agreement or Bone Marrow Transplant service and resulting from injuries or damages to, or caused in whole or in part by: (1) the University (or its employees, agents or servants), or (2) faculty or post-graduate physicians (Fellows) from the University, or (3) any person directly or indirectly employed by University, provided, however, University shall not be responsible for any action caused in whole or in part by persons not subject to its control or supervision.

- B. Hospital agrees to indemnify and hold University, its Board of Regents, and The University of Texas System Administration harmless against any and all loss, damage, costs and the expenses which it may hereinafter suffer or pay out by reason of any claims, action and rights of action, in law or equity, arising out of this Bone Marrow Transplant Affiliation Agreement or Bone Marrow Transplant Service and resulting from injuries or damages to, or caused in whole or in part by employees of Hospital. This in no way shall indemnify University for any acts of any physicians who may be Medical Staff appointees to the Hospital. Furthermore, this is not a representation that these physicians who are Medical Staff appointees of Hospital are the agents, servants or employees of Hospital. Medical Staff appointees are and will continue to be independent contractors not under the control or in the employ of Hospital.

6. MISCELLANEOUS:

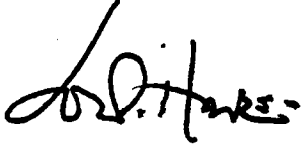
- A. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.
- B. This Agreement shall replace and supersede any previous agreements, oral or written, in effect prior to the date hereof.

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

THE UNIVERSITY OF TEXAS HEALTH  
SCIENCE CENTER AT SAN ANTONIO

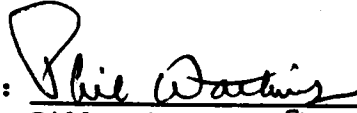
~~BOARD OF TRUSTEES~~  
SOUTHWEST TEXAS METHODIST HOSPITAL

By:



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

By:



~~Bill Balthrope~~ Phil Watkins  
President

Approved:



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

5-30-88

## MEMORANDUM OF UNDERSTANDING

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

I. Clinical and Administrative Directors

The ~~draft~~ <sup>F.W. JONES</sup> document, Bone Marrow Transplant Affiliation Agreement, in Section 1H states the following:

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

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

Clinical Director

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

### Administrative Director

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

## II. Fellows and House Officers

### Fellows

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

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

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

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

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

Residents and Students

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

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

FOR THE UNIVERSITY:

*[Signature]*

6/8/88  
Date

FOR SWTMH:

*[Signature]*

September 28, 1988  
Date

*Charles B. Mellin M.D.*  
*7/18/88*



# Buildings and Grounds Com.

BUILDINGS AND GROUNDS COMMITTEE  
Committee Chairman Hay

Date: December 8, 1988  
Time: Following the meeting of the Health Affairs Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

	<u>Page</u> <u>B&amp;G</u>
1. U. T. Board of Regents - General Revenue Subordinate Lien Notes: Recommendation for Declaration of Project Eligibility for U. T. Health Science Center - Houston Surface Parking Facility (Project No. 701-697) and Request for Authorization to Pay Project Costs from Note Proceeds and to Pledge Parking Facility Net Revenues	2
2. U. T. Austin - Andrews Dormitory and Kinsolving Dormitory - Phased Remodeling of Food Service Facilities - Phase I Andrews Dormitory: Presentation of Preliminary Plans; Authorization for Preparation of Final Plans; and Additional Appropriation Therefor	3
3. U. T. San Antonio - U. T. Institute of Texan Cultures - San Antonio - Renovation of Public Areas, Third Segment (Project No. 404-614): Request for Authorization to Increase Project Scope and Additional Appropriation Therefor	4
4. U. T. Medical Branch - Galveston - Medical Research Building (Project No. 601-665): Request for Approval of Final Plans; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; and Additional Appropriation Therefor	5
5. U. T. Health Science Center - Houston - Ambulatory Care Facility: Request for Authorization for a Project Analysis and Appropriation Therefor	6
6. U. T. Health Science Center - San Antonio - Research Building (Project No. 402-666): Request for Approval of Final Plans; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; and Additional Appropriation Therefor	8
7. U. T. M.D. Anderson Cancer Center - Parking Garage: Request for Authorization to Obtain Proposals for Private Enterprise Development	9
8. U. T. Southwestern Medical Center - Dallas: Presentation of the Master Plan/Land Use Study for the MacArthur Foundation Property (North Campus)	10

1. U. T. Board of Regents - General Revenue Subordinate Lien Notes: Recommendation for Declaration of Project Eligibility for U. T. Health Science Center - Houston Surface Parking Facility (Project No. 701-697) and Request for Authorization to Pay Project Costs from Note Proceeds and to Pledge Parking Facility Net Revenues.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Asset Management that the U. T. Board of Regents:

- a. Declare the U. T. Health Science Center - Houston Surface Parking Facility (Project No. 701-697) to be an Eligible Project for purposes of the Note Resolution authorizing the issuance of General Revenue Subordinate Lien Notes
- b. Authorize the payment of any costs and expenses attributable to the construction of the project from Note proceeds
- c. Pledge as additional Pledged Revenues the U. T. Health Science Center - Houston Surface Parking Facility Net Revenues.

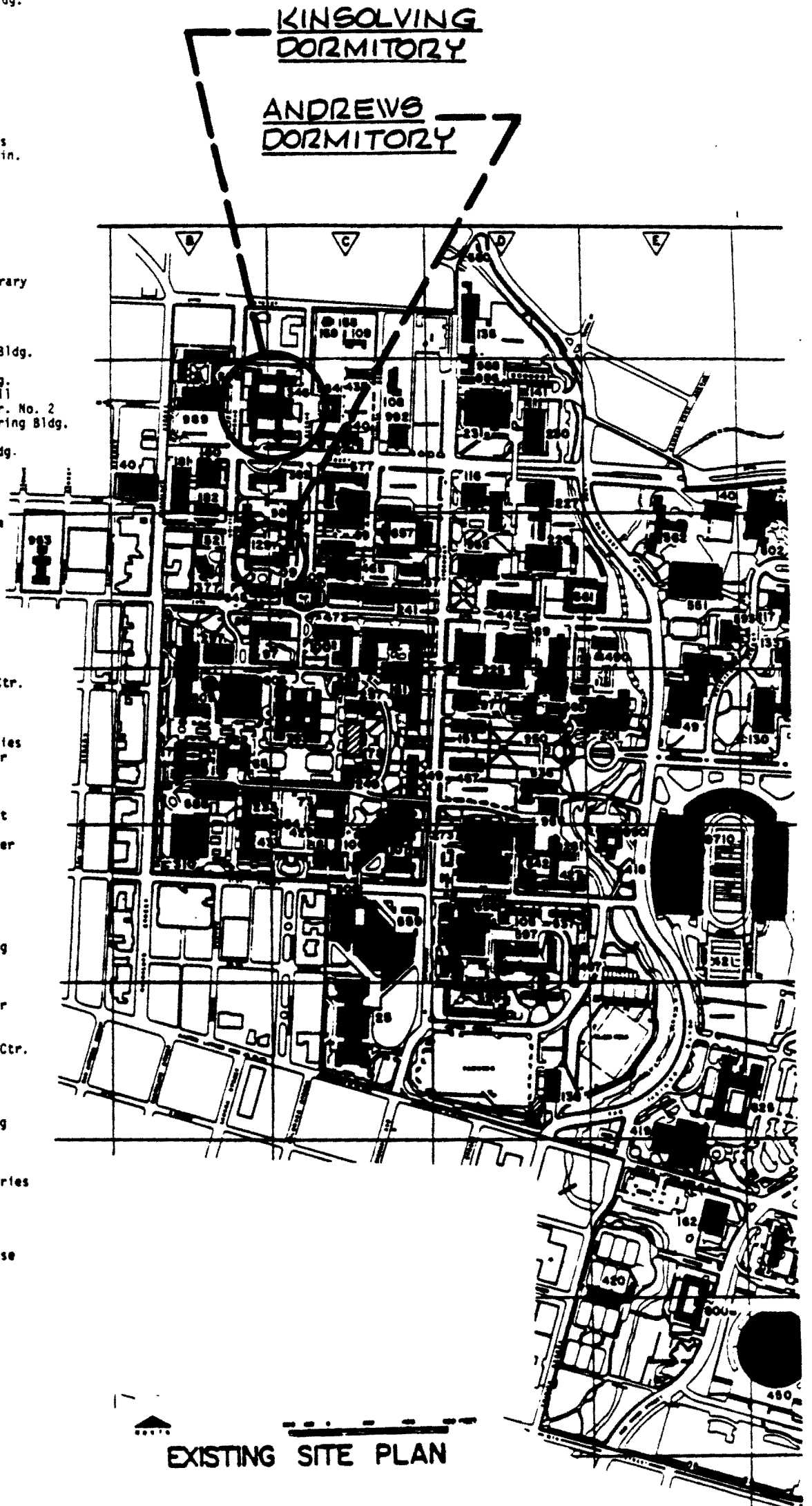
#### BACKGROUND INFORMATION

At its August 1987 meeting, the Board adopted a resolution authorizing the issuance of up to \$20 million of General Revenue Subordinate Lien Notes to provide interim financing for non-PUF capital projects. The purpose of the program was to enable the U. T. System to minimize financing costs during project construction by issuing short-term variable rate notes. Project notes would be combined and subsequently refinanced permanently with a single fixed rate long-term bond. To date, \$9,725,000 in notes have been issued to fund the purchase or construction of the U. T. Arlington Keys Apartments, the U. T. Medical Branch - Galveston New Parking Structures, a portion of the U. T. Austin Recreational Sports Facilities - Phase I, and the U. T. San Antonio Surface Parking Facility. Interest rates under this program have averaged 5.74% since inception.

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

BUILDING INDEX

- 09 Andrews Dormitory
- 17 Goldsmith Hall
- 25 College of Education Bldg.
- 40 Walter Webb Hall
- 49 Art Building
- 65 Battle Hall
- 73 Batts Hall
- 81 Benedict Hall
- 89 Biological Laboratories
- 98 Blanton Dormitory
- 99 Burdine Hall
- 105 Brackenridge Hall Dorm.
- 106 Grad. School of Business
- 107 College of Business Admin.
- 116 Robert Lee Moore Hall
- 117 Music Building East
- 129 Carothers Dormitory
- 130 Fine Arts Library
- 133 Drama Workshop
- 135 Animal Resources Center
- 153 E. P. Schoch Building
- 161 Robert A. Welch Hall
- 162 Collections Deposit Library
- 178 Computation Center
- 180 Communications Bldg. A
- 181 Communications Bldg. B
- 182 Texas Student Publ.
- 201 E. Loren Winship Drama Bldg.
- 225 T. U. Taylor Hall
- 226 Engineering Science Bldg.
- 227 Ernest Cockrell, Jr. Hall
- 230 Engineering Teaching Ctr. No. 2
- 231 Chem. & Petrol. Engineering Bldg.
- 233 Parlin Hall
- 241 Experimental Science Bldg.
- 249 Garrison Hall
- 257 Will C. Hogg Bldg.
- 273 Gregory Gymnasium
- 281 Hill Hall Dormitory
- 297 Hogg Memorial Auditorium
- 305 Mary E. Gearing Hall
- 310 Harry Ransom Center
- 340 International Center
- 346 Kinsolving Dormitory
- 369 Littlefield Dormitory
- 377 Littlefield Home
- 393 Main Building
- 418 L. Theo Belmont Hall
- 419 Texas Swimming Center
- 420 Tennis Center
- 421 Neuhaus-Royal Athletic Ctr.
- 425 Mezes Hall
- 427 Moore Hall Dormitory
- 433 Music Building
- 442 W. R. Woolrich Laboratories
- 450 Erwin Spec. Events Center
- 457 Economics Bldg.
- 465 Pharmacy Building
- 473 T. S. Painter Hall
- 489 Hal C. Weaver Power Plant
- 497 Prather Hall Dormitory
- 500 University Teaching Center
- 537 Roberts Hall Dormitory
- 538 Russell A. Steindam Hall
- 551 Parking Facility
- 559 Perry Castaneda Library
- 561 Service Building
- 562 Simkins Hall Dormitory
- 569 Student Services Building
- 577 Student Health Center
- 585 Sutton Hall
- 593 Texas Memorial Museum
- 598 Beauford H. Jester Center
- 599 Jester Dormitory
- 602 Jesse H. Jones Hall
- 605 Peter T. Flawn Academic Ctr.
- 609 Union Building
- 625 Education Annex
- 645 Geography Building
- 649 Waggener Hall
- 652 West Mall Office Building
- 657 Anna Miss Gymnasium
- 666 Women's Co-op Housing
- 950 Geology Building
- 952 J. T. Patterson Laboratories
- 953 Woodridge Hall
- 954 Calhoun Hall
- 984 Social Work Bldg.
- 989 2608 Whittis
- 990 Lila B. Etter Alumni House
- 992 100 East 26th
- 8008 Sch. of Nursing Bldg.
- 9710 Memorial Stadium



EXISTING SITE PLAN

MAY 1987

THE UNIVERSITY OF TEXAS  
AT AUSTIN

2. U. T. Austin - Andrews Dormitory and Kinsolving Dormitory - Phased Remodeling of Food Service Facilities - Phase I Andrews Dormitory: Presentation of Preliminary Plans; Authorization for Preparation of Final Plans; and Additional Appropriation Therefor.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the U. T. Board of Regents:

- a. Approve preliminary plans for the Remodeling of Food Service Facilities - Phase I Andrews Dormitory at U. T. Austin at an estimated total Phase I project cost of \$1,324,000
- b. Authorize the Project Architect to complete final plans and specifications to be presented to the U. T. Board of Regents for consideration at a future meeting
- c. Appropriate \$55,000 from U. T. Austin Housing and Food Reserve Funds for fees and miscellaneous expenses through completion of final plans. Previous appropriations have been \$69,000 from the same source.

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in August 1988, preliminary plans and a detailed cost estimate for Andrews Dormitory, Phase I of the remodeling of food service facilities at U. T. Austin, have been prepared by the Project Architect, Coffee Crier and Schenck, Austin, Texas.

The remodeling of food service facilities at U. T. Austin is a two-phase project. Phase I involves the remodeling, repairs, and equipment replacement in Andrews Dormitory to update the facilities in terms of modern food preparation, service, and sanitation practices, as well as efficient and adequate storage facilities. Phase II involves the remodeling of food service facilities in Kinsolving Dormitory for which preliminary plans will be submitted to the U. T. Board of Regents for consideration at a future meeting.

The estimated construction cost for Phase I is \$510,000 within an estimated Phase I total project cost of \$1,324,000. The estimated combined total project cost of Phase I, Andrews Dormitory and Phase II, Kinsolving Dormitory is \$4,162,288.

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

3. U. T. San Antonio - U. T. Institute of Texan Cultures - San Antonio - Renovation of Public Areas, Third Segment (Project No. 404-614): Request for Authorization to Increase Project Scope and Additional Appropriation Therefor.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Wagener that the U. T. Board of Regents:

- a. Authorize an increase in the scope of the third segment of the Renovation of Public Areas at the U. T. Institute of Texan Cultures - San Antonio from an estimated total project cost of \$787,000 to \$1,201,000 to accommodate previously unanticipated work and expansions to alleviate safety hazards
- b. Appropriate an additional \$414,000 from Permanent University Fund Bond Proceeds for total project funding. A previous appropriation of \$787,000 from the same source was made in April 1988 for this segment.

#### BACKGROUND INFORMATION

In October 1985, the U. T. Board of Regents approved, as part of the U. T. System Capital Improvement Program, renovation projects totaling \$2,130,000 at the U. T. Institute of Texan Cultures - San Antonio. In February 1986, the first segment of this work was authorized at an estimated total project cost of \$250,000 and in August 1987, a second segment of work was authorized at an estimated total project cost of \$679,000. The third segment of work was authorized in April 1988 at an estimated total project cost of \$787,000. The authorization of the third segment included the authority to complete final plans, advertise for bids, and award of contracts by U. T. San Antonio Administration. Of the original program, \$414,000 remains unappropriated and that amount is now required to complete the third segment of renovation.

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

The original program included the replacement of damaged fabric on 30 dome projection screen panels. Investigation has revealed that to remove any of the damaged panels, all 227 panels must be removed. Since all panels must be removed, it is advantageous to replace all the fabric that is now 25 years old.

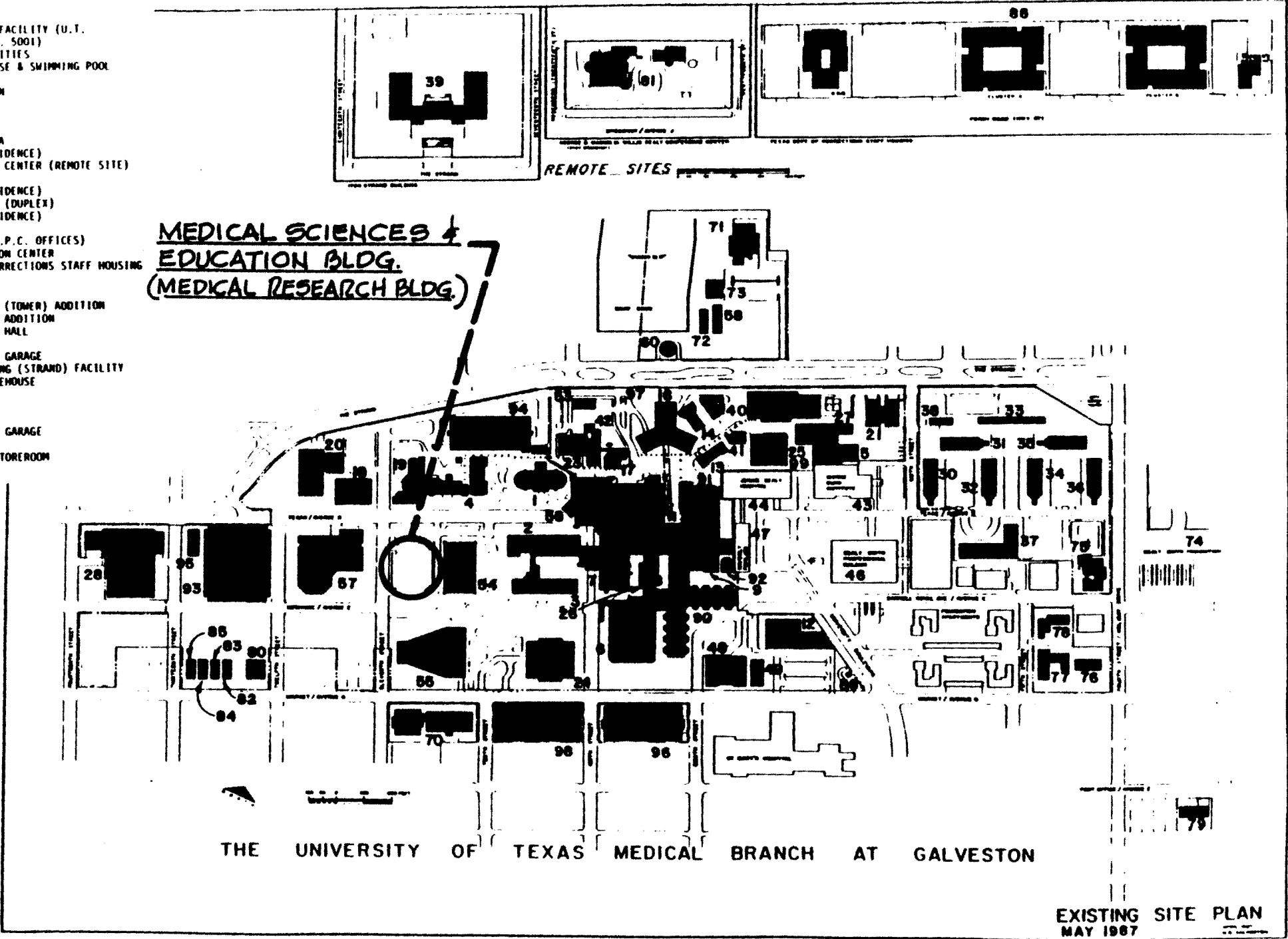
The planned paving project needs to be expanded to include modifications to alleviate significant safety hazards for children and handicapped persons moving from the building and parking areas to the exterior educational and exhibit area.

# BUILDING INDEX

- 1 ASHBL SMITH (OLD RED)
- 2 PELLER BUILDING
- 3 GATE BORDEN BUILDING
- 4 GRAVES BUILDING
- 5 SURGICAL RESEARCH
- 6 CHILD HEALTH CENTER
- 7 CLINICAL SCIENCES BUILDING
- 8 OLD CHILDRENS HOSPITAL
- 9 JOHN SEALY HOSPITAL
- 11 JOHN W. MCCULLOUGH BUILDING
- 12 ADMINISTRATION BUILDING
- 13 ADMINISTRATION ANNEX I
- 14 HENDRIX BUILDING
- 16 TEXAS DEPT. OF CORRECTIONS HOSPITAL
- 17 OLD PHYSICAL PLANT BUILDING (1912)
- 18 MICROBIOLOGY BUILDING
- 19 MARY MOODY NORTHERN PAVILION
- 20 ANIMAL CARE CENTER
- 21 PHYSICAL PLANT BUILDING (PHASE I)
- 23 LAUNDRY
- 24 MOODY MEMORIAL LIBRARY
- 25 CARPENTER SHOP
- 26 LAUNDRY CART STORAGE AND BED REPAIR SHOP
- 27 SURGICAL RESEARCH ANNEX - HYPERBARIC
- 28 GENERAL STORES WAREHOUSE
- 30 BRACKENRIDGE HALL
- 31 CLAY HALL
- 32 BETHEL HALL
- 33 MORAN HALL
- 34 VINSANT HALL
- 35 MORGAN HALL
- 36 LEAGUE HALL
- 37 UNIT "D"
- 38 DORM MACHINE ROOM
- 39 1700 STRAND (REMOTE SITE)
- 40 THERMAL ENERGY PLANT (CHILL MTR. TRANS.)
- 41 PAINT SHOP
- 42 INCINERATOR BUILDING
- 43 SHRINE BURN INSTITUTE
- 44 JENNIE SEALY HOSPITAL
- 46 SEALY & SMITH PROFESSIONAL BLDG.
- 47 WAVERLY SMITH BUILDING
- 48 ADMINISTRATION ANNEX II
- 49 ADMINISTRATION ANNEX III
- 53 LABOR BUILDING
- 54 BASIC SCIENCES BUILDING
- 55 LEARNING CENTER
- 56 AMBULATORY CARE CENTER
- 57 SCHOOLS OF ALLIED HEALTH SCIENCES & NURSING
- 58 LIFE FLIGHT MAINTENANCE BLDG.
- 60 HELIPORT
- 70 PHARMACOLOGY BUILDING
- 71 MAURICE EWING HALL (U.T. AUSTIN BLDG. NO. 9010)
- 72 U.T.M.B. MARINE BIOMEDICAL INSTITUTE

- 73 M.S.T. DOCKSIDE FACILITY (U.T. AUSTIN BLDG. NO. 5001)
- 74 RECREATION FACILITIES
- 75 ALUMNI FIELD HOUSE & SWIMMING POOL
- 76 PHI DELTA EPSILON
- 77 NU SIGMA NU
- 78 PHI RHO SIGMA
- 79 ALPHA KAPPA KAPPA
- 80 1202 MARKET (RESIDENCE)
- 81 SEALY CONFERENCE CENTER (REMOTE SITE)
- 82 1216 MARKET (RESIDENCE)
- 83 1220/1222 MARKET (DUPLX)
- 84 1224 MARKET (RESIDENCE)
- 85 1228 MARKET (O.F.P.C. OFFICES)
- 86 CAMPUS INFORMATION CENTER
- 88 TEX. DEPT. OF CORRECTIONS STAFF HOUSING (REMOTE SITE)
- 90 JOHN SEALY SOUTH (TOWER) ADDITION
- 91 JOHN SEALY NORTH ADDITION
- 92 SNACK BAR/DINING HALL
- 93 EMPLOYEE PARKING GARAGE
- 94 AMBULATORY PARKING (STRAND) FACILITY
- 95 CONSTRUCTION WAREHOUSE
- 96 PARKING GARAGE
- 97 GUARD KIOSK
- 98 EMPLOYEE PARKING GARAGE
- 99 PHYSICAL PLANT STOREROOM

**MEDICAL SCIENCES & EDUCATION BLDG.**  
**(MEDICAL RESEARCH BLDG.)**



THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

EXISTING SITE PLAN  
 MAY 1987

All but two of the improvements planned, when funding was approved in October 1985, are either completed, in progress or funded for completion. Program changes have negated the need for a catering support kitchen. The other improvement, building entrance modifications, is being deferred in order to complete the higher priority projects described above.

4. U. T. Medical Branch - Galveston - Medical Research Building (Project No. 601-665): Request for Approval of Final Plans; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; and Additional Appropriation Therefor.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that the U. T. Board of Regents:

- a. Approve final plans and specifications for the construction of the Medical Research Building at the U. T. Medical Branch - Galveston at an estimated total project cost of \$25,000,000
- b. Authorize the Office of Facilities Planning and Construction to advertise for bids upon completion of final review
- c. Authorize the Executive Committee to award all contracts associated with this project within the authorized total project cost
- d. Appropriate \$20,000,000 from Permanent University Fund Bond Proceeds for total project funding. Previous appropriations have been \$5,000,000 from The Sealy & Smith Foundation grant funds.

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in June 1988, final plans and specifications for the construction of the Medical Research Building at the U. T. Medical Branch - Galveston have been prepared by the Project Architect, 3D/International, Houston, Texas.

This seven-level building will provide approximately 187,560 gross square feet of research facilities for the basic and clinical sciences at the U. T. Medical Branch - Galveston. It will include offices, research laboratories, support spaces, and animal holding facilities for such fields as anatomy, neurosciences, microbiology, and the Marine Biomedical Institute. At the present time, four levels (110,280 gross square feet) of the new structure will be completed and three levels (77,280 gross square feet) will be unfinished shell space.



The estimated construction cost for this new facility is \$20,674,000 resulting in an average unit cost of \$110.23 per gross square foot (\$149.08/GSF finished space and \$54.79/GSF unfinished space). The estimated total project cost is \$25,000,000.

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

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

5. U. T. Health Science Center - Houston - Ambulatory Care Facility: Request for Authorization for a Project Analysis and Appropriation Therefor.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and Interim President Ribble that the U. T. Board of Regents:

- a. Authorize a project analysis for a new Ambulatory Care Facility for the U. T. Health Science Center - Houston to be presented to the U. T. Board of Regents at a future meeting
- b. Authorize selection of a Professional Health Care Planning Consultant based upon recommendations which will be submitted for approval by Executive Committee Letter at a future date
- c. Appropriate \$130,000 from U. T. Health Science Center - Houston MSRDP Funds for fees and miscellaneous expenses through completion of the Project Analysis.

This item requires the concurrence of the Health Affairs Committee.

BACKGROUND INFORMATION

The U. T. Health Science Center - Houston has been engaged in a cooperative venture with Hermann Hospital to plan construction of an ambulatory care facility. The facility is contained in the U. T. Board of Regents' Long-Range Capital Improvement Program, and \$5,000,000 has been approved in principle for this project.

The changing trends in medical care from inpatient to the ambulatory setting is influencing the clinical practice of the U. T. Medical School - Houston in two ways. First, the clinical teaching of medicine has traditionally centered on the inpatient, and while this setting will continue to be an important approach used in medical education, the increasing

trend toward ambulatory care dictates that a greater emphasis be placed on this area in the medical school's curriculum. Students must be exposed to a state-of-the-art ambulatory setting as it will be in this arena where much of their future medical practice will take place. Secondly, the changing emphasis to outpatient care will result in an increased patient volume for our ambulatory practice. The U. T. Medical School - Houston ambulatory practice experienced a 10.4% growth rate in patient visits from 1987 to 1988, and now number 231,752. Projections are that patient visits will increase to approximately 250,000 by 1993.

The existing ambulatory care facility is inadequate for a number of reasons. University practices are scattered throughout the Hermann Professional Building making patient flow impossible. The building does not contain space for adequate waiting rooms and lacks the amenities of the other medical office buildings located in the Texas Medical Center area. More importantly, the space is not large enough to allow for students to participate actively in the delivery of patient care and to learn from the faculty. The school needs the opportunity to experiment with new teaching processes; this can only happen in a new building. If this does not happen, the students' education will be compromised and remain below the standard of other schools. In recognition of the value of association with volunteer faculty and clinical programs of the other schools of the U. T. Health Science Center - Houston, components of these programs will be located in the new building.

A preliminary site study and a study of the possible scope of such a project have been made. However, before authorization of a project is requested, a more comprehensive study should be made.

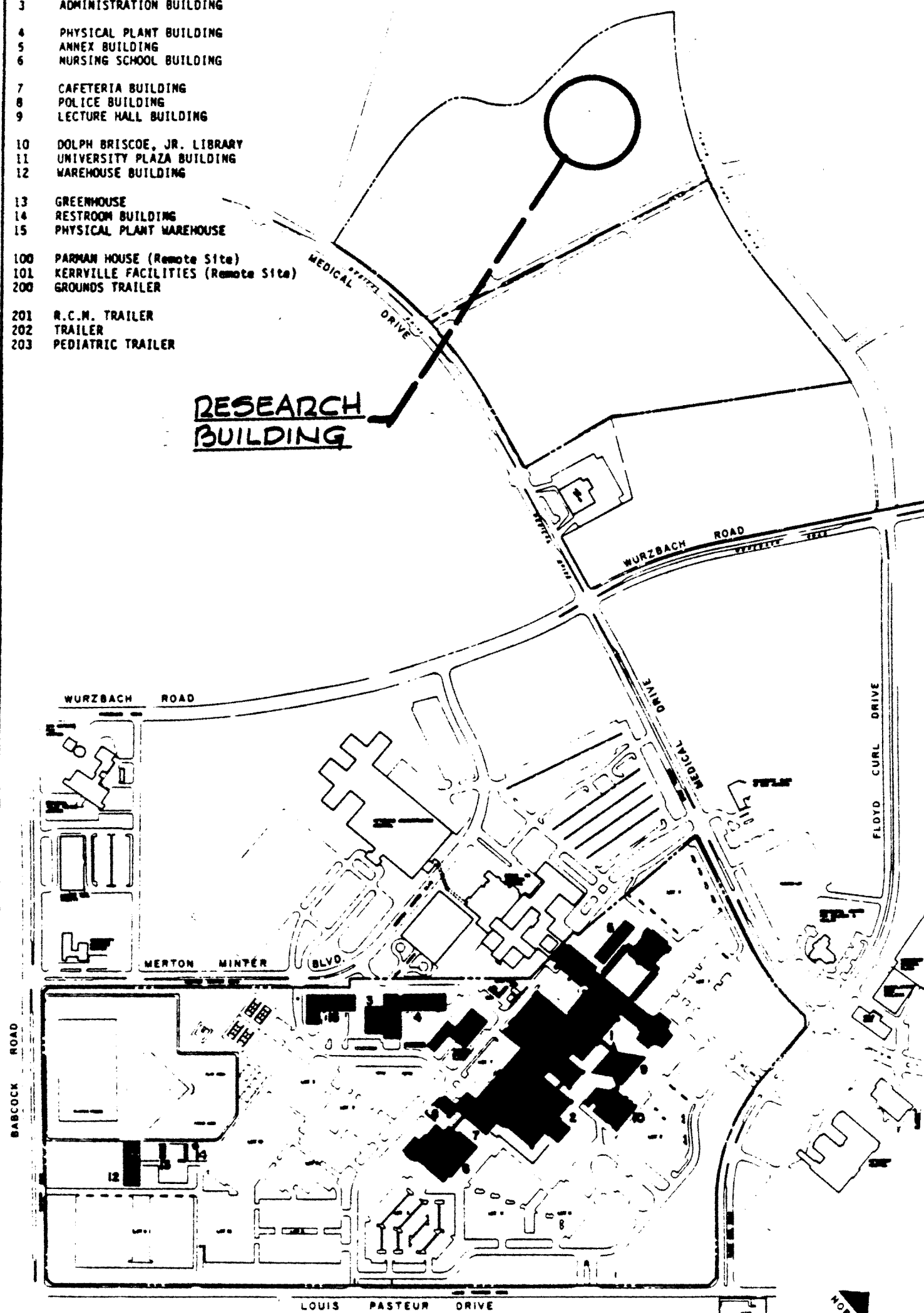
The study should include:

- site selection -- including effect of parking and traffic on the site
- programming of the functions and space to be included in the project
- estimated total project cost
- income estimated to be generated by the project
- sources of funding.

# BUILDING INDEX

- 1 MEDICAL SCHOOL BUILDING
- 2 DENTAL SCHOOL BUILDING
- 3 ADMINISTRATION BUILDING
  
- 4 PHYSICAL PLANT BUILDING
- 5 ANNEX BUILDING
- 6 NURSING SCHOOL BUILDING
  
- 7 CAFETERIA BUILDING
- 8 POLICE BUILDING
- 9 LECTURE HALL BUILDING
  
- 10 DOLPH BRISCOE, JR. LIBRARY
- 11 UNIVERSITY PLAZA BUILDING
- 12 WAREHOUSE BUILDING
  
- 13 GREENHOUSE
- 14 RESTROOM BUILDING
- 15 PHYSICAL PLANT WAREHOUSE
  
- 100 PARMAN HOUSE (Remote Site)
- 101 KERRYVILLE FACILITIES (Remote Site)
- 200 GROUNDS TRAILER
  
- 201 R.C.M. TRAILER
- 202 TRAILER
- 203 PEDIATRIC TRAILER

**RESEARCH  
BUILDING**



THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER  
AT SAN ANTONIO

EXISTING SITE PL  
MARCH 1988

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

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that the U. T. Board of Regents:

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

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in April 1988, final plans and specifications for the construction of the Research Building at the U. T. Health Science Center - San Antonio have been prepared by the Project Architect, Marmon Barclay Souter Foster Hays, San Antonio, Texas.

The new Research Building will be a five-level, 130,020 gross square foot facility providing imaging devices, laboratories, offices, classrooms and animal holding facilities designed to support a research imaging center, a clinical pharmacy and pharmacology research program and an eye research center. The facility will be constructed near the existing campus on a new 25-acre tract conveyed to the U. T. Health Science Center - San Antonio by the San Antonio Medical Foundation.

The estimated construction cost for this new facility is \$16,640,000 resulting in a unit cost of \$127.98 per gross square foot. The total estimated project cost for the Research Building is \$20,000,000 excluding scientific and research equipment.

The Permanent University Fund Bond Proceeds totaling \$10,000,000 allocated to this project are within the scope of the Capital Improvement Program approved by the U. T. Board of Regents on January 14, 1987.

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

7. U. T. M.D. Anderson Cancer Center - Parking Garage: Request for Authorization to Obtain Proposals for Private Enterprise Development.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that the U. T. Board of Regents authorize the U. T. M.D. Anderson Cancer Center Administration to obtain proposals from private sector enterprises for the design, construction and operation of a parking garage for the use of the U. T. M.D. Anderson Cancer Center, which will be presented to the U. T. Board of Regents for consideration at a future meeting.

This item requires the concurrence of the Health Affairs Committee.

#### BACKGROUND INFORMATION

Parking in the Texas Medical Center area is critical, particularly from the standpoint of being able to provide convenient, safe parking for U. T. M.D. Anderson Cancer Center patients and visitors. Many patients state that they will not return because of the difficulties with parking, and referring physicians have stated that the parking inconvenience is a major deterrent to patient referral.

Currently, there are approximately 475 faculty members who park in two garages located relatively close to the main hospital building and another 2,000 employees of the U. T. M.D. Anderson Cancer Center park in various parking lots operated by the Texas Medical Center, some of which are remotely located.

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

A study of alternatives not involving funding from the U. T. System led to the consideration of development by private enterprises. The U. T. M.D. Anderson Cancer Center Administration recommends that proposals be obtained from private enterprises to conceptualize, design, construct, and operate a parking garage, on terms acceptable to the U. T. M.D. Anderson Cancer Center, on property owned by the U. T. Board

of Regents on behalf of the U. T. M.D. Anderson Cancer Center. This property is situated in close proximity to the Anderson-Mayfair Hotel. It is envisioned that this garage will include a walkway to connect to the overhead walkway located near the Anderson-Mayfair Hotel and leading across Holcombe Boulevard.

Following evaluation of the proposals in conjunction with the Office of General Counsel and the Office of Asset Management, recommendations will be presented to the U. T. Board of Regents for consideration. If such a proposed arrangement can be worked out, it will make the construction of our own parking facility unnecessary at this time.

8. U. T. Southwestern Medical Center - Dallas: Presentation of the Master Plan/Land Use Study for the MacArthur Foundation Property (North Campus).--

At the meeting in February 1988, the Board appointed F&S Partners Incorporated, Dallas, Texas, as master planning consultant for the 29 acres of land granted by the John D. and Catherine T. MacArthur Foundation, Chicago, Illinois, for future expansion of The University of Texas Southwestern Medical Center at Dallas.

President Wildenthal will present this planning study.

## Land and Investment Com.

LAND AND INVESTMENT COMMITTEE  
Committee Chairman Ratliff

Date: December 8, 1988  
Time: Following the meeting of the Buildings and  
Grounds Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

	<u>Page</u> <u>L&amp;I</u>
I. <u>Permanent University Fund</u>	
<u>Investment Matters</u>	
1. Report on Clearance of Monies to the Permanent University Fund for August and September 1988 and Report on Oil and Gas Development as of September 30, 1988	5
2. Report on Investments for the Fiscal Year Ended August 31, 1988	6
II. <u>Trust and Special Funds</u>	
<u>Gifts, Bequests and Estates</u>	
U. T. ARLINGTON	
1. Recommendation to Accept Gifts and Securities to Establish The Tracy Wagner Dwyer Scholarship in the School of Nursing	6
2. Recommendation to Accept Bequest to Establish The Shakespeare Club of Arlington Scholarship	7
U. T. AUSTIN	
3. Recommendation to Accept Gift to Establish an Endowment for the Barker Texas History Center and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program	7
4. Recommendation to Accept Gifts and Transfer of Funds to Establish the W. Pat Biggs Classroom Endow- ment in the College of Engineering	8
5. T. J. Gibson, III Endowed Scholar- ship Fund in the School of Law: Recommendation to Accept Additional Gifts and Transfer of Funds and Redesignate as the T. J. Gibson, III Endowed Presidential Scholarship in Law	8



U. T. AUSTIN

6. Recommendation to Accept Gift to Establish the Anne Haskins Grousbeck Scholarship for Academic Accomplishment and Leadership, Team Spirit and Excellence in Women's Tennis in Intercollegiate Athletics for Women 9
  7. The Ray Hall Advertising Fellowship in the College of Communication - Recommendation to Accept Additional Gifts and Corporate Matching Funds and Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program 9
  8. Recommendation to Accept Transfer of Funds to Establish the William O. Huie Endowed Presidential Scholarship in Law in the School of Law 10
  9. Recommendation to Accept Gift to Establish the Jesse H. Jones and Mary Gibbs Jones Endowed Presidential Scholarship in the Graduate School of Business and Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program 11
  10. Kelly, Appleman, Hart & Hallman Faculty Fellowship in Law in the School of Law - Recommendation to Redesignate as the Kelly, Hart & Hallman Regents Faculty Fellowship in Law 11
  11. Recommendation to Accept a Gift of 4.3405 Acres of Undeveloped Land Located in Plano, Collin County, Texas, from Dr. and Mrs. C. L. Lundell, Dallas, Texas, to Establish The Lundell Endowment, a Charitable Remainder Unitrust 12
  12. Recommendation to Accept Gift to Establish the Eugene McDermott Texas Excellence Award for Scholarship and Leadership 13
  13. Recommendation to Accept Gift and Pledge to Establish the Uniden Corporation of America Endowed Scholarships in Engineering in the College of Engineering (NO PUBLICITY) 13
- U. T. SAN ANTONIO
14. Recommendation to Accept Gift to Establish the William G. and Loyce Collenback Endowed Scholarship 14

U. T. SOUTHWESTERN MEDICAL CENTER - DALLAS

15. Recommendation to Accept Gift to Establish the S. Roger and Carolyn P. Horchow Professorship in Cardiac Research, in Honor of Jere H. Mitchell, M.D., and Eligibility for Matching Funds Under the Texas Eminent Scholars Program 14
16. Paul C. MacDonald Professorship in Obstetrics and Gynecology and Mineral Metabolism Endowed Chair Fund - Eligibility for Matching Funds Under the Texas Eminent Scholars Program 15
17. Recommendation to Accept Gifts and Pledges to Establish the Frank M. Ryburn, Jr., Distinguished Chair in Cardiothoracic Surgery and Transplantation and Eligibility for Matching Funds Under the Texas Eminent Scholars Program 16
18. Recommendation to Accept Gifts and Pledges to Establish the Donald W. Seldin Distinguished Chair in Internal Medicine and Eligibility for Matching Funds Under the Texas Eminent Scholars Program 16
19. Raymond and Ellen Willie Chair in Molecular Neuropharmacology - Recommendation to Accept Additional Gift and Pledges and to Redesignate as the Raymond and Ellen Willie Distinguished Chair in Molecular Neuropharmacology and Eligibility for Matching Funds Under the Texas Eminent Scholars Program 17
20. Recommendation to Redesignate Three Endowed Academic Positions 18

U. T. MEDICAL BRANCH - GALVESTON

21. Recommendation to Accept Gifts to Establish the Zelda Zinn Casper Scholars Endowment 19
22. Recommendation to Accept Gifts to Establish the Edward J. Lefeber Sr., M.D. Lectureship in Gerontology 19

U. T. HEALTH SCIENCE CENTER - HOUSTON

23. Recommendation to Accept Gifts to Establish The D. Jack Kilian Memorial Scholarship 20

U. T. HEALTH SCIENCE CENTER - HOUSTON

24. Recommendation to Accept Gifts to Establish The UTMSH Alumni Association Scholarship Fund 20

U. T. HEALTH SCIENCE CENTER - SAN ANTONIO

25. Recommendation to Accept Benefits Under the Bennie W. Schreck Charitable Trust 21

26. Joseph Seitchik Professorship in Obstetrics and Gynecology - Recommendation to Redesignate as the Joseph Seitchik Chair in Obstetrics and Gynecology 21

U. T. M.D. ANDERSON CANCER CENTER

27. Cicero Brown Chair - Recommendation to Delete Position (NO PUBLICITY) 22

III. Intellectual Property

- U. T. Austin: Recommendation for Approval of Sponsored Research Agreements with Texas Instruments Incorporated, Dallas, Texas 22

I. PERMANENT UNIVERSITY FUND

INVESTMENT MATTERS

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

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

Oil and Gas Development - September 30, 1988

Acreage Under Lease - 694,375

Number of Producing Acres - 549,684

Number of Producing Leases - 2,199

2. Permanent University Fund: Report on Investments for the Fiscal Year Ended August 31, 1988.--

RECOMMENDATION

Under separate bound cover, the Executive Vice Chancellor for Asset Management presents a report on Permanent University Fund investments for the fiscal year ended August 31, 1988. During the fiscal year, periodic reports of investment transactions made for the Fund were submitted to the U. T. Board of Regents for approval. The present report summarizes the investment transactions for the fiscal year and indicates the status of the Fund's portfolio as of August 31, 1988.

The Permanent University Fund book value of assets and earnings during the year is shown below:

	<u>Fiscal Year Ended 8/31</u>		<u>Increase</u>	
	<u>1987</u>	<u>1988</u>	<u>Amount</u>	<u>%</u>
Book Value	\$2,919,540,498	\$3,082,118,711	\$162,578,213	5.57%
Investment				
Income	214,771,440	237,166,389	22,394,949	10.43%

The Chancellor recommends that the formal report be approved in order that copies may be distributed to the Governor, members of the Legislature and other State Officials, as required by Section 66.05 of the Texas Education Code.

II. TRUST AND SPECIAL FUNDS

GIFTS, BEQUESTS AND ESTATES

1. U. T. Arlington: Recommendation to Accept Gifts and Securities to Establish The Tracy Wagner Dwyer Scholarship in the School of Nursing.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nedderman that a gift of Emerson Electric common stock valued at \$6,362.50 from Mr. Thomas E. Dwyer, Garland, Texas, and \$3,745.00 in gifts from various donors for a total of \$10,107.50 be accepted to establish The Tracy Wagner Dwyer Scholarship at U. T. Arlington.

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

BACKGROUND INFORMATION

Mr. Thomas E. Dwyer is funding this endowment in memory of his wife, Tracy Wagner Dwyer. Mr. Dwyer attended U. T. Arlington from 1974 to 1978. He believes there is a significant need for nursing professionals and that this scholarship will provide deserving individuals the opportunity to

comfort, assist and affect many future lives. This desire to help others reflects the ideals which most influenced the life of Tracy Wagner Dwyer.

2. U. T. Arlington: Recommendation to Accept Bequest to Establish The Shakespeare Club of Arlington Scholarship.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nedderman that a \$25,000 bequest from the Estate of Dora Ella Nichols, Dallas, Texas, be accepted to establish The Shakespeare Club of Arlington Scholarship at U. T. Arlington.

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

#### BACKGROUND INFORMATION

Mrs. Dora Ella Nichols was a member of the Shakespeare Club of Arlington which was established in 1909 and disbanded approximately five years ago. This bequest is to carry on her interests in the dramatic and literary works of the Shakespeare era.

3. U. T. Austin: Recommendation to Accept Gift to Establish an Endowment for the Barker Texas History Center and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$500,000 gift from Mr. J. R. Parten, Houston, Texas, be accepted to establish an endowed chair for the Barker Texas History Center at U. T. Austin. An official name for the endowment will be submitted at a later date.

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

It is further recommended that \$250,000 of the gift be matched under The Regents' Endowed Teachers and Scholars Program and used to increase the endowment to a total of \$750,000.

#### BACKGROUND INFORMATION

Mr. J. R. Parten attended U. T. Austin from 1913 to 1917. He is Chairman of Parten Oil in Houston, Texas, and is a former Chairman of the U. T. Board of Regents and a life member of The President's Associates. He has provided continuous and generous support to the U. T. System.

4. U. T. Austin: Recommendation to Accept Gifts and Transfer of Funds to Establish the W. Pat Biggs Classroom Endowment in the College of Engineering.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that gifts totalling \$5,480 from various donors and a \$4,520 transfer of previously reported gifts from current restricted funds for a total of \$10,000 be accepted to establish the W. Pat Biggs Classroom Endowment in the Department of Petroleum Engineering, College of Engineering, at U. T. Austin.

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

#### BACKGROUND INFORMATION

This gift is part of a special private fund development campaign for the College of Engineering in accordance with Part One, Chapter VII, Section 2, Subsection 2.44 of the Regents' Rules and Regulations.

See Item 6 on Page AAC - 9 related to naming a room in the Chemical and Petroleum Engineering Building at U. T. Austin.

5. U. T. Austin - T. J. Gibson, III Endowed Scholarship Fund in the School of Law: Recommendation to Accept Additional Gifts and Transfer of Funds and Redesignate as the T. J. Gibson, III Endowed Presidential Scholarship in Law.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that \$10,857 in gifts from various donors and a \$5,000 transfer of previously reported gifts from current restricted funds for a total of \$15,857 be accepted for addition to the T. J. Gibson, III Endowed Scholarship Fund in the School of Law at U. T. Austin for a total endowment of \$25,857. The Scholarship is to be redesignated as the T. J. Gibson, III Endowed Presidential Scholarship in Law.

### BACKGROUND INFORMATION

The T. J. Gibson, III Endowed Scholarship Fund was established at the April 1986 meeting of the U. T. Board of Regents with a \$2,500 gift and a \$7,500 pledge from Mrs. T. J. Gibson, Quitman, Texas. Mr. Thomas J. Gibson, III, deceased, received a B.A. in English in 1939 and a J.D. in 1948 from U. T. Austin. He joined the U. T. Austin faculty in 1948 as an instructor and assistant librarian. Mr. Gibson served as Associate Dean for Student Affairs in the School of Law from 1969 until 1984 at which time he was designated Associate Professor Emeritus.

6. U. T. Austin: Recommendation to Accept Gift to Establish the Anne Haskins Grousbeck Scholarship for Academic Accomplishment and Leadership, Team Spirit and Excellence in Women's Tennis in Intercollegiate Athletics for Women.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$15,000 gift from Mr. and Mrs. H. Irving Grousbeck, Portola Valley, California, be accepted to establish the Anne Haskins Grousbeck Scholarship for Academic Accomplishment and Leadership, Team Spirit and Excellence in Women's Tennis in Intercollegiate Athletics for Women at U. T. Austin.

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

### BACKGROUND INFORMATION

Mr. and Mrs. Grousbeck are funding this endowment in honor of their daughter, Anne Grousbeck, who received her B.A. in English from U. T. Austin in 1988. Miss Grousbeck, Gainesville, Florida, was a member of the women's varsity tennis team from 1985 to 1988. She maintained a strong academic record and was a three-time All-American.

7. U. T. Austin: The Ray Hall Advertising Fellowship in the College of Communication - Recommendation to Accept Additional Gifts and Corporate Matching Funds and Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$5,000 gift from Mrs. Mary Anne Hall, Houston, Texas, \$5,000 in corporate matching funds from the AT&T Foundation,



Wall, New Jersey, and \$505 in gifts from various donors for a total of \$10,505 be accepted for addition to The Ray Hall Advertising Fellowship in the College of Communication at U. T. Austin.

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

#### BACKGROUND INFORMATION

The Ray Hall Advertising Fellowship was established at the October 1986 meeting of the U. T. Board of Regents with a \$12,000 transfer of previously reported gifts. Mr. Ray C. Hall, deceased 1986, was a special instructor from 1979 to 1981 in the Department of Advertising at U. T. Austin. Mrs. Mary Anne Hall, his widow, is employed with the AT&T Foundation.

8. U. T. Austin: Recommendation to Accept Transfer of Funds to Establish the William O. Huie Endowed Presidential Scholarship in Law in the School of Law.--

#### RECOMMENDATION

The University of Texas Law School Foundation (an external foundation) has expressed the desire that the William O. Huie Endowed Presidential Scholarship in Law be established in the School of Law at U. T. Austin. The Chancellor concurs with the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$15,000 transfer of previously reported gifts from current restricted funds be accepted and that the endowment be established in accordance with the Regents' Rules and Regulations. Funds in the amount of \$10,175 will be held and administered by The University of Texas Law School Foundation and \$15,000 will be held and administered by the U. T. Board of Regents. Income earned from the endowment will be used to award scholarships at the discretion of the Dean of the Law School to students based on need and merit.

#### BACKGROUND INFORMATION

The University of Texas Law School Foundation has reported receiving \$6,975 in gifts and \$3,200 in pledges from various donors in honor of Dr. William O. Huie, Austin, Texas. Dr. Huie received his LL.B. from U. T. Austin in 1935. He has been the Sylvan Lang Professor Emeritus in the School of Law at U. T. Austin since 1965.

9. U. T. Austin: Recommendation to Accept Gift to Establish the Jesse H. Jones and Mary Gibbs Jones Endowed Presidential Scholarship in the Graduate School of Business and Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$25,000 gift from Houston Endowment Inc., Houston, Texas, be accepted to establish the Jesse H. Jones and Mary Gibbs Jones Endowed Presidential Scholarship in the Graduate School of Business at U. T. Austin.

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

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

BACKGROUND INFORMATION

Houston Endowment Inc. was established in 1937 by Jesse H. Jones and has provided continuous and generous support to U. T. Austin. The late Mr. and Mrs. Jones have been the honorees of several endowments at U. T. Austin.

10. U. T. Austin: Kelly, Appleman, Hart & Hallman Faculty Fellowship in Law in the School of Law - Recommendation to Redesignate as the Kelly, Hart & Hallman Regents Faculty Fellowship in Law.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the Kelly, Appleman, Hart & Hallman Faculty Fellowship in Law in the School of Law be redesignated as the Kelly, Hart & Hallman Regents Faculty Fellowship in Law at U. T. Austin.

This recommendation is being made in accordance with the donors' request.

BACKGROUND INFORMATION

The Kelly, Appleman, Hart & Hallman Faculty Fellowship in Law was established at the August 1984 meeting of the U. T. Board of Regents with \$25,000 in matching funds from The Regents'

Endowed Teachers and Scholars Program combined with \$25,000 in previously approved matching funds from The Centennial Teachers and Scholars Program for a total endowment of \$50,000. Matching funds were approved from gifts used to establish the Roy and Grace Whittenburg Centennial Lectureship in the School of Law.

11. U. T. Austin: Recommendation to Accept a Gift of 4.3405 Acres of Undeveloped Land Located in Plano, Collin County, Texas, from Dr. and Mrs. C. L. Lundell, Dallas, Texas, to Establish The Lundell Endowment, a Charitable Remainder Unitrust.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham to accept a gift of 4.3405 acres of undeveloped land in the Joseph Klepper Survey, Abstract No. 213, Plano, Collin County, Texas, from Dr. and Mrs. C. L. Lundell, Dallas, Texas, to establish The Lundell Endowment, a charitable remainder unitrust at U. T. Austin. Based on the 1988 tax assessment, the value of the property is estimated to be in excess of \$1,800,000.

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

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

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

#### BACKGROUND INFORMATION

Dr. Lundell is a member of The Chancellor's Council, an Adjunct Professor of Botany at U. T. Austin and the Director of the Plant Sciences Laboratory at U. T. Dallas. Dr. and Mrs. Lundell have made numerous contributions to the University.

12. U. T. Austin: Recommendation to Accept Gift to Establish the Eugene McDermott Texas Excellence Award for Scholarship and Leadership.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$175,000 gift from The Eugene McDermott Foundation, Dallas, Texas, be accepted to establish the Eugene McDermott Texas Excellence Award for Scholarship and Leadership at U. T. Austin.

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

BACKGROUND INFORMATION

Mrs. Margaret McDermott is the President of The Eugene McDermott Foundation founded by her husband, Eugene McDermott, deceased. Mr. McDermott co-founded Geophysical Services, Inc., Dallas, Texas, in 1930, which later became Texas Instruments, Inc. The McDermott family and the Foundation have been continuous and generous supporters to the components of the U. T. System.

13. U. T. Austin: Recommendation to Accept Gift and Pledge to Establish the Uniden Corporation of America Endowed Scholarships in Engineering in the College of Engineering (NO PUBLICITY).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$250,000 gift and a \$750,000 pledge, payable by December 31, 1992, from Uniden Corporation of America, Fort Worth, Texas, for a total of \$1,000,000 be accepted with \$600,000 used to establish the Uniden Corporation of America Endowed Scholarships in Engineering in the College of Engineering and \$400,000 used to award current scholarships in the College of Engineering at U. T. Austin.

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

### BACKGROUND INFORMATION

Uniden Corporation of America manufactures, repairs, and distributes communication equipment. Its chief corporate officers, Mr. Hidero Fujimoto and Mr. H. Kunieda, are pleased to present this gift to the College of Engineering and look forward to a mutually beneficial relationship.

### NO PUBLICITY

14. U. T. San Antonio: Recommendation to Accept Gift to Establish the William G. and Loyce Collenback Endowed Scholarship.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Wagener that a \$10,000 gift from William G. and Loyce Collenback, San Antonio, Texas, be accepted to establish the William G. and Loyce Collenback Endowed Scholarship at U. T. San Antonio.

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

### BACKGROUND INFORMATION

Mr. William G. Collenback received his B.A. in 1954 from U. T. Austin. Dr. Loyce Collenback received her B.A. in 1955, her M.A. in 1956, and her Ph.D. in 1982 in Math Education from U. T. Austin. The Collenbacks have an interest in higher education and a belief that U. T. San Antonio will draw business and technology to South Texas.

15. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gift to Establish the S. Roger and Carolyn P. Horchow Professorship in Cardiac Research, in Honor of Jere H. Mitchell, M.D., and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that a \$100,000 gift from Mr. and Mrs. S. Roger Horchow, Dallas, Texas, be accepted to establish the S. Roger and Carolyn P. Horchow Professorship in Cardiac Research, in Honor of Jere H. Mitchell, M.D., at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that the actual income which will be earned on the \$100,000 gift be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

#### BACKGROUND INFORMATION

Mr. S. Roger Horchow is a prominent Dallas businessman. He is Chairman of the Board and Founder of The Horchow Collection. Long-time supporters of the U. T. Southwestern Medical Center - Dallas, Mr. and Mrs. Horchow are also personal friends of Dr. Jere H. Mitchell, a graduate of the U. T. Southwestern Medical School - Dallas. Dr. Mitchell is Professor of Internal Medicine and Physiology at the U. T. Southwestern Medical Center - Dallas.

16. U. T. Southwestern Medical Center - Dallas: Paul C. MacDonald Professorship in Obstetrics and Gynecology and Mineral Metabolism Endowed Chair Fund - Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that the actual income which will be earned on \$109,120 in previously reported gifts from various donors to the Paul C. MacDonald Professorship in Obstetrics and Gynecology and \$169,734 in previously reported gifts from various donors to the Mineral Metabolism Endowed Chair Fund at the U. T. Southwestern Medical Center - Dallas be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

#### BACKGROUND INFORMATION

The Paul C. MacDonald Professorship in Obstetrics and Gynecology was established at the December 1987 meeting of the U. T. Board of Regents with gifts totalling \$100,000 from various donors. The Mineral Metabolism Endowed Chair Fund was established at the February 1988 meeting of the U. T. Board of Regents with a \$50,000 gift from Hunt Oil Company, Dallas, Texas. Both endowments have since received additional funding from various donors. Neither endowment has ever been certified for matching under the Texas Eminent Scholars Program.

17. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gifts and Pledges to Establish the Frank M. Ryburn, Jr., Distinguished Chair in Cardiothoracic Surgery and Transplantation and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that a \$500,000 gift from the Harry S. Moss Heart Trust, a \$400,000 pledge from an anonymous donor, a \$50,000 pledge from Mr. Cecil Green, Dallas, Texas, and a \$50,000 pledge from the Southwestern Medical Foundation, Dallas, Texas (to be held in trust at the Southwestern Medical Foundation), all pledges payable by December 31, 1988, for a total of \$1,000,000 be accepted to establish the Frank M. Ryburn, Jr., Distinguished Chair in Cardiothoracic Surgery and Transplantation at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that the actual income which will be earned on the \$500,000 gift and \$450,000 in pledges as received, be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

BACKGROUND INFORMATION

Mr. Frank M. Ryburn, Jr., is a prominent Dallas attorney, businessman, and Trustee for the Harry S. Moss Heart Trust. He is a long-standing friend of the U. T. Southwestern Medical Center - Dallas and has been a leader in providing funds for cardiac research.

Mr. Harry S. Moss died December 26, 1970, leaving a Will which, after certain bequests, left the residue of his estate to fund the Harry S. Moss Heart Trust for the Prevention and Cure of Heart Disease. This trust was enhanced by Florence M. Moss who died on December 31, 1978, leaving one-third of her estate to the trust.

18. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gifts and Pledges to Establish the Donald W. Seldin Distinguished Chair in Internal Medicine and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that gifts of \$595,699.16 and pledges of \$450,000.00, payable

by December 31, 1988, from various donors, for a total of \$1,045,699.16 be accepted to establish the Donald W. Seldin Distinguished Chair in Internal Medicine at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that the actual income which will be earned on the \$1,045,699.16 in gifts and pledges be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

#### BACKGROUND INFORMATION

Alumni and faculty of the U. T. Southwestern Medical Center - Dallas, along with community friends and admirers of Dr. Donald W. Seldin, have contributed these funds to endow a Chair as an expression of their esteem for him. Dr. Seldin was Chairman of the Department of Internal Medicine for thirty-five years and has been a driving force at the U. T. Southwestern Medical Center - Dallas. He is internationally acclaimed as an outstanding teacher, researcher, clinician, and academic leader.

19. U. T. Southwestern Medical Center - Dallas: Raymond and Ellen Willie Chair in Molecular Neuropharmacology - Recommendation to Accept Additional Gift and Pledges and to Redesignate as the Raymond and Ellen Willie Distinguished Chair in Molecular Neuropharmacology and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that a \$250,000 gift from Mr. and Mrs. Raymond Willie, Jr., Dallas, Texas, a \$200,000 pledge from an anonymous donor, a \$25,000 pledge from Mr. Cecil Green, Dallas, Texas, and a \$25,000 pledge from the Southwestern Medical Foundation, Dallas, Texas (to be held in trust at the Southwestern Medical Foundation), all pledges payable by December 31, 1988, for a total of \$500,000 be accepted for addition to the Raymond and Ellen Willie Chair in Molecular Neuropharmacology. The Chair is to be redesignated as the Raymond and Ellen Willie Distinguished Chair in Molecular Neuropharmacology at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that the actual income which will be earned on the \$250,000 gift and \$225,000 in pledges, as received, be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.



### BACKGROUND INFORMATION

The Raymond and Ellen Willie Chair in Molecular Neuropharmacology was established at the February 1987 meeting of the U. T. Board of Regents with a \$500,000 gift from Raymond and Ellen Willie, Jr., Dallas, Texas. Mr. and Mrs. Willie are friends of Dr. Charles Sprague, a former president of the U. T. Southwestern Medical Center - Dallas. They funded this endowment in honor of Dr. Harold B. Crasilneck, a mutual friend of Dr. Sprague's and long-time supporter of the U. T. Southwestern Medical Center - Dallas.

#### 20. U. T. Southwestern Medical Center - Dallas: Recommendation to Redesignate Three Endowed Academic Positions.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that the three endowed academic positions at the U. T. Southwestern Medical Center - Dallas listed below be redesignated as indicated:

<u>Present</u>	<u>Proposed</u>
a. Cecil H. and Ida Green Chair in Reproductive Biology Sciences	Cecil H. and Ida Green Distinguished Chair in Reproductive Biology Sciences
b. Stanton Sharp Chair in Psychiatry	Stanton Sharp Distinguished Chair in Psychiatry
c. Southland Financial Corporation Chair in Geriatrics	Southland Financial Corporation Distinguished Chair in Geriatrics

These recommendations are being made in accordance with the modification to the Regents' Rules and Regulations, Part Two, Chapter I, Sections 1-4 and the donors' request.

### BACKGROUND INFORMATION

The Regents' Rules and Regulations, Part Two, Chapter I, Sections 1-4 were amended at the April 1988 meeting of the U. T. Board of Regents. This amendment restructured several U. T. System endowed academic positions relating to minimum funding levels for endowments.

21. U. T. Medical Branch - Galveston: Recommendation to Accept Gifts to Establish the Zelda Zinn Casper Scholars Endowment.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$153,759.18 gift from the Zelda Zinn Casper Foundation, Houston, Texas, and \$27,300 in gifts from various family members for a total of \$181,059.18 be accepted to establish the Zelda Zinn Casper Scholars Endowment at the U. T. Medical Branch - Galveston.

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

BACKGROUND INFORMATION

The Zinn family is funding this endowment in memory of Zelda Zinn Casper, a former patient of the John Sealy Hospital in Galveston. Mrs. Casper was a victim of tuberculosis. Due to her illness, she requested that funds from her estate be used for research in the biomedical sciences. These funds, along with contributions from various family members, were used to establish the former Zelda Zinn Casper Foundation. The Zinn family has given all assets from the Foundation to the U. T. Medical Branch - Galveston to establish this endowment.

22. U. T. Medical Branch - Galveston: Recommendation to Accept Gifts to Establish the Edward J. Lefeber, Sr., M.D. Lectureship in Gerontology.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$16,000 gift from Mrs. Edward J. Lefeber, Sr., Galveston, Texas, a \$2,000 gift from Nancy L. and Michael B. Hughes, Galveston, Texas, and a \$2,000 gift from Maryann Guill, M.D., Internal Medicine Associates, Galveston, Texas, for a total of \$20,000 be accepted to establish the Edward J. Lefeber, Sr., M.D. Lectureship in Gerontology at the U. T. Medical Branch - Galveston.

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

### BACKGROUND INFORMATION

Early in 1988, the initial commitment from the Lefeber family for the new endowment was received. The intent of the Lectureship is to honor the memory of Dr. Lefeber who, at the time of his death in January 1988, was Clinical Professor in Internal Medicine and Family Medicine at U. T. Medical Branch - Galveston. Dr. Lefeber had been a member of the faculty since 1940. This gift was initiated prior to the U. T. Board of Regents' action on April 14, 1988, which increased the funding level for this type of endowment.

23. U. T. Health Science Center - Houston: Recommendation to Accept Gifts to Establish The D. Jack Kilian Memorial Scholarship.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and Interim President Ribble that gifts totalling \$10,000 from various donors be accepted to establish The D. Jack Kilian Memorial Scholarship at the U. T. Health Science Center - Houston.

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

### BACKGROUND INFORMATION

The family and friends of Dr. D. Jack Kilian are funding this endowment in his memory. Mrs. Susan Goddard, the daughter of Dr. Kilian, is the major donor to this fund. Dr. Kilian was a friend, a colleague and a teacher, who contributed daily to the life of the U. T. Public Health School - Houston.

24. U. T. Health Science Center - Houston: Recommendation to Accept Gifts to Establish The UTMSH Alumni Association Scholarship Fund.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and Interim President Ribble that gifts totalling \$10,000 from various donors be accepted to establish The UTMSH Alumni Association Scholarship Fund at the U. T. Health Science Center - Houston.

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

#### BACKGROUND INFORMATION

Funds to establish this endowment have been donated since 1982 by many U. T. Medical School - Houston alumni to ensure that a medical education will be attainable by the most qualified students, not just those who can afford it.

25. U. T. Health Science Center - San Antonio: Recommendation to Accept Benefits Under the Bennie W. Schreck Charitable Trust.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that benefits from an undivided one-fourth interest in the Bennie W. Schreck Charitable Trust be accepted with the income therefrom designated for student financial aid. Frost National Bank of San Antonio is serving as trustee of the trust which has a market value of \$387,000 and is expected to produce approximately \$6,000 annually for the U. T. Health Science Center - San Antonio.

#### BACKGROUND INFORMATION

Mrs. Bennie W. Schreck of San Antonio, Texas, expired January 17, 1988, leaving eighty percent of her estate to Frost National Bank of San Antonio as trustee to create and fund the Bennie W. Schreck Charitable Trust. The balance of her estate was used to fund a charitable remainder life trust for the benefit of her two sisters, with any residual directed to the Bennie W. Schreck Charitable Trust.

26. U. T. Health Science Center - San Antonio: Joseph Seitchik Professorship in Obstetrics and Gynecology - Recommendation to Redesignate as the Joseph Seitchik Chair in Obstetrics and Gynecology.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that the Joseph Seitchik Professorship in Obstetrics and Gynecology be redesignated as the Joseph Seitchik Chair in Obstetrics and Gynecology at the U. T. Health Science Center - San Antonio.

This recommendation is being made in accordance with the donors' request.

### BACKGROUND INFORMATION

The Joseph Seitchik Professorship in Obstetrics and Gynecology was established at the October 1983 meeting of the U. T. Board of Regents with a \$100,000 pledge from former residents of the U. T. Health Science Center - San Antonio, the Hahnemann Medical College in Philadelphia, Pennsylvania, the Sinai Hospital of Baltimore, Maryland, and the faculty of the Department of Obstetrics and Gynecology at the U. T. Health Science Center - San Antonio. Recent additions have brought the endowment to a total exceeding the \$500,000 required for designation as a Chair.

27. U. T. M.D. Anderson Cancer Center: Cicero Brown Chair - Recommendation to Delete Position (NO PUBLICITY).--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that the Cicero Brown Chair at the U. T. M.D. Anderson Cancer Center be deleted from the record since funding will not be available.

### BACKGROUND INFORMATION

The Cicero Brown Chair was established at the August 1981 meeting of the U. T. Board of Regents with a \$600,000 pledge from Mr. J. R. Brown, Houston, Texas. The pledge was expected to be paid by the end of the calendar year 1983, but Mr. Brown expired prior to the completion of funding arrangements.

### NO PUBLICITY

### III. INTELLECTUAL PROPERTY

U. T. Austin: Recommendation for Approval of Sponsored Research Agreements with Texas Instruments Incorporated, Dallas, Texas.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that approval be given to proposed Sponsored Research Agreements #01474 and #01514 between U. T. Austin and Texas Instruments Incorporated, Dallas, Texas, as set out on Pages L&I 24 - 32.

## BACKGROUND INFORMATION

Pursuant to proposed sponsored research agreement #01474 with U. T. Austin, Texas Instruments Incorporated (TI) will provide up to \$45,000 for a project that will define and develop a system to test the dimensionality of printed dots on a page with specific measurement accuracy. The project will be directed by Dr. Robert Flake, Professor, Department of Electrical and Computer Engineering, and Dr. Glenn Masada, Associate Professor, Department of Mechanical Engineering at U. T. Austin.

Pursuant to proposed sponsored research agreement #01514 with U. T. Austin, TI will provide up to \$20,000 for a project to develop mid-course mathematical algorithms for missiles based on flight mechanics optimal guidance problems. The project will be directed by Dr. Jason Speyer, Professor, Department of Aerospace Engineering and Engineering Mechanics at U. T. Austin.

The U. T. Board of Regents adopted "Policy and Guidelines for the Negotiation, Review and Approval of Sponsored Research Projects with Nonprofit and for Profit Nongovernmental Entities" on December 5, 1985, and authorized institutions to seek U. T. Board of Regents approval for agreements conforming to the Guidelines through inclusion of the agreements in the institutional dockets. Pursuant to the Regents' Rules and Regulations, Part Two, Chapter V, Subdivision 2.492 related to intellectual property, proposed agreements deviating substantially from the Guidelines require appropriate administrative approval and submission to the U. T. Board of Regents via the agenda.

Each proposed TI agreement presented herein requires the granting of a "world-wide, unrestricted, royalty-free non-exclusive license" to utilize results of the TI-funded project. The royalty-free aspect of the license deviates from the Guidelines which require at Part (b) that "The sponsoring entity may have an option for either an exclusive or non-exclusive right to a license to develop and commercialize any intellectual property from the project for a royalty in an amount to be negotiated." President Cunningham is of the opinion that the potential benefits to be gained from the agreements with the royalty-free licenses outweigh potential negotiated royalties for possible intellectual property related to project results. Additionally, the proposed research offers contributions to the graduate education and research missions that provide gains potentially greater than any which might accrue from intellectual property resulting from the proposed TI-funded research. The Chancellor and the Executive Vice Chancellor for Academic Affairs agree that the value to be received from these agreements combined with the continuing funding and support provided by TI to U. T. Austin and other U. T. System component institutions supports the recommended approval.

TEXAS INSTRUMENTS INCORPORATED  
SPONSORED RESEARCH AGREEMENT

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

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

NOW THEREFORE, the parties agree as follows:

1. SCOPE OF WORK:

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

2. TERM OF AGREEMENT:

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

3. COMPENSATION:

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

4. SUPPLIES AND EQUIPMENT:

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

5. REPORTS:

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

6. OWNERSHIP AND LICENSING OF INTELLECTUAL PROPERTY:

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

7. WARRANTIES:

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



8. COMMUNICATION AND ADMINISTRATION:

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

For TI:

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

For INSTITUTION:

MR. WAYNE K. KUENTSLER  
INTERIM DIRECTOR  
OFFICE OF SPONSORED PROJECTS  
AUSTIN, TX. 78712  
(512) 471-4258

9. PUBLICATION:

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

10. USE OF NAME:

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

11. INDEPENDENT CONTRACTOR:

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

12. BINDING AGREEMENT:

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

13. ASSIGNMENT:

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

14. MODIFICATION:

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

15. MERGER OF AGREEMENT:

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

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

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

FOR: TEXAS INSTRUMENTS INCORPORATED

FOR: UNIVERSITY OF TEXAS  
AT AUSTIN

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

THE UNIVERSITY OF TEXAS AT AUSTIN  
AND  
TEXAS INSTRUMENTS INCORPORATED  
SPONSORED RESEARCH AGREEMENT

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

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

NOW THEREFORE, the parties agree as follows:

1. SCOPE OF WORK:

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

2. TERMS OF AGREEMENT:

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

3. COMPENSATION:

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

4. SUPPLIES AND EQUIPMENT:

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

5. REPORTS:

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

6. OWNERSHIP AND LICENSING OF INTELLECTUAL PROPERTY:

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

7. WARRANTIES:

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

8. ADMINISTRATION AND COMMUNICATION:

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

For TI:

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

For INSTITUTION:

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

-or-

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

9. PUBLICATION:

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

10. USE OF NAME:

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

11. INDEPENDENT CONTRACTOR:

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

12. BINDING AGREEMENT:

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

13. ASSIGNMENT:

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

14. MODIFICATION:

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

15. MERGER OF AGREEMENT:

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

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

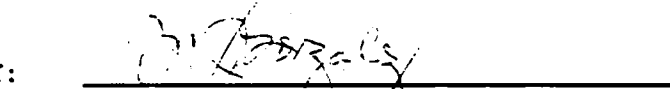
BY:

  
THOMAS D. STRINGFELLOW

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

FOR: TEXAS INSTRUMENTS INCORPORATED

BY:

  
DR. RICHARD MIKSAD

TITLE: ASSOCIATE DEAN FOR RESEARCH  
COLLEGE OF ENGINEERING

FOR: UNIVERSITY OF TEXAS AT AUSTIN

BY: DR. STEPHEN MONTI

TITLE: VICE PROVOST

FOR: UNIVERSITY OF TEXAS AT AUSTIN

EXHIBIT A  
VISION SYSTEM FOR MEASURING THE  
DIMENSIONALITY OF PRINT DOTS

STATEMENT OF WORK

1.0 OVERVIEW

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

2.0 SCHEDULE

Start date of July 1, 1988

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

3.0 PROJECT COST

Total for salaries, wages, and equipment of \$45,000.00

Fabrication costs to be paid by Texas Instruments for any prototypes or special equipment needed.

4.0 TASK

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

5.0 SCOPE

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

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

6.0 HARDWARE

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

7.0 CONFIDENTIALITY FOR PUBLICATION

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

LAND AND INVESTMENT COMMITTEE

ADDITIONAL ITEM

DECEMBER 8, 1988

IV. OTHER MATTERS

U. T. System: Recommendation to (a) Amend the Investment Guidelines Section of the "Permanent University Fund Investment Policy Statement" and (b) Authorize Editorial Changes to the "Common Trust Fund Investment Policy Statement" and the "Medical Liability Self-Insurance Fund Investment Policy Statement."--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Asset Management that the following actions be taken with regard to investment matters of The University of Texas System:

- a. Amend the Investment Guidelines section of the "Permanent University Fund Investment Policy Statement" as set out below in congressional style:

PERMANENT UNIVERSITY FUND  
INVESTMENT POLICY STATEMENT

INVESTMENT GUIDELINES

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

Eligible-investments-are:

- o Common-stock-of-companies-incorporated-in-the-United States-may-be-purchased.--Common-stocks-must-be traded-on-exchanges-registered-with-the-SEC-(see Appendix-A)-excepting-bank-and-insurance-company stocks.--Additionally,-the-common-stock-of-a corporation-must-have-paid-dividends-for-five consecutive-years-prior-to-the-date-of-purchase.
- o Preferred-stocks-and-convertible-preferred-stocks-of companies-incorporated-in-the-United-States-may-be purchased-provided-that-either-the-preferred-stock or-the-common-stock-of-that-corporation-is-listed-on exchanges-registered-with-the-SEC,-excepting-bank and-insurance-company-stocks.--The-qualifying-stock must-have-paid-dividends-for-five-consecutive years.--Preferred-stock,-but-not-convertible preferred-stock,-must-also-meet-the-rating-criteria mentioned-below.



- ° Bonds, debentures, or obligations issued by corporations, associations, or other institutions may be purchased provided that the obligation must be issued by, or financial responsibility must legally rest with, a U. S. corporation and must be U. S. dollar denominated.
  - Certificates of deposit shall not be purchased.
  - Commercial paper must be rated in the two highest quality classes either by Moody's Investors Service, Inc. (P1 or P2) or Standard & Poor's Corporation (A1 or A2).
  - Bankers' Acceptances must be guaranteed by an accepting bank with a minimum certificate of deposit rating of 1 by Duff & Phelps.
  - Repurchase agreements must be with a domestic dealer selected by the Federal Reserve as a primary dealer in U. S. Treasury securities, or a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps. -- Repurchase agreements must also qualify to be maintained in book entry form at a member bank of the Federal Reserve System.
  - Corporate bonds and preferred stocks must be rated a minimum of Baa3 by Moody's Investors Service, Inc. or BBB by Standard & Poor's Corporation, respectively, when purchased. -- Bonds rated below A3 and A- shall not constitute an excessive portion of the total bond portfolio. -- Unrated bonds or preferred stocks may be purchased prior to review by the Bond and Investment Committee if, in the opinion of the System's investment staff, they are at least equal in quality to publicly offered securities eligible for purchase. -- The cost of unrated bonds and preferred stocks which have not been reviewed by the Bond and Investment Committee may not exceed 1% of the book value of the Fund. -- Convertible bonds may be purchased if the bond qualifies under this bond rating standard or if the common stock into which the bond may be converted qualifies under the common stock eligibility requirements.
- ° Bonds of the United States, the State of Texas or counties, cities, or school districts of the State of Texas, or bonds issued under and by virtue of the Federal Farm Loan Act approved by the President of the United States, July 17, 1916, and amendments thereto may be purchased.
- ° Bonds or other obligations issued, insured, or guaranteed in any manner by the United States Government or any of its agencies may be purchased.
- ° Bonds or notes issued by the Board of Regents of The University of Texas System or the Board of Regents of The Texas A&M University System and payable from income of the Permanent University Fund may be purchased.

- ~~No other forms of investment are eligible for purchase including investments in securities of the South African government, government agencies, or firms.~~

~~Other:~~ Investment restrictions include the following:

- ~~The cost of the combined securities (both debt and equities) of one corporation may not exceed one percent of the book value of the Fund.~~
- All investments must be U. S. dollar denominated unless held by an investment manager retained to manage an international portfolio.
- No investments may be made in securities of the South African government, its government agencies, or firms headquartered in South Africa.
- Commercial paper must be rated in the two highest quality classes by Moody's Investors Service, Inc. (P1 or P2) or Standard & Poor's Corporation (A1 or A2).
- Negotiable certificates of deposit must be with a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Bankers' Acceptances must be guaranteed by an accepting bank with a minimum certificate of deposit rating of 1 by Duff & Phelps.
- Repurchase agreements and Reverse Repurchase Agreements must be with a domestic dealer selected by the Federal Reserve as a primary dealer in U. S. Treasury securities; or a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Investment policies of any unaffiliated liquid investment fund must be reviewed and approved by the Executive Vice Chancellor for Asset Management prior to investment of Fund monies in such liquid investment fund. No requirement exists that such funds conform to the above restrictions on money market instruments.
- Corporate bonds and preferred stocks must be rated a minimum of Baa3 by Moody's Investors Service, Inc. or BBB- by Standard & Poor's Corporation, respectively, when purchased. Bonds rated below A3 and A- shall not constitute an excessive portion of the total bond portfolio. Unrated bonds or preferred stocks may be purchased prior to review by the Land and Investment Committee if, in the opinion of the System's investment staff, they are at least equal in quality to publicly offered securities eligible for purchase. The cost of unrated bonds and preferred stocks which have not been reviewed by the Land and Investment Committee may not exceed 1% of the book value of the Fund.
- ~~No more~~ Less than five percent of the voting securities of a corporation may be owned.
- No securities may be purchased or held which would jeopardize the Fund's tax exempt status.
- No securities may be purchased on margin or leverage.
- No transactions in short sales will be made.
- Transactions in financial futures and options (other than those received as part of an investment unit) may only occur as part of a hedging program authorized by the Land and Investment Committee.

- Unaffiliated investment managers transacting solely within their assigned assets:
    - shall hold no more than 25% of their managed portfolio in any one industry at cost unless the manager was retained to concentrate in an industry or industries.
    - shall hold no more than 10% of their managed portfolio in the securities of one corporation at cost.
    - shall not hold investment in real estate, partnerships, and other such illiquid assets unless retained to manage this type of asset and shall hold no more than 10% of their managed portfolio at cost in any other asset category different than the type they were retained to manage. Short-term liquid investments are excluded from this limitation. Convertible securities are considered to be equity equivalents for purposes of this restriction.
    - shall hold no securities traded only in foreign markets unless they were retained to manage an international portfolio.
- b. Authorize editorial changes to the Investment Guidelines sections of the "Common Trust Fund Investment Policy Statement" and the "Medical Liability Self-Insurance Fund Investment Policy Statement" as set out below in congressional style:

COMMON TRUST FUND  
INVESTMENT POLICY STATEMENT

INVESTMENT GUIDELINES

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

Investment restrictions include the following:

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

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

MEDICAL LIABILITY SELF-INSURANCE FUND  
INVESTMENT POLICY STATEMENT

INVESTMENT GUIDELINES

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

Investment restrictions include the following:

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

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

#### BACKGROUND INFORMATION

The passage of Proposition 3 amended the section of the State Constitution which had itemized specific authorized investments for the Permanent University Fund. This section has now been amended to authorize the investment of the Permanent University Fund subject solely to the prudent person standard. As a result of this change in law, the Executive Vice Chancellor for Asset Management, in consultation with the Investment Advisory Committee, recommends that the Investment Guidelines section of the "Permanent University Fund Investment Policy Statement" be amended to substantially conform to the "Common Trust Fund Investment Policy Statement" as adopted on April 10, 1986 by the U. T. Board of Regents and amended on December 3, 1987. Clarification of wording in a few sentences of the Investment Guidelines sections of the "Common Trust Fund Investment Policy Statement" and the "Medical Liability Self-Insurance Fund Investment Policy Statement" is also recommended.

# Executive Session of the Board

BOARD OF REGENTS  
EXECUTIVE SESSION  
Pursuant to Vernon's Texas Civil Statutes  
Article 6252-17, Sections 2(e), (f) and (g)

Date: December 8, 1988

Time: 12:00 Noon The Board will convene in Open Session and immediately recess to Executive Session. The Open Session will reconvene about 1:30 p.m. and continue through adjournment.

Place: Regents' Conference Room and Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

1. Pending and/or Contemplated Litigation - Section 2(e)
  - a. U. T. Southwestern Medical Center - Dallas: Proposed Settlement of Medical Liability Litigation
  - b. U. T. Medical Branch - Galveston: Proposed Settlement of Medical Liability Litigation
  - c. U. T. M.D. Anderson Cancer Center: Proposed Settlement of Medical Liability Litigation
2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)
  - a. U. T. Austin: Consideration of the Negotiated Acquisition of Approximately .5194 Acres of Land in Austin, Travis County, Texas
  - b. U. T. Austin - Archer M. Huntington Fund: Consideration of Negotiated Sale of Land Located in Galveston County, Texas
3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees