

Meeting No. 958

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

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November 12-13, 2002

Richardson, Texas

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OF
THE UNIVERSITY OF TEXAS SYSTEM
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MEETING NO. 958

TUESDAY, NOVEMBER 12, 2002.--The members of the Board of Regents of The University of Texas System convened at 12:04 p.m. on Tuesday, November 12, 2002, in Harmony Ballrooms Two and Three, Dallas-Richardson Renaissance Hotel, 900 East Lookout Drive, Richardson, Texas, with the following in attendance:

ATTENDANCE.--

Present _____

Absent _____

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

Counsel and Secretary Frederick

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

RECESS TO EXECUTIVE SESSION.--At 12:05 p.m., Chairman Miller announced that the Board would recess to convene in Executive Session pursuant to Texas Government Code Sections 551.071 and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE.--At 1:00 p.m., the Board reconvened in open session for action on matters considered in Executive Session.

EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Miller reported that the Board met in Executive Session to discuss matters in accordance with Texas Government Code Sections 551.071 and 551.074. In response to an inquiry from Chairman Miller regarding the wishes of the Board, the following actions were taken:

1. U. T. Health Science Center - Houston: Settlement of Medical Liability Claim -- Nuvia Villarreal and Yadira Gonzalez

Upon motion of Regent Oxford, duly seconded, the Board unanimously authorized the Chancellor and the Office of General Counsel to settle, on behalf of The University of Texas Health Science Center at Houston physicians, the medical liability claim brought by Nuvia Villarreal and Yadira Gonzalez in accordance with the proposal presented in Executive Session.

2. U. T. System: Authorization to Negotiate Agreements Related to Key Person Life Insurance Policies

Vice-Chairman Hunt moved that the Chancellor and the Office of General Counsel be authorized to negotiate agreements concerning key person life insurance policies currently in effect, including the termination of assignments of such policies to The University of Texas System, and that the Chancellor be authorized to take all steps necessary and to execute all documents required to evidence and complete such agreements.

The motion was seconded and carried unanimously.

3. U. T. System and U. T. Austin: Discussion of Pending Litigation (*Justice for All v. Faulkner, et al.*)

There was no action taken related to consultation with an attorney regarding pending litigation filed by *Justice for All v. Faulkner, et al.* at The University of Texas System and The University of Texas at Austin.

4. U. T. System: Consultation with Attorney Regarding Legal Issues

There was no action taken related to consultation with an attorney regarding legal issues of The University of Texas System.

5. U. T. System: Consideration of Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment and Duties of Officers or Employees

There was no action taken related to general personnel matters of The University of Texas System.

6. U. T. System: Consideration of Personnel Matters Relating to Evaluation of Presidents and U. T. System Executive Officers

There was no action taken related to evaluation of institutional presidents and Executive Officers of The University of Texas System.

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

PARTICIPANTS

Chair: Robert S. Nelsen, Ph.D., The University of Texas at Dallas

Chair-Elect: Terese Verklan, Ph.D., The University of Texas Health Science Center at Houston

Academic Affairs Co-Chairs: Bruce P. Palka, Ph.D., The University of Texas at Austin; Cindy Brown, Ph.D., The University of Texas - Pan American

Faculty Quality Co-Chairs: James Bartlett, Ph.D., U. T. Dallas; Tom Chrzanowski, Ph.D., The University of Texas at Arlington

Governance Co-Chair: Dennis Reinhartz, Ph.D., U. T. Arlington

Health Affairs Co-Chair: Lisa-Ann Wuermser, M.D., The University of Texas Southwestern Medical Center at Dallas

[Not in attendance:

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

a. Faculty Satisfaction Survey

Dr. Bartlett outlined a Faculty Satisfaction Survey to be given in January through mid-February 2003 in conjunction with Digital Research Incorporated (DRI). The preliminary draft survey will be tested in late November 2002 at U. T. Health Science Center - Houston and U. T. Dallas and a final report will be issued on April 23, 2003.

Dr. Bartlett mentioned that a survey conducted about 10 years ago was a key source of evidence of the dissatisfaction of women faculty. He said the survey is being redone to check perceptions of women and minority faculty as well as perceptions of new developments at U. T. System such as post-tenure review and new accountability procedures.

The focus of the survey is on what faculty does, how what they do is valued, and what issues and problems are viewed as most important and in need of the most attention.

b. Technology Transfer: Patents, Start-ups, and Intellectual Property

Dr. Wuermsler commended the Technology Transfer Commission chaired by Dr. Dennis K. Stone, Vice President for the Office for Technology Development at U. T. Southwestern Medical Center - Dallas, for its good work and spoke about the results of the Commission.

Dr. Wuermsler noted concern for two of the recommendations of the Commission. First, that patenting and licensure should be a formal criterion in tenure consideration. She said the emphasis should remain on scholarly work, as it is currently within promotion and tenure committees. Otherwise, it would be difficult to determine what is the best scholarly work that demands promotion -- the money generated, the number of patents, or the work that is not patentable.

Patenting and licensure take a faculty member's time away from work. Promotion and tenure committees should be well-educated about reviewing the patenting and licensure activity of scholarly work in the same way they review regular scholarly work, thus eliminating the need to write regulations.

She said faculty as a whole trusts the judgement of the promotion and tenure committees. It would be difficult to compare work that faculty produces if the Board of Regents and the promotion and tenure committees imposed objective tests, since expectations are different among various fields.

The second concern is the Commission's recommendation to take away the 10% funding technology transfer mandate from the 50% given to the inventor for creating and selling the licensing.

Dr. Wuermser noted that Regents' Rules mandate no more than 50% of any net royalty after the cost of licensing and patenting can go to the inventor. She said every component institution of the U. T. System pays 50% to the inventor directly. However, at the Massachusetts Institute of Technology (MIT) for example, only 28.3% is paid to the inventor, but another 28.3% is invested in the inventor's laboratory.

Chancellor Yudof said that 50% is higher than almost any place and that most universities pay 1/3 of that and the royalties are closer to 0% for private industry. Regent Sanchez emphasized that the commitment the University is willing to make in the inventor is what is most important; otherwise, 50% will end up at 2%.

c. Faculty Development Leaves

Dr. Reinhartz noted that the Faculty Development Leave policy instituted by the Board of Regents is working as intended and that faculty members are thankful for the policy, which applies to all 15 component institutions of the U. T. System.

Dr. Reinhartz offered the following three recommendations to the Board:

1. Continue to support and defend the Faculty Development Leave policy
2. Help broaden the policy and help make more faculty development leaves available on all campuses
3. Work with the Legislature to develop a system of regular sabbatical leaves for all faculty members to stimulate research, effective teaching, and educational productivity in general.

Dr. Nelsen encouraged presidents, in particular, to find ways to make sabbatical leaves available.

Chancellor Yudof said that this was a complicated issue and a serious, competitive problem for the U. T. System.

d. Executive Leadership and Planning Committees

Dr. Nelsen proposed establishing Executive Leadership and Planning Committees at all campuses to include faculty, staff, and students in decision-making processes and to encourage collaboration among various constituents, open and shared communication, and diversity of opinion.

Dr. Nelsen recommended council membership and proposed functions of the council.

ISSUES RELATED TO THE UNIVERSITY OF TEXAS
INVESTMENT MANAGEMENT COMPANY (UTIMCO)

1. Proposed Amendments to Investment Policy Statements Including Asset Allocation, Distribution Rate, and Use of Derivatives and Hedge Funds

Chairman Miller introduced Mr. Bob Boldt, President, Chief Executive Officer, and Chief Investment Officer of The University of Texas Investment Management Company (UTIMCO), who with the aid of a PowerPoint presentation entitled "Asset Allocation: Review and Recommendations," outlined an approach for UTIMCO that focuses on Potential Value Added (PVA).

Ms. Cathy Iberg, Managing Director of Marketable Alternative Investments and Deputy Chief Investment Officer for UTIMCO, then discussed derivative investments along with a PowerPoint presentation entitled "Permanent University Fund and General Endowment Fund: Discussion on Derivative Investments." Mr. Boldt spoke about the Derivatives Investment Policy that was before the Board on yellow paper. The proposed Policy includes revisions made at the direction of the UTIMCO Board at their recent meeting.

Mr. Boldt said that the purpose of the Derivatives Investment Policy, which was taken out of the Permanent University Fund and General Endowment Fund Investment Policy Statements to ensure specificity and targeting of derivatives, is to enhance the way derivatives are viewed inside UTIMCO. The Policy provides a better definition process, states that the UTIMCO Board must approve every application, and speaks of a quarterly monitoring process by the UTIMCO Board of Directors, thus moving forward to a better risk management platform.

Discussion of additional UTIMCO topics will resume at the Special Called Meeting of the Board on December 13, 2002.

2. Comments from Cambridge Associates on Investment Return Assumptions, Policy Asset Mix, and UTIMCO Performance

Mr. Bruce Myers of Cambridge Associates, commented briefly during the discussion under topic #1.

3. New UTIMCO Organizational Structure and 2003 Budget

There was no presentation of the organizational structure or 2003 budget for UTIMCO.

4. Communications between UTIMCO and Board of Regents

Mr. Boldt requested similar opportunities in the future as had today (November 12) to discuss matters with the U. T. Board of Regents. He is developing a process to provide more current information to members of the Board and Chairman Miller welcomed this approach.

5. Resolution of Appreciation to UTIMCO Board of Directors

Upon motion of Regent Estrada, duly seconded, the U. T. Board of Regents adopted the following resolution of appreciation to the UTIMCO Board of Directors. This additional item had been sent to the members of the Board in advance of the meeting and was before the Board on yellow paper.

Resolution of Appreciation

BE IT RESOLVED, That the Board of Regents of The University of Texas System expresses its appreciation to the Board of Directors of The University of Texas Investment Management Company (UTIMCO), and in particular to those members of UTIMCO's Board not otherwise affiliated with The University of Texas System or The Texas A&M University System, for their dedicated and ongoing service and contributions to the investment of funds, including the Permanent University Fund, under the control and management of the U. T. Board of Regents.

Chairman Miller expressed his gratitude to the UTIMCO Board of Directors for their endeavors and Chancellor Yudof also commended the UTIMCO Board for their contributions to the success of UTIMCO.

RECESS.--At 4:30 p.m., Chairman Miller announced that the Board would recess to reconvene at 8:30 a.m. in Open Session on Wednesday, November 13, 2002, in Room 1.212 of the Conference Center at The University of Texas at Dallas, Richardson, Texas.

WEDNESDAY, November 13, 2002.--The members of the Board of Regents of The University of Texas System reconvened at 8:34 a.m. on Wednesday, November 13, 2002, in Room 1.212 of the Conference Center at The University of Texas at Dallas, Richardson, Texas, with the following in attendance:

ATTENDANCE.--

<u>Present</u> _____	<u>Absent</u> _____
Chairman Miller, presiding	
Vice-Chairman Clements	
Vice-Chairman Hunt	
Vice-Chairman Riter	
Regent Craven	
Regent Estrada	
Regent Krier	
Regent Oxford	
Regent Sanchez	
Counsel and Secretary Frederick	

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

WELCOME TO NEW OFFICIALS OF THE UNIVERSITY OF TEXAS SYSTEM.--Chairman Miller welcomed the following officials to The University of Texas System:

- Dr. Teresa A. Sullivan, Executive Vice Chancellor for Academic Affairs, The University of Texas System Administration
- Ms. Tonya Moten Brown, Vice Chancellor for Administration, U. T. System Administration
- Kirk Aquilla Calhoun, M.D., President, The University of Texas Health Center at Tyler.

WELCOME BY DR. FRANKLYN G. JENIFER, PRESIDENT OF THE UNIVERSITY OF TEXAS AT DALLAS.--Chairman Miller stated that the Board was pleased to be meeting at The University of Texas at Dallas and called on President Jenifer, who, on behalf of the faculty, staff, and students of the institution, welcomed the members of the Board and other guests to the campus.

U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING HELD AUGUST 7-8, 2002, AND SPECIAL MEETING HELD SEPTEMBER 21, 2002.--The Minutes of the regular meeting of the Board of Regents of The University of Texas System held on August 7-8, 2002, in El Paso, Texas, were approved as prepared by the Counsel and Secretary to the Board. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XLIX, Pages 739 - 983.

The Board also approved the Minutes of the special meeting of the Board of Regents of the U. T. System held on September 21, 2002, in Austin, Texas, as prepared by the Counsel and Secretary to the Board. The official copy of these Minutes is recorded in the Permanent Minutes, Volume L, Pages 1 - 7.

SPECIAL ITEMS

1. U. T. Board of Regents: Amendments to the Regents' Rules and Regulations, Part One, Chapter II to Amend Chancellor, Executive Vice Chancellor, and Vice Chancellor Positions; Add the Position of Vice Chancellor for Administration; and Amend Section 16, Subsection 16.2 (Reporting) Related to the Presidents of the Component Institutions

The Board amended the Regents' Rules and Regulations, Part One, Chapter II as set forth below:

- a. Section 3, Subsection 3.2, regarding the primary duties and responsibilities of the Chancellor, was amended to add new Subdivisions 3.29 through 3.2(10) as follows:

- 3.2 Primary Duties and Responsibilities of the Chancellor

The Chancellor, by delegation from the Board, is authorized to exercise the powers and authorities of the Board in the governance of the System. The Chancellor will normally act through the officers of the System regarding the matters delegated to them by these Rules. The Chancellor, however, shall not be precluded from any direct participation and communication with System Administration officers or staff, institutional officers or staff, faculty members, and groups.

The major duties of the Chancellor include:

...

- 3.29 Appointing the Executive Vice Chancellors and Vice Chancellors, and taking administrative action and terminating employment regarding these positions.

3.2(10) Nominating candidates for the position of System Director of Audits for appointment by the Board, as outlined in Subsection 3.3 of this Chapter.

3.2(11) Appointing the System-wide Compliance Officer, as outlined in Subsection 3.4 of this Chapter.

- b. Section 4, Subsection 4.1, regarding the appointment of the Executive Vice Chancellor for Academic Affairs, was amended to read as follows:

4.1 Appointment

The Executive Vice Chancellor for Academic Affairs shall be appointed by the Chancellor. The Executive Vice Chancellor for Academic Affairs shall hold office without fixed term, subject to the pleasure of the Chancellor.

- c. Section 5, Subsection 5.1, regarding the appointment of the Executive Vice Chancellor for Business Affairs, was amended to read as follows:

5.1 Appointment

The Executive Vice Chancellor for Business Affairs shall be appointed by the Chancellor. The Executive Vice Chancellor for Business Affairs shall hold office without fixed term, subject to the pleasure of the Chancellor.

- d. Section 6, Subsection 6.1, regarding the appointment of the Executive Vice Chancellor for Health Affairs, was amended to read as follows:

6.1 Appointment

The Executive Vice Chancellor for Health Affairs shall be appointed by the Chancellor. The Executive Vice Chancellor for Health Affairs shall hold office without fixed term, subject to the pleasure of the Chancellor.

- e. Section 7, Subsection 7.1, regarding the appointment of the Vice Chancellor and General Counsel, was amended to read as follows:

7.1 Appointment

The Vice Chancellor and General Counsel shall be appointed by the Chancellor. The Vice Chancellor and General Counsel shall hold office without fixed term, subject to the pleasure of the Chancellor.

- f. Section 8, Subsection 8.1, regarding the appointment of the Vice Chancellor for Governmental Relations, was amended to read as follows:

- 8.1 Appointment

- The Vice Chancellor for Governmental Relations shall be appointed by the Chancellor. The Vice Chancellor for Governmental Relations shall hold office without fixed term, subject to the pleasure of the Chancellor.

- g. Section 9, Subsection 9.1, regarding the appointment of the Vice Chancellor for Development and External Relations, was amended to read as follows:

- 9.1 Appointment

- The Vice Chancellor for Development and External Relations shall be appointed by the Chancellor. The Vice Chancellor for Development and External Relations shall hold office without fixed term, subject to the pleasure of the Chancellor.

- h. Section 10, Subsection 10.1, regarding the appointment of the Vice Chancellor for Federal Relations, was amended to read as follows:

- 10.1 Appointment

- The Vice Chancellor for Federal Relations shall be appointed by the Chancellor. The Vice Chancellor for Federal Relations shall hold office without fixed term, subject to the pleasure of the Chancellor.

- i. Section 11, Subsection 11.1, regarding the appointment of the Vice Chancellor for Health Affairs, was amended to read as follows:

- 11.1 Appointment

- The Vice Chancellor for Health Affairs shall be appointed by the Executive Vice Chancellor for Health Affairs after approval by the Chancellor. The Vice Chancellor for Health Affairs shall hold office without fixed term, subject to the pleasure of the Executive Vice Chancellor for Health Affairs and the Chancellor.

- j. Section 12, Subsection 12.1, regarding the appointment of the Vice Chancellor for Community Relations, was amended to read as follows:

- 12.1 Appointment

- The Vice Chancellor for Community Relations shall be appointed by the Chancellor. The Vice Chancellor for Community Relations shall hold office without fixed term, subject to the pleasure of the Chancellor.

- k. Section 13, Subsection 13.1, regarding the appointment of the Vice Chancellor for Special Engineering Programs, was amended to read as follows:

- 13.1 Appointment

- The Vice Chancellor for Special Engineering Programs shall be appointed by the Chancellor. The Vice Chancellor for Special Engineering Programs shall hold office without fixed term, subject to the pleasure of the Chancellor.

- l. New Section 7, relating to the position of the Vice Chancellor for Administration, was added as follows:

- Sec. 7. Vice Chancellor for Administration

- The Vice Chancellor for Administration reports to the Chancellor and is responsible for administrative matters related to the policies and systems of The University of Texas System Administration. The Vice Chancellor for Administration acts as the liaison between the Office of the Chancellor and communities and customers served, as requested by the Chancellor. The Vice Chancellor for Administration has direct access to the Board of Regents of The University of Texas System and is expected to work directly with appropriate committees of the Board in discharging the duties of the office.

- 7.1 Appointment

- The Vice Chancellor for Administration shall be appointed by the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor.

7.2 Duties and Responsibilities

The primary responsibilities of the Vice Chancellor for Administration include:

- 7.21 Serving as primary contact from the Office of the Chancellor for administrative matters related to U. T. System strategic and operational initiatives.
- 7.22 Representing the Office of the Chancellor on committees and task forces with state, federal and executive entities.
- 7.23 Collaborating with U. T. System leaders to promote and enhance organizational effectiveness and efficiency through development and deployment of processes, systems, and procedures in accordance with System mission, and Regental and System goals, policies, and directiveness.
- 7.24 Completing special projects as directed by the Chancellor.
- 7.25 Directing the preparation, analysis, monitoring, and evaluation of activities and recommendations that ensure the goals of the U. T. System are being met from the perspective of the Office of the Chancellor.
- 7.26 Assessing efficiency of organizational structure and systems.
- 7.27 Participating in the development of U. T. System strategic plans and programs as the representative of the Chancellor.
- 7.28 Providing technical/professional advice, knowledge, and assistance to the Chancellor regarding ongoing and proposed administrative activities within the U. T. System.
- 7.29 Serving as the primary liaison to the Office of the Board of Regents on administrative issues and joint projects.
- 7.2(10) Performing such other duties as may be assigned by the Chancellor.

- m. Section 16, Subsection 16.2, relating to presidents of component institutions, was amended and a new Subsection 16.3 was added as follows:

16.2 Reporting

The president reports to and is responsible to the Executive Vice Chancellor having responsibility for the institution. The president has access to the Chancellor and is expected to consult with the appropriate Executive Vice Chancellor and the Chancellor on significant issues on an as needed basis.

16.3 Term and Removal from Office

The president serves without fixed term, subject to the pleasure of the appropriate Executive Vice Chancellor and approval by the Chancellor and the Board. When circumstances warrant or require such action, the Chancellor may take interim action involving a president, including but not limited to suspension or leave of absence, pending approval by the Board.

- n. Current Section 16, Subsection 16.3, relating to duties and responsibilities of presidents, was renumbered as Subsection 16.4.
- o. Sections were reordered and renumbered as appropriate to display Vice Chancellor titles in alphabetical order and remaining sections were also renumbered accordingly.

Amendments to the Regents' Rules and Regulations, Part One, Chapter II, concerning the duties of the Chancellor and the job descriptions for several executive officers of The University of Texas System were made as follows:

- Amendments to Section 3, Subsection 3.2 make clear that it is the Chancellor's responsibility to appoint the Executive Vice Chancellors and Vice Chancellors, to take administrative action, and to terminate individuals in these positions; to make nominations to the Board for the position of System Director of Audits; and to appoint the System-wide Compliance Officer. These amendments are not a change in authority or operating practice but provide clarifications suggested by Chairman Miller and Chancellor Yudof.
- Language in former Sections 4 - 13 that states that the Chancellor's actions concerning the Executive Vice Chancellors and Vice Chancellors is subject to Board review and that discussion with the Board is required prior to these appointments was deleted.

The approval of the terms of employment agreements for these positions will continue to be submitted to the Board via the Docket for a finding that the agreement is in the “best interest” of the U. T. System as required by Texas Education Code Section 51.948 and noted in Part One, Chapter I, Section 9, Subsection 9.2, Subdivision 9.28, Subparagraph 9.282 of the Regents’ Rules and Regulations.

- Language was added detailing the responsibilities for the new position of Vice Chancellor for Administration.
- Language was added to Section 16, Subsection 16.3 to authorize the Chancellor to take interim action involving a president of a component institution when circumstances warrant or require such action.

2. U. T. Board of Regents: Approval to Amend the Regents’ Rules and Regulations, Part One, Chapter I, Section 9, Subsection 9.2 (Delegation of Authority to Execute and Deliver Contracts, Agreements, and Documents), Subdivisions 9.22 and 9.25

The Board approved amending the Regents’ Rules and Regulations, Part One, Chapter I, Section 9, Subsection 9.2, Subdivision 9.22, regarding approval of contracts valued at more than \$1 million, and Subdivision 9.25, regarding delegation of authority, to read as set forth below:

9.2 Delegation of Authority to Execute and Deliver Contracts, Agreements, and Documents

9.22 Requirements Related to Board Approval

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

- 9.22(10) Contracts or agreements for the purchase or license of library books and library materials.

9.25 The primary delegate identified in these Rules and Regulations or in an official Board action may further delegate his or her delegated authority unless otherwise specified. Any such further delegation of authority must be made in writing and the primary delegate shall permanently maintain, or cause to be maintained, evidence of all such delegations. A delegate of the primary delegate may not further delegate such authority.

.....

Addition of language to the Regents' Rules and Regulations, Part One, Chapter I, Section 9, Subsection 9.2, Subdivision 9.22, Subparagraph 9.22(10) eliminates the requirement for Board approval of contracts for the purchase or license of library books and library materials. Compliance with other contracting requirements, as provided in Business Procedures Memorandum 48, will continue to be required.

Amendment of language in Subdivision 9.25 allows delegates identified in all official Board actions to make further limited delegation of authority as currently authorized by this Subdivision for delegates identified in the Regents' Rules and Regulations.

3. U. T. Board of Regents: Amendments to the Guidelines for the Santa Rita Award and Inclusion of Guidelines in the Regents' Rules and Regulations, Part One, Chapter I

The "Guidelines for the Santa Rita Award" adopted by the Board in June 1967 were amended as set forth below to conform to current selection practices. These Guidelines were also included in the Regents' Rules and Regulations, Part One, Chapter I as new Section 11.

Guidelines for the Santa Rita Award

I. Standards

A System-wide award that may be made annually to an individual who has made valuable contributions over an extended period to The University of Texas System in its developmental efforts. An individual is defined as a person, as opposed to a corporation, charitable trust, foundation, and like entities. The recipient may be judged on the basis of a broad list of criteria, primary among which will be a demonstrated concern for the principles of higher education generally, as well as deep commitment to the furtherance of the purposes and objectives of The University of Texas System specifically.

Participation by the recipient in the affairs of the System shall be of such character and purpose to serve as a high example of selfless and public-spirited service. Of particular interest will be the effect that such individual activity may have engendered similar motivation from other public and private areas toward the University System.

II. General Conditions

- A. The award, to be known as the "Santa Rita Award," will consist of a medallion to be presented no more frequently than annually.
- B. The award shall be made on behalf of the Board of Regents of The University of Texas System.
- C. An individual may receive the award only once.
- D. Posthumous awards may be given.
- E. No member of the Board of Regents shall be eligible to receive the Santa Rita Award until the termination of the member's service.

III. Nominations for Awards

- A. Nominations for the award shall be forwarded to the Chairman of the Board of Regents or the Counsel and Secretary to the Board (Office of the Board of Regents, The University of Texas System, 201 West Seventh Street, Suite 820, Austin, Texas 78701-2981).
- B. The nominator shall provide such supporting information and documentation as may be requested by the Chairman or the Counsel and Secretary to the Board.

IV. Selection of Awardees

Awards shall be made, upon recommendation of the Chairman of the Board following consultation with others including the Chancellor and other appropriate U. T. System officials, by a majority vote of members present at a Board of Regents' meeting at which a quorum is present.

The “Guidelines for the Santa Rita Award” were adopted by the Board of Regents in June 1967 and amended in September 1973 and December 1975. The Guidelines contemplate that the award will be made every year, while actual practice has this prestigious award made as distinguished and deserving recipients are identified. While the anniversary date of Santa Rita No. 1 will be considered in the timing of the award, it is not always feasible to present the award “on or about May 28.” The amendments provide clarification to the awards process and conform the policy to actual practice that assures that the selection of an awardee is made in a public meeting as required by the Texas Open Meetings Act. To provide ready access, the Guidelines will be included in the Regents' Rules and Regulations, Part One, Chapter I as a new Section 11.

4. U. T. Board of Regents: Amendment to the Regents' Rules and Regulations, Part One, Chapter III, Section 13 (Outside Employment, Service on Outside Boards, and Nonelective Positions of Honor, Profit, or Trust) to Add New Subsection 13.(10) (Service on Outside Boards)

The Board amended the Regents' Rules and Regulations, Part One, Chapter III, Section 13, regarding outside employment and nonelective positions of honor, profit, or trust, as set forth below:

Sec. 13. Outside Employment, Service on Outside Boards, and Nonelective Positions of Honor, Profit, or Trust

...

- 13.(10) Service on Outside Boards
It is recognized that the Chancellor and other Executive Officers of the System and the presidents of component institutions may be asked to serve on the boards, councils or other governing or advisory bodies (“outside boards”) of various business, civic, professional, and social organizations, both for profit and not-for-profit, and in compensated and noncompensated positions. Such service is generally deemed to be in the best interest of the System and the component institutions because it broadens the experience of the individuals involved and exposes the System and its component institutions to a larger audience of business, civic, professional, and social leaders.

To avoid conflicts of interest and to ensure that outside service does not distract from employment duties and obligations, the Chancellor shall promulgate a policy concerning approval of service on outside boards. The Chancellor shall provide a copy of the policy to the Board and shall notify the Board of any significant changes to the policy. Requests for approval of service on outside boards by the Chancellor or the Counsel and Secretary to the Board shall be made to the Chairman.

This amendment of the Regents' Rules and Regulations, Part One, Chapter III, Section 13 to add new Subsection 13.(10), regarding service of Executive Officers of The University of Texas System or presidents of the component institutions on outside boards, outlines the requirement of approval for service pursuant to a policy to be promulgated by the Chancellor and provided to the U. T. Board of Regents.

5. U. T. Board of Regents: Approval to Amend the Regents' Rules and Regulations, Part One, Chapter III, Section 33 (Retirement and Modified Service)

The Board amended the Regents' Rules and Regulations, Part One, Chapter III, Section 33, relating to retirement and modified service, to read as follows:

Sec. 33. Retirement and Modified Service

...

33.2 Appointment of Retired Person

The Chancellor or the president, as appropriate, may appoint a person who has retired to modified service. Retirement is defined as withdrawal from employment with the U. T. System or a component institution with a retirement benefit.

33.3 Finding of Best Interest Required

Appointment to modified service shall be made only if the Chancellor or president finds the service of the individual is in the best interest of the System or a particular component institution.

- 33.4 Terms of Appointment to Modified Service
Appointment to modified service shall be without tenure, and for not more than one academic year. Appointments for Teacher Retirement System participants will be made in compliance with applicable law. The notice provisions of Subsection 6.7 of this Chapter shall not apply to nonrenewal of such appointments. If the System or a component institution determines that it is in the best interest of the System or the institution, it may offer reappointment to modified service.

The amendments to the Regents' Rules and Regulations, Part One, Chapter III, Section 33, Subsection 33.2, delegate authority for The University of Texas System and institutional appointments to modified service to the Chancellor or institutional presidents, as appropriate, and remove the requirement for additional approvals by U. T. System officials and the U. T. Board of Regents.

The amendment to Subsection 33.3 tracks State law, which requires a finding of "best interest" regarding contracts with all higher education administrators.

Amendments to Subsection 33.4 conform to State laws, which speak only to the conditions for rehiring or appointment of Teacher Retirement System participants and language in former Subsections 33.5 and 33.6 was deleted as these provisions simply restate the need to comply with policy and the ability of the Board to make exceptions to policy.

6. U. T. Board of Regents: Authorization to Repeal the Regents' Rules and Regulations, Part One, Chapter VI, Section 9 (Admission of Nonresident Students)

The Board repealed the Regents' Rules and Regulations, Part One, Chapter VI, Section 9 as set forth below and ordered that remaining sections be renumbered:

Sec. 9. Admission of Nonresident Students

No nonresident of the State of Texas shall be enrolled as a new or transfer student in any school, college, or degree-granting program at any component institution of the System when all of the three following conditions occur: (1) when there is a limitation on the number of students who will be enrolled in the class of which such nonresident would be a member if he or she were enrolled;

(2) when the result of enrolling such nonresident would be to increase to greater than 10% the percentage of nonresidents enrolled in the class of which such nonresident would be a member if he or she were enrolled; and (3) when at the time of the proposed enrollment of such nonresident, admission to the school, college, or degree-granting program is being denied to one or more Texas residents who have applied for admission and who reasonably demonstrate that they are probably capable of doing the quality of work that is necessary to obtain the usual degree awarded by the school, college, or degree-granting program. It is provided, however, that the nonresident enrollment at the School of Law, The University of Texas at Austin, may be equal to 20% of each class of which nonresidents are a part provided that the admission of such nonresidents is on the basis of academic merit alone.

The limitation on nonresident enrollment in the Regents' Rules and Regulations is not a complete statement of applicable State law and, as worded, has greater application than State law. State law applies only to medical and dental schools (10% cap) and law schools (20% limitation for the School of Law at The University of Texas at Austin) and also makes specific exceptions for degree programs not exempted in the Regents' Rules: an M.D./Ph.D. program at The University of Texas Southwestern Medical Center at Dallas and six-year programs in oral and maxillofacial surgery.

This change will conform the Regents' Rules to State law and repeal is expected to have minimal impact on current enrollment practices.

7. U. T. Board of Regents: Amendment to the Regents' Rules and Regulations, Part Two, Chapter V, Section 1, Subsection 1.2, Subdivision 1.22 (The Pay Plan)

The Board amended the Regents' Rules and Regulations, Part Two, Chapter V, Section 1, Subsection 1.2, Subdivision 1.22, Subparagraph 1.224, regarding the pay plan, to read as set forth below:

- 1.224 The System-wide Personnel Pay Plan shall be approved annually by the Chancellor. Subsequent changes to a component institution pay plan in a given fiscal year shall be processed as follows:
- (a) The System Office of Human Resources shall process requested amendments to a component institution pay plan based on the impact of the change upon the System-wide Personnel Pay Plan.

- (b) The System Office of Human Resources is authorized to approve the following proposed changes to a component institution pay plan:
 - (1) The adjustment of a salary range within the established System-wide salary range, if the change will not change the System-wide Personnel Pay Plan.
 - (2) Deletion of a title.
 - (3) Change of a title.
 - (4) Change of a code number.
 - (5) Addition of a title that is in the System-wide Personnel Pay Plan if the salary range requested is within the established System-wide salary range.
- (c) The following proposed changes to a component institution pay plan require the approval of the System Office of Human Resources and the Chancellor or his or her delegate:
 - (1) The addition of a new title that is not included in the System-wide Personnel Pay Plan.
 - (2) The addition of a title that is included in the System-wide Personnel Pay Plan at a salary range not within the established System-wide Personnel Pay Plan range for the title.
 - (3) The adjustment of a salary range that would change the established System-wide range by setting a new System-wide minimum or maximum salary.
- (d) The System Office of Human Resources shall notify a component institution of the approval or disapproval of a requested pay plan change as soon as practicable. No requested change may be implemented until authorized in writing.

Amendment of the Regents' Rules and Regulations, Part Two, Chapter V, Section 1, Subsection 1.2, Subdivision 1.22, Subparagraph 1.224 delegates to the Chancellor the authority to approve the annual System-wide pay plan. The previous process was to submit a summary of the pay plan for approval by the Board via the Docket each August.

The annual System-wide pay plan is a compilation of component institution pay plans and any additions, deletions, and changes that have been approved during the course of a fiscal year by The University of Texas System Office of Human Resources or the Chancellor, in accordance with the Regents' Rules and Regulations. The process of approving changes to the System-wide pay plan is routine in nature and occurs throughout the fiscal year as needs occur at the component institutions. Pay plan changes are planned and reviewed carefully at the component level, reviewed by System Administration officials throughout the year, and implemented by the component institutions after approval by the U. T. System Office of Human Resources or the Chancellor.

8. U. T. Board of Regents: Amendments to the Regents' Rules and Regulations, Part Two, Chapter VI, Section 9 (Deferred Compensation Plan)

The Board amended the Regents' Rules and Regulations, Part Two, Chapter VI, Section 9, relating to the Deferred Compensation Plan, to read as follows:

Sec. 9. Deferred Compensation Plan

As authorized by Texas Government Code Chapter 609, any employee may participate in the Deferred Compensation Plan administered by the Employees Retirement System and established pursuant to Section 457(b) of the Internal Revenue Code of 1986, as amended.

Further, as authorized by Texas Revised Civil Statutes Annotated Article 6228a-5, Section 3(a), the Board has established a plan pursuant to Section 457(f) of the Internal Revenue Code of 1986, as amended, for the benefit of a select group of employees. Only employees designated by the Board as eligible employees may participate in the plan.

The Board delegates to the Executive Vice Chancellor for Business Affairs the power and authority to amend the Plan consistent with applicable law and to take all action and to make all decisions and interpretations that may be necessary or appropriate to administer and operate The University of Texas System Deferred Compensation Plan (the "Plan"), as further provided in the Plan. The Executive Vice Chancellor for Business Affairs will perform, or cause to be performed, such recordkeeping functions as necessary to administer and maintain the Plan in accordance with Section 457(f) of the Internal Revenue Code, consistent with Texas Revised Civil Statutes Annotated Article 6228a-5.

In 1996, a Deferred Compensation Plan was established as allowed by Internal Revenue Code Section 457(f) to benefit certain senior administrators selected by the U. T. Board of Regents to participate in the Plan. The initial Plan was drafted by tax counsel in the Office of General Counsel and

approved by the Executive Vice Chancellor for Business Affairs to effect the Board's actions. Recent review of the Plan indicates the need for minor amendments, which will require the signature of an official "recordkeeper."

This addition to the Regents' Rules and Regulations, Part Two, Chapter VI will incorporate this benefit into Section 9 describing similar benefits and delegate, for the record, the recordkeeping responsibility for the Plan and ability to amend the Plan, consistent with applicable law, to the Executive Vice Chancellor for Business Affairs. The Counsel and Secretary to the Board will continue to work closely with the Executive Vice Chancellor for Business Affairs to assure that the Board's actions with respect to individual compensation are implemented in a timely fashion.

9. U. T. Board of Regents: Deletion of the Regents' Rules and Regulations, Part Two, Chapter X, Section 6 Regarding Meals and Lodging for Employees

The following outdated and unneeded language in Section 6, Chapter X, Part Two of the Regents' Rules and Regulations was deleted and the remaining Sections were renumbered accordingly:

Sec. 6. Value of Services in Lieu of Compensation

The money values of meals, lodging, and other services that employees are authorized to receive in lieu of additional wages or salary are recommended to the president of the component institution by the chief business officer and approved by the appropriate Executive Vice Chancellor, the Chancellor, and the Board.

10. U. T. System: Report of Summary of Gift Acceptance Conforming to Board Policy for June 1, 2002 Through August 31, 2002

The Summary of Gift Acceptance for The University of Texas System for the period June 1, 2002 through August 31, 2002 is set forth on Page 25. The report includes 134 items conforming to Board policy including the acceptance of \$23,030,930 in gifts and other transfers of funds and Board-held matching funds totaling \$2,419,460. The report includes only those funds that relate to endowments, estates and other funds managed by the U. T. System Office of Development and External Relations.

<u># ALL</u> <u>ITEMS</u>	<u>COMPONENT INSTITUTION</u>	<u>TOTAL VALUE</u>
3	U. T. System Administration	\$ 70,000
15	U. T. Arlington	233,890
49	U. T. Austin	15,172,911 *
---	U. T. Brownsville	---
---	U. T. Dallas	---
13	U. T. El Paso	355,484 *
---	U. T. Pan American	---
4	U. T. Permian Basin	40,000
2	U. T. San Antonio	24,880
1	U. T. Tyler	10,000
8	U. T. Southwestern Medical Center - Dallas	1,203,347 *
6	U. T. Medical Branch - Galveston	1,128,394
9	U. T. Health Science Center - Houston	820,000
4	U. T. Health Science Center - San Antonio	870,000
19	U. T. M. D. Anderson Cancer Center	3,073,724
<u>1</u>	U. T. Health Center - Tyler	<u>28,300</u>
134	TOTAL	\$ 23,030,930

* Not included in total:

U. T. Austin: \$1,374,583.12 transfers of endowment and charitable trust funds;

U. T. El Paso: \$239,465.78 transfer of charitable trust funds; and

U. T. Southwestern Medical Center - Dallas: \$805,411.42 of Board-held matching funds.

11. U. T. Board of Regents: Resolution Regarding The University of Texas Investment Management Company (UTIMCO) Issues

Chairman Miller stated that he had asked that an additional item regarding The University of Texas Investment Management Company (UTIMCO) be posted for consideration by the Board. The item had been sent to the members of the Board in advance of the meeting and was before the Board on yellow paper. Upon motion of Regent Estrada, duly seconded, the Board adopted the following resolution:

Resolution Regarding UTIMCO Issues

WHEREAS, The Constitution of the State of Texas places the responsibility for investing the Permanent University Fund (PUF) in the Board of Regents of The University of Texas System (Board of Regents); and

WHEREAS, Texas Education Code Section 66.08 authorizes the Board of Regents to delegate investment authority and enter into a contract with a nonprofit corporation to invest funds, including the PUF, under the control and management of the Board of Regents; and

WHEREAS, The University of Texas Investment Management Company (UTIMCO) has been established as a nonprofit corporation meeting the requirements of Texas Education Code Section 66.08 for the purpose of contracting with the Board of Regents to invest funds, including the PUF, under the control and management of the Board of Regents; and

WHEREAS, Effective on March 1, 1996, the Board of Regents did enter into an Investment Management Services Agreement (Agreement) with UTIMCO; and

WHEREAS, The Agreement, as amended, was restated by the Board of Regents and UTIMCO effective as of November 16, 2000; and

WHEREAS, UTIMCO is currently investing the funds, including the PUF, under the control and management of the Board of Regents in accordance with investment policies approved by the Board of Regents; and

WHEREAS, The control and management of funds, including the PUF, by the Board of Regents, involve matters of public policy;

NOW THEREFORE, BE IT RESOLVED, That the Board of Regents recognizes and acknowledges that when investing funds, including the PUF, under the control and management of the Board of Regents, UTIMCO is acting as the agent of and for the Board of Regents, and

BE IT FURTHER RESOLVED, That with respect to matters involving public policy decisions concerning the funds, including the PUF, under the control and management of the Board of Regents, including decisions with respect to the Texas Public Information Act, the Board of Regents reserves such decisions to itself and has neither expressly nor impliedly delegated such decisions to UTIMCO, its Board of Directors or its management.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 8:43 a.m., the Board recessed for meetings of the Standing Committees, and Chairman Miller announced that at the conclusion of each committee meeting the Board would reconvene to approve the report and recommendations of that committee.

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

REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

REPORT OF EXECUTIVE COMMITTEE (Page 27).--Chairman Miller reported that there were no items referred from the Executive Committee to the Board pursuant to Section 7, Subsection 7.1, Subdivision 7.14 of Chapter I of Part One of the Regents' Rules and Regulations.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 28 - 46).--Committee Chairman Hunt reported that the Finance and Planning Committee met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Finance and Planning Committee and approved in open session by the U. T. Board of Regents:

1. U. T. System: Approval of Docket No. 111 (Catalog Change)

The Board approved Docket No. 111 in the form distributed by the Counsel and Secretary to the Board. It is attached following Page 94 in the official copies of the Minutes and is made a part of the record of this meeting.

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

Appointments involving executive vice chancellor, vice chancellor, and president positions were found to be in the best interest of The University of Texas System, as required by Texas Education Code Section 51.948.

2. U. T. Board of Regents: Adoption of Twelfth Supplemental Resolution to the Master Resolution Authorizing the Issuance of Board of Regents of The University of Texas System Revenue Financing System Bonds in One or More Installments in an Aggregate Principal Amount Not to Exceed \$635,000,000; Authorization for Officers of U. T. System to Complete All Related Transactions; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board:

- a. Adopted the Twelfth Supplemental Resolution to the Master Resolution to authorize the issuance, sale, and delivery of Board of Regents of The University of Texas System Revenue Financing System Bonds in one or more installments in an aggregate principal amount not to exceed \$635,000,000 through November 30, 2003, with a final maturity not to exceed the Year 2035 for the purpose of advance refunding certain outstanding Revenue Financing System Bonds to produce present value debt service savings; to refund a portion of the outstanding Revenue Financing System

Commercial Paper Notes, Series A; to provide new money to fund construction and acquisition costs of projects in the Capital Improvement Program; and to pay the costs of issuance and any original issue discount

- b. Authorized appropriate officers and employees of the U. T. System as set forth in the Twelfth Supplemental Resolution to take any and all actions necessary to carry out the intentions of the U. T. Board of Regents, including determining the method of sale and the selection of the underwriters, within the limitations and procedures specified therein; making certain covenants and agreements in connection therewith; and resolving other matters incident and related to the issuance, sale, security, and delivery of such bonds.

Note: [The Twelfth Supplemental Resolution to the Master Resolution](#), in substantially the form sent to the Board in the Agenda Book, had been reviewed by outside bond counsel and the Office of General Counsel. The Resolution is not included in these Minutes, but is on file in the Office of the Board of Regents.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 30, the Board resolved that:

- a. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- b. The component institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt.

The Twelfth Supplemental Resolution would authorize the advance refunding of certain outstanding Revenue Financing System Bonds provided the refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds in advance of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings.

The potential bonds to be refunded include up to \$42,895,000 of the Revenue Financing System Bonds, Series 1995A maturing 2008-2017; \$18,660,000 of the Revenue Financing System Bonds, Series 1996A and \$55,215,000 of Revenue Financing System Bonds, Series 1996B maturing 2011-2014; and \$37,975,000 of Revenue Financing System Bonds, Series 1998D maturing 2009-2015. Adoption of this resolution provides the flexibility to select the particular bonds to be refunded depending on market conditions on the pricing date, provided the refunding achieves the minimum 3% savings target.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 16th day of October, 2002

/s/ Philip Aldridge
Assistant Vice Chancellor for Finance

3. U. T. Board of Regents: Adoption of Amended and Restated Resolution Authorizing the Permanent University Fund Flexible Rate Notes, Series A Program; Adoption of Liquidity Resolution Constituting a Credit Agreement; and Authorization for Officers of U. T. System to Complete All Transactions Related Thereto

The Board:

- a. Adopted an Amended and Restated Resolution authorizing the Permanent University Fund Flexible Rate Notes, Series A Program to increase the maximum amount of the program to \$400 million and to amend certain other terms and provisions
- b. Adopted a liquidity resolution constituting a credit agreement covenanting to provide liquidity support for the Notes and approving a note purchase agreement with The University of Texas Investment Management Company (UTIMCO) relating to the Notes
- c. Authorized appropriate officers and employees of The University of Texas System to take any and all actions necessary to carry out the intentions of the U. T. Board of Regents.

Note: [The Amended and Restated Resolution, credit agreement](#), and [note purchase agreement](#), in substantially the form sent to the Board in the Agenda Book, had been reviewed by outside bond counsel and the Office of General Counsel. The documents are not included in these Minutes, but are on file in the Office of the Board of Regents.

The Permanent University Fund (PUF) Flexible Rate Notes, Series A Program provides interim financing for eligible projects. The PUF Note Program was established in 1985 and has been amended periodically, most recently in May 2000. The Amended and Restated Resolution increases the maximum amount of notes that may be outstanding at any one time from \$250 million to \$400 million and amends certain other terms and provisions such as titles and dates.

The increase in program authorization from \$250 million to \$400 million is needed to facilitate the funding of construction costs of PUF projects reflected in the FY 2002-2007 Capital Improvement Program. There is currently \$175 million of PUF notes outstanding and the current \$250 million limit is expected to be met during FY 2003.

Since 1985, liquidity for the PUF Note Program has been provided through an external bank, with the PUF providing secondary liquidity in the event the external bank could not perform. Liquidity support is currently provided by Bank One, NA. The liquidity agreement with Bank One expires in May 2003.

In lieu of securing external liquidity support, the liquidity resolution constitutes a credit agreement showing the U. T. Board of Regents' commitment to provide internal liquidity support for the notes. UTIMCO has agreed to provide the liquidity commitment for the PUF Note Program. The U. T. System will save an estimated \$400,000 annually by providing internal liquidity versus external bank liquidity. In consideration for its commitment, the PUF will receive a commitment fee equal to 0.10% per annum times the amount of the commitment.

4. U. T. System: Approval of the System-wide Internal Audit Plan for Fiscal Year 2003

The Board approved The University of Texas System-wide Internal Audit Plan for Fiscal Year 2003. Development of the Internal Audit Plan is based on risk assessments performed at each component institution and implementation of the Plan will be coordinated with the institutional auditors. The U. T. System Administration and component institution Audit Plans and the Summarized Audit Plan are on file in the Office of the Board of Regents.

5. U. T. System: Report on Investments for the Fiscal Quarter Ended August 31, 2002

On behalf of The University of Texas Investment Management Company (UTIMCO), Regent Hunt, an officer of the UTIMCO Board of Directors, summarized the Report on Investments for The University of Texas System for the fiscal quarter ended August 31, 2002, for the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, Short Intermediate Term Fund, and Separately Invested Assets.

Report by Regent Hunt on Behalf of UTIMCO

Pages 34 - 40 contain the Summary Reports on Investments for the fiscal quarter ended August 31, 2002.

Item I on Pages 34 - 35 reports summary activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was negative 8.00%. The PUF's net investment return for marketable securities for the quarter was negative 8.63% versus its composite benchmark return of negative 6.63%.

Item II on Pages 36 - 38 reports summary activity for the General Endowment Fund (GEF), the Permanent Health Fund (PHF), and the Long Term Fund (LTF). The GEF's net investment return for the quarter was negative 8.25%. The GEF's net investment return for marketable securities for the quarter was negative 8.66% versus its composite benchmark return of negative 6.63%.

Item III on Page 39 reports summary activity for the Short Intermediate Term Fund (SITF). Total net investment return on the SITF was .84% for the quarter versus the SITF's performance benchmark of 2.51%.

Item IV on Page 40 presents book and market value of cash, fixed income, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of component operating funds held in the Dreyfus money market fund, increased by \$195 million to \$1,358 million during the fourth quarter. Market values for the remaining asset types were fixed income securities: \$317 million versus \$412 million at previous quarter-end; equities: \$137 million versus \$155 million at previous quarter-end; and other investments of \$13 million versus \$.6 million at previous quarter-end.

I. PERMANENT UNIVERSITY FUND (1)

a.) Summary Investment Report at August 31, 2002 (2)

(\$ millions)

	FY00-01		FY01-02			Year-to-Date
	Full Year	1 st qtr	2nd Qtr	3rd Qtr	4th Qtr	
Beginning Net Assets	6,452.3	7,540.1	7,079.2	7,114.0	7,303.3	7,540.1
PUF Lands Receipts (3)	115.6	29.2	14.7	16.6	19.6	60.5
Investment Return	(693.2)	(146.7)	25.0	176.5	(579.7)	(522.9)
Expenses	(17.5)	(5.0)	(4.9)	(6.0)	(5.1)	(21.0)
Distributions to AUF	(317.1)	(336.4)				(336.4)
Ending Net Assets	<u>7,540.1</u>	<u>7,079.2</u>	<u>7,114.0</u>	7,303.3	<u>6,738.3</u>	6,738.3
AUF Distribution:						
From PUF Investments	317.1	336.4				336.4
From Surface Income	9.2	0.9	2.7	1.1	3.4	a.1
Total	<u>326.3</u>	<u>339.3</u>	<u>2.7</u>	<u>1.1</u>	<u>3.4</u>	<u>346.5</u>
Total Net Investment Return	-6.64%	-2.03%	0.32%	2.47%	-8.00%	-7.35%

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

(2) General -The Investment Summary **Report** excludes PUF Lands mineral and surface interests **with** estimated August **31, 2002** values of \$639.6 million and \$161 .1 million, respectively.

(3) PUF Land Receipts . As of August 31, 2002: **1,171,057** acres under lease; 519,324 producing acres; 3,151 active leases; and 2,061 producing leases.

i. PERMANENT UNIVERSITY FUND (continued)

b.) Comparison of Asset Allocation Versus Endowment Neutral Policy Portfolio and Net Investment Return for the quarter ended August 31, 2002

	Asset Allocation	Endowment Neutral Policy Portfolio	Actual Net Investment Return	Endowment Neutral Policy Portfolio Return (1)	Benchmark
Cash	1.6%	0.0%	0.47%	0.44%	90 Day T-Sills Average Yield
Domestic Common Stocks:					
Large/Medium Capitalization Equities	20.0%	25.0%	-14.15%	-13.80%	Standard & Poor's 500 Index
Small Capitalization Equities	7.9%	7.5%	-20.89%	-19.62%	Russell 2000 Index
Total Domestic Common Stocks	27.9%	32.5%			
International Common Stocks:					
Established Markets	10.8%	12.0%	-14.31%	-13.66%	Morgan Stanley Capital International Europe, Asia, Far East Index (net)
Emerging Markets	4.1%	3.0%	-14.72%	-13.69%	Morgan Stanley Capital International Emerging Markets Free
Total International Common Stocks	14.9%	15.0%			
Inflation Hedging	9.1%	7.5%	0.78%	4.39%	33% (Goldman Sachs Commodity Index minus 100 basis points) plus 67% (National Commercial Real Estate Index Fund)
Fixed Income:					
Domestic	16.9%	15.0%	2.21%	3.81%	Lehman Brothers Aggregate Bond Index
International	3.8%	5.0%	6.76%	6.23%	Salomon Non-U.S. World Government Bond Index, Unhedged
Total Fixed Income	20.7%	20.0%			
Marketable Alternative Equities	11.9%	10.0%	-6.65%	2.20%	90 Day T-Sills Average Yield + 7%
Total Marketable Securities	66.1%	65.0%	-6.63%	6.63%	
Non-Marketable Alternative Equities	13.9%	15.0%	-3.70%	-13.12% (2)	Wilshire 5000 U.S. Equities Index + 4%
Total	160.0%	100.0%	-6.00%	-7.61%	

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

(2) Due to valuation and liquidity characteristics associated with Non-Marketable Alternative Equities, short-term benchmark comparisons are not appropriate.

II. GENERAL ENDOWMENT FUND (1) (2)

a.) Summary Investment Report at August 31, 2002

(\$ millions)

	For the Period from Inception (March 1, 2001) to August 31, 2001		FY01-02									
			1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year-to-Date					
Beginning Net Assets	-		3,723.9	3,640.3	3,633.2	3,626.1	3,723.9					
Net Contributions	3,818.2		(47.6)	(14.9)	(100.2)	(68.0)	(230.7)					
Investment Return	(81.2)		(55.3)	12.5	96.6	(299.1)	(245.3)					
Expenses	(3.4)		(1.5)	(1.7)	(2.2)	(1.8)	(7.2)					
Distributions (3)	(9.7)		20.8	(3.0)	(1.3)	36.0	52.5					
Ending Net Assets	3,723.9		3,640.3	3,633.2	3,626.1	3,293.2	3,293.2					
Net Asset Value per Unit	97.811		96.325	96.612	99.099	90.932	90.932					
Units and Percentage Ownership (End of Period):												
PHF	9,009,891	23.7%	8,897,012	23.5%	8,784,469	23.4%	7,784,304	21.3%	7,676,762	21.2%	7,676,762	21.2%
LTF	29,062,538	76.3%	28,895,291	76.5%	28,821,969	76.6%	28,806,706	78.7%	28,539,389	78.8%	28,539,389	78.8%
Total	38,072,429	100.0%	37,792,303	100.0%	37,606,438	100.0%	36,591,010	100.0%	36,216,151	100.0%	36,216,151	100.0%
Total Net Investment Return	-2.14		-1.50%		0.32%		2.61%		-8.25%		-6.96%	

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

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

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

II. GENERAL ENDOWMENT FUND (continued)

b.) Unitholders' Summary Investment Report at August 31, 2002 (1)

(\$ millions)

	FY00-01		FY01-02				
	Full Year	Y	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year to Date
PERMANENT HEALTH FUND							
Beginning Net Assets	1,016.6		881.4	857.2	848.8	771.6	881.4
Withdrawals					(88.2)		(88.2)
Investment Return	(92.1)		(13.4)	2.6	21.6	(63.6)	(52.6)
Expenses	(1.1)		(0.1)	(0.2)	(0.1)	(0.2)	(0.6)
Distributions (Payout)	(42.0)		(10.7)	(10.8)	(10.7)	(9.6)	(41.8)
Ending Net Assets	681.4		857.2	848.8	771.6	698.2	698.2
Net Asset Value per Unit (2)	0.964617		0.938062	0.928935	0.940949	0.851524	0.851524
No. of Units (End of Period)	913,765,506		913,765,506	913,765,506	820,000,000	820,000,000	820,000,000
Distribution Rate per Unit	0.04600		0.01175	0.01175	0.01175	0.01175	0.04700
Total Net Investment Return	-9.24%		-1.53%	0.26%	2.56%	-8.22%	-7.05%
LONG TERM FUND							
Beginning Net Assets	3,136.2		2,843.3	2,783.3	2,784.5	2,854.8	2,843.3
Net Contributions	113.2		16.8	26.4	34.1	12.0	89.3
Investment Return	(276.5)		(43.5)	8.4	72.7	(237.3)	(199.7)
Expenses	(2.3)		(0.1)	(0.1)	(2.6)	(0.2)	(3.0)
Distributions (Payout)	(127.3)		(33.2)	(33.5)	(33.9)	(34.2)	(134.8)
Ending Net Assets	2,843.3		2,783.3	2,784.5	2,854.8	2,595.1	2,595.1
Net Asset Value per Unit (2)	5.412		5.266	5.219	5.266	4.766	4.788
No. of Units (End of Period)	525,401,525		528,498,599	533,513,842	540,048,019	542,049,359	542,049,359
Distribution Rate per Unit	0.24500		0.06275	0.06275	0.06275	0.06275	0.25100
Total Net Investment Return	-6.80%		-1.50%	0.32%	2.58%	-8.23%	-6.97%

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

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

II. GENERAL ENDOWMENT FUND (continued)

c.) Comparison of Asset Allocation Versus Endowment Neutral Policy Portfolio and Net Investment Return for the quarter ended August 31, 2002

	Asset Allocation	Endowment Neutral Policy Portfolio	Actual Net Investment Return	Endowment Neutral Policy Portfolio Return (1)	Benchmark
Cash	-0.2% (2)	0.0%	0.47%	0.44%	90 Day T-Sills Average Yield
Domestic Common stocks:					
Large/Medium Capitalization Equities	19.6%	25.0%	-14.16%	-13.80%	Standard and Poor's 600 Index
Small Capitalization Equities	6.6%	7.5%	-20.69%	-19.52%	Russell 2000 Index
Total Domestic Common Stocks	28.4%	32.5%			
International common Stocks:					
Established Markets	11.9%	12.0%	-14.16%	-13.66%	Morgan Stanley Capital International Europe, Asia, Far East Index (net)
Emerging Markets	4.6%	3.0%	-14.75%	-13.69%	Morgan Stanley Capital International Emerging Markets Free
Total International Common Stocks	16.5%	15.0%			
Inflation Hedging	9.7%	7.5%	0.83%	4.39%	33% (Goldman Sachs Commodity Index minus 100 basis points) plus 67% (National Commercial Real Estate Index Fund)
Fixed Income:					
Domestic	16.5%	15.0%	1.93%	3.61%	Lehman Brothers Aggregate Bond Index
International	4.3%	5.0%	6.72%	9.23%	Salomon Non-US. World Government Bond Index. Unhedged
Total Fixed Income	20.6%	20.0%			
Marketable Alternative Equities	13.6%	10.0%	-6.79%	2.20%	90 Day T-Sills Average Yield + 7%
Total Marketable Securities	66.6%	65.0%	-6.66%	-6.63%	
Non-Marketable Alternative Equities	11.2%	15.0%	-4.37%	-13.12% (3)	Wilshire 5000 U.S. Equities Index + 4%
Total	100.0%	100.0%	-6.25%	-7.61%	

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

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

(3) Due to valuation and liquidity characteristics associated with Non-Marketable Alternative Equities, short-ten benchmark comparisons are not appropriate.

III. SHORT INTERMEDIATE TERM FUND (1)

Summary Investment Report at **August 31, 2002**

(\$ millions)

	FY00-01	FY01-02				
	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year-to-Date
Beginning Net Assets	1,844.4	1,704.6	1,714.0	1,451.9	1,477.6	1,704.6
Net Contributions	(194.7)	2.1	(254.5)	31.4	(40.0)	(261.0)
Investment Return	161.2	27.5	10.6	9.6	12.6	60.3
Expenses	(0.5)	(0.2)	(0.2)	(0.2)	(0.1)	(0.7)
Distributions of Income	(105.6)	(20.0)	(18.0)	(15.1)	(14.2)	(67.3)
Ending Net Assets	1,704.6	1,714.0	1,451.9	1,477.6	1,435.9	1,435.9
Net Asset Value per Unit	10.152	10.195	10.150	10.110	10.099	10.099
No. of Units (End of Period)	167,909,159	168,126,090	143,051,739	146,147,403	142,184,975	142,184,975
Total Net Investment Return	6.96%	1.60%	0.63%	0.63%	0.64%	3.75%

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

IV. SEPARATELY INVESTED ASSETS

Summary Investment Report at August 31, 2002

(\$ thousands)

ASSET TYPES	FUND TYPE												TOTAL	
	CURRENT PURPOSE				ENDOWMENT &		ANNUITY & LIFE		AGENCY FUNDS		OPERATING FUNDS			
	DESIGNATED		RESTRICTED		SIMILAR FUNDS		INCOME FUNDS							
	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
Cash & Equivalents:														
Beginning value 6/1/02	3,662	3,662	1,292	1,292	28,079	26,079	503	503	75	75	1,128,937	1,128,937	1,162,768	1,162,768
Increase/(Decrease)	162	182	1,061	1,061	7,533	7,533	22	22	4	4	166,145	166,145	194,947	194,947
Ending value 8/31/02	4,064	4,064	2,353	2,353	35,612	35,612	525	625	79	79	1,315,082	1,315,082	1,357,715	1,357,715
Debt Securities:														
Beginning value 6/1/02			263	167	49,476	49,294	13,398	13,772	.	.	339,299	346,704	402,426	411,937
Increase/(Decrease)				17	(765)	(1,716)	1,177	1,476	.	.	(102,593)	(94,505)	(102,161)	(94,728)
Ending value 8/31/02			263	184	46,713	47,576	14,575	16,248	.	.	236,696	254,199	300,247	317,209
Equity Securities:														
Beginning value 6/1/02	40	7,111	2,296	1,957	30,926	33,613	21,370	17,761	.	.	135,575	94,267	190,209	154,709
Increase/(Decrease)		(3,361)	(328)	(325)	1,775	(769)	1,907	(630)	.	.	467	(12,974)	3,641	(18,059)
Ending value 8/31/02	40	3,750	1,970	1,632	32,701	32,844	23,277	17,131	.	.	136,062	81,293	194,050	136,650
Other:														
Beginning value 6/1/02			22	22	576	576	120	21	.	.			718	619
Increase/(Decrease)	11,000	11,000	1,193	1,193	206	206	5	.	.	.			12,406	12,401
Ending value 8/31/02	11,000	11,000	1,215	1,215	764	764	125	21	.	.			13,124	13,020

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

6. Permanent University Fund: Report on Investments for the Fiscal Year Ended August 31, 2002

The Board accepted the annual report on Permanent University Fund investments for the fiscal year ended August 31, 2002, as prepared by The University of Texas Investment Management Company (UTIMCO) and approved by the UTIMCO Board of Directors. The report includes the annual audited financial statements and additional schedules required by Texas Education Code Section 66.05.

The report will be distributed to the Governor, members of the Legislature, and other State officials as required by Texas Education Code Section 66.05.

7. U. T. Arlington: Determination of Necessity and Authorization to Acquire Real Property Located at 851, 901, and 905 Oak Street, Arlington, Tarrant County, Texas; Authorization to Take All Necessary Actions Needed to Acquire the Above Property Through Purchase or Condemnation; and Authorization for the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to Execute All Documents Related Thereto

The Board:

- a. Determined that it is necessary for The University of Texas at Arlington to acquire, through condemnation proceedings, if necessary, the real property located at 851, 901, and 905 Oak Street in Arlington, Tarrant County, Texas, at a price not exceeding its fair market value as determined by an MAI appraisal or by the determination of the court
- b. Authorized the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to take all steps necessary to acquire the subject property; to execute all documents, instruments, and other agreements; to initiate a condemnation action of the subject property, if necessary, through The University of Texas System Office of General Counsel and the Office of the Attorney General of Texas; and to take all such actions deemed necessary or desirable to carry out the purpose and intent of the foregoing actions.

The College Oaks Apartments property, which consists of an approximately 1.03-acre site and a 47-unit apartment complex, exists in a strategic location within the approved master plan acquisition zone for the U. T. Arlington

campus and is needed to complete an assemblage of property for expansion of existing on-campus student housing. After acquisition, the improvements will be demolished to construct a parking lot for a new residence hall.

8. U. T. Permian Basin: Authorization to Acquire from the Odessa Housing Finance Corporation the Falcon's Nest Apartments Located at 4901 East University Boulevard, Odessa, Ector County, Texas; Authorization to Submit a Request to the Coordinating Board for Approval of the Transaction; Appropriation of Funds and Authorization of Expenditure; Authorization for the Executive Vice Chancellor for Business Affairs, the Executive Director of Real Estate, or the Assistant Vice Chancellor for Finance to Execute All Documents Related Thereto; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

On behalf of The University of Texas of the Permian Basin, the Board approved:

- a. Acquisition of the Falcon's Nest Apartments located at 4901 East University Boulevard, Odessa, Ector County, Texas, from the Odessa Housing Finance Corporation
- b. Submission of a request to the Texas Higher Education Coordinating Board for approval of this transaction
- c. Appropriation of funds and authorization of expenditure of up to \$1,000,000 from Revenue Financing System Bond Proceeds
- d. Authorization for the Executive Vice Chancellor for Business Affairs, the Executive Director of Real Estate, or the Assistant Vice Chancellor for Finance to execute all documents, instruments, and other agreements and to take all further actions deemed necessary or desirable to carry out the purpose and intent of the foregoing actions.

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

amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 44, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Permian Basin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of up to \$1,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

Purchase of the Odessa Housing Finance Corporation's leasehold interest in the Falcon's Nest Apartments will allow construction of additional student housing and will place all student housing on campus under University control.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 8th day of October, 2002

/s/ Philip Aldridge
Assistant Vice Chancellor for Finance

INFORMATIONAL REPORT

U. T. System: Annual Report on the Historically Underutilized Business (HUB) Program for Fiscal Year 2002

Committee Chairman Hunt called on Mr. Lewis Wright, Associate Vice Chancellor for Business Affairs, to present the annual report on The University of Texas System Historically Underutilized Business (HUB) Program for Fiscal Year 2002.

Report on The University of Texas System Historically Underutilized Business Program

Mr. Chairman, Members of the Board -- This report covers Historically Underutilized Business (HUB) Program operations in the U. T. System for Fiscal Year 2002.

U. T. System's total expenditures on reportable goods and services increased 9.0% from \$1.3 billion in 2001 to \$1.5 billion in 2002, while HUB expenditures increased 17.6% (\$26.6 million) to \$177.2 million for 2002. No underutilized HUB participation goals were met; however, three overutilized HUB participation goals in the categories of heavy construction, special trade construction, and professional services were exceeded. The U. T. System underutilized HUB participation rate exceeded the overall State percentage, and the U. T. System percentages exceeded the State average rates in four procurement categories (building construction, special trade construction, other services, and commodities).

The Statewide HUB program reported a 22% increase in expenditures on reportable goods and services in 2002; however, total HUB expenditures decreased 3.3% (\$34 million) from 2001. No underutilized HUB participation goals were met; however, overutilized HUB participation goals were met in the professional services and commodities procurement categories.

The State HUB report was based upon incorrectly reported expenditures for The University of Texas Health Science Center at Houston. Total expenditures for U. T. Health Science Center - Houston were overstated by \$1.5 billion resulting in a misstated total HUB expenditure rate of .67%

for the institution. Actual total expenditures for the institution were \$107.3 million with a HUB expenditure rate of 9.8% (\$10.5 million). U. T. System is currently working with the Texas Building and Procurement Commission to address these issues, and a corrected State HUB report is anticipated.

The following five U. T. System component institutions are noted among the top 25 agencies spending more than \$5 million and have the largest percentage spent with HUBs: The University of Texas at San Antonio (26.6%), The University of Texas at Dallas (24.9%), The University of Texas at Brownsville (21.0%), The University of Texas at Arlington (18.0%), and The University of Texas - Pan American (17.8%). Twelve U. T. System component institutions are also among the top 50 agencies by total expenditures.

A separate report pertaining to HUB participation in revenue financing expenditures is required by Texas Education Code Section 55.03. U. T. System reports 10.5% minority and woman-owned business enterprise (MWBE) participation in contracts relating to items financed by revenue bond proceeds, and 5% MWBE participation in contracts relating to costs of issuing bonds.

In response to a request by Regent Krier, Mr. Wright said he would send members of the U. T. Board of Regents a copy of the statutory HUB goals set by the State in 1995.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 47 - 55).--Committee Chairman Krier reported that the Academic Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Academic Affairs Committee and approved in open session by the U. T. Board of Regents:

1. U. T. Arlington - Intramural and Recreation Complex - Phase I: Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project; Authorization of Institutional Management; Approval of Total Project Cost; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board:

- a. Amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Intramural and Recreation Complex - Phase I project at The University of Texas at Arlington
- b. Authorized U. T. Arlington to manage the total project budgets, appoint an architect, approve facility programs, prepare final plans, and award contracts
- c. Approved a total project cost of \$3,300,000
- d. Appropriated funds and authorized expenditure of \$3,300,000 from Revenue Financing System Bond Proceeds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 49, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt

- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Arlington, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$3,300,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

The Intramural and Recreation Complex - Phase I project will consist of approximately 16 acres of field and activity space, as well as a control/support building. This phase of the project will construct two dedicated softball fields, three multiuse sports fields, and a jogging/walking trail that surrounds the site, supporting utilities, and infrastructure. All activity areas will be lighted. The control building will have rest rooms, a meeting room, an office, storage space, lockers, and a vending area.

This project will be managed by the U. T. Arlington Facilities Management personnel who have the experience and capability to manage all aspects of the work.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 14th day of October, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

2. U. T. Arlington - Minor Construction and Minor Repair and Renovation Projects: Authorization to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project; Authorization of Institutional Management; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board:

- a. Amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Minor Construction and Minor Repair and Renovation Projects at The University of Texas at Arlington at a preliminary project cost of \$4,300,000 with funding from Revenue Financing System Bond Proceeds
- b. Authorized U. T. Arlington to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts associated with the project
- c. Appropriated funds and authorized expenditure of \$4,300,000 from Revenue Financing System Bond Proceeds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 51, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Arlington, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$4,300,000

- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

U. T. Arlington will institutionally manage the Minor Construction and Minor Repair and Renovation Projects, which will be funded from Revenue Financing System Bond Proceeds. The four projects include: the Baseball Stadium Renovations (Phase II) at \$1,950,000; the Activities Building Renovation for Kinesiology at \$1,500,000; the Social Work C Renovation for Classrooms and Offices at \$450,000; and the Physical Plant Shops Addition and Renovations at \$400,000 for a total cost of \$4,300,000.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 14th day of October, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

3. U. T. Arlington - New Residence Hall: Amendment of the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project

Due to demand for University-owned and operated housing at The University of Texas at Arlington, the Board amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the New Residence Hall project at a preliminary project cost of \$14,275,000 with funding from Revenue Financing System Bond Proceeds.

The New Residence Hall, which will be in close proximity to the University Center, will be ready for occupancy by the Fall Semester 2004 with approximately 350 beds in single and double rooms. Each room will have access to the University's computer network, telephone system, and local cable television. The development will include a commons facility, on-site parking, card-access for enhanced security, and landscaping.

4. U. T. Arlington - University Center Addition: Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project

The Board amended the FY 2002-2007 Capital Improvement Program (CIP) and the FY 2002-2003 Capital Budget to include the University Center Addition project at The University of Texas at Arlington at a preliminary project cost of \$1,800,000 with funding from Revenue Financing System Bond Proceeds.

This project will add approximately 5,000 gross square feet to the existing University Center building to enlarge and renovate the campus dining area.

This project is below the CIP cost threshold but is being added to the CIP due to the use of debt financing.

5. U. T. Austin - The University of Texas Elementary Charter School: Authorization to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include The University of Texas Elementary Charter School project at The University of Texas at Austin at a preliminary project cost of \$750,000 with funding from Revenue Financing System Bond Proceeds. These funds will be used to develop a suitable campus for the anticipated 116 students in pre-kindergarten through first grade.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 54, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$750,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

The University of Texas Elementary Charter School will use innovative research-based teaching methods to support an educational laboratory serving a diverse student population in East Austin, Texas. This project is a cornerstone of The University of Texas System's "Every Child, Every Advantage" initiative.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 14th day of October, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

6. U. T. Austin - Experimental Science Building Renovation Phase I and Phase II (Project No. 102-906): Amendment of the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Combine Projects

The Board approved combining the Experimental Science Building Renovation Phase I and Phase II projects at The University of Texas at Austin into one project at a preliminary project cost of \$35,000,000 with funding from Revenue Financing System Bond Proceeds. Combining the projects will enable the project team to move immediately into design following approval of the facilities program.

The Experimental Science Building Renovation Phase I project is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$750,000 with funding from Designated Tuition. Phase I includes the development of an overall program and cost estimate for subsequent phased work.

The Experimental Science Building Renovation Phase II project is included in the FY 2002-2007 Capital Improvement Program Futures List. Phase I programming indicates that the overall preliminary project cost should be \$34,250,000 for Phase II to renovate approximately one-third of the existing building to support state-of-the-art research and teaching laboratories, classrooms, and offices for nanoscience.

7. U. T. Austin - Performing Arts Center Infrastructure Upgrades - Phase I: Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project

The Board amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Performing Arts Center Infrastructure Upgrades - Phase I project at The University of Texas at Austin at a preliminary project cost of \$400,000 with funding from Designated Tuition.

Phase I is a feasibility and planning phase to develop an overall program and cost estimate for subsequent phased work. Work planned for a future phase of the project will address building age and condition, updating the space and its use, and involve renovation to meet current life safety and accessibility code requirements.

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 56 - 59).--Committee Chairman Oxford reported that the Health Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Health Affairs Committee and approved in open session by the U. T. Board of Regents:

1. U. T. Medical Branch - Galveston: Authorization to Establish a Master of Occupational Therapy Degree; Approval to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change); and Authorization of Certification that Coordinating Board Criteria for Approval Are Met

The Board:

- a. Established a Master of Occupational Therapy degree program at The University of Texas Medical Branch at Galveston
- b. Approved submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action
- c. Authorized the Acting Executive Vice Chancellor for Health Affairs to certify on behalf of the U. T. Board of Regents that relevant Coordinating Board criteria for approval by the Commissioner of Higher Education have been met.

The master's degree program is consistent with the approved Table of Programs and institutional plans of U. T. Medical Branch - Galveston for offering quality degree programs to meet student needs.

The Master of Occupational Therapy degree is an entry-level professional program in the School of Allied Health Sciences to prepare generalist occupational therapy graduates for licensure and practice in the State of Texas.

The first students will be admitted in August 2003 with expected enrollment of 35-40 students in each entering class. U. T. Medical Branch - Galveston will admit students holding a baccalaureate degree from an accredited institution who have successfully completed 29 prerequisite credits in nine specified foundational areas. The curriculum requires 82 semester credit hours of didactic coursework and 18 semester credit hours of clinical instruction, spanning eight semesters (30 months). The curriculum also includes interdisciplinary instruction, integrated practice, and community-based service-learning activities and will focus on theory

and practice in medical rehabilitation and occupational science, treatment approaches and techniques, assistive technologies, service delivery systems, evidence-based decision-making, ethics, cultural awareness, communication skills, and medical jurisprudence.

There are eight full-time equivalent (FTE) faculty assigned as regular faculty in the current program. An increase of two FTE faculty positions is anticipated, augmented by clinical and adjunct faculty from the U. T. Medical Branch - Galveston hospitals and clinics and other academic areas in rehabilitation.

The five-year cost projection for the program totals \$3,988,343. Of this amount, \$455,000 represents the estimated incremental cost above current expenditures for the existing baccalaureate program that the program will replace. Approximately \$1.2 million of the total funding to support the program will come from formula income, \$2.6 million will be derived from reallocation of existing resources from the institution (including both legislative appropriations and local income), \$26,000 from school and departmental program endowment funds, and \$168,758 from current federal grant funding that will overlap the projected start of the program. Additional potential sources of funding include endowments from estate bequests currently on file and committed to the program, and anticipated future grant awards, as well as faculty practice revenues. If fully realized during the five-year period, these potential funding sources will total an estimated \$145,000, for total program funding of \$4,139,758.

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

2. U. T. Health Science Center - Houston - Medical School Building - Perimeter Berms: Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project

The Board amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Medical School Building - Perimeter Berms project at The University of Texas Health Science Center at Houston at a preliminary cost of \$10,000,000 with funding from Insurance Proceeds.

This project continues efforts to recover from Tropical Storm Allison in June 2001 and includes repair and completion of the perimeter berm system to protect against a 500-year flood event. This project will reinforce, heighten, and augment the existing berm system, using concrete walls and floodgates to protect the perimeter of the building.

3. U. T. Health Science Center - Houston - Medical School Building - Roof Top Vivarium and Exterior Elevator: Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project

The Board amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Medical School Building - Roof Top Vivarium and Exterior Elevator project at The University of Texas Health Science Center at Houston at a preliminary project cost of \$38,000,000 with funding from Insurance Proceeds.

This project continues efforts to recover from Tropical Storm Allison in June 2001. The Animal Care Facility, located in the basement level of the Medical School Building that was flooded during the storm, is being relocated to the roof to protect from future flooding. This project also includes installation of an exterior elevator.

4. U. T. Health Science Center - San Antonio: Authorization to Accept a Cash Contribution from the City of Edinburg, Hidalgo County, Texas, for the Medical Research Division of the Regional Academic Health Center (RAHC) as Fulfillment of Operating Fund Requirements

The Board authorized The University of Texas Health Science Center at San Antonio to accept a cash contribution of \$1 million from the City of Edinburg, Hidalgo County, Texas, in fulfillment of the U. T. Board of Regents' requirement for local contribution of funds for operating expenses for the Medical Research Division of the Regional Academic Health Center (RAHC).

The U. T. Board of Regents approved construction of the Hidalgo County Medical Research Division of the RAHC in November 1998 contingent on "(1) a gift of the land satisfactory to the U. T. System in its sole discretion, on which the facility will be constructed, and (2) the contribution of funds satisfactory to the U. T. System in its sole discretion for operating expenses from the Foundation, city and county governmental agencies, and the medical and business communities in the designated area." With this gift, the operating fund requirements are fulfilled. It is understood that an additional \$500,000 will be given over the next two years, if funding is available. The Board accepted a cash contribution in lieu of a gift of land on November 11, 1999.

The Board redesignated the Hidalgo County Medical Research Division as the Medical Research Division of the RAHC on August 8, 2002.

Committee Chairman Oxford welcomed the delegation from the City of Edinburg including Senator-Elect Juan “Chuy” Hinojosa and State Representative-Elect Aaron Peña, Jr., and called on Representative-Elect Peña for remarks. Representative-Elect Peña stated he was bringing words of appreciation from the Border as well as a check to fulfill the operating fund requirements. He acknowledged Edinburg City Manager John R. Milford, Medical Advisory Committee Chairman Jaime Gonzalez, Dr. Miguel A. Nevárez, President of The University of Texas - Pan American, and Dr. Francisco G. Cigarroa, President of U. T. Health Science Center - San Antonio. Representative-Elect Peña stated that while their community may be poor, there is tremendous wealth in the desire to improve the community and to educate children. He said the City looks forward to opportunities the RAHC will bring, and to continued cooperation and assistance from the U. T. Board of Regents.

Representative-Elect Peña also proposed the U. T. Board of Regents consider attaching the City of Edinburg name to the RAHC facility since it will be built in Edinburg and the city name has traditionally been included in the name of the building.

Representative-Elect Peña then called on Mr. Jaime Gonzalez for comments. Mr. Gonzalez thanked the Board for the opportunity to speak on behalf of the City of Edinburg and for allowing the City of Edinburg to be the hometown for the research center, which will allow scientists, scholars, and experts to bring answers and solutions to pressing health problems. Mr. Gonzalez stated the City of Edinburg was required to fulfill two requirements, the first being the purchase of 12 acres on which to build the research center, which was fulfilled at an estimated cost of \$900,000. He said the final requirement was to contribute \$1 million towards operating expenses and that was also now accomplished.

Representative-Elect Peña announced the groundbreaking will be celebrated on December 11 in Edinburg and invited anyone who could attend.

Regent Estrada stated for the record that The Honorable Joe Ochoa, Mayor of the City of Edinburg, was not able to attend this meeting and commended Mayor Ochoa for his outstanding leadership in the Lower Rio Grande Valley and specifically for his support of U. T. Pan American. On behalf of the Board, Chairman Miller also expressed appreciation to Mayor Ochoa for his support.

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 60 - 92).--Committee Chairman Clements reported that the Facilities Planning and Construction Committee met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Facilities Planning and Construction Committee and approved in open session by the U. T. Board of Regents.

Committee Chairman Clements congratulated Mr. Sidney J. Sanders, Assistant Vice Chancellor for Facilities Planning and Construction for The University of Texas System, for the professional quality of his presentations and Board Chairman Miller also recognized Board Vice-Chairman Clements for her leadership of this Committee and the outstanding work of Assistant Vice Chancellor Sanders.

1. U. T. Board of Regents: Amendment to the Regents' Rules and Regulations, Part Two, Chapter VIII, Section 2 (Capital Improvement Program)

The Board amended the Regents' Rules and Regulations, Part Two, Chapter VIII, Section 2, Subsection 2.4, regarding institutional management of Major Projects, to read as set forth below:

Sec. 2. Capital Improvement Program

...

2.4 Institutional Management of Major Projects

Adoption of the CIP includes authorization of institutional management of Major Projects so designated in the CIP. "Off-cycle" requests for institutional management shall be reviewed and approved by the Chancellor or Chancellor's delegate. Projects approved for institutional management will be included in the amended CIP. Projects designated for institutional management shall follow the process, authority, and approvals as outlined in Section 5 of this Chapter for the full amount stipulated in the CIP. Funding other than debt financing will be appropriated at the time of authorization of institutional management.

Language added to the Regents' Rules and Regulations, Part Two, Chapter VIII, Section 2, Subsection 2.4 clarifies what is authorized by "institutional management" for Capital Improvement Program (CIP) projects to align the Regents' Rules with actual practice. Specifically, added language clarifies that, when a component is given the authority for institutional management of

a CIP project, the institution may proceed with full implementation of the project without further approvals from the Board or The University of Texas System Administration, other than the issuance of debt.

2. U. T. Arlington - Natural History Specimen Annex: Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Increase Total Project Cost; Appropriation of Additional Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board:

- a. Amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to increase the total project cost for the Natural History Specimen Annex project at The University of Texas at Arlington from \$280,000 to \$980,000
- b. Appropriated additional funds and authorized expenditure of \$700,000 from Revenue Financing System Bond Proceeds.

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

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

- c. U. T. Arlington, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$700,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

The Natural History Specimen Annex project, approved by the Board at the May 9, 2002 meeting, is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$280,000 with funding of \$125,000 from Designated Tuition and \$155,000 from Tuition Revenue Bond Proceeds.

The total project cost will increase by \$700,000 from Revenue Financing System Bond Proceeds to fully fund the project, which will construct a new facility to house the collection of natural history specimens currently stored in the basement of the Life Science Building.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 14th day of October, 2002

/s/ Philip Aldridge
Assistant Vice Chancellor for Finance

3. U. T. Arlington - University Village West Apartments (Phase III Meadow Run Apartments) (Project No. 301-076): Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Increase Total Project Cost; Approval of Design Development Plans for Additional Scope; Appropriation of Additional Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board heard a presentation on the design development plans and the economic impact for the University Village West Apartments project (Phase III Meadow Run Apartments) at The University of Texas at Arlington by Mr. Sidney J. Sanders, Assistant Vice Chancellor for Facilities Planning and Construction for The University of Texas System.

Based on this presentation, the Board:

- a. Amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to increase the total project cost for the University Village West Apartments project (Phase III Meadow Run Apartments) from \$17,608,000 to \$26,508,000
- b. Approved design development plans for the additional scope
- c. Appropriated additional funds and authorized expenditure totaling \$8,900,000 from Revenue Financing System Bond Proceeds.

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

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt

- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Arlington, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$8,900,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

The University Village West Apartments project (Phase III Meadow Run Apartments), approved by the Board on August 9, 2001, is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$17,608,000 with funding from Revenue Financing System Bond Proceeds.

The total project cost will increase from \$17,608,000 to \$26,508,000 with additional funding of \$8,900,000 from Revenue Financing System Bond Proceeds. Construction will include an additional 120 apartment units consisting of approximately 115,000 gross square feet capable of housing 250 students, and will include a clubhouse, swimming pool, on-site parking, and landscaping.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 14th day of October, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

4. U. T. Austin - Benedict/Mezes/Batts Renovation - Phase I (Project No. 102-027): Amendment of the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Decrease Total Project Cost; Approval to Reduce Appropriation of Funds; Approval to Revise the Source of Funds; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board:

- a. Amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to decrease the total project cost for the Benedict/Mezes/Batts Renovation - Phase I project at The University of Texas at Austin from \$32,000,000 to \$30,000,000
- b. Reduced appropriation of expenditure of \$32,000,000 from Designated Tuition
- c. Revised the source of funds of \$32,000,000 from Designated Tuition to \$30,000,000 from Revenue Financing System Bond Proceeds
- d. Appropriated funds and authorized expenditure of \$30,000,000 from Revenue Financing System Bond Proceeds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 68, the Board resolved that:

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

- c. U. T. Austin, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$30,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

The Benedict/Mezes/Batts Renovation - Phase I project is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a total project cost of \$32,000,000 with funding from Designated Tuition.

On May 9, 2002, the Board approved the project, and appropriated and authorized expenditure of \$32,000,000 from Designated Tuition. Approval of this item decreases the total project cost and changes the appropriation of expenditure to \$30,000,000 from Revenue Financing System Bond Proceeds, thus expediting funding for the project and allowing construction to quickly move ahead.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 14th day of October, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

5. U. T. Austin - Jack S. Blanton Museum of Art - Phase I (Project No. 102-965): Authorization to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Revise the Source of Funds; Rescind Appropriation and Expenditure of Funds; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board:

- a. Amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to revise the source of funds for the Jack S. Blanton Museum of Art - Phase I at The University of Texas at Austin from \$32,000,000 from Gifts and Grants and \$26,500,000 from Designated Tuition to \$32,000,000 from Gifts and Grants and \$26,500,000 from Revenue Financing System Bond Proceeds
- b. Rescinded appropriation and expenditure of \$26,500,000 from Designated Tuition
- c. Appropriated funds and authorized expenditure of \$26,500,000 from Revenue Financing System Bond Proceeds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 71, the Board resolved that:

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

- c. U. T. Austin, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$26,500,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

The Jack S. Blanton Museum of Art - Phase I is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$58,500,000 with funding of \$32,000,000 from Gifts and Grants and \$26,500,000 from Designated Tuition. Funds were appropriated and expenditure was authorized on May 9, 2002.

Approval of this item revises the source of funds and changes the appropriation and expenditure of \$26,500,000 from Designated Tuition to \$26,500,000 from Revenue Financing System Bond Proceeds, thus expediting funding for the project and allowing construction to quickly move ahead.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 14th day of October, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

6. U. T. Austin - Utility Infrastructure Upgrade (Project No. 102-085): Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Increase Total Project Cost; Appropriation of Additional Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board:

- a. Amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to increase the total project cost for the Utility Infrastructure Upgrade project at The University of Texas at Austin from \$36,500,000 to \$45,700,000
- b. Appropriated additional funding and authorized expenditure of \$9,200,000 from Revenue Financing System Bond Proceeds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 73, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$9,200,000

- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

The Utility Infrastructure Upgrade project is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$36,500,000 with funding from Revenue Financing System Bond Proceeds. On May 10, 2001, Phase I was approved for inclusion in the Capital Improvement Program at a preliminary project cost of \$8,000,000 and was authorized for institutional management. On November 8, 2001, the Board approved combining Phase I and Phase II with funding of \$28,500,000 for Phase II for a preliminary project cost of \$36,500,000.

Approval of this item increases the total project cost by \$9,200,000 to \$45,700,000 to fund increased costs to equipment and modifications to the existing utility plant.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 14th day of October, 2002

/s/ Philip Aldridge
Assistant Vice Chancellor for Finance

7. U. T. El Paso - Engineering/Science Complex (Project No. 201-065): Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval to Increase Total Project Cost; Redesignation as the Engineering Building Expansion; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board heard a presentation on the design development plans and the economic impact for the Engineering/Science Complex project at The University of Texas at El Paso by Mr. Sidney J. Sanders, Assistant Vice Chancellor for Facilities Planning and Construction for The University of Texas System.

Based on this presentation, the Board:

- a. Approved design development plans for the Engineering/ Science Complex project
- b. Approved the evaluation of alternative energy economic feasibility
- c. Approved an increase in the total project cost from \$6,000,000 to \$7,000,000
- d. Redesignated the project as the Engineering Building Expansion
- e. Appropriated funds and authorized expenditure of \$6,000,000 from Permanent University Fund Bond Proceeds and \$1,000,000 from Revenue Financing System Bond Proceeds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 76, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt

- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. El Paso, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$1,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

The Engineering/Science Complex project is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$6,000,000 with funding from Permanent University Fund Bond Proceeds. The total project cost will be increased by \$1,000,000 with funding from Revenue Financing System Bond Proceeds to fully fund the project.

A new three-story facility of approximately 44,000 gross square feet will be constructed and the project will also include site development, extension of site utilities, and renovation of existing space in the Engineering Building. The new facility will provide space for the Dean’s office, department offices, and faculty offices; and shell space will be converted into a study/presentation room and a conference room.

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

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 14th day of October, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

8. U. T. El Paso - Rest Room Renovations: Amendment of the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project; Rescission of Approval of the University Bookstore Expansion and Renovation Project; Authorization for Institutional Management; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board:

- a. Amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Rest Room Renovations project at The University of Texas at El Paso at a total project cost of \$200,000 with funding from Revenue Financing System Bond Proceeds
- b. Rescinded approval of the University Bookstore Expansion and Renovation project with funding of \$800,000 from Revenue Financing System Bond Proceeds
- c. Authorized U. T. El Paso to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts associated with the Rest Room Renovations project
- d. Appropriated funds and authorized expenditure of \$200,000 from Revenue Financing System Bond Proceeds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 79, the Board resolved that:

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

- c. U. T. El Paso, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$200,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

On November 8, 2001, the Board approved \$800,000 in Revenue Financing System Bond Proceeds for the U. T. El Paso University Bookstore Expansion and Renovation project. The bookstore is now being relocated to a new facility, thus the Revenue Financing System Bond Proceeds approved for renovation are no longer needed and \$200,000 in Revenue Financing System Bond capacity will be allocated to renovate rest rooms in the Student Union Building and bring the facility into Americans with Disabilities Act (ADA) compliance. While this project size is below the required review threshold for approval by the U. T. Board of Regents, Board approval was sought for the issuance of bonds and to rescind approval of \$800,000 in Revenue Financing System Bonds for the bookstore renovation project.

This project would best be managed by U. T. El Paso Facilities Management personnel who have the experience and capability to manage all aspects of the work.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 14th day of October, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

9. U. T. Pan American - Education Complex Addition and Renovation (Project No. 901-057): Authorization to Approve Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval of Total Project Cost; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

Mr. Sidney J. Sanders, Assistant Vice Chancellor for Facilities Planning and Construction for The University of Texas System, presented the design development plans and the economic impact for the Education Complex Addition and Renovation at The University of Texas - Pan American.

Based on this presentation, the Board:

- a. Approved design development plans for the Education Complex Addition and Renovation
- b. Approved the evaluation of alternative energy economic feasibility
- c. Approved a total project cost of \$22,000,000
- d. Appropriated funds and authorized expenditure of \$22,000,000 from Tuition Revenue Bond Proceeds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 82, the Board resolved that:

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

- c. U. T. System components, which are “Members” as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$22,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

The Education Complex Addition and Renovation is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$22,000,000 with funding from Tuition Revenue Bond Proceeds.

The project will construct a new facility of approximately 80,000 gross square feet of classrooms, laboratories, offices, and research areas, and will renovate approximately 45,000 gross square feet in two existing buildings to add offices and research project areas.

The project will provide state-of-the-art teaching facilities; distance-learning capabilities to foster field-based learning and outreach services; high quality faculty research and office areas; areas for faculty/student interaction to foster communication; and meeting spaces and office areas to support and promote teacher certification, continuing education, and professional development.

During the 77th Session, the Texas Legislature authorized \$29,950,000 of tuition revenue bonds to be issued for U. T. Pan American for education complex, library, and multipurpose center renovation and construction. To date, the Board has approved \$2,107,000 for the Campus Entrance/Visitors’ Center; \$2,800,000 for the Academic Annex Renovation; \$1,493,000 for the Administrative Offices Renovation; and \$1,550,000 for Campus Repair and Renovations. The \$22,000,000 for the Education Complex Addition and Renovation project utilizes the remaining tuition revenue bond authorization.

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

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 14th day of October, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

10. U. T. Permian Basin: Acceptance of Gift of Outdoor Work of Art

The Board accepted a gift of an outdoor sculpture of a green cactus as an addition to several pieces displayed in the vicinity of the Visual Arts Studios on The University of Texas of the Permian Basin campus. The sculpture by a local artist is made of galvanized metal and the cost of installation and maintenance will be minimal.

11. U. T. Permian Basin - Student Housing Phase II (Project No. 501-111): Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Increase Total Project Cost; Authorization of Partial Institutional Management; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board:

- a. Amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to increase the total project cost for the Student Housing Phase II project at The University of Texas of the Permian Basin from \$4,800,000 to \$5,800,000
- b. Authorized U. T. Permian Basin to manage \$1,000,000 of the total project budget, appoint architects, approve facility programs, prepare final plans, and award contracts associated with the project
- c. Appropriated funds and authorized expenditure of \$1,000,000 from Revenue Financing System Bond Proceeds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 85, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt

- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Permian Basin, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$1,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

The Student Housing Phase II project is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$4,800,000 with funding from Revenue Financing System Bond Proceeds.

The total project cost will be increased to \$5,800,000, although only \$1,000,000 from Revenue Financing System Bond Proceeds is being authorized at this time to construct two apartment-style buildings, consisting of a minimum of 32 beds, in time for the start of Fall Semester 2003. This portion of the project would best be managed by U. T. Permian Basin Facilities Management personnel who have the experience and capability to manage all aspects of the work.

The Phase II project will be brought before the U. T. Board of Regents’ Facilities Planning and Construction Committee for design approval and appropriation of the \$4,800,000 from Revenue Financing System Bond Proceeds prior to the bidding process.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 14th day of October, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

12. U. T. Tyler - Student Resident Home: Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board appropriated funds and authorized expenditure totaling \$1,400,000 from Revenue Financing System Bond Proceeds for the Student Resident Home project at The University of Texas at Tyler.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 87, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Tyler, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$1,400,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

The Student Resident Home project is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a total project cost of \$1,400,000 with funding from Revenue Financing System Bond Proceeds. The Chancellor approved institutional management of the project and design development in August 2002.

The project will construct student housing of 10,000 gross square feet for approximately 34 students. The facility is the first resident-type home to be constructed on campus.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 14th day of October, 2002

/s/ Philip Aldridge
Assistant Vice Chancellor for Finance

13. U. T. Southwestern Medical Center - Dallas - Thermal Energy Plant - Phase 2: Amendment of the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Revise the Source of Funds; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to revise the source of funds for the Thermal Energy Plant - Phase 2 at The University of Texas Southwestern Medical Center at Dallas from \$30,000,000 from Performance Contracts to \$25,000,000 from Revenue Financing System Bond Proceeds and \$5,000,000 from Interest on Local Funds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 89, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Southwestern Medical Center - Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$25,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

The Thermal Energy Plant - Phase 2 is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$30,000,000 with funding from Performance Contracts.

Approval of this item changes the funding to \$25,000,000 from Revenue Financing System Bond Proceeds and \$5,000,000 from Interest on Local Funds. The first part of the project will include installation of energy efficient lighting, which will be purchased and installed using Local Funds. The second part will include a high-voltage substation and distribution, standby power generation, and replacement of two aged steam chillers with new electric chillers. Significant additional savings will result from using Revenue Financing System Bond Proceeds to finance the work.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 14th day of October, 2002

/s/ Philip Aldridge
Assistant Vice Chancellor for Finance

14. U. T. Health Science Center - Houston - Expansion of Student Housing (Project No. 701-856): Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Increase the Total Project Cost

The Board amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to increase the total project cost for the Expansion of Student Housing project at The University of Texas Health Science Center at Houston from \$7,000,000 to \$28,700,000 with funding from Revenue Financing System Bond Proceeds.

This project is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$7,000,000 with funding from Revenue Financing System Bond Proceeds.

The project scope has increased from 96 units of student housing to between 300 and 325 garden style, predominately one-bedroom apartments to help satisfy the demand for apartment complex living on campus.

15. U. T. Health Science Center - Houston - Indoor Air Quality at the Medical School (Project No. 701-946): Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Increase Total Project Cost

The Board amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to approve an increase in the total project cost for the Indoor Air Quality at the Medical School project at The University of Texas Health Science Center at Houston from \$16,200,000 to \$26,200,000 with additional funding of \$10,000,000 from Energy Conservation Financing.

This project is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a total project cost of \$16,200,000 with funding of \$13,304,541 from Permanent University Fund Bond Proceeds and \$2,895,459 from Hospital Revenues.

The increase of \$10,000,000 will be used to complete the retrofit of the Medical School Building and will be funded from Energy Conservation Financing with LoanStar Proceeds utilizing a Memorandum of Understanding with the State Energy Conservation Office. The Memorandum will be submitted to the Board for approval via the Docket if the request is approved by the State. These Proceeds will be repaid with anticipated cost savings from energy conservation related to the project.

16. U. T. Health Science Center - Houston - Freeman Building Replacement: Amendment of the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Revise the Source of Funds

The Board amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to revise the source of funds for the Freeman Building Replacement project at The University of Texas Health Science Center at Houston from \$29,000,000 from Permanent University Fund Bond Proceeds and \$51,000,000 from Insurance Claims to \$29,000,000 from Gifts and Grants and \$51,000,000 from Insurance Claims.

This project is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$80,000,000 with funding of \$29,000,000 in Permanent University Fund Bond Proceeds and \$51,000,000 in Insurance Claims.

Since construction of the Freeman Building has not started, \$29,000,000 in Permanent University Fund Bond Proceeds initially approved for the Research Expansion Project but temporarily reallocated on November 8, 2001, to the Freeman Building Replacement project will be transferred back to the Research Expansion Project (see Item 17 below). That funding will be replaced with \$29,000,000 from Gifts and Grants.

17. U. T. Health Science Center - Houston - Research Expansion Project (Project No. 701-059): Authorization to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Revise the Source of Funds

The Board amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to revise the source of funds for the Research Expansion Project (also known as The Institute of Molecular Medicine Building) at The University of Texas Health Science Center at Houston from \$21,000,000 from Permanent University Fund Bond Proceeds and \$99,000,000 from Gifts and Grants to \$50,000,000 from Permanent University Fund Bond Proceeds and \$70,000,000 from Gifts and Grants for a preliminary project cost of \$120,000,000.

This project is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$120,000,000 with funding of \$21,000,000 from Permanent University Fund Bond Proceeds and \$99,000,000 from Gifts and Grants.

Since construction of the Freeman Building has not started, \$29,000,000 in Permanent University Fund Bond Proceeds initially approved for the Research Expansion Project but temporarily reallocated on November 8, 2001, to the Freeman Building Replacement project will be transferred back to the Research Expansion Project (see Item 16 on Page 91). Funding of \$99,000,000 from Gifts and Grants will be reduced to \$70,000,000.

18. U. T. Health Center - Tyler: Acceptance of Gift of Outdoor Work of Art

The Board accepted a gift of an outdoor sculpture honoring Camp Fannin veterans to be placed at the entrance of The University of Texas Health Center at Tyler campus.

The sculpture, provided by Angela Mia, El Paso, Texas, depicts a soldier made from bronze standing in the center of a star configuration with each point of the star representing a branch of the United States Armed Services. The memorial will honor the 250,000 individuals trained at Camp Fannin and will preserve the historical legacy of the World War II camp that was located on the site of the current Health Center.

An endowment will be established by the Camp Fannin Association to cover installation of the sculpture and to care for the monument.

INFORMATIONAL REPORT

U. T. System: Quarterly Report on Historically Underutilized Business (HUB) Expenditures for Building Construction

The quarterly report on Historically Underutilized Businesses (HUB) for building construction for The University of Texas System is set forth below:

Total expenditures for Building Construction and Other Facilities by the Office of Facilities Planning and Construction through the fourth quarter of Fiscal Year 2002 were approximately \$292,000,000. Of that amount, 9.3% was paid to Certified Historically Underutilized Businesses, 1.28% was paid to Graduated Historically Underutilized Businesses, and Non-Certified Historically Underutilized Businesses received 12.9% for a total of 24% or approximately \$70,091,000. By comparison in Fiscal Year 2001, 10.20% was paid to Certified Historically Underutilized Businesses, 1.47% was paid to Graduated Historically Underutilized Businesses, and Non-Certified Historically Underutilized Businesses received 2.10% for a total of 13.77% or \$22,692,000.

This information was included in the U. T. System Administration HUB Report to the State.

RECONVENE.--At 9:15 a.m., the Board reconvened as a committee of the whole to consider those items remaining on the agenda.

OTHER MATTER

U. T. Board of Regents: Presentation of Certificate of Appreciation to Ronald F. Garvey, M.D., President of The University of Texas Health Center at Tyler, for His Service to The University of Texas System

Chairman Miller commended Ronald F. Garvey, M.D., for his professional leadership as President of The University of Texas Health Center at Tyler and Vice-Chairman Riter echoed the words of appreciation for Dr. Garvey's exceptional service over the past five years. Chairman Miller then presented Dr. Garvey with a certificate of appreciation as follows:

CERTIFICATE OF APPRECIATION

The Board of Regents

Expresses to

RONALD F. GARVEY, M.D.

Its Sincere Appreciation for His

Distinguished Service and Outstanding Contributions
to
The University of Texas System

as

President

at

The University of Texas Health Center at Tyler

1998 - 2002

Adopted by unanimous vote this 13th day of November, 2002

(signed by all members of the Board)

Following applause, Dr. Garvey accepted the accolade and made brief comments about his work at the U. T. Health Center - Tyler.

SCHEDULED MEETING.--Chairman Miller announced that a special called meeting of the U. T. Board of Regents would be held on December 13 and the next regularly scheduled meeting would be held on February 12-13, 2003, in Austin.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 9:23 a.m.

/s/ Francie A. Frederick
Counsel and Secretary to the Board

January 3, 2003

**THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
DOCKET NO. 111**

October 22, 2002

TO MEMBERS OF THE FINANCE AND PLANNING COMMITTEE:

Woody L. Hunt, Chairman
Robert Estrada
Cyndi Taylor Krier
Patrick C. Oxford
A. W. "Dub" Riter, Jr.

The Docket for The University of Texas System Administration and the Dockets recommended by the Presidents concerned and prepared by the component institutions listed below are submitted for approval as appropriate at the meeting of the U. T. System Board of Regents on November 13, 2002. The Acting Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and I concur in these recommendations.

<u>Institutions</u>	<u>Pages</u>
The University of Texas System Administration	System 1 - 11
The University of Texas at Arlington	Arlington 1 - 2
The University of Texas at Austin	Austin 1 - 11
The University of Texas at Dallas	Dallas 1 - 2
The University of Texas at El Paso	El Paso 1 - 2
The University of Texas - Pan American	Pan American 1 - 3
The University of Texas of the Permian Basin	Permian Basin 1 - 2
The University of Texas at San Antonio	San Antonio 1 - 5
The University of Texas at Tyler	Tyler 1 - 4
The University of Texas Southwestern Medical Center at Dallas	SWMC - Dallas 1 - 5
The University of Texas Medical Branch at Galveston	MB - Galveston 1 - 7
The University of Texas Health Science Center at Houston	HSC - Houston 1 - 4
The University of Texas Health Science Center at San Antonio	HSC - San Antonio 1 - 3
The University of Texas M. D. Anderson Cancer Center	M. D. Anderson CC 1 - 5
The University of Texas Health Center at Tyler	HC - Tyler 1 - 3

/s/ Mark G. Yudof
Chancellor

xc: Other Members of
the Board

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

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Amendments to the 2002-03 Budget.....	System - 4
Amendments to the 2001-02 Budget.....	System - 6
Other Fiscal Items	
Employment Agreements.....	System - 7
Other Matters	
Approval of Dual Positions of Honor, Trust, or Profit.....	System - 9
Real Estate Office Report.....	System -10
Medical and Dental Services, Research and Development	
Plans/Physicians Referral Service	System -11

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

CRITERIA FOR THE AWARD OF SCHOLARSHIPS

The University of Texas Board of Regents finds that the establishment of The University of Texas System Dual Credit Tuition Assistance Program serves a legitimate public purpose. It promotes the K-16 initiative to attract more students to higher education and assists in encouraging deserving and qualified high school students to enroll in college-level courses.

The following policy identifies the criteria that will be considered in awarding scholarships under The University of Texas System Dual Credit Tuition Assistance Program. This policy for awarding scholarships is in compliance with Texas Education Code, Chapter 51, Subchapter U. The policy has been administratively approved by the Vice Chancellor for Educational System Alignment and is recommended for ratification by the U. T. Board of Regents.

Policy Identifying Criteria for the Award of Scholarships for Certain Dual Credit Students

Purpose:

To provide financial assistance to high school students who enroll in college-level courses through the UT TeleCampus Dual Credit Program.

Responsibility:

The program will be overseen by the Vice Chancellor for Educational System Alignment and administered by the UT TeleCampus.

Eligibility:

- a. The student must be enrolled in a high school that has a signed *Dual Credit Partnership Agreement between The University of Texas System and Secondary Schools*. Agreements must be signed by superintendents of public independent school districts or chief executive officers of other high schools.
- b. The student must meet all the eligibility requirements and conditions for enrollment in dual credit courses as outlined in the *Partnership Agreement* and be accepted by The University of Texas component institution for the purpose of enrolling in a dual credit course.
- c. Only one student per participating high school is eligible each academic year unless the funds budgeted for that semester for this purpose exceed the number of applications.
- d. A student may receive only one award per academic year.
- e. The student must be a Texas resident.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

CRITERIA FOR THE AWARD OF SCHOLARSHIPS (Continued)

Criteria for Selection and Number of Awards:

- a. Award decisions will be based on the high school principal's selection of eligible student(s) based on assessing the student's academic ability and promise, leadership, communication skills, and financial need.
- b. One award per participating high school will be made per academic year as long as funds budgeted for this purpose are available.
- c. The number 1 ranked nominee from each high school will be processed as long as funds budgeted are available. Any funds remaining will be distributed to the 2nd ranked nominee as long as funds budgeted are available.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2002-03 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
OFFICE OF THE EXECUTIVE VICE CHANCELLOR FOR ACADEMIC AFFAIRS					
1. Edwin R. Sharpe, Jr.					1
From: Executive Vice Chancellor for Academic Affairs		100	09	257,962	
To: Vice Chancellor for Educational System Alignment	10/1-8/31	100	09	230,000	

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
LIBRARY SPECIAL COLLECTIONS RESERVE		
2. Amount of Transfer:	46,590	2
From: U. T. System Administration		
To: U. T. San Antonio		

To transfer funds from the Library Special Collections Reserve to U. T. San Antonio for the purchase of the Literary Archive and Library of Mr. Bryce Milligan in support of the newly approved PH.D. in English, which has a major emphasis on Chicano/Chicana literature.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

AMENDMENTS TO THE 2002-03 BUDGET (Continued)

TRANSFERS OF FUNDS (Continued)

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
LIBRARY SPECIAL COLLECTIONS RESERVE		
3. Amount of Transfer:	122,500	3

From: U. T. System Administration

To: U. T. Arlington

To transfer funds from the Library Special Collections Reserve to U. T. Arlington for the purchase of the Squire Haskins Photograph Collection (\$80,000) and the Rosa Map of 1837 (\$42,500) to enhance the historical collections of the U. T. Arlington libraries. The Squire Haskins Photograph Collection consists of 223,588 negatives dating from 1947 through 1999 documenting the history of the Dallas and Fort Worth area. The Rosa map is a Spanish version of a map first published in the United States in 1826 and is an original, authentic map published in Paris in 1837.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

AMENDMENTS TO THE 2001-02 BUDGET

TRANSFERS OF FUNDS

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

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
LIBRARY, EQUIPMENT, REPAIR & REHABILITATION FUNDS		
1. Amount of Transfer:	6,686.39	9

From: Repair & Rehabilitation ASH 1, 8 & 9 renovation funds

To: Library & Equipment ASH 1, 8 & 9 renovation funds

To change the source of funds on Project 101-133 Ash 1, 8 & 9 Renovation from Repair & Rehabilitation to Library & Equipment to be used for the purchase of computer equipment.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreements have been awarded, have been approved by the Chancellor, and are recommended for approval by the U. T. Board of Regents.

1. Item: Vice Chancellor for Administration
Funds: \$210,000 annual salary rate
Period: beginning August 19, 2002
Description: Agreement for employment of Vice Chancellor for Administration, Tonya Moten Brown. The Vice Chancellor for Administration reports to and is responsible to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor. Compensation also includes \$8,400 annual automobile allowance to be paid monthly. Some club memberships and reasonable business-related expenditures entertaining University guests will be reimbursed by System Administration. Temporary lodging for a period not to exceed ten days will be reimbursed. Payment or reimbursement will be made for transportation costs and related expenses for two trips to Austin for Vice Chancellor Brown and her immediate family for job involvement or other transition needs prior to employment. Payment or reimbursement will be made for actual expenses related to preparation and moving of household, personal, and professional possessions, including insurance, from Maple Grove, Minnesota to Austin, Texas and temporary storage of those items for up to one month. U. T. System will be responsible for the tax consequences of the transportation costs and the moving and storage costs.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

OTHER FISCAL ITEMS (Continued)

EMPLOYMENT AGREEMENTS (Continued)

2. Item: Executive Vice Chancellor for Academic Affairs
Funds: \$265,000 annual salary rate
Period: beginning October 1, 2002
Description: Agreement for employment of Executive Vice Chancellor for Academic Affairs, Teresa A. Sullivan. The Executive Vice Chancellor for Academic Affairs reports to and is responsible to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor. Compensation also includes \$8,400 annual automobile allowance to be paid monthly. U. T. System Administration will reimburse Dr. Sullivan for some club memberships and reasonable business-related expenditures entertaining University guests.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Chancellor in accordance with the Regents' Rules and Regulations, Part One, Chapter III, Section 13 and is submitted for ratification by the Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding the position and the appointment of Dr. Sorber with The University of Texas System Administration.

- | | |
|---------------|--|
| Name: | Dr. Charles A. Sorber |
| Title: | Vice Chancellor for Special Engineering Programs ad interim |
| Position: | Reappointment to Board of Scientific Counselors, Agency for Toxic Substances and Disease Registry (ATSDR) |
| Period: | December 1, 2002 until November 30, 2004 |
| Compensation: | \$250 per day for a maximum of 12 days per year |
| Description: | The Agency for Toxic Substances and Disease Registry was created under Section 104(i) of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9604(i)), as amended by the Superfund Amendments and Reauthorization Act of 1986 and Sections 3019 and 3001(b)(1) of the Resource Conservation and Recovery Act (42 U.S.C. 6939a and 6921(b)(1)), to determine the extent of danger to the public health from release or threat of release of a hazardous substance at Superfund or RCRA sites by conducting health assessments and to conduct directly or by grants or contracts, research, experiments, and demonstrations relating to the prevention of human health effects from toxic substance exposure. The Board of Scientific Counselors, ATSDR, shall provide advice and guidance to the Secretary, the Assistant Secretary for Health, and Administrator, ATSDR, on ATSDR programs to ensure scientific quality, timeliness, utility, and dissemination of results. |

**THE UNIVERSITY OF TEXAS SYSTEM
BOARD OF REGENTS MEETING
November 12-13, 2002
REALESTATEASSETS**

Managed by U.T. System Real Estate Office

Summary Report at August 31, 2002

System - 10

		FUND TYPE							
		current Purpose Restricted		Endowment 8 Similar Funds		Annuity & Life Income Funds		TOTAL	
		Book	Market	Book	Market	Book	Market	Book	Market
Land & Buildings:	Ending Value 05/31/02	6,301,138	23,118,421	18,771,676	106,759,875	1,314,109	909,960	26,386,923	130,788,276
	Increase or Decrease	634,681	1,156,263	4,496,723	8,430,662			5,131,404	9,586,925
	Ending Value 08/31/02	6,935,819	24,274,604	23,268,399	115,190,537	1,314,109	909,980	31,518,327	140,375,201
Other Real Estate:	Ending Value 05/31/02	170,389	170,389	317,055	317,055			487,444	407,444
	Increase or Decrease	(1,630)	(1,630)	(4,779)	(4,779)	0	0	(6,409)	(6,409)
	Ending Value 08/31/02	1613,759	168,759	312,276	312,276			481,035	481,035

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

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

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

Fiscal year end financial information related to the Medical and Dental Services, Research and Development Plans and Physicians Referral Services will be published in the Annual Financial Report by November 20, 2002. Specifically, Schedule D-6 in the annual report will provide detailed information on this financial activity.

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

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF ENGINEERING					
Biomedical Engineering Department					
1. Khosrow Behbehani (T)					
From: Professor and		100	09	75,000	147
Acting Chair		SUPLT	09	7,500	
To: Professor and	6/1-8/31	100	09	82,000	
Director	6/1-8/31	SUPLT	09	7,500	
SCHOOL OF LIBERAL ARTS					
Sociology Department					
2. Deborah Reed-Danahay (T)					
From: Associate Professor and		100	09	47,450	182
Associate Chair		SUPLT	09	2,500	
To: Associate Professor	7/29-8/31	0	09	47,450	
and Associate Dean	7/29-8/31	100	12	64,414	
	7/29-8/31	SUPLT	01	754	

THE UNIVERSITY OF TEXAS AT AUSTIN
U. T. BOARD OF REGENTS' MEETING
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THE UNIVERSITY OF TEXAS AT AUSTIN
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

GIFTS

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

1. Donor Name: BP American Production Company
College/School/ Department: Bureau of Economic Geology
Purpose: Support the Core Research Facility
Asset Type: Equipment and Machinery
Value: \$1,064,950
2. Donor Name: Sylvie P. Crum
College/School/ Department: Athletics
Purpose: Buildings and Building Maintenance
Asset Type: Cash
Value: \$650,000
3. Donor Name: Dr. and Mrs. George A. Kozmetsky
College/School/ Department: IC2 Institute
Purpose: E-Learning & Training Labs
CBIRD Project
Asset Type: 41,085 shares of Dell Computer Corp. Stock
Value: \$964,059.53
4. Donor Name: McCombs Foundation Inc.
College/School/ Department: McCombs School of Business
Purpose: Unrestricted
Asset Type: Cash
Value: \$6,000,000
5. Donor Name: TRT Holdings Inc.
College/School/ Department: Athletics
Purpose: Building Enhancements
Asset Type: Cash
Value: \$1,000,000

THE UNIVERSITY OF TEXAS AT AUSTIN
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

CONTRACTS

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

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Sodexo Services of Texas, Limited Partnership, a Texas Limited Partnership
Funds: \$21,300,000 (Guaranteed Minimum)
Period: July 1, 2001 through June 30, 2011
Description: Food Service Agreement by which University will be providing concessions and catering services for food, alcoholic beverages, and non-alcoholic beverages, and other products at certain University facilities. Contract does not go into effect until approved by the U. T. Board of Regents.

2. Agency: Texas Department of Protective and Regulatory Services
Funds: \$1,939,550
Period: September 1, 2002 through August 31, 2003
Description: Amendment to extend period that the School of Social Work will provide training certification and program support services through its Protective Services Training Institute.

FUNDS GOING OUT

3. Agency: Quest Communications Corporation
Funds: \$3,746,400
Period: November 15, 2002 through February 16, 2005
Description: Amendment allows for the U. T. System Office of Telecommunication Services to provide additional internet bandwidth at a reduced price to U. T. Austin, and the other U. T. components and various institutions affiliated with U. T. through the Texas Higher Education Network.

THE UNIVERSITY OF TEXAS AT AUSTIN
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2002-03 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
INSTRUCTION					
RED McCOMBS SCHOOL OF BUSINESS					
Management Science and Information Systems					
Professor Emeritus					
1. Eleanor W. Jordan	9/1-5/31				001
COLLEGE OF EDUCATION					
Educational Administration					
Professor					
2. Norma V. Cantu (T)	9/1-5/31	100	09	125,000	002
Curriculum and Instruction					
Associate Professor					
3. Julie A. Luft (T)	9/1-5/31	100	09	62,000	003
COLLEGE OF ENGINEERING					
Aerospace Engineering					
CAM Chair III					
4. Thomas J. Hughes (T)	9/1-5/31	100	09	225,000	005

THE UNIVERSITY OF TEXAS AT AUSTIN
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF ENGINEERING (continued)					
Aerospace Engineering					
5. Richard A. Schapery (T)					004
From: Professor and Cockrell Family Regents Chair In Engineering No. 7		100	09	141,523	
To: Professor Emeritus	9/1-5/31				
COLLEGE OF FINE ARTS					
Music					
Associate Professor					
6. Eugenia Costa-Giomi (T)	9/1-5/31	100	09	75,000	007
Associate Professor and David and Mary Winston Green Fellow In Violin Performance and Pedagogy					
7. Brian D. Lewis (T)	9/1-5/31	100	09	90,000	006
	9/1-5/31	SUPLT	09	10,000	
Theatre and Dance					
Associate Professor					
8. Stacy Wolf (T)	9/1-5/31	100	09	55,167	008
SCHOOL OF LAW					
Charles Alan Wright Chair in Federal Courts					
9. Mark G. Yudof (T)	9/1-5/31	0	09	177,000	009

THE UNIVERSITY OF TEXAS AT AUSTIN
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF LAW (continued)					
Alice Jane Drysdale Sheffield Regents Chair					
10. Lawrence Sager (T)	9/1-5/31	100	09	171,325	010
	9/1-5/31	SUPLT	09	47,000	
Edward Clark Centennial Professorship In Law					
11. Jane M. Cohen (T)	9/1-5/31	100	09	168,000	011
	9/1-5/31	SUPLT	09	37,000	
W. H. Francis, Jr. Professorship					
12. Karen L. Engle (T)	9/1-1/15	100	09	124,000	012
	1/16-5/31	0	09	124,000	
	9/1-5/31	SUPLT	09	4,000	
COLLEGE OF LIBERAL ARTS					
Government					
13. Zoltan D. Barany (T)					013
From: Professor		100	09	76,000	
To: Professor and Frank C. Erwin, Jr. Centennial Professorship in Government	9/1-5/31	100	09	105,000	
	9/1-5/31	SUPLT	09	20,000	

THE UNIVERSITY OF TEXAS AT AUSTIN
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF LIBERAL ARTS					
History					
14. William A. Tully (T)					014
From: Professor		100	09	142,000	
To: Professor and Eugene C. Baker Centennial Professorship in American History	9/1-5/31	100	09	142,000	
COLLEGE OF NATURAL SCIENCES					
Computer Sciences					
Professor and Director for External Affairs					
15. Warren A. Hunt (T)	9/1-5/31	100	09	95,000	015
	9/1-5/31	SUPLT	09	33,333	
SCHOOL OF NURSING					
16. Alexa M. Stuijbergen (T)					016
From: Professor and Associate Dean		50	09	89,457	
		50	12	116,220	
To: Professor and Dolores V. Sands Chair In Nursing Research and Associate Dean	9/1-5/31	50	09	89,457	
	9/1-5/31	SUPLT	09	12,400	
	9/1-5/31	50	12	116,220	
Associate Professor and Ed and Molly Smith Centennial Fellowship in Nursing					
17. Eun-Ok Im (T)	9/1-5/31	100	09	64,000	017

THE UNIVERSITY OF TEXAS AT AUSTIN
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF PHARMACY					
Associate Professor					
18. Andrea C. Gore (T)	12/15-5/31	100	09	75,000	018
LBJ SCHOOL OF PUBLIC AFFAIRS					
19. Jurgen Schmandt (T)					
From: Professor		100	09	90,126	019
To: Professor Emeritus	9/1-5/31				
SCHOOL OF SOCIAL WORK					
Professor					
20. Namkee Choi (T)	9/1-5/31	100	09	85,000	020

THE UNIVERSITY OF TEXAS AT AUSTIN
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2001-02 BUDGET

TRANSFERS OF FUNDS

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

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
DESIGNATED FUNDS		
1. Amount of Transfer:	\$ 870,000	167
From: Library Materials Revolving Fund – Operating Income		
To: Library Materials Revolving Fund – Purchase of Library Materials		
Transfer of \$640,000 in balance forward funds and \$230,000 in lost book fees and library fine income to the expense account for purchase of library materials.		
2. Amount of Transfer:	\$ 500,000	171
From: Continuing & Extended Education University Charter School – Operating Income		
To: Continuing & Extended Education University Charter School – Maintenance, Operation, and Equipment		
Income from payments by the Texas Education Agency for student enrollment, transferred to the expenditure account to cover expenses for the remainder of the year and preparation expenses for next year. Costs include computers, software, and instructional materials.		

THE UNIVERSITY OF TEXAS AT AUSTIN
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2001-02 BUDGET (Continued)

TRANSFERS OF FUNDS (Continued)

Description	\$ Amount	RBC #
AUXILIARY ENTERPRISE FUNDS		
3. Amount of Transfer:	\$ 1,000,000	173
From: Frank C. Erwin Special Events Center – Operating Income	650,000	
Frank C. Erwin Special Events Center – Classified Salaries	350,000	
To: Frank C. Erwin Special Events Center – Other Expenses	1,000,000	
Income and unencumbered salary funds transferred to expenditure account to cover routine processing needs for fiscal year end and costs associated with the shows held at the end of August.		
PLANT FUNDS		
4. Amount of Transfer:	\$ 1,100,000	169
From: UTX Equipment Replacement		
To: Service Building – Telephone Switch Expansion		
To provide funding for telephone switch expansion in the Service Building, 232H.		
5. Amount of Transfer:	\$ 820,000	168
From: UTX Equipment Replacement		
To: Service Building – Line Equipment Hardware and Software		
To provide funding for line equipment hardware and software in the Service Building, 232H		

THE UNIVERSITY OF TEXAS AT AUSTIN
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

AMENDMENTS TO THE 2001-02 BUDGET (Continued)

TRANSFERS OF FUNDS (Continued)

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
PLANT FUNDS (continued)		
6. Amount of Transfer:	\$ 600,000	170

From: Restricted Funds – Engineering
Foundation – Restricted Gifts

To: Engineering Teaching Center

To provide funding requested for the renovations for expansions on the second floor of the Engineering Teaching Center.

THE UNIVERSITY OF TEXAS AT DALLAS
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

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THE UNIVERSITY OF TEXAS AT DALLAS
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

AMENDMENTS TO THE 2001-02 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MANAGEMENT					
Organizational Behavior					
Andrew Cecil Chair and Professor					
1. Gregory G. Dess (T)	7-1/8-31	100	9	145,000	26
Operations Management					
Professor					
2. Kathryn Stecke (T)	8-1/8-31	100	9	140,000	27
Management					
Associate Professor					
3. Jane E. Salk (T)	7-1/8-31	100	9	110,000	22
ERIK JONSSON SCHOOL OF ENGINEERING AND COMPUTER SCIENCE					
Engineering					
4. Ramaswamy Chandrasekaran (T)					25
From: Ashbel Smith Professor		100	09	125,100	
To: Ashbel Smith Professor and Acting Dean		0 100	09 12	125,100 166,800	

THE UNIVERSITY OF TEXAS AT EL PASO
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

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THE UNIVERSITY OF TEXAS AT EL PASO
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2001-02 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC#</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF SCIENCE					
Border Health Research Center					
Professor					
1. Renato Aguilera (T)	6/1-8/31	100	09	70,000	029
COLLEGE OF EDUCATION					
Teacher Education					
2. Elena Izquierdo (T)					
From: Professor		100	09	54,000	033
To: Chairperson in Teacher Education and Professor	6/1-8/31	100	09	60,000	
	6/1-8/31	SUPLT	09	2,000	

THE UNIVERSITY OF TEXAS – PAN AMERICAN
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

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THE UNIVERSITY OF TEXAS – PAN AMERICAN
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2001-02 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
DIVISION OF ACADEMIC AFFAIRS					
Center for Distance Learning					
1. Wendy Lawrence-Fowler (T)					25
From: Director		100	12	77,552	
Professor		0	09	64,859	
To: Associate Vice President	6/17/02	100	12	93,204	
for Research					
Professor		0	09	66,805	

THE UNIVERSITY OF TEXAS – PAN AMERICAN
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

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

1. Item: Head Men's Baseball Coach
Funds: \$41,666.67 annually
Period: August 7, 2002 through June 30, 2003
Description: Agreement for employment of Head Men's Baseball Coach, Willie Gawlik, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

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Changes to Admission Criteria Permian Basin - 2

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

CHANGES TO ADMISSION CRITERIA

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

Summary of Changes to Admission Criteria for Early Admissions Program

Addition:

Early Admissions Program (EAP)

Students seeking admission to The University of Texas of the Permian Basin prior to high school graduation must:

- have completed their junior year of high school
- be ranked in the top 25% of their class
- have a "B" average
- present a score of 900 on the SAT or 19 on the ACT
- have the recommendation of their high school principal or counselor
- have the approval of their parent or guardian acknowledging an understanding of the program and granting approval for participation

Students must submit the Texas Common Application in addition to an EAP application. Students will pay the regular tuition rates and will be permitted to enroll in college courses conducted during and after hours, and during summer terms. Students will be allowed to enroll in up to six credit hours of any freshman/sophomore level courses that are being offered. The course credits will not be transcribed until the student has graduated from high school.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
U. T. BOARD OF REGENTS' MEETING
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THE UNIVERSITY OF TEXAS AT SAN ANTONIO
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

CONTRACTS

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

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: I-10 Tech Center, Ltd.
Funds: \$2,440,590 (average monthly rent \$40,677)
Period: February 1, 2003 through January 31, 2008 with renewal option for an additional five years.
Description: Lease 28,672 square feet of office space for various departments which include Math Department faculty offices, Student Affairs outreach program TRIO, Human Resources, Information Technology staff offices, and records management space.

The building property is located within the same zip code and is approximately one mile from the UTSA 1604 campus with easy accessibility by feeder roads along highways Loop 1604 and I-10.

With increasing UTSA enrollments and campus space deficiencies this space lease is necessary to meet critical space demands. Locating non-academic support programs and offices off-campus will provide additional space for on-campus academic programs. The occupant Math Department will be relocated on-campus when construction of the new Bio Technology building is completed. This space lease property was selected through a competitive request for proposal process, and limited leasing opportunities exist in the 1604 campus area.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2002-03 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>No. Mos.</u>	<u>Full-time Salary Rate \$</u>	<u>RBC #</u>
COLLEGE OF BUSINESS					
Finance					
Associate Professor					
1. Yiuman Tse (T)	9/1-5/31	100	09	130,000	03-03
Marketing					
Associate Professor					
2. Larry J. Shrum (T)	9/1-5/31	100	09	130,000	03-02
Associate Professor					
3. Tina M. Lowrey (T)	9/1-5/31	100	09	120,000	03-01
COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT					
Bicultural-Bilingual Studies					
Associate Professor					
4. Maria Franquiz (T)	9/1-5/31	100	09	62,000	03-06
Educational Leadership and Policy Studies					
Professor					
5. Bruce Barnett (T)	9/1-5/31	100	09	83,000	03-05

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>No. Mos.</u>	<u>Full-time Salary Rate \$</u>	<u>RBC #</u>
COLLEGE OF ENGINEERING					
Electrical Engineering					
Professor					
6. C. L. Philip Chen (T)	9/1-5/31	100	09	100,000	03-04
COLLEGE OF PUBLIC POLICY					
Public Administration					
7. Dianne Rahm (T)	9/1-5/31	100	09	96,000	03-07
COLLEGE OF LIBERAL AND FINE ARTS					
Department of Anthropology					
8. Dan Gelo (T)					03-08
From: Professor		100	09	68,214	
To: Interim Dean	9/1-8/31	100	12	109,250	

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following amendment to an employment agreement regarding the terms and conditions associated with Dr. Ricardo Romo's appointment as President has been approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs and is recommended for ratification by the U. T. Board of Regents.

Description: Amendment to the employment letter agreement with Dr. Ricardo Romo, President of The University of Texas at San Antonio

Background: The original employment letter agreement signed by Dr. Ricardo Romo and Chancellor William H. Cunningham and dated April 14, 1999, stated that one element of Dr. Romo's compensation/employment package was the purchase from unrestricted funds of a life insurance policy. Subsection (g) of the employment letter provided for a life insurance policy with a death benefit of not less than \$250,000 and premiums to be paid in five equal annual increments of \$20,000 each.

The policy had not yet been purchased when an IRS Notice issued in 2001 highlighted that the taxation of such life insurance policies may be different than that originally anticipated. Consequently, the Executive Vice Chancellor for Academic Affairs and Dr. Romo entered into discussions to explore options to the life insurance element of the compensation package. After reviewing the options of a cash distribution plan, a 457(f) plan, and a personal annuity plan, Dr. Romo selected a cash distribution plan. The amendment to the employment letter agreement subject to the Board of Regents' approval replaces Section (g) of the original agreement with a provision for a cash distribution of \$80,000 to Dr. Romo on or before December 31, 2002 and one additional cash distribution of \$20,000 due on August 31, 2003.

THE UNIVERSITY OF TEXAS AT TYLER
U. T. BOARD OF REGENTS' MEETING
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THE UNIVERSITY OF TEXAS AT TYLER
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

ADMENDMENTS TO THE 2002-03 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Item, Department, Title, Name</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF EDUCATION AND PSYCHOLOGY					
Department of Psychology					
1. Shirley Jones (T)					002
From: Associate Professor		100	09	48,902	
To: Jack and Dorothy Fay White					
Fellowship for Teaching	09/1-5/31	100	09	48,902	
and Associate Professor	09/1-5/31	SUPLT	09	2,500	

THE UNIVERSITY OF TEXAS AT TYLER
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

FEES AND MISCELLANEOUS CHARGES

PARKING AND TRAFFIC ENFORCEMENT FEES

Approval is recommended for the following parking enforcement fees to be effective November 13, 2002. The fees have been administratively approved by Executive Vice Chancellor for Academic Affairs.

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

<u>Citation</u>	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
Class A (Citation)			
101 – Parking in a reserved area	5	15	200%
102 – Parking permit not properly displayed	5	15	200%
103 – Parking in area not designated by permit	5	15	200%
104 – Parking where prohibited by signs/markings	5	15	200%
105 – Parking in none designated parking place	5	15	200%
106 – Failure to park within designated lines/space	5	15	200%
107 – Parking or storing bicycle inside a building	5	15	200%
Class B (Citation)			
201 – Parking without a permit	5	25	400%
202 – Displaying fraudulent/fictitious parking permit	0	25	N/A
203 – Altering parking permit	0	25	N/A

THE UNIVERSITY OF TEXAS AT TYLER
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

FEEES AND MISCELLANEOUS CHARGES (Continued)

PARKING AND TRAFFIC ENFORCEMENT FEES (Continued)

Citation	Current Rates \$	Proposed Rates \$	Percent Increase
Class C (Citation) Moving Violation			
301 – Driving on sidewalks or walkway areas	0	35	N/A
302 – Failure to stop or disregarding a stop sign	0	35	N/A
303 – Leaving the scene of an accident	0	35	N/A
304 – Displaying expired license plates	0	35	N/A
305 – Failure to show current drivers license	0	35	N/A
306 – No Sticker/Expired Inspection Sticker	0	35	N/A
307 – Failure/No Proof of Financial Responsibility	0	35	N/A
308 – Failure to yield right-of-way to pedestrians	0	35	N/A
309 – Illegal turn	0	35	N/A
310 – Parking behind barricaded area	0	35	N/A
311 – All other moving violations	0	35	N/A
312 – Exceeding posted speed limit 0 – 10 mph	0	35	N/A
312 – Exceeding posted speed limit 11 – 20 mph	0	60	N/A
312 – Exceeding posted speed limit 21 – mph +	0	100	N/A
Class D (Citation)			
401 – Disabled parking without authority	50	100	100%
402 – Parking in loading zone/inner campus	0	25	N/A
403 – Parking in a fire lane	0	50	N/A

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
U. T. BOARD OF REGENTS' MEETING
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THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

GIFTS

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

1. Donor Name: Anonymous
College/School/ Department: Pharmacology
Purpose: The contribution will be used by Dr. Alfred Gilman, Professor and Chairman of Pharmacology for The Alliance for Cellular Signaling for the fiscal year beginning September 1, 2002
Asset Type: Cash
Value: \$625,000 (third installment on total commitment of \$3,125,000)

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

CONTRACTS

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

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Crown Exchange Partners L.P.
Funds: September 1, 2002 through November 30, 2002 - \$115,520.46
December 1, 2002 through April 30, 2003 - \$224,725.35
May 1, 2003 through April 30, 2008 - \$4,691,830.00
(\$938,366 annually for five years)
Period: September 1, 2002 through April 30, 2008
Description: September 1, 2002 through November 30, 2002 - 32,380 sq. ft.
December 1, 2002 through April 30, 2003 - 38,323 sq. ft.
May 1, 2003 through April 30, 2008 - 72,182 sq. ft.
Lease a total of 72,182 square feet office space in the American General Tower, Dallas, Texas, for various administrative offices. Authorization is requested from the Board of Regents for John A. Roan, Executive Vice President for Business Affairs, to negotiate the final terms and to execute the lease, subject to Office of General Counsel review and approval as to form.

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2001-02 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SOUTHWESTERN MEDICAL SCHOOL					
Office of the Dean					
1. Charles M. Ginsburg (T)					29
From: Professor and Chairman of Pediatrics and the Marilyn R. Corrigan Distinguished Chair in Pediatric Research		100	12	262,000	
To: Professor of Pediatrics, Associate Dean for Faculty Development, and the Marilyn R. Corrigan Distinguished Chair in Pediatric Research	7/1	100	12	262,000	
Neurology					
Professor and Chairman					
2. Stephen C. Cannon (T)	8/1	100	12	300,000	02

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2001-02 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SOUTHWESTERN MEDICAL SCHOOL					
Pediatrics					
3. Brett P. Giroir (T)					03
From: Associate Professor, Thomas Fariss Marsh, Jr., Professorship and Associates First Capital Corporation Distinguished Chair in Pediatrics		100	12	225,000	
To: Associate Professor, Thomas Fariss Marsh, Jr., Professorship, Associates First Capital Corporation Distinguished Chair in Pediatrics and Acting Chairman	7/1	100	12	225,000	

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
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THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

GIFTS

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

1. Donor Name: The Sealy & Smith Foundation
College/School/ Department: School of Medicine, Radiology Department
Purpose: Payment on \$6,115,000 grant for the Radiology Department imaging units
Asset Type: Cash
Value: \$3,621,000
2. Donor Name: The Sealy & Smith Foundation
College/School/ Department: Research Department
Purpose: Payment on \$10,000,000 grant for research facilities expansion project
Asset Type: Cash
Value: \$3,333,333
3. Donor Name: The Sealy & Smith Foundation
College/School/ Department: World Health Organization (WHO) Collaborating Center for Tropical Diseases
Purpose: Payment against the \$7,500,000 grant for the Biosafety Laboratory, Level 4, (BSL-4)
Asset Type: Cash
Value: \$2,011,000
4. Donor Name: The Sealy & Smith Foundation
College/School/ Department: School of Medicine, Obstetrics & Gynecology Department
Purpose: Payment on \$2,438,642 grant for labor and delivery expansion project
Asset Type: Cash
Value: \$1,118,898

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

GIFTS (Continued)

5. Donor Name: The Sealy & Smith Foundation
College/School/ Department: School of Medicine, Ophthalmology Department
Purpose: Payment on \$4,000,000 grant for the repair and renovation of 700 University Boulevard for the Ophthalmology Department
Asset Type: Cash
Value: \$1,000,000
6. Donor Name: The Sealy & Smith Foundation
College/School/ Department: School of Medicine
Purpose: Payment on the \$1,000,000 grant for the John Sealy Distinguished Chair for M.D./Ph.D. Combined Degree Studies in honor of Dr. Truman G. Blocker
Asset Type: Cash
Value: \$845,500
7. Donor Name: The Sealy & Smith Foundation
College/School/ Department: School of Medicine, Surgery Department
Purpose: Payment on \$9,917,000 grant for the cardiovascular unit renovation
Asset Type: Cash
Value: \$841,587
8. Donor Name: The Sealy & Smith Foundation
College/School/ Department: School of Medicine, Radiology Department
Purpose: Payment in full of the \$800,000 grant for the Enhancement of Imaging Capability for the Operating Room (4 portable C-Arm X-Ray Units)
Asset Type: Cash
Value: \$800,000

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

CONTRACTS

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

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Texas Department of Health
Funds: \$3,392,395
Period: September 1, 2002 through August 31, 2003
Description: The University of Texas Medical Branch at Galveston will provide prenatal, preventive and primary child health, family planning, genetics, dysplasia, and dental services for children and adolescents who are Title V eligible clients and will provide family planning services to Title XX eligible individuals.

FUNDS GOING OUT

2. Agency: Morrison Management Specialists, Inc.
Funds: \$21,173,254.80
Period: September 1, 2002 through August 31, 2006
Description: Morrison Management Specialists, Inc. agrees to provide food and nutrition management, business and administrative services, equipment and personnel as set forth in the Agreement. Authorization is requested from the Board of Regents for Richard S. Moore, Vice President for Business and Administration, to negotiate the final terms and to execute this agreement, subject to Office of General Counsel review and approval as to form.

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2001-02 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE					
Ophthalmology and Visual Sciences					
1. Rosa A. Tang					45
From: Clinical Professor		68.25	12	136,494	
To: Professor (T)	8/1-8/31	100	12	200,000	
Surgery					
2. Glenn C. Hunter (T)					42
From: Professor		100	12	255,290	
To: Alonzo Alverly Ross, M.D. Centennial Chair in General Surgery and Professor	6/1-8/31	100	12	255,290	

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2001-02 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE (Continued)					
Human Biological Chemistry and Genetics; Structural Biology					
3. James C. Lee (T)					41
From: The Robert A. Welch Distinguished Chair in Chemistry and Professor		100	12	142,397	
To: Interim Director, The Robert A. Welch Distinguished Chair in Chemistry and Professor	6/1-8/31	100	12	170,876	
Anesthesiology					
4. Daneshvari R. Solanki					48
From: Professor		100	12	265,900	
To: Professor and The Laura B. McDaniel Distinguished Professorship	8/1-8/31	100	12	265,900	

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

FEES AND MISCELLANEOUS CHARGES

DESIGNATED TUITION

Approval is recommended for the following designated tuition rates to be effective beginning with the Fall Semester of 2003. The proposed rates have been the subject of discussion at a public forum as required by statute and have been administratively approved by the Acting Executive Vice Chancellor for Health Affairs.

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

	<u>Current Rate \$</u>	<u>Proposed Rate \$</u>	<u>Percent Increase</u>
<u>Per Semester Credit Hour</u>	0	40	n/a
Beginning Fall Semester 2003	0	20	n/a
Beginning Fall Semester 2004	20	40	100%
 SCHOOL OF MEDICINE			
<u>Annual Flat Rate</u>	0	1,800	n/a
Beginning Fall Semester 2003	0	900	n/a
Beginning Fall Semester 2004	900	1,800	100%

In order to minimize the impact to the students of the establishment of a Designated Tuition at The University of Texas Medical Branch at Galveston, the institution will be implementing this tuition in 2 phases. The tuition will be assessed at \$20 per semester credit hour and \$900 for students of the School of Medicine in the Fall of 2003, then increased to the full amount, \$40 per semester credit hour and \$1,800 for students of the School of Medicine in the Fall of 2004.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
U.T. BOARD OF REGENTS' MEETING
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THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
U.T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

CONTRACTS

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

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Crestone International, Inc.
Funds: \$2,909,673
Period: April 1, 2002 through September 1, 2003
Description: The purpose of this amendment is to conduct the final phase of the PeopleSoft Financial Management System Implementation. The new system will replace The University Financial Information Management System, eliminate shadow systems, and support business process re-engineering initiatives.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
 U.T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2001-02 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC#</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
DENTAL BRANCH					
Dean – Dental Branch					
1. Ronald Johnson (T)					053
From: Dean and Professor and William N. Finnegan III Professorship in Dental Services		100 SUPLT	12 12	145,220 33,000	
To: Executive Vice President for Strategic Affairs and Interim Dean	7/1 7/1	100 SUPLT	12 12	145,220 33,000	
Student Affairs – Dental Branch					
2. Cleverick Johnson (T)					054
From: Associate Professor Director, Recruiting		100 SUPLT	12 12	72,643 6,000	
To: Associate Professor Director, Recruiting	7/1 7/1	100 SUPLT	12 12	72,643 6,000	
Assistant Director of the Advanced Education in General Dentistry	7/1	SUPLT	12	5,000	

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
 U.T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2001-02 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC#</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
MEDICAL SCHOOL					
LBJ Hospital, Internal Medicine – Cardiology					
Associate Dean Harris County Programs,					
Chief of Staff and Professor					
3. Michael W. Bungo (T)	8/1	100	12	255,000	013
	8/1	SUPLT	12	45,000	
SCHOOL OF PUBLIC HEALTH					
Dean – Public Health					
Center for Health Promotion and Prevention Research					
4. Guy S. Parcel (T)					006
From:					
Senior Associate Dean and					
John P. McGovern Professorship		100	12	179,600	
In Health Promotion		SUPLT	12	45,000	
To:					
Senior Associate Dean,					
John P. McGovern Professorship					
In Health Promotion and Acting					
Dean of Center for Health	8/28	SUPLT	12	179,600	
Promotion	8/28	SUPLT	12	45,000	

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
U. T. BOARD OF REGENTS' MEETING
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THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

FEEES AND MISCELLANEOUS CHARGES

OTHER FEES AND CHARGES

The following new charge recommended for approval by the U. T. Board of Regents and inclusion in institutional catalogs has been approved by the Acting Executive Vice Chancellor for Health Affairs. The recommended charge is consistent with applicable statutory requirements under Section 54.504 and Section 55.16 of the Texas Education Code.

<u>Name/Description</u>	<u>Amount of Fee</u>
HUMAN MATERIALS FEE To offset the cost of acquisition, preparation, handling, and disposition of the cadaver, compensate the Willed Body Program for expenditures required to supply cadavers for courses that need them	\$100 per course (nonrefundable after material purchased)

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Acting Executive Vice Chancellor for Health Affairs in accordance with the Regents' Rules and Regulations, Part One, Chapter III, Section 13 and is submitted for ratification by the Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding the position and the appointment of Professor Robinson with The University of Texas Health Science Center at San Antonio.

1. Name: Beverly H. Robinson, Ph.D., R.N., C., FAAN
Title: Professor and Associate Dean for Graduate Nursing Program
Position: Appointment as a member on the Texas Board of Health
Period: April 1999 to March 2005
Compensation: \$30 per day for official meeting days, when in attendance (ten meetings per year)
Description: On April 23, 1999, Governor George W. Bush appointed Dr. Robinson as a member of the Texas Board of Health.

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

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THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

GIFTS

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

1. Donor Name: Estate of Wanda Murry
College/School/ Department: Nursing
Purpose: Center for Oncology Nursing
Asset Type: Cash
Value: \$1,500,000

2. Donor Name: CCA Financial, Inc.
College/School/ Department: Awaiting instructions from donor
Purpose: Awaiting instructions from donor
Asset Type: Cash
Value: \$1,250,000

3. Donor Name: Mr. & Mrs. C. Berdon Lawrence
Purpose: Rolanette and Berdon Lawrence Endowment for Bone Cancer Research
Asset Type: Stock
Value: \$503,399.32

4. Donor Name: Houston Endowment, Inc.
Purpose: Basic Science Research Building
Asset Type: Cash
Value: \$1,000,000

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

GIFTS (Continued)

5. Donor Name: W. M. Keck Foundation
College/School/
Department: Thoracic & Cardiovascular Surgery
Purpose: Human Cancer Gene Prevention & Therapy
Asset Type: Cash
Value: \$1,000,000

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
U. T. BOARD OF REGENTS' MEETING
NOVEMBER 13, 2002

CONTRACTS

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

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: One Health Plan of Texas, Inc
Funds: Cancer Center reimbursed for covered services rendered to a Plan Participant at 82% (eighty-two percent)
Period: April 1, 2002 for an initial period of twelve (12) months
Description: Hospital Services agreement
2. Agency: One Health Plan of Texas, Inc.
Funds: Cancer Center reimbursed for covered services rendered to a Plan Participant at 82% (eighty-two percent)
Period: April 1, 2002 for an initial period of twelve (12) months
Description: Physician Services agreement

FUNDS GOING OUT

3. Agency: TCP Fannin Partners, Ltd.
Funds: \$865,060 per month
Period: June 1, 2002 through May 31, 2007
Description: Lease 9,352 square feet of space for activities including Blood Bank, General Office Use and Outpatient Medical Facility. Contract only requires ratification by the Board.

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
 U. T. BOARD OF REGENTS' MEETING
 NOVEMBER 13, 2002

AMENDMENTS TO THE 2001-02 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
THE TUMOR INSTITUTE – MEDICAL STAFF					
Thoracic/Head & Neck Medical Oncology Professor					
1. Daniel D. Karp (T)	3/1	100	12	275,000	49
GI Medicine & Nutrition Chairman, Professor					
2. Robert S. Bresalier (T)	6/14	100	12	285,000	50
Blood & Marrow Transplantation Professor					
3. Roy Jones (T)	7/1	100	12	200,000	51
4. Elizabeth Shpall (T)	7/1	100	12	200,000	52
THE TUMOR INSTITUTE – EDUCATION					
Education Programs, Experimental Pediatrics					
5. James A. Nelson (T)					54
From: Professor		100	12	129,000	
To: Special Assistant to the Vice President for Educational Programs, Professor	3/15	100	12	129,000	

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CONTRACTS

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

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Medical Information Technology, Inc. (MEDITECH)
Funds: \$1,169,500
Period: Commences upon execution and renews annually unless terminated by either party upon sixty days written notice
Description: Implementation and licensing costs of MEDITECH software

2. Agency: Crothall Healthcare Inc.
Funds: \$1,049,054 annually
Period: Effective November 15, 2002
Description: Second amendment to the original contract dated November 15, 2001 to provide custodial services, including furnishing of personnel, equipment, materials and supplies, for The University of Texas Health Center at Tyler

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OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement has been awarded, has been approved by the Acting Vice Chancellor for Health Affairs, and is recommended for approval by the U. T. Board of Regents.

1. Item: President
- | | | |
|--------|---------------|---|
| Funds: | \$ 275,000 | annual salary rate |
| | 82,500 | Physician Practice Plan – Fringe Benefit Program
(Maximum 30% of total compensation) |
| | <u>35,000</u> | Salary Supplement |
| | \$ 392,500 | Total Compensation |
- Period: beginning November 1, 2002
- Description: Agreement for employment of President, Dr. Kirk Calhoun. The President shall hold office without fixed term, subject to applicable Rules and Regulations of the Board. Car allowance, housekeeping and maintenance and utility allowance are not separate items of compensation and are included in the salary rate above. Reimbursement for official functions and business-related entertainment expenditures is provided. Reimbursement of actual costs of moving, including \$6,000 displacement cost, and for moving of household, personal and professional possessions will be provided.