

Meeting No. 937

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

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February 14-15, 2001

Austin, Texas

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 OF
 THE UNIVERSITY OF TEXAS SYSTEM
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MEETING NO. 937

WEDNESDAY, FEBRUARY 14, 2001.--The members of the Board of Regents of The University of Texas System convened at 11:30 a.m. on Wednesday, February 14, 2001, in the Board Room on the Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following in attendance:

ATTENDANCE.--

Present
Chairman Loeffler, presiding
Vice-Chairman Clements
Regent Hunt
Regent Miller
Regent Oxford
Regent Riter
Regent Romero
Regent Sanchez

Absent

Counsel and Secretary Frederick

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

RECESS TO EXECUTIVE SESSION.--At 11:30 a.m., Chairman Loeffler announced that the Board would recess to convene in Executive Session pursuant to Texas Government Code Sections 551.071, 551.073, and 551.074 to consider those matters listed on the Executive Session agenda including the interview and discussion of credentials of the following recommended candidates for the position of President of The University of Texas of the Permian Basin:

Dr. Danny R. Arnold

Dr. W. David Watts

RECONVENE.--At 4:20 p.m., the Board reconvened in open session for action on matters considered in Executive Session.

EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Loeffler reported that the Board met in Executive Session to discuss matters in accordance with Texas Government Code Sections 551.071, 551.073, and 551.074. In response to an inquiry from Chairman Loeffler regarding the wishes of the Board, the following actions were taken:

1. U. T. Austin: Determination of Necessity and Authorization to Acquire Approximately 60,129 Square Feet of Real Property (Known as the Scarbrough Property) Located at the Southeast Corner of Guadalupe and 27th Streets in Austin, Travis County, Texas; Authorization to Take All Necessary Actions Required to Acquire the Property Through Negotiated Purchase or Eminent Domain; and Authorization for the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to Execute All Documents Related Thereto

In stating that an acute need exists for additional student housing on The University of Texas at Austin campus, that such housing is provided for in the approved campus master plan and supports the City of Austin's Smart Growth initiative, and that there is a scarcity of available land for such a project, Regent Riter moved:

- a. That the Board of Regents find that there is a necessity to acquire for the use and benefit of U. T. Austin, approximately 60,129 square feet of real property (known as the Scarbrough property) located at the southeast corner of Guadalupe and 27th Streets in Austin, Travis County, Texas, by negotiated purchase or, if necessary, pursuant to the Board's power of eminent domain under Section 65.33, Texas Education Code
- b. That the Attorney General of Texas be requested to bring court action as necessary to accomplish the acquisition
- c. That the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate be authorized to take all steps necessary, including execution of documents required to complete the transaction, following approval by the Office of General Counsel.

Regent Romero seconded the motion which carried without objection.

2. U. T. M. D. Anderson Cancer Center: Acceptance of Negotiated Gift and Authorization for President Mendelsohn to Execute the Agreement (No Publicity)

Regent Miller moved that the U. T. Board of Regents authorize President Mendelsohn to conclude negotiations for a proposed gift to benefit The University of Texas M. D. Anderson Cancer Center in accordance with the parameters discussed in Executive Session. He further moved that President Mendelsohn be authorized to execute the gift agreement on behalf of the Board.

The motions were duly seconded and prevailed by unanimous vote.

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

3. U. T. M. D. Anderson Cancer Center: Approval to Accept a Negotiated Gift and Authorization for President Mendelsohn to Execute the Agreement (No Publicity)

Upon motion of Regent Romero, duly seconded, the Board authorized President Mendelsohn to conclude negotiations for a proposed gift to benefit The University of Texas M. D. Anderson Cancer Center in accordance with the parameters discussed in Executive Session and to execute the gift agreement on behalf of the Board.

The motion carried without objection.

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

4. U. T. Health Science Center - San Antonio: Acceptance of Negotiated Gift from Mr. and Mrs. Sam Barshop and Approval to Name the Proposed Center for Longevity and Aging Studies as the Sam and Ann Barshop Center for Longevity and Aging Studies

In accordance with deliberation in Executive Session, and upon motion of Vice-Chairman Clements, duly seconded, the Board:

- a. Accepted a gift from Mr. and Mrs. Sam Barshop to support the building that will house the proposed Center for Longevity and Aging Studies at The University of Texas Health Science Center at San Antonio

- b. Named the Center as the Sam and Ann Barshop Center for Longevity and Aging Studies in appreciation of their generous philanthropy and in recognition of their extraordinary commitment to higher education and the U. T. Health Science Center - San Antonio.

Vice-Chairman Clements stated that she was privileged to make this motion and that the naming of the Center for Longevity and Aging Studies was a high tribute to former Regent and Mrs. Barshop and their leadership in fund-raising activities.

5. U. T. System: Announcement of Resignation of Charles B. Mullins, M.D., Executive Vice Chancellor for Health Affairs Effective August 31, 2001

Regent Oxford announced that in Executive Session, the Board was advised by Charles B. Mullins, M.D., Executive Vice Chancellor for Health Affairs for The University of Texas System, that he plans to resign from this position and return to his faculty position at The University of Texas Southwestern Medical Center at Dallas effective August 31, 2001. Regent Oxford stated that Dr. Mullins has served with distinction as Executive Vice Chancellor for Health Affairs since 1981, serving in this position longer than any other individual.

Upon motion of Regent Oxford, duly seconded, the Board accepted the resignation of Dr. Mullins as Executive Vice Chancellor for Health Affairs and found it is in the best interest of the U. T. System for Dr. Mullins to remain actively involved in U. T. System issues for the next year, working particularly on health care, research, and related funding issues at a commitment of time and compensation commensurate with assigned duties as negotiated by Chancellor Burck and submitted for Board approval through the Docket.

Chairman Loeffler and other members of the Board and Chancellor Burck praised Executive Vice Chancellor Mullins for his leadership and unmatched accomplishments.

6. U. T. Health Science Center - Houston: Approval to Advance the Name of James T. Willerson, M.D., as Candidate for Consideration as President and Appointment of Special Committee (Regents' Rules and Regulations, Part One, Chapter II, Section 13, Subsection 13.1, Subdivision 13.14)

Vice-Chairman Clements moved that the U. T. Board of Regents advance the name of James T. Willerson, M.D., Interim President of The University of Texas Health Science Center at Houston, as the sole candidate for consideration as President of the U. T. Health Science Center - Houston under special presidential selection procedures as detailed in the Regents' Rules and Regulations, Part One, Chapter II, Section 13, Subsection 13.1, Subdivision 13.14. (See Item 2 on Page 9 related to renumbering of Section 13 as Section 16.)

Upon further motion by Regent Clements, the Board authorized Chairman Loeffler to appoint a Special Committee as specified in the Regents' Rules and requested Executive Vice Chancellor Mullins serve as Committee Chair to gather the Special Committee's advice and evaluation of Dr. Willerson's candidacy for consideration by the U. T. Board of Regents at the May 2001 meeting or, if possible, at a special called meeting of the Board following the expiration of 21 days from today (February 14).

Regent Oxford seconded the motions which prevailed by unanimous vote.

7. U. T. Permian Basin: Selection of Dr. W. David Watts as President and Authorization to Discharge the Advisory Committee for the Selection of a President

Regent Hunt moved that Dr. W. David Watts, currently Vice President for Academic and Student Affairs at Jacksonville State University, be selected President of The University of Texas of the Permian Basin effective at a date and compensation, commensurate with the responsibilities of the office, to be negotiated by Executive Vice Chancellor Sharpe, approved by Chancellor Burck, and submitted to the Board via the usual budgetary procedures. Dr. Watts was one of the candidates recommended to the Board by the Advisory Committee for the Selection of a President for that component.

Regent Hunt further moved that the Board find, as required by State law, that this appointment is in the best interest of U. T. Permian Basin, and he further moved that the Board discharge the Advisory Committee for the Selection of a President for U. T. Permian Basin with sincere appreciation for the diligence and careful thought it brought to this search process.

The motions carried unanimously.

Chairman Loeffler thanked Regent Hunt, Regent Romero, Chancellor Burck, President Jenifer, and President Romo for their participation on the Advisory Committee and expressed appreciation to Dr. and Mrs. Charles A. Sorber for their wonderful service and tenure at the helm of U. T. Permian Basin over the past years. President-Elect Watts and his wife, Dr. Denise Watts, were introduced and welcomed to The University of Texas System family.

RECESS.--At 4:30 p.m., Chairman Loeffler announced that the Board would recess to reconvene in Open Session on Thursday, February 15, at 8:30 a.m. in the Board Room on the Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas.

THURSDAY, FEBRUARY 15, 2001.--The members of the Board of Regents of The University of Texas System reconvened at 8:35 a.m. on Thursday, February 15, 2001, in the Board Room on the Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following in attendance:

ATTENDANCE.--

| <u>Present</u> | <u>Absent</u> |
|---------------------------------|-----------------|
| Chairman Loeffler, presiding | *Regent Sanchez |
| Vice-Chairman Clements | |
| Regent Hunt | |
| Regent Miller | |
| Regent Oxford | |
| Regent Riter | |
| Regent Romero | |
| Counsel and Secretary Frederick | |

Chairman Loeffler announced a quorum present and called the meeting to order. He thanked the other members of the Board for their hospitality at the social event last night (February 14) honoring retiring Regents Rita C. Clements, Donald L. Evans, and himself (Tom Loeffler).

INTRODUCTION OF DR. W. DAVID WATTS, PRESIDENT-ELECT OF THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN.--Chairman Loeffler introduced Dr. W. David Watts, President-Elect of The University of Texas of the Permian Basin, and welcomed him to The University of Texas System.

U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING HELD NOVEMBER 15-16, 2000, AND SPECIAL MEETINGS HELD DECEMBER 6, 2000 AND JANUARY 26, 2001.--The Minutes of the regular meeting of the Board of Regents of The University of Texas System held on November 15-16, 2000, in Tyler, Texas, were approved as distributed by the Counsel and Secretary to the Board. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XLVIII, Pages 8 - 233.

*Regent Sanchez was absent due to a previous commitment.

The Board also approved the Minutes of the special meetings of the Board of Regents of The University of Texas System held on December 6, 2000, and January 26, 2001, in Austin, Texas, as distributed by the Counsel and Secretary to the Board. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XLVIII, Pages 234 - 241.

SPECIAL ITEMS

1. U. T. Board of Regents: Repeal of Regental Policy Regarding Groundwater on University Lands

On September 14, 1973, the U. T. Board of Regents adopted a policy regarding allocation of groundwater resources on University Lands with the understanding that all new or renewed water production contracts would conform to the policy. The 1973 policy gave first priority to municipalities, set maximum contract terms and minimum royalty payments, and addressed industrial use, irrigation use, and use for waterflooding and secondary recovery.

Modifications to the policy related to royalty minimums and other issues are necessary from time to time, and these modifications can best be handled through delegation to the Executive Vice Chancellor for Business Affairs as included in a related amendment to the Regents' Rules and Regulations, Part One, Chapter II, Section 5 (See Item 2 on Page 9).

In accordance with this delegation for groundwater allocation, the Board repealed the Regental Policy Regarding Groundwater on University Lands.

2. U. T. Board of Regents - Regents' Rules and Regulations: Amendments to Part One, Chapter II (Administration)

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

- a. Sections 4 through 10 were amended to read as follows:

Sec. 4. Executive Vice Chancellor for Health Affairs.

...

4.1 Appointment and Tenure.

The Executive Vice Chancellor for Health Affairs shall be appointed by the Chancellor after discussion with the Board. The Executive Vice Chancellor for Health Affairs shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions concerning the Executive Vice Chancellor for Health Affairs are subject to review by the Board.

4.2 Duties and Responsibilities.

The Executive Vice Chancellor for Health Affairs shall provide assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.

...

Sec. 5. Executive Vice Chancellor for Business Affairs.

...

5.1 Appointment and Tenure.

The Executive Vice Chancellor for Business Affairs shall be appointed by the Chancellor after discussion with the Board. The Executive Vice Chancellor for Business Affairs shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions regarding the Executive Vice Chancellor for Business Affairs are subject to review by the Board.

5.2 Duties and Responsibilities.

The primary responsibilities of the Executive Vice Chancellor for Business Affairs include:

- 5.21 Providing assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.
- 5.22 Submitting recommendations to the Chancellor and the Executive Vice Chancellors on business operations of the component institutions of the System.
- ...
- 5.2(11) Directing procedures and policies of System on utilization of historically underutilized business firms.
- 5.2(12) Directing the review, consolidation, and preparation of internal financial management reports, combined System financial reports, and directing the budget process for the System.
- 5.2(13) Implementing policy for the receipt, disbursement, and custody of non-investment funds and for terms of depository agreements with banks.
- 5.2(14) Forwarding debt issues for approval by the Board of Regents.
- 5.2(15) Directing matters concerning new construction and renovation projects throughout the System.
- 5.2(16) Supervising and coordinating the acquisition, lease, disposition, and/or management of all real property owned or controlled by the Board with a goal of maximizing the income to be realized from the operation, lease, or conveyance of these properties. In discharging this responsibility, the Executive Vice Chancellor for Business Affairs shall work closely with the appropriate Executive Officer and component president with regard to the management and conveyance of real property owned or controlled by the Board for the benefit of a particular institution. The Executive Vice Chancellor for Business Affairs shall establish procedures that assure effective coordination with the Executive Director of Estates and Trusts with regard to gifts of real property to the Board.
- 5.2(17) Overseeing University Lands operations to maximize revenue, improve and sustain the productivity of University Lands; managing the groundwater resources on University Lands and approval of all related policies, terms and lease provisions.

- 5.2(18) Overseeing planning, development, and coordination of personnel policies and procedures, compensation, benefits, unemployment compensation, equal opportunity/affirmative action, and employment.
- 5.2(19) Directing the management of the System-wide property, liability, and employee group insurance programs (except the System Professional Medical Liability Benefit Plan), including approval of all policies and coverages.
- 5.2(20) Overseeing the System-wide use of information technology and development of strategies.
- 5.2(21) Coordinating information technology issues for System Administration.
- 5.2(22) Implementing and monitoring appropriate internal controls in all internal administrative operations listed in 5.2(10).
- 5.2(23) Performing such other duties as may be assigned by the Chancellor.

Sec. 6. Executive Vice Chancellor for Academic Affairs.

...

6.1 Appointment and Tenure.

The Executive Vice Chancellor for Academic Affairs shall be appointed by the Chancellor after discussion with the Board. The Executive Vice Chancellor for Academic Affairs shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions concerning the Executive Vice Chancellor for Academic Affairs are subject to review by the Board.

6.2 Duties and Responsibilities.

The primary responsibilities of the Executive Vice Chancellor for Academic Affairs include:

- 6.21 Providing assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.

...

Sec. 7. Vice Chancellor and General Counsel.

The Vice Chancellor and General Counsel reports to the Chancellor and is responsible for the provision of legal services to the Board of

Regents of The University of Texas System as set out in Subsection 7.2 of this Chapter. The Vice Chancellor and General Counsel 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 and Tenure.

The Vice Chancellor and General Counsel shall be appointed by the Chancellor after discussion with the Board. The Vice Chancellor and General Counsel shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions regarding the Vice Chancellor and General Counsel are subject to review by the Board.

7.2 Duties and Responsibilities.

The primary responsibilities of the Vice Chancellor and General Counsel include:

7.21 Providing assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.

7.22 Providing legal services, in conjunction with the Counsel and Secretary to the Board of Regents, required by the Board of Regents of The University of Texas System and its personnel to ensure the proper protection and advancement of the System's interests.

...

7.2(10) Advising the Office of Governmental Relations concerning the drafting of legislation that has been approved by the Board or requested by any System officer for submission to the Board for approval and providing legal counsel on pending legislation.

...

7.2(18) Performing such other duties as may be assigned by the Chancellor.

Sec. 8. Vice Chancellor for Governmental Relations.

The Vice Chancellor for Governmental Relations reports to the Chancellor and is responsible for coordinating the effective representation of the System in the area of governmental affairs as set out in Subsection 8.2 of this Chapter. The Vice Chancellor for Governmental Relations 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.

8.1 Appointment and Tenure.

The Vice Chancellor for Governmental Relations shall be appointed by the Chancellor after discussion with the Board. The Vice Chancellor for Governmental Relations shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions regarding the Vice Chancellor for Governmental Relations are subject to review by the Board.

8.2 Duties and Responsibilities.

The primary responsibilities of the Vice Chancellor for Governmental Relations include:

8.21 Providing assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.

...

8.27 Performing such other duties as may be assigned by the Chancellor.

Sec. 9. Vice Chancellor for Development and External Relations.

The Vice Chancellor for Development and External Relations reports to the Chancellor and is responsible for the programs of the System related to private sector support, alumni relations, public information, and external constituencies as set out in Subsection 9.2 of this Chapter. The Vice Chancellor for Development and External Relations 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.

9.1 Appointment and Tenure.

The Vice Chancellor for Development and External Relations shall be appointed by the Chancellor after discussion with the Board. The Vice Chancellor for Development and External Relations shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions regarding the Vice Chancellor for Development and External Relations are subject to review by the Board.

9.2 Duties and Responsibilities.

The primary responsibilities of the Vice Chancellor for Development and External Relations include:

9.21 Providing assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.

...

9.23 The formal acceptance, processing, and administration (excluding investment management) of gifts as assigned which conform to all relevant laws and Board policies.

...

9.26 Reporting to the Board on gifts processed and administered by the Office of Development and External Relations and on annual gift totals of the component institutions.

...

9.2(10) Directing the administration of the System Office of Public Affairs.

...

Current Subdivisions 9.2(10), 9.2(11) and 9.2(12) were renumbered as Subdivisions 9.2(11), 9.2(12) and 9.2(13).

Sec. 10. Vice Chancellor for Federal Relations.

The Vice Chancellor for Federal Relations reports to the Chancellor and is responsible for coordinating the effective representation of The University of Texas System at the federal level before all branches of the federal government.

10.1 Appointment and Tenure.

The Vice Chancellor for Federal Relations shall be appointed by the Chancellor after discussion with the Board. The Vice Chancellor for Federal Relations shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions regarding the Vice Chancellor for Federal Relations are subject to review by the Board.

10.2 Duties and Responsibilities.

The primary responsibilities of the Vice Chancellor for Federal Relations include:

10.21 Providing assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.

...

10.28 Performing such other duties as may be assigned by the Chancellor.

- b. Descriptions for the positions of Vice Chancellor for Health Affairs, Vice Chancellor for Community Relations, and Vice Chancellor for Special Engineering Programs were added as Sections 11 through 13, and current Sections 11 and 12 were renumbered and amended as Sections 14 and 15 as set forth below:

Sec. 11. Vice Chancellor for Health Affairs.

The Vice Chancellor for Health Affairs reports to and is responsible to the Executive Vice Chancellor for Health Affairs. The Vice Chancellor for Health Affairs provides staff responsibility to the Executive Vice Chancellor for Health Affairs for the conduct of health-related education and the delivery of health services in the System. The Vice Chancellor for Health Affairs has line responsibility for management of the Texas Medical and Dental Schools Application Service.

11.1 Appointment and Tenure.

The Vice Chancellor for Health Affairs shall be appointed by the Executive Vice Chancellor for Health Affairs after approval by the Chancellor and after discussion with the Board. 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. The actions of the Executive Vice Chancellor for Health Affairs and the Chancellor concerning the Vice Chancellor for Health Affairs are subject to review by the Board.

11.2 Duties and Responsibilities.

The Vice Chancellor for Health Affairs shall provide staff support to the Executive Vice Chancellor for Health Affairs for the maintenance of high academic quality in the health-related teaching institutions and high quality health services in the health-care delivery institutions of the System. The Vice Chancellor for Health Affairs shall provide assistance to the

Chancellor and other U. T. System officials in the execution of their responsibilities. The Vice Chancellor for Health Affairs shall assist the Executive Vice Chancellor for Health Affairs in development of the budgets, in academic planning and programs, in facilities planning and construction, in personnel management in the health components, in preparing recommendations and supporting information on such matters for consideration by the appropriate standing committees of the Board of Regents and in ensuring compliance with applicable laws, rules, and policies, and that appropriate internal controls are implemented and monitored in the health-related teaching institutions and the health-care delivery institutions. The Vice Chancellor for Health Affairs shall have a major responsibility for developing strategies to facilitate participation of the health components and their affiliates in health delivery systems and in providing liaison between the health components and their affiliates with the U. T. System employee health benefit plans.

Sec. 12. Vice Chancellor for Community Relations.

The Vice Chancellor for Community Relations reports to the Chancellor and is responsible for coordinating the effective representation of the U. T. System in the area of community relations. The Vice Chancellor for Community Relations 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.

12.1 Appointment and Tenure.

The Vice Chancellor for Community Relations shall be appointed by the Chancellor after discussion with the Board. The Vice Chancellor for Community Relations shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions regarding the Vice Chancellor for Community Relations are subject to review by the Board.

12.2 Duties and Responsibilities.

The primary responsibilities of the Vice Chancellor for Community Relations include:

12.21 Providing assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.

- 12.22 Representing the Board of Regents of the U. T. System in its relations with community-based organizations and professional associations, including State legislative bodies and agencies.
- 12.23 Making recommendations to the Chancellor in the area of public policy as it affects the relationship of the System with community-related organizations and professional associations, including State legislative bodies and agencies.
- 12.24 Informing appropriate administrative officers of current operations and long-term developments on the local, State, and national level, which may affect the System.
- 12.25 Maintaining and distributing information and advising appropriate System Administration and component institution officials in order to assure proper action by the System with respect to State and national community relations programs and activities.
- 12.26 Defining the job responsibilities, the assignment of duties, and supervising staff members employed in or assigned to work in the community relations area.
- 12.27 Performing such other duties as may be assigned by the Chancellor.

Sec. 13. Vice Chancellor for Special Engineering Programs.

The Vice Chancellor for Special Engineering Programs reports to the Chancellor and is responsible for coordinating special engineering programs of the System.

13.1 Appointment and Tenure.

The Vice Chancellor for Special Engineering Programs shall be appointed by the Chancellor after discussion with the Board. The Vice Chancellor for Special Engineering Programs shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions regarding the Vice Chancellor for Special Engineering Programs are subject to review by the Board.

13.2 Duties and Responsibilities.

The primary responsibilities of the Vice Chancellor for Special Engineering Programs include:

- 13.21 Providing assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.

- 13.22 Overseeing the Amarillo National Research Center, a University Consortium consisting of the U. T. System, The Texas A&M University System, and Texas Tech University System.
- 13.23 Providing advice and information on development of a sound scientific program related to nuclear weapons dismantlement and other special engineering projects.
- 13.24 Performing such other duties as may be assigned by the Chancellor.

Sec. 14. Officers of System Administration and Other Code 1000 Staff.

- 14.1 Executive Officers.--For purposes of these Rules and Regulations, the Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor and General Counsel, the Vice Chancellor for Governmental Relations, the Vice Chancellor for Development and External Relations, the Vice Chancellor for Federal Relations, the Vice Chancellor for Health Affairs, the Vice Chancellor for Community Relations, the Vice Chancellor for Special Engineering Programs, the Executive Associate to the Chancellor, and the Associate Vice Chancellor for Business Affairs are the Executive Officers of The University of Texas System.
- 14.2 . . .

Sec. 15. Councils of the System.

- 15.1 The System Council.
The System Council is composed of the U. T. System Executive Officers and the presidents of all the component institutions of The University of Texas System. The Chancellor shall serve as the Council's permanent chairman and shall conduct regular meetings to discuss those matters of general concern to the operation of The University of Texas System.
- 15.2 The Council of Academic Institutions.
The Council of Academic Institutions is composed of the Executive Vice Chancellor for Academic Affairs and the presidents of the general academic institutions of the System. The other U. T. System Executive Officers serve as ex officio members of this Council. The Executive Vice Chancellor for

Academic Affairs shall serve as the Council's permanent chairman and shall conduct regular meetings to review common problems of planning, development, and operation of the several institutions represented.

15.3 The Council of Health Institutions.

The Council of Health Institutions is composed of the Executive Vice Chancellor for Health Affairs and the presidents of the component institutions of the System concerned directly with health affairs. The other U. T. System Executive Officers serve as ex officio members of this Council. The Executive Vice Chancellor for Health Affairs shall serve as the Council's permanent chairman and shall conduct regular meetings to review common problems of planning, development, and operation of the several institutions represented.

15.4 The Business Management Council.

The Business Management Council advises the System Administration in the areas of component budgeting, business management, data processing, physical plant operations, planning, construction, and accounting systems development. The Council is composed of the Executive Vice Chancellor for Business Affairs and the chief business officers of the component institutions. The other U. T. System Executive Officers, or their delegates, serve as ex officio members of this Council. The Executive Vice Chancellor for Business Affairs shall serve as the Council's permanent chairman and shall conduct regular meetings of the Council.

- c. Current Sections 13 and 14, relating to presidents of component institutions and the appointment of other officers and staff, were renumbered as Sections 16 and 17. See Item 3 on Page 20 regarding amendments to renumbered Section 16 relating to presidents of component institutions.

The amendments to the Regents' Rules and Regulations, Part One, Chapter II, Sections 4 through 10, modify the appointment process for the Executive Vice Chancellors and Vice Chancellors to provide for appointment by the Chancellor after discussion with the Board. This change maintains Board involvement in the process but more closely aligns appointment authority with the search and interview process for the positions previously conducted by the Chancellor. In addition, amendments to the duties and

responsibilities of Executive Vice Chancellor and Vice Chancellor positions bring them up-to-date with current practices and eliminate repetitive language.

New Sections 11 through 13 include job descriptions and related information for the positions of Vice Chancellor for Health Affairs, Vice Chancellor for Community Relations, and Vice Chancellor for Special Engineering Programs; positions not currently included in the Regents' Rules.

Renumbered Section 14, Subsection 14.1, relating to Executive Officers, adds titles of those Executive Officers not previously included in this Subsection and amendments to renumbered Section 15, relating to Councils of the System, reference the U. T. System Executive Officers as a group rather than listing the individual titles with regard to membership in the System Council, the Council of Academic Institutions, the Council of Health Institutions, and the Business Management Council.

3. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Approval to Amend Chapter II, Section 16 (Presidents of Component Institutions)

Chairman Loeffler noted that the item relating to the composition of presidential search advisory committees had been revised since distributed to the members of the U. T. Board of Regents to change the number of student and nonfaculty employee representatives from two each to one each as stated in the yellow paper item which was before the Board.

In accordance therewith and in compliance with renumbering of Sections in Chapter II as indicated in Item 2 on Page 9, the Board amended the Regents' Rules and Regulations, Part One, Chapter II, Section 16 (formerly Section 13) to read as set forth below.

Sec. 16. Presidents of Component Institutions.

- 16.1 The Board selects the president of each component institution.
 - 16.11 When there is a vacancy or it is known that there is to be a vacancy in the office of a president of a component institution having faculty and students and the Board does not have candidate(s) from recent searches at other component institutions, from within the U. T. System, and/or of national prominence from outside the U. T. System to advance for consideration, an Advisory Committee shall be established to

recommend candidates to the Board. The Executive Vice Chancellor for Health Affairs or the Executive Vice Chancellor for Academic Affairs shall be chairman of the Advisory Committee. In circumstances where this Executive Vice Chancellor may be a candidate for the office, the chairman of the Advisory Committee shall be the Chancellor or the Chancellor's designee. Including the chairman, committee membership is as follows:

- The Chancellor;
- The Executive Vice Chancellor for Academic Affairs or Health Affairs;
- Two Presidents;
(to be appointed by the Chairman of the Board from two of the component institutions)
- Two Regents;
(to be appointed by the Chairman of the Board)
- Three faculty members of the institution involved, at least two of whom shall have the rank of associate professor or higher; (method of selection to be determined by the faculty governance of the campus)
- One Dean;
(for academic institutions to be selected by Dean's Council of the institution involved) (for health-related institutions to be the Dean of the Medical School involved or in the absence of that position a senior representative of the teaching program of the component selected by the Chairman of the Board)
- One student from the institution involved;
(method of selection to be determined by the student governance of the campus involved or, if there is no student governance, by the Chairman of the Board; if the component

does not have students, this category of representation shall be omitted)

President of the Ex-Students'

Association of the campus involved; (if the institution does not have an active alumni organization, then an alumnus of the component selected by the Chairman of the Board of Regents; if the component does not have degree granting authority, this category shall be omitted)

One nonfaculty employee of the institution involved; (method of selection to be determined by the staff or employee council of the institution involved or, if there is no staff or employee council, by the Chairman of the Board)

Two representatives of the component's external constituency who have demonstrated a deep interest in and support of the institution, its programs and its role in community activities to be appointed by the Chairman of the Board. Where a component institution has a statewide mission; special area programmatic relationships or partnerships with junior or community colleges, private universities or public schools, business/corporate entities, community or public service agencies; or other unique constituencies, the Chairman of the Board may appoint additional representatives.

Campus constituent groups with responsibility for selection of Advisory Committee representatives are expected to

consider diversity, particularly as it relates to minority and female representation. Unless there are unusual delays in faculty, staff or student representative selection which postpone initiation of the committee process, the Chairman of the Board will make his or her appointments to the Advisory Committee after campus selections in order to maximize the prospect that the total committee composition reflects diversity. The Chairman's appointments to the Advisory Committee will be made following due consideration of input from members of the Board, the institutional leadership, and community leaders related to the Committee composition.

....

These amendments to the Regents' Rules and Regulations, Part One, Chapter II, Section 16, relating to the composition of presidential search advisory committees, delegate any appointment authority currently held by the outgoing institutional president to the Chairman of the U. T. Board of Regents. The size of the Committee is reduced by two members, minor editorial amendments are included, and the new language in the last paragraph provides additional direction to the Chairman related to advice and recommendations to be received prior to making his or her appointments to the Committee.

4. U. T. Board of Regents: Amendment to the Regents' Rules and Regulations, Part One, Chapter III, Section 16, Subsection 16.1 (Leaves of Absence Without Pay)

As part of an ongoing review of the Regents' Rules and Regulations to grant flexibility to institutional presidents for various approvals, the Board amended the Regents' Rules and Regulations, Part One, Chapter III, Section 16, Subsection 16.1, relating to leaves of absence without pay to read as set forth below:

Sec. 16. Leaves of Absence Without Pay.

- 16.1 With the interest of the institution being given first consideration and for good cause, leaves of absence without pay may be granted for a period within the term of appointment of a member

of any faculty or staff, subject to the general conditions included herein. Leaves of absence for a first year or portion thereof or a second consecutive year's leave may be granted by the president or his or her designee. Leaves of absence for a third consecutive year will be granted only for the reasons outlined in this Subsection, Subsection 16.3, and Subsection 16.4, following review and approval by the Executive Vice Chancellor for Health Affairs or the Executive Vice Chancellor for Academic Affairs, as appropriate.

5. U. T. Board of Regents: Authorization to a) Approve Charges Submitted as Incidental Fees in Institutional Dockets under the Authority Granted in Section 54.504 and Section 55.16, Texas Education Code, b) Approve Charges Previously Approved, c) Ratify and Approve Changes to Charges Now or Previously Approved, and d) Amend the Regents' Rules and Regulations, Part Two, Chapter I, Section 4 (Assessment, Collection, and Waiver of Tuition and Fees), Subsection 4.2

The Board took the following actions with regard to charges and fees assessed and collected by the component institutions:

- a. Approved the charges submitted in the February 2001 dockets of the component institutions as incidental fees to be collected pursuant to Section 54.504, Texas Education Code, and also approved such charges pursuant to Section 55.16, Texas Education Code which authorizes the assessment and collection of rentals, rates, and charges
- b. Approved any charges previously approved by the U. T. Board of Regents at the request of the component institutions as incidental fees to be collected pursuant to Section 54.504, Texas Education Code, as rentals, rates, and charges assessed and collected pursuant to Section 55.16, Texas Education Code
- c. Ratified and approved any changes to charges now or previously approved by the presidents of component institutions as incidental fees to be collected pursuant to Section 54.504, Texas Education Code, under authority of Part Two, Chapter I, Section 4, Subsection 4.2 of the Regents' Rules and Regulations as rentals, rates, and charges assessed and collected pursuant to Section 55.16, Texas Education Code

- d. Amended Part Two, Chapter I, Section 4, Subsection 4.2 of the Regents' Rules and Regulations to read as set forth below:

4.2 The Board delegates to the presidents of the component institutions the authority to approve changes in the amounts of incidental fees authorized by Section 54.504, Texas Education Code, that have previously been approved by the Board and to approve changes in the amounts of charges authorized by Section 55.16, Texas Education Code, that have previously been approved by the Board. As a condition to approval of any increase in such fees and charges, the president must find that such increase is required in order for the fee or charge to reasonably reflect the actual cost to the component institution of the materials or services to be provided.

Charges submitted for approval by component institutions as incidental fees authorized by Section 54.504, Texas Education Code, will also be approved as charges authorized by Section 55.16, Texas Education Code, to avoid any uncertainty regarding the scope of incidental fees authorized by Section 54.504, Texas Education Code, as a result of a recent court decision.

Section 55.16 of the Texas Education Code provides broad authority for the Board to assess and collect rentals, rates, and charges. Approval of this item implements Section 55.16 as an additional authorizing statute for charges previously approved by the Board as incidental fees, for new charges submitted for approval in the February 2001 institutional Dockets, and for changes to incidental fees now or previously made by the presidents under delegated authority.

6. U. T. System: Report of Summary of Gift Acceptance Conforming to Board Policy for September 1, 2000 Through November 30, 2000

Vice Chancellor for Development and External Relations Perry reviewed the Summary of Gift Acceptance for The University of Texas System for the period September 1, 2000 through November 30, 2000, as set forth on Page 26.

Vice Chancellor Perry reported 167 items conforming to Board policy were approved including the acceptance of \$26,053,531 in gifts. Other matching contributions from previously accepted Board-held matching funds totaled \$10,000 and transfers of previously accepted funds totaled \$1,222,290.51.

Mrs. Perry noted that this 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.

For the record, it is noted that the format of the gift report is simplified from including five charts as previously reported to including only total gifts.

| # ALL ITEMS | COMPONENT INSTITUTION | TOTAL VALUE |
|-------------|--|--------------|
| 2 | U. T. Arlington | \$ 20,000 |
| 88 | U. T. Austin | 12,247,146* |
| 1 | U. T. Brownsville | 10,915 |
| — | U. T. Dallas | — |
| 7 | U. T. El Paso | 195,000 |
| 3 | U. T. Pan American | 22,044 |
| 1 | U. T. Permian Basin | 10,000 |
| 4 | U. T. San Antonio | 410,943 |
| 1 | U. T. Tyler | 25,000 |
| 19 | U. T. Southwestern Medical Center - Dallas | 4,720,834 |
| 6 | U. T. Medical Branch - Galveston | 1,187,205 |
| 11 | U. T. Health Science Center - Houston | 1,300,000 |
| 14 | U. T. Health Science Center - San Antonio | 3,015,000* |
| 8 | U. T. M. D. Anderson Cancer Center | 2,889,444 |
| <u>2</u> | U. T. Health Center - Tyler | <u>—</u> |
| 167 | | \$26,053,531 |

*Not included in total:

U. T. Austin: \$10,000 of Board-held matching funds and \$222,290.51 transfer of previously accepted funds;

U. T. Health Science Center – San Antonio: \$1,000,000 transfer of previously accepted funds.

Vice Chancellor Perry introduced Dr. Diana Natalicio, President of The University of Texas at El Paso, who presented a report on the Legacy Campaign at that institution. Dr. Natalicio stated that five years ago, U. T. El Paso launched its first fund-raising campaign with a goal of \$50 million to be raised during the course of the campaign. She said the campaign was brought to a successful close in August 2000 with \$66 million having been raised primarily by supporters in the El Paso community. The success of the campaign, which is now close to \$100 million, serves as a boost to the community, serves as a design model for other fund-raising campaigns, and lays the foundation for the next step in fund-raising which will lead to U. T. El Paso's centennial celebrations in 2014. President Natalicio stated the

commitment of the Board of Regents was a critical piece of the campaign and thanked the Board for its vote of confidence during the early stages of the program.

Vice Chancellor Perry then presented a PowerPoint report on private sector support for the 1999-2000 Fiscal Year, emphasizing that annual giving had increased 56% over the previous year: from approximately \$350 million to approximately \$548 million. She commended the private donors, the 15 component presidents and their development teams, and community volunteers for their hard work.

Chairman Loeffler applauded President Natalicio and Vice Chancellor Perry for their record-breaking successes in philanthropic support and commented on the successes as a strong testament to the important partnership for higher education between the private and public sectors.

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

1. U. T. System: Report on Investments for the Fiscal Quarter Ended November 30, 2000

On behalf of The University of Texas Investment Management Company (UTIMCO), Regent Hunt, an officer of the UTIMCO Board, summarized the Report on Investments for The University of Texas System for the fiscal quarter ended November 30, 2000, for the Permanent University Fund, Permanent Health Fund, Long Term Fund, Short Intermediate Term Fund, and Separately Invested Assets.

Report by Regent Hunt on Behalf of UTIMCO

Mr. Chairman and members of the Board, I am pleased to summarize the investments for The University of Texas System for the fiscal quarter ended November 30, 2000.

Pages 31 - 35 contain the Summary Reports on Investments for the fiscal quarter ended November 30, 2000.

The performance of the Permanent University Fund (PUF), Permanent Health Fund (PHF) and the Long Term Fund (LTF) is measured against the endowment neutral policy portfolio return, the neutrally weighted average index return for the various asset classes in the endowment portfolio. Fixed income, as an asset class, posted positive returns for the quarter with the Lehman Aggregate Bond Index returning 2.95% and the Salomon Non-U. S. World Government Bond Index posting a negative return of .50%. Equities, as an asset class, posted negative returns with the S&P 500 Index and Russell 2000 Index posting returns of 13.11% and 16.79%, respectively, for the quarter. Non-U. S. equities also posted negative returns with the MSCI Eafe Index and the MSCI Emerging Markets posting negative returns of 10.60% and 22.95%, respectively. The benchmarks for alternative marketable, alternative nonmarketable and the inflation hedging asset class were positive for the quarter at 3.38%, 4.00% and 4.63%, respectively. Diversification of the endowments' assets to the alternative and inflation hedging asset classes mitigated the losses of the U. S. and non-U. S. equity portfolios for the quarter.

Item a on Page 31 reports summary activity for the Permanent University Fund (PUF) Investments. PUF Investments began the quarter with a market value of \$8.5 billion. During the quarter, contributions of mineral income from PUF Lands equaled \$30.5 million, up 64% from the prior fiscal year's first quarter. Total investment return was a negative \$508.2 million. The PUF distributed \$317.1 million to the Available University Fund (AUF) during the quarter. This amount represented the annual PUF distribution to the AUF for the fiscal year ending August 31, 2001, as approved by the U. T. Board of Regents on February 10, 2000. PUF market value ended the quarter at \$7.7 billion.

Quarter-end asset allocation was 81% broadly defined equities and 19% fixed income versus an unconstrained neutral allocation of 80% equities and 20% fixed income. Within equities, quarter-end allocation to U. S. large and mid cap stocks was slightly underweighted at 23%, U. S. small cap stocks was slightly overweighted at 9%, non-U. S. and alternative equities were neutrally weighted at 15% and 25%, respectively, of total assets. Inflation hedging assets were slightly overweighted at 9%.

Total net investment return for the quarter was a negative 6.25% versus the neutral policy portfolio negative return of 5.03%. The underperformance of 122 basis points, when compared to the policy portfolio, was primarily attributable to underperformance in the U. S. and non-U. S. equity portfolios of the PUF.

Item b on Page 32 reports summary activity for the Permanent Health Fund (PHF). Quarter-end asset allocation was 80% broadly defined equities and 20% fixed income. Within equities, U. S. large and mid cap equities, U. S. small cap equities and non-U. S. equities were slightly overweighted at 29%, 11%, and 18%, respectively, of total assets. Inflation hedging assets were slightly overweighted at 8%. Alternative equities were underweighted at 14% versus a neutral weighting of 25%. The nonmarketable portion of the alternative equity asset class will take several years to become fully funded. The PHF market value ended the quarter at \$.9 billion.

Total net investment return for the quarter was a negative 7.90% versus the neutral policy portfolio negative return of 5.03%. The underperformance of 287 basis points, when compared to the policy portfolio, was primarily attributable to underperformance in the U. S. and non-U. S. equity portfolios of the PHF, as well as the underweighting to alternative equities.

Item c on Page 33 reports summary activity for the Long Term Fund (LTF). During the quarter, net contributions totaled \$27.2 million representing an 18% increase over the prior fiscal year's first quarter. Investment return was a negative \$208.7 million. Distributions to the over 5,000 endowments and other accounts underlying the LTF totaled \$31.2 million; an increase of 18% versus the prior fiscal year's first quarter. The LTF market value ended the quarter at \$2.9 billion.

Quarter-end asset allocation was 81% broadly defined equities and 19% fixed income. Within equities, U. S. large and mid cap equities were slightly underweighted at 24%. U. S. small cap equities and non-U. S. equities were slightly overweighted at 9% and 17%, respectively, of total assets. Alternative equities were underweighted at 23% versus a neutral weighting of 25%. Inflation hedging assets were slightly overweighted at 8%.

Total net investment return for the quarter was a negative 6.60% versus the neutral policy portfolio negative return of 5.03%. The underperformance of 157 basis points, when compared to the policy portfolio, was primarily attributable to underperformance in the U. S. and non-U. S. equity portfolios of the LTF.

Item d on Page 34 reports summary activity for the Short Intermediate Term Fund. During the quarter, the Fund had net withdrawals of \$11.7 million. It earned \$48.4 million in total return and incurred expenses of \$100 thousand. Distributions to the U. T. System component institutions equaled \$28.6 million, resulting in a Fund value of \$1.9 billion at quarter-end. Total return on the Fund was 2.59% for the quarter versus the Fund's performance benchmark of 2.44%.

Item e on Page 35 presents book and market value of cash, fixed income, equity and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of component operating funds held in the Dreyfus money market fund, decreased by \$52 million to \$797 million during the first quarter. Asset values for the remaining asset classes were fixed income securities: \$101 million versus \$95 million at previous quarter-end; equities: \$107 million versus \$113 million at previous quarter-end; and other investments of \$4 million versus \$25 million at previous quarter-end.

a. PERMANENT UNIVERSITY FUND

Summary Investment Report at November 30, 2000

PERMANENT UNIVERSITY FUND (1)
INVESTMENT SUMMARY REPORT
(\$ millions)

| | <u>FY99-00</u> | <u>FY00-01</u> |
|------------------------|-----------------------|-----------------------|
| | <u>Full Year</u> | <u>1st Qtr</u> |
| Beginning Net Assets | 7,465.6 | 8,452.3 |
| PUF Lands Receipts (2) | 83.1 | 30.5 |
| Investment Return | 1,215.1 | (508.2) |
| Expenses | (13.9) | (4.9) |
| Distributions to AUF | (297.6) | (317.1) |
| Ending Net Assets | <u>8,452.3</u> | <u>7,652.6</u> |
| AUF Distribution: | | |
| Fmm PUF Investments | 297.6 | 317.1 |
| From Surface Income | 6.0 | 1.1 |
| Total | <u>303.6</u> | <u>31 a.2</u> |

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

- (1) General • The Investment Summary Report excludes PUF Lands mineral and surface interests with estimated August **31, 2000** values of \$677.9 million and \$156.4 million, respectively.
- (2) PUF Land Receipts-As of November **30, 2000: 1,230,700** acres under lease; 517,491 producing acres; 3,273 active leases; and 2,050 producing leases.

b. PERMANENT HEALTH FUND

Summary Investment Report at November 30, 2000

PERMANENT HEALTH FUND
SUMMARY REPORT
(\$ millions)

| | FY99-00 | FY00-01 |
|------------------------------|--------------------|--------------------|
| | Full Year | 1 st Qtr |
| Beginning Net Assets | 090.3 | 1,016.6 |
| Contributions | 25.0 | |
| Investment Return | 143.6 | (80.2) |
| Expenses | (1.9) | (0.8) |
| Distributions (Payout) | (40.6) | (10.5) |
| Ending Net Assets | 1,016.6 | 925.1 |
| | | |
| Net Asset Value per Unit | 1.112525 | 1.012448 |
| No. of Units (End of Period) | 913,765,506 | 913,765,506 |
| Distribution Rate per Unit | 0.04500 | 0.01150 |

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

c. LONG TERM FUND

Summary Investment Report at November 30, 2000

LONG TERM FUND
SUMMARY REPORT
(\$ millions)

| | <u>FY99-00</u> | <u>FY00-01</u> |
|---|--------------------|--------------------|
| | Full Year | 1 st Qtr |
| Beginning Net Assets | . | 3,136.2 |
| Net Contributions | 118.9 | 27.2 |
| Investment Return | 547.1 | (208.7) |
| Receipt of Funds from System for UTIMCO Fee | 1.9 | 0.6 |
| Expenses | (9.6) | (1.8) |
| Distributions (Payout) | (11.5.2) | (31.2) |
| Distribution of Gain on Participant Withdrawals | (9.2) | (1.3) |
| Ending Net Assets | <u>3,136.2</u> | <u>2,921.0</u> |
| Net Asset Value per Unit | 6.198 | 5.726 |
| No. of Units (End of Period) | 506,024,547 | 510,164,819 |
| Distribution Rate per Unit | 0.230 | 0.06125 |

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

d. SHORT INTERMEDIATE TERM FUND

Summary Investment Report at November 30,2000

SHORT INTERMEDIATE TERM FUND
SUMMARY REPORT
(\$ millions)

| | <u>FY99-00</u> Full Year | <u>FY00-01</u> 1st Qtr |
|---------------------------------------|-----------------------------|---------------------------|
| Beginning Net Assets | 1,769.4 | 1,844.4 |
| Contributions (Net of Withdrawals) | 81.6~ | (11.7) |
| Investment Return | 107.9 | 48.4 |
| Expenses | (0.5) | (0.1) |
| Distributions of Income | (114.0) | (28.6) |
| Ending Net Assets | <u>1,844.4</u> | <u>1,852.4</u> |
| Net Asset Value per Unit | 9.858 | 9.963 |
| No. of Units (End of Period) | 187,089,202 | 185,934,780 |

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

c. SEPARATELY INVESTED ASSETS

Summary Investment Report at November 30, 2000

SEPARATELY INVESTED ASSETS
SUMMARY REPORT
(\$ thousands)

| ASSET TYPES | FUND TYPE | | | | | | | | | | | | | |
|--------------------------------|-----------------|------------|---------------|--------------|----------------------------|-----------------|---------|---------|-------|--------|----------|----------|----------|----------|
| | CURRENT PURPOSE | | | | ENDOWMENT & ANNUITY & LIFE | | | | TOTAL | | | | | |
| | DESIGNATED | RESTRICTED | SIMILAR FUNDS | INCOME FUNDS | AGENCY FUNDS | OPERATING FUNDS | BOOK | MARKET | BOOK | MARKET | BOOK | MARKET | BOOK | MARKET |
| Cash & Equivalents: | BOOK | MARKET | BOOK | MARKET | BOOK | MARKET | BOOK | MARKET | BOOK | MARKET | BOOK | MARKET | BOOK | MARKET |
| Beginning value 9/1/00 | 4,264 | 4,264 | 2,184 | 2,184 | 32,020 | 32,020 | 334 | 334 | 3 | 3 | 810,619 | 810,619 | 849,424 | 849,424 |
| Increase/(Decrease) | (487) | (487) | (622) | (622) | 4,289 | 4,289 | 162 | 162 | • | • | (55,573) | (55,573) | (52,231) | (52,231) |
| Ending value 11/30/00 | 3,777 | 3,777 | 1,562 | 1,562 | 36,309 | 36,309 | 4 % | 4 % | 3 | 3 | 755,046 | 755,046 | 797,193 | 797,193 |
| Debt Securities: | | | | | | | | | | | | | | |
| Beginning value 9/1/00 | - | - | 17 | 15 | 53,999 | 52,304 | 15,601 | 15,707 | - | - | 25,642 | 26,498 | 95,259 | 94,524 |
| Increase/(Decrease) | - | - | • | • | (177) | 138 | 63 | 317 | - | • | 5,480 | 5,930 | 5,366 | 6,385 |
| Ending value 11/30/00 | - | - | 17 | 15 | 53,822 | 52,442 | 15,664 | 16,024 | - | - | 31,122 | 32,428 | 100,625 | 100,909 |
| Equity Securities: | | | | | | | | | | | | | | |
| Beginning value 9/1/00 | 42 | 8,554 | 2,399 | 2,558 | 23,608 | 40,062 | 15,771 | 17,131 | • | • | 61,652 | 44,483 | 103,472 | 112,788 |
| Increase/(Decrease) | • | (1,344) | 76 | (35) | (648) | (4,852) | 2,161 | (389) | - | • | 8,367 | 1,140 | 9,956 | (5,480) |
| Ending value 11/30/00 | 42 | 7,210 | 2,475 | 2,523 | 22,960 | 35,210 | 17,932 | 16,742 | - | • | 70,019 | 45,623 | 113,428 | 107,308 |
| other: | | | | | | | | | | | | | | |
| Beginning value 9/1/00 | 20,000 | 20,000 | 2,866 | 2,866 | 581 | 581 | 1,510 | 1,531 | - | • | - | - | 24,957 | 24,978 |
| Increase/(Decrease) | (17,000) | (17,000) | (2,861) | (2,861) | • | • | (1,433) | (1,495) | - | • | • | • | (21,294) | (21,356) |
| Ending value 11/30/00 | 3,000 | 3,000 | 5 | 5 | 581 | 581 | 77 | 36 | - | - | - | - | 3,663 | 3,622 |

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

Details of individual assets by account furnished upon request.

2. U. T. Board of Regents: Establishment of the General Endowment Fund (GEF), Approval of the Investment Policy Statement for the GEF, and Approval to Amend the Permanent University Fund (PUF), Permanent Health Fund (PHF) and Long Term Fund (LTF) Investment Policy Statements

Upon recommendation of the Board of Directors of The University of Texas Investment Management Company (UTIMCO), the Board established the General Endowment Fund (GEF) and approved the Investment Policy Statement for the GEF effective March 1, 2001, as set forth on Pages 39 - 52.

Further, the Board approved the following amended Investment Policy Statements as set forth on the referenced pages:

- a. Permanent University Fund (PUF) (See Pages 53 - 67)
- b. Permanent Health Fund (PHF) (See Pages 68 - 76)
- c. Long Term Fund (LTF) (See Pages 77 - 85).

The creation of the GEF and its accompanying Investment Policy Statement is the result of UTIMCO's recommendation to unitize the LTF and PHF. Unitization is the accounting method that underlies the pooling of investment assets and is commonly used by mutual funds. The LTF and the PHF are both unitized pooled investment funds. UTIMCO's proposal to establish the GEF by creating a single pooled investment fund for the LTF and PHF simply takes the further step of pooling the assets of both funds into a \$4 billion mutual fund to be known as the General Endowment Fund.

Currently, UTIMCO invests the PHF and LTF in an identical manner using the same investment policies, asset allocation guidelines, and portfolio managers. Use of the existing account structure requires the duplication of securities trades, manager contracts, accounting entries, performance calculations, and other investment functions. The direct costs of maintaining 177 portfolio accounts across both funds are estimated to be \$1,153,000 per year. Pooling of the PHF and LTF investments under the unitized GEF will result in a more efficient account structure. At this time, UTIMCO would be required to maintain only 129 portfolio accounts, at an estimated cost savings of \$366,000 per year.

Unitization of the PHF and LTF will have no impact on the legal status of the underlying 5,400 endowment accounts. It will not affect the investment policies in use, the ability to allocate different costs to either fund, or the maintenance of different distribution rates if so desired. The current

LTF Investment Policy Statement (including the amendments listed below) will become the GEF's Investment Policy Statement. The Investment Policy Statements for the PHF and LTF are amended to allow for investment in cash or the GEF only.

The amendments to the PUF, PHF, and LTF Investment Policy Statements follow UTIMCO's annual review of fund investment policies and are summarized below:

- Reclassification of high yield bonds from alternative equities to the fixed income asset class.
- Redefinition of leverage for derivative securities, which would exclude planned cash flows in transit. These cash flows will eliminate the leverage.
- Inclusion of the custodian's late deposit interest bearing fund as an eligible cash equivalent investment.
- Amendment of the fixed income credit rating provisions allow for the selection of a high yield fixed income manager to invest in below investment grade bonds.
- Inclusion of the requirement of an annual audit of the funds' financial statements (already done in practice).
- Clarification that valuations of the funds' assets are based on the custodian's records.
- Exhibit A to the PUF Investment Policy Statement ("PUF Specific Asset Allocation") reflects a change in presentation to eliminate the subtotals for expected return and risk, neutral allocations, ranges and performance objectives and to present only the total ranges approved by the UTIMCO Board of Directors under authority delegated to the Board by the U. T. Board of Regents. The broad ranges remain consistent with the guidelines for PUF investment allocation as last amended and approved by the U. T. Board of Regents on February 9, 2000.

The PHF and LTF Investment Policy Statements also include revised exhibits on asset allocation, reduced in scope to reflect the investment of these funds in the GEF and cash on hand between contribution dates. The broad ranges for GEF asset allocation remain identical to those approved by the U. T. Board of Regents for the PUF.

The UTIMCO Board of Directors approved the Investment Policy Statement for the GEF and amendments to the Investment Policy Statements for the PUF, PHF and the LTF on December 7, 2000. There are no changes for the Investment Policy Statements of the Short Term Fund, the Short Intermediate Term Fund, or the Separately Invested Funds.

See also Item 3 on Page 86 authorizing UTIMCO to manage the GEF.

**THE UNIVERSITY OF TEXAS SYSTEM
GENERAL ENDOWMENT FUND
INVESTMENT POLICY STATEMENT**

Purpose

The General Endowment Fund (the "Fund"), established by the Board of Regents of The University of Texas System (the "Board") to be effective on March 1, 2001, is a pooled fund for the collective investment of long-term funds under the control and management of the Board. The Fund provides for greater diversification of investments than would be possible if each account were managed separately.

Fund Organization

The Fund is organized as a mutual fund in which each eligible account purchases and redeems Fund units as provided herein. The ownership of Fund assets shall at all times be vested in the Board. Such assets shall be deemed to be held by the Board, as a fiduciary, regardless of the name in which the assets may be registered.

Fund Management

Ultimate fiduciary responsibility for the Fund rests with the Board. Section 66.08, Texas Education Code, as amended, authorizes the U. T. Board, subject to certain conditions, to enter into a contract with a nonprofit Corporation to invest funds under the control and management of the U. T. Board.

The Fund shall be governed through The University of Texas Investment Management Company ("UTIMCO"), a nonprofit Corporation organized for the express purpose of investing funds under the control and management of the Board. UTIMCO shall a) recommend investment policy for the Fund, b) determine specific asset allocation targets, ranges, and performance benchmarks consistent with Fund objectives, and c) monitor Fund performance against Fund objectives. UTIMCO shall invest the Fund assets in conformity with investment policy.

Unaffiliated investment managers may be hired by UTIMCO to improve the Fund's return and risk characteristics. Such managers shall have complete investment discretion unless restricted by the terms of their management contracts. Managers shall be monitored for performance and adherence to investment disciplines.

Fund Administration

UTIMCO shall employ an administrative staff to ensure that all transaction and accounting records are complete and prepared on a timely basis. Internal controls shall be emphasized so as to provide for responsible separation of duties and adequacy of an audit trail. Custody of Fund assets shall comply with applicable law and be structured so as to provide essential safekeeping and trading efficiency.

Funds Eligible to Purchase Fund Units

No fund shall be eligible to purchase units of the Fund unless it is under the sole control, with full discretion as to investments, by the Board and/or UTIMCO.

Any fund whose governing instrument contains provisions which conflict with this Policy Statement, whether initially or as a result of amendments to either document, shall not be eligible to purchase or hold units of the Fund.

Fund Investment Objectives

The primary investment objective shall be to preserve the purchasing power of Fund assets by earning an average annual total return after inflation of 5.5% over rolling ten year periods or longer. The Fund's success in meeting its objectives depends upon its ability to generate high returns in periods of low inflation that will offset lower returns generated in years when the capital markets underperform the rate of inflation.

The secondary fund objectives are to generate a fund return in excess of the Policy Portfolio benchmark and the average median return of the universe of the college and university endowments as reported annually by Cambridge Associates and NACUBO over rolling five-year periods or longer. The Policy Portfolio benchmark will be established by UTIMCO and will be comprised of a blend of asset class indices weighted to reflect Fund's asset allocation policy targets.

Asset Allocation

Asset allocation is the primary determinant of the volatility of investment return and, subject to the asset allocation ranges specified herein, is the responsibility of UTIMCO. Specific asset allocation targets may be changed from time to time based on the economic and investment outlook. Fund assets shall be allocated among the following broad asset classes based upon their individual return/risk characteristics and relationships to other asset classes:

- A. Cash Equivalents - are highly reliable in protecting the purchasing power of current income streams but historically have not provided a reliable return in excess of inflation. Cash equivalents provide good liquidity under both deflation and inflation conditions.
- B. Fixed Income Investments - Intermediate to long-term investment grade bonds offer the best protection for hedging against the threat of deflation by providing a dependable and predictable source of Fund income. Below investment grade bonds including high yield bonds usually behave more like equities than high-quality bonds such as Treasuries. In the recovery phase of the market such bonds frequently outperform high-quality bonds.
- C. Equities - provide both current income and growth of income, but their principal purpose is to provide appreciation of the Fund. Historically, returns for equities have been higher than for bonds over all extended periods. Therefore, equities represent the best chance of preserving the purchasing power of the Fund.
- D. Alternative Investments - generally consist of alternative marketable investments and alternative nonmarketable investments.
- Alternative Marketable Investments -
These investments are broadly defined to include hedge funds, arbitrage and special situation funds, distressed debt, market neutral, and other nontraditional investment strategies whose underlying securities are traded on public exchanges or are otherwise readily marketable. Alternative marketable investments may be made directly by UTIMCO or through partnerships. If these investments are made through partnerships they offer faster drawdown of committed capital and earlier realization potential than alternative nonmarketable investments. Alternative marketable investments made through partnerships will generally provide investors with liquidity at least annually.
 - Alternative Nonmarketable Investments -
Alternative Nonmarketable investments shall be expected to earn superior equity type returns over extended periods. The advantages of alternative nonmarketable investments are that they enhance long-term returns through investment in inefficient, complex markets. They offer reduced volatility of Fund asset values through their characteristics of low correlation with listed equities and fixed income instruments. The disadvantages of this asset class are that they may be illiquid, require higher and more complex fees, and are frequently dependent on the

quality of external managers. In addition, they possess a limited return history versus traditional stocks and bonds. The risk of alternative nonmarketable investments shall be controlled with extensive due diligence and diversification. These investments are held through either limited partnership or as direct ownership interests. They include special equity, mezzanine venture capital, oil and gas, real estate and other investments that are privately held and which are not registered for sale on public exchanges. In partnership form, these investments require a commitment of capital for extended periods of time with no liquidity. They also generally require an extended period of time to achieve targeted investment levels.

- E. Inflation Hedging Assets – generally consist of assets with a higher correlation of returns with inflation than other eligible asset classes. They include direct real estate, REITs, oil and gas interests, commodities, inflation-linked bonds, timberland and other hard assets. These investments may be held through limited partnership, other commingled funds or as direct ownership interests.

Asset Allocation Policy

The asset allocation policy and ranges herein recognize that the Fund's return/risk profile can be enhanced by diversifying the Fund's investments across different types of assets whose returns are not closely correlated. The targets and ranges seek to protect the Fund against both routine illiquidity in normal markets and extraordinary illiquidity during a period of extended deflation.

The long-term asset allocation policy for the Fund must recognize that the 5.5% real return objective requires a high allocation to broadly defined equities, including domestic, international stocks, alternative equity investments, and inflation hedging assets of 68% to 90%. The allocation to deflation hedging Fixed Income should therefore not exceed 32% of the Fund.

The Board delegates authority to UTIMCO to establish specific neutral asset allocations and ranges within the broad policy guidelines described above. UTIMCO may establish specific asset allocation targets and ranges for large and small capitalization U. S. stocks, established and emerging market international stocks, marketable and nonmarketable alternative equity investments, and other asset classes as well as the specific performance objectives for each asset class. Specific asset allocation policies shall be decided by UTIMCO and reported to the U. T. Board.

Performance Measurement

The investment performance of the Fund will be measured by an unaffiliated organization, with recognized expertise in this field and reporting responsibility to the UTIMCO Board, and compared against the stated investment benchmarks of the Fund. Such measurement will occur at least annually, and evaluate the results of the total Fund, major classes of investment assets, and individual portfolios.

Investment Guidelines

The Fund must be invested at all times in strict compliance with applicable law.

Investment guidelines include the following:

General

- Investment guidelines for index and other commingled funds managed externally shall be governed by the terms and conditions of the Investment Management Contract.
- All investments will be U. S. dollar denominated assets unless held by an internal or external portfolio manager with discretion to invest in foreign currency denominated securities.
- Investment policies of any unaffiliated liquid investment fund must be reviewed and approved by the chief investment officer prior to investment of Fund assets in such liquid investment fund.
- No securities may be purchased or held which jeopardize the Fund's tax exempt status.
- No investment strategy or program may purchase securities on margin or use leverage unless specifically authorized by the UTIMCO Board.
- No investment strategy or program employing short sales may be made unless specifically authorized by the UTIMCO Board.
- The Fund's investments in warrants shall not exceed more than 5% of the Fund's net assets or 2% with respect to warrants not listed on the New York or American Stock Exchanges.

- The Fund may utilize Derivative Securities with the approval of the UTIMCO Board to a) simulate the purchase or sale of an underlying market index while retaining a cash balance for fund management purposes; b) facilitate trading; c) reduce transaction costs; d) seek higher investment returns when a Derivative Security is priced more attractively than the underlying security; e) index or to hedge risks associated with Fund investments; or f) adjust the market exposure of the asset allocation, including long and short strategies; provided that leverage is not employed in the implementation of such Derivative purchases or sales. Leverage occurs when the notional value of the futures contracts exceeds the value of cash assets allocated to those contracts by more than 2%. The cash assets allocated to futures contracts is the sum of the value of the initial margin deposit, the daily variation margin and dedicated cash balances. This prohibition against leverage shall not apply where cash is received within 1 business day following the day the leverage occurs. UTIMCO's Derivatives Guidelines shall be used to monitor compliance with this policy. Notwithstanding the above, leverage strategies are permissible within the alternative equities investment class with the approval of the UTIMCO Board, if the investment strategy is uncorrelated to the Fund as a whole, the manager has demonstrated skill in the strategy, and the strategy implements systematic risk control techniques, value at risk measures, and predefined risk parameters.
- Such Derivative Securities shall be defined to be those instruments whose value is derived, in whole or part, from the value of any one or more underlying assets, or index of assets (such as stocks, bonds, commodities, interest rates, and currencies) and evidenced by forward, futures, swap, option, and other applicable contracts.

UTIMCO shall attempt to minimize the risk of an imperfect correlation between the change in market value of the securities held by the Fund and the prices of Derivative Security investments by investing in only those contracts whose behavior is expected to resemble that of the Fund's underlying securities. UTIMCO also shall attempt to minimize the risk of an illiquid secondary market for a Derivative Security contract and the resulting inability to close a position prior to its maturity date by entering into such transactions on an exchange with an active and liquid secondary market. The net market value of exposure of Derivative Securities purchased or sold over the counter may not represent more than 15% of the net assets of the Fund.

In the event that there are no Derivative Securities traded on a particular market index such as MSCI EAFE, the Fund may utilize a composite of other Derivative Security contracts to simulate the performance of such index. UTIMCO shall attempt to reduce any tracking error from the low correlation of the selected Derivative Securities with its index by investing in contracts whose behavior is expected to resemble that of the underlying securities.

UTIMCO shall minimize the risk that a party will default on its payment obligation under a Derivative Security agreement by entering into agreements that mark to market no less frequently than monthly and where the counterparty is an investment grade credit. UTIMCO also shall attempt to mitigate the risk that the Fund will not be able to meet its obligation to the counterparty by investing the Fund in the specific asset for which it is obligated to pay a return or by holding adequate short-term investments.

The Fund may be invested in foreign currency forward and foreign currency futures contracts in order to maintain the same currency exposure as its respective index or to protect against anticipated adverse changes in exchange rates among foreign currencies and between foreign currencies and the U. S. dollar.

Cash and Cash Equivalents

- Holdings of cash and cash equivalents may include internal short-term pooled investment funds managed by UTIMCO.
- Unaffiliated liquid investment funds as approved by the chief investment officer.
- The Fund's custodian late deposit interest bearing liquid investment fund.
- Commercial paper must be rated in the two highest quality classes by Moody's Investors Service, Inc. (P1 or P2) or Standard & Poor's Corporation (A1 or A2).
- Negotiable certificates of deposit must be with a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Bankers' Acceptances must be guaranteed by an accepting bank with a minimum certificate of deposit rating of 1 by Duff & Phelps.

- Repurchase Agreements and Reverse Repurchase Agreements must be transacted with a dealer that is approved by UTIMCO and selected by the Federal Reserve Bank as a Primary Dealer in U. S. Treasury securities and rated A-1 or P-1 or the equivalent.
 - Each approved counterparty shall execute the Standard Public Securities Association (PSA) Master Repurchase Agreement with UTIMCO.
 - Eligible Collateral Securities for Repurchase Agreements are limited to U. S. Treasury securities and U. S. Government Agency securities with a maturity of not more than 10 years.
 - The maturity for a Repurchase Agreement may be from one day to two weeks.
 - The value of all collateral shall be maintained at 102% of the notional value of the Repurchase Agreement, valued daily.
 - All collateral shall be delivered to the GEF custodian bank. Tri-party collateral arrangements are not permitted.
- The aggregate amount of repurchase agreements with maturities greater than seven calendar days may not exceed 10% of the Fund's fixed income assets.
- Overnight Repurchase Agreements may not exceed 25% of the Fund's fixed income assets.
- Mortgage Backed Securities (MBS) Dollar Rolls shall be executed as matched book transactions in the same manner as Reverse Repurchase Agreements above. As above, the rules for trading MBS Dollar Rolls shall follow the Public Securities Association standard industry terms.

Fixed Income

Domestic Fixed Income

Holdings of domestic fixed income securities shall be limited to those securities a) issued by or fully guaranteed by the U. S. Treasury, U. S. Government-Sponsored Enterprises, or U. S. Government Agencies, and b) issued by corporations and municipalities. Within this overall limitation:

- Permissible securities for investment include the components of the Lehman Brothers Aggregate Bond Index (LBAGG): investment grade government and corporate securities, agency mortgage pass-through securities, and asset-backed securities. These sectors are divided into more specific sub-indices 1) Government: Treasury and Agency; 2) Corporate: Industrial, Finance, Utility, and Yankee; 3) Mortgage-backed securities: GNMA, FHLMC, and FNMA; and 4) Asset-backed securities. In addition to the permissible securities listed above, the following securities shall be permissible: a) floating rate securities with periodic coupon changes in market rates issued by the same entities that are included in the LBAGG as issuers of fixed rate securities; b) medium term notes issued by investment grade corporations; c) zero coupon bonds and stripped Treasury and Agency securities created from coupon securities; and d) structured notes issued by LBAGG qualified entities.
- U. S. Domestic Bonds must be rated investment grade, Baa3 or better by Moody's Investors Services, BBB- by Standard & Poor's Corporation, or an equivalent rating by a nationally recognized rating agency at the time of acquisition. This provision does not apply to an investment manager that is authorized by the terms of an investment advisory agreement to invest in below investment grade bonds.
- Not more than 5% of the market value of domestic fixed income securities may be invested in corporate and municipal bonds of a single issuer provided that such bonds, at the time of purchase, are rated, not less than Baa3 or BBB-, or the equivalent, by any two nationally recognized rating services, such as Moody's Investors Service, Standard & Poor's Corporation, or Fitch Investors Service.

Non-U. S. Fixed Income

- Not more than 35% of the Fund's fixed income portfolio may be invested in non-U. S. dollar bonds. Not more than 15% of the Fund's fixed income portfolio may be invested in bonds denominated in any one currency.
- Non-dollar bond investments shall be restricted to bonds rated equivalent to the same credit standard as the U. S. Fixed Income Portfolio.
- Not more than 7.5% of the Fund's fixed income portfolio may be invested in Emerging Market debt.
- International currency exposure may be hedged or unhedged at UTIMCO's discretion or delegated by UTIMCO to an external investment manager.

Equities

The Fund shall:

- A. hold no more than 25% of its equity securities in any one industry or industries (as defined by the standard industry classification code and supplemented by other reliable data sources) at market
- B. hold no more than 5% of its equity securities in the securities of one corporation at cost unless authorized by the chief investment officer.

Alternative Investments and Inflation Hedging Assets

Investments in alternative assets and inflation hedging assets may be made through management contracts with unaffiliated organizations (including but not limited to limited partnerships, trusts, and joint ventures) so long as such organizations:

- A. possess specialized investment skills
- B. possess full investment discretion subject to the management agreement
- C. are managed by principals with a demonstrated record of accomplishment and performance in the investment strategy being undertaken

- D. align the interests of the investor group with the management as closely as possible
- E. charge fees and performance compensation which do not exceed prevailing industry norms at the time the terms are negotiated.

Investments in alternative nonmarketable assets and inflation hedging assets also may be made directly by UTIMCO in co-investment transactions sponsored by and invested in by a management firm or partnership in which the Fund has invested prior to the co-investment or in transactions sponsored by investment firms well known to UTIMCO management, provided that such direct investments shall not exceed 25% of the market value of the alternative nonmarketable assets portfolio or the inflation hedging assets portfolio at the time of the direct investment.

Members of UTIMCO management, with the approval of the UTIMCO Board, may serve as directors of companies in which UTIMCO has directly invested Fund assets. In such event, any and all compensation paid to UTIMCO management for their services as directors shall be endorsed over to UTIMCO and applied against UTIMCO management fees. Furthermore, UTIMCO Board approval of UTIMCO management's service as a director of an investee company shall be conditioned upon the extension of UTIMCO's Directors and Officers Insurance Policy coverage to UTIMCO management's service as a director of an investee company.

Fund Accounting

The fiscal year of the Fund shall begin on September 1st and end on August 31st. Market value of the Fund shall be maintained on an accrual basis in compliance with Financial Accounting Standards Board Statements, Government Accounting Standards Board Statements, or industry guidelines, whichever is applicable. Significant asset write-offs or write-downs shall be approved by the chief investment officer and reported to the UTIMCO Board of Directors. The Fund's financial statements shall be audited each year by an independent accounting firm selected by UTIMCO's Board.

Valuation of Assets

As of the close of business on the last business day of each month, UTIMCO shall determine the fair market value of all Fund net assets and the net asset value per unit of the Fund. Valuation of Fund assets shall be based on the books and records of the custodian for the valuation date. Valuation of alternative assets shall be determined in accordance with the UTIMCO Valuation Criteria for Alternative Assets.

The fair market value of the Fund's net assets shall include all related receivables and payables of the Fund on the valuation date and the value of each unit thereof shall be its proportionate part of such net value. Such valuation shall be final and conclusive.

Purchase of Fund Units

Purchase of Fund units may be made on any quarterly purchase date (September 1, December 1, March 1, and June 1 of each fiscal year or the first business day subsequent thereto) upon payment of cash to the Fund or contribution of assets approved by the chief investment officer, at the net asset value per unit of the Fund as of the most recent quarterly valuation date. Each fund whose monies are invested in the Fund shall own an undivided interest in the Fund in the proportion that the number of units invested therein bears to the total number of all units comprising the Fund.

Redemption of Fund Units

Redemption of Units shall be paid in cash as soon as practicable after the quarterly valuation date of the Fund. Withdrawals from the Fund shall be at the market value price per unit determined for the period of the withdrawal.

Securities Lending

The Fund may participate in a securities lending contract with a bank or nonbank security lending agent for either short-term or long-term purposes of realizing additional income. Loans of securities by the Fund shall be collateralized by cash, letters of credit, or securities issued or guaranteed by the U. S. Government or its agencies. The collateral will equal at least 100% of the current market value of the loaned securities. The contract shall state acceptable collateral for securities loaned, duties of the borrower, delivery of loaned securities and collateral, acceptable investment of collateral and indemnification provisions. The contract may include other provisions as appropriate.

The securities lending program will be evaluated from time-to-time as deemed necessary by the UTIMCO Board. Monthly reports issued by the agent shall be reviewed by UTIMCO to insure compliance with contract provisions.

Investor Responsibility

As a shareholder, the Fund has the right to a voice in corporate affairs consistent with those of any shareholder. These include the right and obligation to vote proxies in a manner consistent with the unique role and mission of higher education as well as for the economic benefit of the Fund. Notwithstanding the above, the UTIMCO Board shall discharge its fiduciary duties with respect to the Fund solely in the interest of Fund unitholders and shall not invest the Fund so as to achieve temporal benefits for any purpose including use of its economic power to advance social or political purposes.

Amendment of Policy Statement

The Board of Regents reserves the right to amend the Investment Policy Statement as it deems necessary or advisable.

Effective Date

The effective date of this policy shall be March 1, 2001.

EXHIBIT A

GEF ASSET ALLOCATION

**EXPECTED RETURN AND RISK, NEUTRAL ALLOCATIONS,
RANGES AND PERFORMANCE OBJECTIVES**

| | | Expected Return | Expected Risk | Neutral Allocation | Range | Benchmark | Return |
|----------------------------------|--------------------------------|----------------------------|--------------------------|-------------------------------|-----------------|-----------------------------------|-------------------|
| Conventional Equities | U.S. Stocks | 9.25% | 18.50% | 25.0% | 10%-40% | S&P 500 Index | |
| Conventional Equities | U.S. Small Cap Stocks | 10.25% | 21.25% | 7.5% | 5%-15% | Russell 2000 Index | |
| Conventional Equities | Global ex-U.S. Stocks | 9.75% | 20.75% | 12.0% | 5%-20% | MSCI EAFE Index (net) | |
| Conventional Equities | Emerging Markets Equity | 13.00% | 30.00% | 3.0% | 0%-10% | MSCI-Emerging Mkts. Free | |
| Alt. Eq. -Marketable | Absolute Return | 7.75% | 9.25% | 3.0% | 2.5%-10% | 91-Day T-Bills +7% | |
| Alt. Eq. - Marketable | Equity Hedge Funds | 8.00% | 14.00% | 7.0% | 2.5%-15% | 91-Day T-Bills +7% | |
| AU. Eq. - Non-Marketable | Venture Capital | 14.25% | 15.75% | 7.5% | 2.5% 10% | 17.00% | |
| Alt. Eq. - Non-Marketable | Private Equity | 12.25% | 9.50% | 7.5% | 2.5%-15% | 17.00% | |
| Inflation Hedging | Commodities (GSCI) | 8.75% | 19.25% | 2.5% | 0.0%-10% | 33% (GSCI - 100 bps) | 67% NCREIF |
| Inflation Hedging | Oil and Gas | 11.00% | 27.00% | 0.0% | 0.0%-10% | 33% (GSCI - 100 bps) | 67% NCREIF |
| Inflation Hedging | Real Estate | 9.00% | 14.50% | 5.0% | 0.0%-10% | 33% (GSCI - 100 bps) | 67% NCREIF |
| Inflation Hedging | TIPS | 6.50% | 2.50% | 0.0% | 0.0%-10% | 33% (GSCI - 100 bps) | 67% NCREIF |
| Inflation Hedging | Timberland | 8.50% | 9.25% | 0.0% | 0.0%-10% | 33% (GSCI - 100 bps) | 67% NCREIF |
| Deflation Hedging | High Yield Bonds | 8.50% | 13.25% | 0.0% | 0%-7% | Lehman Brothers Aggregate | |
| Deflation Hedging | Global ex U.S. Bonds | 6.50% | 13.00% | 5.0% | 0%-7% | Salomon Non-U.S. WGBI Unh. | |
| Deflation Hedging | U.S. Bonds | 6.25% | 9.25% | 15.0% | 10%-25% | Lehman Brothers Aggregate | |
| Deflation Hedging | Cash | 3.75% | 3.50% | 0.0% | 0%-5% | 91 day T-Bills Ave. Yield | |
| | Expected Nominal Return | | | | | 9.35% | |
| | Expected Risk | | | | | 10.44% | |
| | Return/Risk Ratio | | | | | 0.90 | |

The rebalancing of Fund assets to achieve the neutral allocations shall be subject to the funding of alternative investments.

Risk is defined in annualized standard deviation terms.

The neutral policy portfolio is the sum of the neutrally weighted benchmark returns.

**THE UNIVERSITY OF TEXAS SYSTEM
PERMANENT UNIVERSITY FUND
INVESTMENT POLICY STATEMENT**

Purpose

The Permanent University Fund (the “Fund”) is a public endowment contributing to the support of institutions of The University of Texas System (other than The University of Texas-Pan American and The University of Texas at Brownsville) and institutions of The Texas A&M University System (other than Texas A&M University-Corpus Christi, Texas A&M International University, Texas A&M University-Kingsville, West Texas A&M University, Texas A&M University-Commerce, Texas A&M University-Texarkana, and Baylor College of Dentistry).

Fund Organization

The Permanent University Fund was established in the Texas Constitution of 1876 through the appropriation of land grants previously given to The University of Texas at Austin plus one million acres. The land grants to the Permanent University Fund were completed in 1883 with the contribution of an additional one million acres of land. Today, the Permanent University Fund contains 2,109,190 acres of land (the “PUF Lands”) located in 24 counties primarily in West Texas.

The 2.1 million acres comprising the PUF Lands produce two streams of income: a) mineral income, primarily in the form of oil and gas royalties and b) surface income, in the form of surface leases and easements. Under the Texas Constitution, mineral income, as a non-renewable source of income, remains a non-distributable part of PUF corpus, and is invested in securities. Surface income, as a renewable source of income, is distributed to the Available University Fund (the “AUF”), as received.

The Constitution prohibits the distribution and expenditure of mineral income contributed to the Fund. The Constitution also requires that all surface income and investment distributions paid to the AUF be expended for certain authorized purposes.

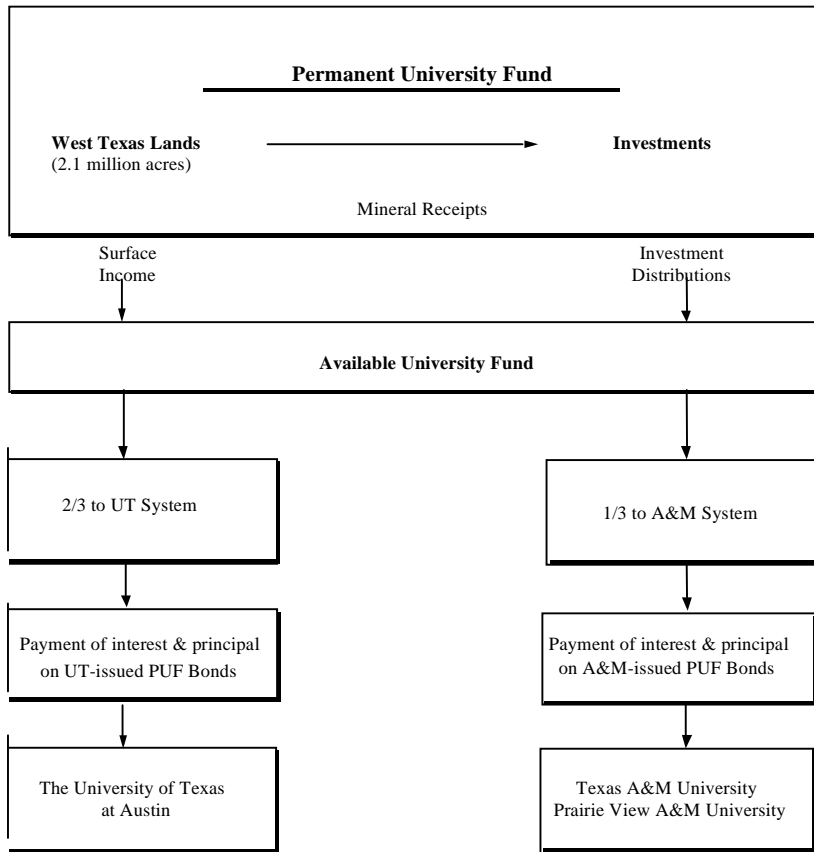
The expenditure of the AUF is subject to a prescribed order of priority:

First, following a 2/3rds and 1/3rd allocation of AUF receipts to the U. T. System and Texas A&M University System, respectively, expenditures for debt service on PUF bonds. Article VII of the Texas Constitution authorizes the U. T. Board and the Texas A&M University System Board (the “TAMUS Board”) to issue bonds payable

from their respective interests in AUF receipts to finance permanent improvements and to refinance outstanding PUF obligations. The Constitution limits the amount of bonds and notes secured by each System's interest in divisible PUF income to 20% and 10% of the book value of PUF investment securities, respectively. Bond resolutions adopted by both Boards also prohibit the issuance of additional PUF parity obligations unless the projected interest in AUF receipts for each System covers projected debt service at least 1.5 times.

Second, expenditures to fund a) excellence programs specifically at U. T. Austin, Texas A&M University and Prairie View A&M University and b) the administration of the university systems.

The payment of surface income and investment distributions from the PUF to the AUF and the associated expenditures is depicted below in Exhibit 1:



Fund Management

Article VII of the Texas Constitution assigns fiduciary responsibility for managing and investing the Fund to the U. T. Board. Article VII authorizes the U. T. Board, subject to procedures and restrictions it establishes, to invest the Fund in any kind of investments and in amounts it considers appropriate, provided that it adheres to the prudent person investment standard. This standard provides that the U. T. Board, in making investments, may acquire, exchange sell, supervise, manage, or retain, through procedures and subject to restrictions it establishes and in amounts it considers appropriate, any kind of investment that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

Ultimate fiduciary responsibility for the Fund rests with the Board. Section 66.08 of the Texas Education Code authorizes the U. T. Board to delegate to its committees, officers or employees of the U. T. System and other agents the authority to act for the U. T. Board in investment of the PUF. The Fund shall be managed through The University of Texas Investment Management Company ("UTIMCO") which shall a) recommend investment policy for the Fund, b) determine specific asset allocation targets, ranges and performance benchmarks consistent with Fund objectives, and c) monitor Fund performance against Fund objectives. UTIMCO shall invest the Fund's assets in conformity with investment policy.

Unaffiliated investment managers may be hired by UTIMCO to improve the Fund's return and risk characteristics. Such managers shall have complete investment discretion unless restricted by the terms of their management contracts. Managers shall be monitored for performance and adherence to investment disciplines.

Fund Administration

UTIMCO shall employ an administrative staff to ensure that all transaction and accounting records are complete and prepared on a timely basis. Internal controls shall be emphasized so as to provide for responsible separation of duties and adequacy of an audit trail. Custody of Fund assets shall comply with applicable law and be structured so as to provide essential safekeeping and trading efficiency.

Fund Investment Objectives

The primary investment objective shall be to preserve the purchasing power of Fund assets and annual distributions by earning an average annual total return after inflation of 5.5% over rolling ten-year periods or longer. The Fund's success in

meeting its objectives depends upon its ability to generate high returns in periods of low inflation that will offset lower returns generated in years when the capital markets underperform the rate of inflation.

The secondary fund objective is to generate a fund return in excess of the Policy Portfolio benchmark over rolling five-year periods or longer. The Policy Portfolio benchmark will be established by UTIMCO and will be comprised of a blend of asset class indices weighted to reflect Fund asset allocation policy targets.

Asset Allocation

Asset allocation is the primary determinant of the volatility of investment return and, subject to the asset allocation ranges specified herein is the responsibility of UTIMCO. Specific asset allocation targets may be changed from time to time based on the economic and investment outlook.

Fund assets shall be allocated among the following broad asset classes based upon their individual return/risk characteristics and relationships to other asset classes:

- A. Cash Equivalents - are highly reliable in protecting the purchasing power of current income streams but historically have not provided a reliable return in excess of inflation. Cash equivalents provide good liquidity under both deflation and inflation conditions.
- B. Fixed Income Investments - Intermediate to long term investment grade bonds offer the best protection for hedging against the threat of deflation by providing a dependable and predictable source of Fund income. Below investment grade bonds including high yield bonds usually behave more like equities than high-quality bonds such as Treasuries. In the recovery phase of the market such bonds frequently outperform high-quality bonds.
- C. Equities - provide both current income and growth of income, but their principal purpose is to provide appreciation of the Fund. Historically, returns for equities have been higher than for bonds over all extended periods. As such, equities represent the best chance of preserving the purchasing power of the Fund.
- D. Alternative Investments - generally consist of alternative marketable investments and alternative nonmarketable investments.
 - Alternative Marketable Investments - These investments are broadly defined to include hedge funds, arbitrage and special situation funds, distressed debt, market neutral, and other nontraditional

investment strategies whose underlying securities are traded on public exchanges or are otherwise readily marketable. Alternative marketable investments may be made directly by UTIMCO or through partnerships. If these investments are made through partnerships they offer faster drawdown of committed capital and earlier realization potential than alternative nonmarketable investments. Alternative marketable investments made through partnerships will generally provide investors with liquidity at least annually.

- Alternative Nonmarketable Investments - Alternative Nonmarketable investments shall be expected to earn superior equity type returns over extended periods. The advantages of alternative nonmarketable investments are that they enhance long-term returns through investment in inefficient, complex markets. They offer reduced volatility of Fund asset values through their characteristics of low correlation with listed equities and fixed income instruments. The disadvantages of this asset class are that they may be illiquid, require higher and more complex fees, and are frequently dependent on the quality of external managers. In addition, they possess a limited return history versus traditional stocks and bonds. The risk of alternative nonmarketable investments shall be controlled with extensive due diligence and diversification. These investments are held either through limited partnership or as direct ownership interests. They include special equity, mezzanine venture capital, and other investments that are privately held and which are not registered for sale on public exchanges. In partnership form, these investments require a commitment of capital for extended periods of time with no liquidity.

- E. Inflation Hedging Assets - generally consist of assets with a higher correlation of returns with inflation than other eligible asset classes. They include direct real estate, REITs, oil and gas interests, commodities, inflation-linked bonds, timberland and other hard assets. These investments may be held through limited partnership, other commingled funds or as direct ownership interests.

Asset Allocation Policy

The asset allocation policy and ranges herein recognize that the Fund's return/risk profile can be enhanced by diversifying the Fund's investments across different types of assets whose returns are not closely correlated. The targets and ranges seek to protect the Fund against both routine illiquidity in normal markets and extraordinary illiquidity during a period of extended deflation.

The long-term asset allocation policy for the Fund must recognize that the 5.5% real return objective requires a high allocation to broadly defined equities, including domestic, international stocks, alternative equity investments, and inflation hedging assets of 68% to 90%. The allocation to deflation hedging Fixed Income should therefore not exceed 32% of the Fund.

The Board delegates authority to UTIMCO to establish specific neutral asset allocations and ranges within the broad policy guidelines described above. UTIMCO may establish specific asset allocation targets and ranges for large and small capitalization U. S. stocks, established and emerging market international stocks, marketable and non-marketable alternative equity investments, and other asset classes as well as the specific performance objectives for each asset class. Specific asset allocation policies shall be decided by UTIMCO and reported to the U. T. Board.

Performance Measurement

The investment performance of the Fund will be measured by an unaffiliated organization, with recognized expertise in this field and reporting responsibility to the UTIMCO Board, and compared against the stated investment benchmarks of the Fund. Such measurement will occur at least annually, and evaluate the results of the total Fund, major classes of investment assets, and individual portfolios.

Investment Guidelines

The Fund must be invested at all times in strict compliance with applicable law. Investment guidelines include the following:

General

- Investment guidelines for index and other commingled funds managed externally shall be governed by the terms and conditions of the Investment Management Contract.
- All investments will be U. S. dollar denominated assets unless held by an internal or external portfolio manager with discretion to invest in foreign currency denominated securities.
- Investment policies of any unaffiliated liquid investment fund must be reviewed and approved by the chief investment officer prior to investment of Fund assets in such liquid investment fund.
- No securities may be purchased or held which would jeopardize the Fund's tax-exempt status.

- No investment strategy or program may purchase securities on margin or use leverage unless specifically authorized by the UTIMCO Board.
- No investment strategy or program employing short sales may be made unless specifically authorized by the UTIMCO Board.
- The Fund's investments in warrants shall not exceed more than 5% of the Fund's net assets or 2% with respect to warrants not listed on the New York or American Stock Exchanges.
- The Fund may utilize Derivative Securities with the approval of the UTIMCO Board to a) simulate the purchase or sale of an underlying market index while retaining a cash balance for fund management purposes; b) facilitate trading; c) reduce transaction costs; d) seek higher investment returns when a Derivative Security is priced more attractively than the underlying security; e) index or to hedge risks associated with Fund investments; or f) adjust the market exposure of the asset allocation, including long and short strategies; provided that leverage is not employed in the implementation of such Derivative purchases or sales. Leverage occurs when the notional value of the futures contracts exceeds the value of cash assets allocated to those contracts by more than 2%. The cash assets allocated to futures contracts is the sum of the value of the initial margin deposit, the daily variation margin and dedicated cash balances. This prohibition against leverage shall not apply where cash is received within 1 business day following the day the leverage occurs. UTIMCO's Derivative Guidelines shall be used to monitor compliance with this policy. Notwithstanding the above, leverage strategies are permissible within the alternative equities investment class with the approval of the UTIMCO Board, if the investment strategy is uncorrelated to the Fund as a whole, the manager has demonstrated skill in the strategy, and the strategy implements systematic risk control techniques, value at risk measures, and pre-defined risk parameters.
- Such Derivative Securities shall be defined to be those instruments whose value is derived, in whole or part, from the value of any one or more underlying assets, or index of assets (such as stocks, bonds, commodities, interest rates, and currencies) and evidenced by forward, futures, swap, option, and other applicable contracts.

UTIMCO shall attempt to minimize the risk of an imperfect correlation between the change in market value of the securities held by the Fund and the prices of Derivative Security investments by investing in only those contracts whose behavior is expected to resemble that of the Fund's underlying securities. UTIMCO also shall attempt to minimize the risk of an

illiquid secondary market for a Derivative Security contract and the resulting inability to close a position prior to its maturity date by entering into such transactions on an exchange with an active and liquid secondary market. The net market value of exposure of Derivative Securities purchased or sold over the counter may not represent more than 15% of the net assets of the Fund.

In the event that there are no Derivative Securities traded on a particular market index such as MSCI EAFE, the Fund may utilize a composite of other Derivative Security contracts to simulate the performance of such index. UTIMCO shall attempt to reduce any tracking error from the low correlation of the selected Derivative Securities with its index by investing in contracts whose behavior is expected to resemble that of the underlying securities.

UTIMCO shall minimize the risk that a party will default on its payment obligation under a Derivative Security agreement by entering into agreements that mark to market no less frequently than monthly and where the counterparty is an investment grade credit. UTIMCO also shall attempt to mitigate the risk that the Fund will not be able to meet its obligation to the counterparty by investing the Fund in the specific asset for which it is obligated to pay a return or by holding adequate short-term investments.

The Fund may be invested in foreign currency forward and foreign currency futures contracts in order to maintain the same currency exposure as its respective index or to protect against anticipated adverse changes in exchange rates among foreign currencies and between foreign currencies and the U. S. dollar.

Cash and Cash Equivalents

Holdings of cash and cash equivalents may include internal short term pooled investment funds managed by UTIMCO.

- Unaffiliated liquid investment funds as approved by the chief investment officer.
- Deposits of the Texas State Treasury.
- The Fund's custodian late deposit interest bearing liquid investment fund.
- Commercial paper must be rated in the two highest quality classes by Moody's Investors Service, Inc. (P1 or P2) or Standard & Poor's Corporation (A1 or A2).

- Negotiable certificates of deposit must be with a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Bankers' Acceptances must be guaranteed by an accepting bank with a minimum certificate of deposit rating of 1 by Duff & Phelps.
- Repurchase Agreements and Reverse Repurchase Agreements must be transacted with a dealer that is approved by UTIMCO and selected by the Federal Reserve Bank as a Primary Dealer in U. S. Treasury securities and rated A-1 or P-1 or the equivalent.
 - Each approved counterparty shall execute the Standard Public Securities Association (PSA) Master Repurchase Agreement with UTIMCO.
 - Eligible Collateral Securities for Repurchase Agreements are limited to U. S. Treasury securities and U. S. Government Agency securities with a maturity of not more than 10 years.
 - The maturity for a Repurchase Agreement may be from one day to two weeks.
 - The value of all collateral shall be maintained at 102% of the notional value of the Repurchase Agreement, valued daily.
 - All collateral shall be delivered to the PUF custodian bank. Tri-party collateral arrangements are not permitted.
- The aggregate amount of Repurchase Agreements with maturities greater than seven calendar days may not exceed 10% of the Fund's fixed income assets.
- Overnight Repurchase Agreements may not exceed 25% of the Fund's fixed income assets.
- Mortgage Backed Securities (MBS) Dollar Rolls shall be executed as matched book transactions in the same manner as Reverse Repurchase Agreements above. As above, the rules for trading MBS Dollar Rolls shall follow the Public Securities Association standard industry terms.

Fixed Income

Domestic Fixed Income

Holdings of domestic fixed income securities shall be limited to those securities a) issued by or fully guaranteed by the U. S. Treasury, U. S. Government-Sponsored Enterprises, or U. S. Government Agencies, and b) issued by corporations and municipalities. Within this overall limitation:

- Permissible securities for investment include the components of the Lehman Brothers Aggregate Bond Index (LBAGG): investment grade government and corporate securities, agency mortgage pass-through securities, and asset-backed securities. These sectors are divided into more specific sub-indices 1) Government: Treasury and Agency; 2) Corporate: Industrial, Finance, Utility, and Yankee; 3) Mortgage-backed securities: GNMA, FHLMC, and FNMA; and 4) Asset-backed securities. In addition to the permissible securities listed above, the following securities shall be permissible: a) floating rate securities with periodic coupon changes in market rates issued by the same entities that are included in the LBAGG as issuers of fixed rate securities; b) medium term notes issued by investment grade corporations; c) zero coupon bonds and stripped Treasury and Agency securities created from coupon securities; and d) structured notes issued by LBAGG qualified entities.
- U. S. Domestic Bonds must be rated investment grade, Baa3 or better by Moody's Investors Services, BBB- by Standard & Poor's Corporation, or an equivalent rating by a nationally recognized rating agency at the time of acquisition. This provision does not apply to an investment manager that is authorized by the terms of an investment advisory agreement to invest in below investment grade bonds.
- Not more than 5% of the market value of domestic fixed income securities may be invested in corporate and municipal bonds of a single issuer provided that such bonds, at the time of purchase, are rated, not less than Baa3 or BBB-, or the equivalent, by any two nationally-recognized rating services, such as Moody's Investors Service, Standard & Poor's Corporation, or Fitch Investors Service.

Non-U. S. Fixed Income

- Not more than 35% of the Fund's fixed income portfolio may be invested in non-U. S. dollar bonds. Not more than 15% of the Fund's fixed income portfolio may be invested in bonds denominated in any one currency.

- Non-dollar bond investments shall be restricted to bonds rated equivalent to the same credit standard as the U.S. Fixed Income Portfolio.
- Not more than 7.5% of the Fund's fixed income portfolio may be invested in Emerging Market debt.
- International currency exposure may be hedged or unhedged at UTIMCO's discretion or delegated by UTIMCO to an external investment manager.

Equities

The Fund shall:

- A. hold no more than 25% of its equity securities in any one industry or industries (as defined by the standard industry classification code and supplemented by other reliable data sources) at market
- B. hold no more than 5% of its equity securities in the securities of one corporation at cost unless authorized by the chief investment officer.

Alternative Investments and Inflation Hedging Assets

Investments in alternative assets and inflation hedging assets may be made through management contracts with unaffiliated organizations (including but not limited to limited partnerships, trusts, and joint ventures) so long as such organizations:

- A. possess specialized investment skills
- B. possess full investment discretion subject to the management agreement
- C. are managed by principals with a demonstrated record of accomplishment and performance in the investment strategy being undertaken
- D. align the interests of the investor group with the management as closely as possible
- E. charge fees and performance compensation which do not exceed prevailing industry norms at the time the terms are negotiated.

Investments in alternative nonmarketable assets and inflation hedging assets also may be made directly by UTIMCO in co-investment transactions sponsored by and invested in by a management firm or partnership in which the Fund has invested prior to the co-investment or in transactions sponsored by investment firms well known to UTIMCO management, provided that such direct investments shall not exceed 25% of the market value of the alternative nonmarketable assets portfolio or the inflation hedging assets portfolio at the time of the direct investment.

Members of UTIMCO management, with the approval of the UTIMCO Board, may serve as directors of companies in which UTIMCO has directly invested Fund assets. In such event, any and all compensation paid to UTIMCO management for their services as directors shall be endorsed over to UTIMCO and applied against UTIMCO management fees. Furthermore, UTIMCO Board approval of UTIMCO management's service as a director of an investee company shall be conditioned upon the extension of UTIMCO's Directors and Officers Insurance Policy coverage to UTIMCO management's service as a director of an investee company.

Fund Distributions

The Fund shall balance the needs and interests of present beneficiaries with those of the future. Fund spending policy objectives shall be to:

- A. provide a predictable, stable stream of distributions over time
- B. ensure that the inflation adjusted value of distributions is maintained over the long-term
- C. ensure that the inflation adjusted value of Fund assets after distributions is maintained over the long-term.

The goal is for the Fund's average spending rate over time not to exceed the Fund's average annual investment return after inflation and expenses in order to preserve the purchasing power of Fund distributions and underlying assets.

The Texas Constitution states that "The amount of any distributions to the available university fund shall be determined by the board of regents of The University of Texas System in a manner intended to provide the available university fund with a stable and predictable stream of annual distributions and to maintain over time the purchasing power of permanent university fund investments and annual distributions to the available university fund. The amount distributed to the available university fund in a fiscal year must be not less than the amount needed to pay the principal and interest due and owing in that fiscal year on bonds and notes issued under this

section. If the purchasing power of permanent university fund investments for any rolling 10-year period is not preserved, the board may not increase annual distributions to the available university fund until the purchasing power of the permanent university fund investments is restored, except as necessary to pay the principal and interest due and owing on bonds and notes issued under this section. An annual distribution made by the board to the available university fund during any fiscal year may not exceed an amount equal to seven percent of the average net fair market value of permanent university fund investment assets as determined by the board, except as necessary to pay any principal and interest due and owing on bonds issued under this section. The expenses of managing permanent university fund land and investments shall be paid by the permanent university fund.”

Annually, the U. T. Board of Regents will approve a distribution amount to the AUF.

In conjunction with the annual U. T. System budget process, UTIMCO shall recommend to the U. T. Board in May of each year an amount to be distributed to the AUF during the next fiscal year. UTIMCO's recommendation on the annual distribution shall be an amount equal to 4.5% of the trailing twelve quarter average of the net asset value of the Fund for the quarter ending February of each year.

Following approval of the distribution amount, distributions from the Fund to the AUF may be quarterly or annually at the discretion of UTIMCO Management.

Fund Accounting

The fiscal year of the Fund shall begin on September 1st and end on August 31st. Market value of the Fund shall be maintained on an accrual basis in compliance with Financial Accounting Standards Board Statements, Government Accounting Standards Board Statements, industry guidelines, and state statutes, whichever is applicable. Significant asset write-offs or write-downs shall be approved by the chief investment officer and reported to the UTIMCO Board of Directors. The Fund's financial statements shall be audited each year by an independent accounting firm selected by UTIMCO's Board.

Valuation of Assets

As of the close of business on the last business day of each month, UTIMCO shall determine the fair market value of all Fund net assets. Valuation of Fund assets shall be based on the books and records of the custodian for the valuation date. Valuation of alternative assets shall be determined in accordance with the UTIMCO Valuation Criteria for Alternative Assets.

The fair market value of the Fund's net assets shall include all related receivables and payables of the Fund on the valuation. Such valuation shall be final and conclusive.

Securities Lending

The Fund may participate in a securities lending contract with a bank or nonbank security lending agent for either short-term or long-term purposes of realizing additional income. Loans of securities by the Fund shall be collateralized by cash, letters of credit or securities issued or guaranteed by the U. S. Government or its agencies. The collateral will equal at least 100% of the current market value of the loaned securities. The contract shall state acceptable collateral for securities loaned, duties of the borrower, delivery of loaned securities and collateral, acceptable investment of collateral and indemnification provisions. The contract may include other provisions as appropriate. The securities lending program will be evaluated from time to time as deemed necessary by the UTIMCO Board. Monthly reports issued by the agent shall be reviewed by UTIMCO to insure compliance with contract provisions.

Investor Responsibility

As a shareholder, the Fund has the right to a voice in corporate affairs consistent with those of any shareholder. These include the right and obligation to vote proxies in a manner consistent with the unique role and mission of higher education as well as for the economic benefit of the Fund. Notwithstanding the above, the UTIMCO Board shall discharge its fiduciary duties with respect to the Fund solely in the interest of Fund unitholders and shall not invest the Fund so as to achieve temporal benefits for any purpose including use of its economic power to advance social or political purposes.

Amendment of Policy Statement

The Board of Regents reserves the right to amend the Investment Policy Statement as it deems necessary or advisable.

Effective Date

The effective date of this policy shall be February 15, 2001.

EXHIBIT A (Replaces former Exhibit A)

PUF SPECIFIC ASSET ALLOCATION

**EXPECTED RETURN AND RISK, NEUTRAL ALLOCATIONS,
RANGES AND PERFORMANCE OBJECTIVES**

| | | Expected Return | Expected Risk | Neutral Allocation | Range | Benchmark Return |
|----------------------------------|--------------------------------|----------------------------|--------------------------|-------------------------------|-----------------|--|
| Conventional Equities | U.S. Stocks | 9.25% | 18.50% | 25.0% | 10%-40% | S&P 500 Index |
| Conventional Equities | U.S. Small Cap Stocks | 10.25% | 21.25% | 7.5% | 5%-15% | Russell 2000 Index |
| Conventional Equities | Global ex-U.S. Stocks | 9.75% | 20.75% | 12.0% | 5%-20% | MSCI EAFE Index (net) |
| Conventional Equities | Emerging Markets Equity | 13.00% | 30.00% | 3.0% | 0%-10% | MSCI-Emerging Mkts. Free |
| Alt. Eq. - Marketable | Absolute Return | 7.75% | 9.25% | 3.0% | 2.5%-10% | 91-Day T-Bilk +7% |
| Alt. Eq. - Marketable | Equity Hedge Funds | 8.00% | 14.00% | 7.0% | 2.5%-15% | 91-Day T-Bilk +7% |
| Alt. Eq. - Non-Marketable | Venture Capital | 14.25% | 15.75% | 7.5% | 2.5%-10% | 17.00% |
| Alt. Eq. - Non-Marketable | Private Equity | 12.25% | 9.50% | 7.5% | 2.5% 15% | 17.00% |
| Inflation Hedging | Commodities (GSCI) | 8.75% | 19.25% | 2.5% | 0.0%-10% | 33% (GSCI + 100 bps)/67% NCREIF |
| Inflation Hedging | Oil and Gas | 11.00% | 27.00% | 0.0% | 0.0% 10% | 33% (GSCI + 100 bps)/67% NCREIF |
| Inflation Hedging | Real Estate | 9.00% | 14.50% | 5.0% | 0.0%-10% | 33% (GSCI - 100 bps)/67% NCREIF |
| Inflation Hedging | TIPS | 6.50% | 2.50% | 0.0% | 0.0% 10% | 33% (GSCI + 100 bps)/67% NCREIF |
| Inflation Hedging | Timberland | 8.50% | 9.25% | 0.0% | 0.0%-10% | 33% (GSCI + 100 bps)/67% NCREIF |
| Deflation Hedging | High Yield Bonds | 8.50% | 13.25% | 0.0% | 0%-7% | Lehman Brothers Aggregate |
| Deflation Hedging | Global ex U.S. Bonds | 6.50% | 13.00% | 5.0% | 0%-7% | Salomon Non-US. WGBI Unh. |
| Deflation Hedging | U.S. Bonds | 6.25% | 9.25% | 15.0% | 10%-25% | Lehman Brothers Aggregate |
| Deflation Hedging | Cash | 3.75% | 3.50% | 0.0% | 0% -5% | 91 day T-Bilk Ave. Yield |
| | Expected Nominal Return | | | 9.35% | | |
| | Expected Risk | | | 10.44% | | |
| | Return/Risk Ratio | | | 0.90 | | |

The rebalancing of Fund assets to achieve the neutral allocations shall be subject to the funding of alternative investments.

Risk is defined in annualized standard deviation terms.

The neutral policy portfolio is the sum of the neutrally weighted benchmark returns.

**THE UNIVERSITY OF TEXAS SYSTEM
PERMANENT HEALTH FUND
INVESTMENT POLICY STATEMENT**

Purpose

The Permanent Health Fund (the PHF) is hereby established by the Board of Regents of The University of Texas System (the Board), as a pooled fund for the collective investment of permanent funds for health-related institutions of higher education created, effective August 30, 1999, by Chapter 63 of the Texas Education Code. These permanent health funds consist of:

- A. The Permanent Health Fund for Higher Education (PHFHE), the distributions from which are to fund programs that benefit medical research, health education, or treatment programs at 10 health-related institutions of higher education;
- B. Separate Permanent Funds for Health Related Institutions (PFHRIs), the distributions from which are to fund research and other programs at health-related institutions of higher education that benefit public health;
- C. The Permanent Fund for Higher Education Nursing, Allied Health, and Other Health Related Programs (Allied Fund), the distributions from which are to fund grants to public institutions of higher education that offer upper-level academic instruction and training in the field of nursing, allied health, or other health-related education; and
- D. The Permanent Fund for Minority Health Research and Education (Minority Fund), the distributions from which are to fund grants to institutions of higher education, including Centers for Teacher Education, that conduct research or educational programs that address minority health issues or form partnerships with minority organizations, colleges, or universities to conduct research and educational programs that address minority health issues.

The PHF provides for greater diversification of investments than would be possible if each account were managed separately.

PHF Organization

The PHF is organized as a mutual fund in which each eligible account purchases and redeems PHF units as provided herein.

PHF Management

Chapter 63 of the Texas Education Code designates: a) the Board as the administrator for the PHFHE, b) the governing board of an institution for which a PFHRI fund is established as the administrator for its own PFHRI, or if the governing board so elects, the Comptroller of Public Accounts (State Comptroller), and c) the State Comptroller as the administrator for the Allied Fund and the Minority Fund. It permits the State Comptroller, in turn, to contract with the governing board of any institution that is eligible to receive a grant under Chapter 63. It further states that the Board may manage and invest the PHF in the same manner as the Board manages and invests other permanent endowments. It also requires that the administrator invest the funds in a manner that preserves the purchasing power of the funds' assets and distributions. It further requires that the administrator make distributions in a manner consistent with the administrator's policies and procedures for making distributions to the beneficiaries of its own endowments in the case of the PHFHE or the funds themselves in the case of the PFHRI funds.

Section 163 of the Texas Property Code provides the guidelines for the management, investment and expenditure of endowment funds. It also authorizes the U. T. Board to delegate to its committees, officers or employees of the U. T. System and other agents the authority to act for the U. T. Board in the investment of the PHF. The PHF shall be governed through The University of Texas Investment Management Company (UTIMCO) which shall: a) recommend investment policy for the PHF; b) determine specific asset allocation targets, ranges, and performance benchmarks consistent with PHF objectives; and c) monitor PHF performance against PHF objectives. UTIMCO shall invest the PHF assets in conformity with investment policy.

PHF Administration

UTIMCO shall employ an administrative staff to ensure that all transaction and accounting records are complete and prepared on a timely basis. Internal controls shall be emphasized so as to provide for responsible separation of duties and adequacy of an audit trail. Custody of PHF assets shall comply with applicable law and be structured so as to provide essential safekeeping and trading efficiency.

Funds Eligible to Purchase PHF Units

No fund shall be eligible to purchase units of the PHF unless it is a permanent health fund established pursuant to Chapter 63 of the Texas Education Code, under the control, with full discretion as to investments, by the Board and/or UTIMCO.

Any fund whose governing instrument contains provisions which conflict with this Policy Statement, whether initially or as a result of amendments to either document, shall not be eligible to purchase or hold units of the PHF.

PHF Investment Objectives

The primary investment objective shall be to preserve the purchasing power of PHF assets and annual distributions by earning an average annual total return after inflation of 5.5% over rolling ten-year periods or longer. The PHF's success in meeting its objectives depends upon its ability to generate high returns in periods of low inflation that will offset lower returns generated in years when the capital markets underperform the rate of inflation.

The secondary fund objectives are to generate a fund return in excess of the Policy Portfolio benchmark and the average median return of the universe of the college and university endowments as reported annually by Cambridge Associates and NACUBO over rolling five-year periods or longer. The Policy Portfolio benchmark will be established by UTIMCO and will be comprised of a blend of asset class indices weighted to reflect PHF's asset allocation policy targets.

Asset Allocation

Asset allocation is the primary determinant of the volatility of investment return and, subject to the asset allocation ranges specified herein, is the responsibility of UTIMCO. PHF assets shall be allocated among the following investments:

- A. Cash Equivalents - are highly reliable in protecting the purchasing power of current income streams but historically have not provided a reliable return in excess of inflation. Cash equivalents provide good liquidity under both deflation and inflation conditions.
- B. U. T. System General Endowment Fund (GEF) - (See Exhibit B).

Asset Allocation Policy

The asset allocation policy and ranges herein recognize that the PHF's return/risk profile can be enhanced by diversifying the PHF's investments across different types of assets whose returns are not closely correlated. The targets and ranges seek to protect the PHF against both routine illiquidity in normal markets and extraordinary illiquidity during a period of extended deflation.

The long-term asset allocation policy for the PHF recognizes that the 5.5% real return objective requires a high allocation to the broadly defined conventional equity, and alternative equity, and inflation hedging assets comprising the GEF (See Exhibit A and Attachment 1 to Exhibit B).

The Board delegates authority to UTIMCO to establish specific neutral asset allocations and ranges within the broad policy guidelines described above. Specific asset allocation policies shall be decided by UTIMCO and reported to the U. T. Board.

Performance Measurement

The investment performance of the PHF will be measured by an unaffiliated organization, with recognized expertise in this field and reporting responsibility to the UTIMCO Board. Such measurement will occur at least annually.

Investment Guidelines

The PHF must be invested at all times in strict compliance with applicable law.

Investment guidelines include the following:

General

- Investment guidelines for the U. T. System GEF shall be as stated in the GEF Investment Policy Statement. (See Exhibit B).
- All investments will be reported in U. S. dollars.
- Investment policies of any unaffiliated liquid investment fund must be reviewed and approved by the chief investment officer prior to investment of PHF assets in such liquid investment fund.
- No securities may be purchased or held which jeopardize the PHF's tax-exempt status.
- No investment strategy or program may purchase securities on margin or use leverage unless specifically authorized by the UTIMCO Board.
- No investment strategy or program employing short sales may be made unless specifically authorized by the UTIMCO Board.

Cash and Cash Equivalents

- Holdings of cash and cash equivalents may include internal short-term pooled investment funds managed by UTIMCO.
- Unaffiliated liquid investment funds as approved by the chief investment officer.
- The PHF's custodian late deposit interest bearing liquid investment fund.

PHF Distributions

The PHF shall balance the needs and interests of present beneficiaries with those of the future. PHF spending policy objectives shall be to:

- A. provide a predictable, stable stream of distributions over time
- B. ensure that the inflation adjusted value of distributions is maintained over the long-term
- C. ensure that the inflation adjusted value of PHF assets after distributions is maintained over the long-term.

The goal is for the PHF's average spending rate over time not to exceed the PHF's average annual investment return after inflation in order to preserve the purchasing power of PHF distributions and underlying assets.

UTIMCO shall be responsible for establishing the PHF's distribution percentage and determining the equivalent per unit rate for any given year. Unless otherwise established by UTIMCO and approved by the Board, fund distributions shall be based on the following criteria:

The annual unit distribution amount shall be adjusted annually based on the following formula:

- A. Increase the prior year's per unit distribution amount (cents per unit) by the average inflation rate (C.P.I.) for the previous twelve quarters. This will be the per unit distribution amount for the next fiscal year. This amount may be rounded to the nearest \$.0005 per unit.

- B. If the inflationary increase in Step A. results in a distribution rate below 3.5%, (computed by taking the proposed distribution amount per unit divided by the previous twelve quarter average market value per unit) the UTIMCO Board, at its sole discretion, may grant an increase in the distribution amount as long such increase does not result in a distribution rate of more than 5.5%.
- C. If the distribution rate exceeds 5.5%, (computed by taking the proposed distribution amount per unit divided by the previous twelve quarter average market value price per unit) the UTIMCO Board at its sole discretion, may reduce the per unit distribution amount.

Notwithstanding any of the foregoing provisions, the Board of Regents may approve a per unit distribution amount that, in their judgment, would be more appropriate than the rate calculated by the policy provisions.

Distributions from the PHF to the unitholders shall be made quarterly as soon as practicable on or after the last business day of November, February, May, and August of each fiscal year.

PHF Accounting

The fiscal year of the PHF shall begin on September 1st and end on August 31st. Market value of the PHF shall be maintained on an accrual basis in compliance with Financial Accounting Standards Board Statements, Government Accounting Standards Board Statements, or industry guidelines, whichever is applicable. Significant asset write-offs or write-downs shall be approved by the chief investment officer and reported to the UTIMCO Board of Directors. The PHF's financial statements shall be audited each year by an independent accounting firm selected by UTIMCO's Board.

Valuation of Assets

As of the close of business on the last business day of each month, UTIMCO shall determine the fair market value of all PHF net assets and the net asset value per unit of the PHF. Valuation of PHF assets shall be based on the books and records of the custodian for the valuation date. The fair market value of the PHF's net assets shall include all related receivables and payables of the PHF on the valuation date and the value of each unit thereof shall be its proportionate part of such net value. Such valuation shall be final and conclusive.

Purchase of PHF Units

Purchase of PHF units may be made on any quarterly purchase date (September 1, December 1, March 1, and June 1 of each fiscal year or the first business day subsequent thereto) upon payment of cash to the PHF or contribution of assets approved by the chief investment officer, at the net asset value per unit of the PHF as of the most recent quarterly valuation date.

Each fund whose monies are invested in the PHF shall own an undivided interest in the PHF in the proportion that the number of units invested therein bears to the total number of all units comprising the PHF.

Redemption of PHF Units

Redemption of Units shall be paid in cash as soon as practicable after the quarterly valuation date of the PHF. If the withdrawal is greater than \$5 million, advance notice of 30 business days shall be required prior to the quarterly valuation date. If the withdrawal is for less than \$5 million, advance notice of five business days shall be required prior to the quarterly valuation date. If the aggregate amount of redemptions requested on any redemption date is equal to or greater than 10% of the PHF's net asset value, the Board may redeem the requested units in installments and on a pro rata basis over a reasonable period of time that takes into consideration the best interests of all PHF unitholders. Withdrawals from the PHF shall be at the market value price per unit determined for the period of the withdrawal.

Investor Responsibility

The UTIMCO Board shall discharge its fiduciary duties with respect to the PHF solely in the interest of PHF unitholders and shall not invest the PHF so as to achieve temporal benefits for any purpose including use of its economic power to advance social or political purposes.

Amendment of Policy Statement

The Board of Regents reserves the right to amend the Investment Policy Statement as it deems necessary or advisable.

Effective Date

The effective date of this policy shall be March 1, 2001.

EXHIBIT A (Replaces former Exhibit A)

PI-IF ASSET ALLOCATION

EXPECTED RETURN AND RISK, NEUTRAL ALLOCATIONS,
RANGES AND **PERFORMANCE** OBJECTIVES

| | Expected Return | Expected Risk | Neutral Allocation | Range | Benchmark Return |
|--------------------------------|----------------------------|--------------------------|-------------------------------|--------------|----------------------------|
| GEF Commingled Fund | 9.35% | 10.44% | 100.0% | 95% 100% | Endowment Policy Portfolio |
| Cash | 3.15% | 3.50% | 0.0% | 0%-5% | 91 day T-Bills Ave. Yield |
| Expected Nominal Return | | | 9.35% | | |
| Expected Risk | | | 10.44% | | |
| Return/Risk Ratio | | | 0.90 | | |

Risk is defined in annualized standard deviation terms.

The endowment policy portfolio is the sum of the neutrally weighted benchmark returns for the GEF.

Exhibit B – Shall be The University of Texas System General Endowment Fund
Investment Policy Statement.

**THE UNIVERSITY OF TEXAS SYSTEM
LONG TERM FUND
INVESTMENT POLICY STATEMENT**

Purpose

The Long Term Fund (the "LTF"), succeeded the Common Trust Fund in February 1995, and was established by the Board of Regents of The University of Texas System (the "Board") as a pooled fund for the collective investment of private endowments and other long-term funds supporting various programs of The University of Texas System. The Fund provides for greater diversification of investments than would be possible if each account were managed separately.

LTF Organization

The LTF is organized as a mutual fund in which each eligible account purchases and redeems LTF units as provided herein. The ownership of LTF assets shall at all times be vested in the Board. Such assets shall be deemed to be held by the Board, as a fiduciary, regardless of the name in which the assets may be registered.

LTF Management

Ultimate fiduciary responsibility for the LTF rests with the Board. Section 163 of the Property Code authorizes the U. T. Board to delegate to its committees, officers or employees of the U. T. System and other agents the authority to act for the U. T. Board in the investment of the LTF. The LTF shall be governed through The University of Texas Investment Management Company ("UTIMCO") which shall a) recommend investment policy for the LTF, b) determine specific asset allocation targets, ranges, and performance benchmarks consistent with LTF objectives, and c) monitor LTF performance against LTF objectives. UTIMCO shall invest the LTF assets in conformity with investment policy.

LTF Administration

UTIMCO shall employ an administrative staff to ensure that all transaction and accounting records are complete and prepared on a timely basis. Internal controls shall be emphasized so as to provide for responsible separation of duties and adequacy of an audit trail. Custody of LTF assets shall comply with applicable law and be structured so as to provide essential safekeeping and trading efficiency.

Funds Eligible to Purchase LTF Units

No fund shall be eligible to purchase units of the LTF unless it is under the sole control, with full discretion as to investments, by the Board and/or UTIMCO.

Any fund whose governing instrument contains provisions which conflict with this Policy Statement, whether initially or as a result of amendments to either document, shall not be eligible to purchase or hold units of the LTF.

LTF Investment Objectives

The primary investment objective shall be to preserve the purchasing power of LTF assets by earning an average annual total return after inflation of 5.5% over rolling ten year periods or longer. The LTF's success in meeting its objectives depends upon its ability to generate high returns in periods of low inflation that will offset lower returns generated in years when the capital markets underperform the rate of inflation.

The secondary fund objectives are to generate a fund return in excess of the Policy Portfolio benchmark and the average median return of the universe of the college and university endowments as reported annually by Cambridge Associates and NACUBO over rolling five-year periods or longer. The Policy Portfolio benchmark will be established by UTIMCO and will be comprised of a blend of asset class indices weighted to reflect LTF's asset allocation policy targets.

Asset Allocation

Asset allocation is the primary determinant of the volatility of investment return and, subject to the asset allocation ranges specified herein, is the responsibility of UTIMCO. LTF assets shall be allocated among the following investments.

- A. Cash Equivalents - are highly reliable in protecting the purchasing power of current income streams but historically have not provided a reliable return in excess of inflation. Cash equivalents provide good liquidity under both deflation and inflation conditions.
- B. U. T. System General Endowment Fund (GEF) - (See Exhibit B).

Asset Allocation Policy

The asset allocation policy and ranges herein recognize that the LTF's return/risk profile can be enhanced by diversifying the LTF's investments across different types

of assets whose returns are not closely correlated. The targets and ranges seek to protect the LTF against both routine illiquidity in normal markets and extraordinary illiquidity during a period of extended deflation.

The long-term asset allocation policy for the LTF recognizes that the 5.5% real return objective requires a high allocation to the broadly defined conventional equity and alternative equity investments and inflation hedging assets comprising the GEF. (See Exhibit A and Attachment 1 to Exhibit B).

The Board delegates authority to UTIMCO to establish specific neutral asset allocations and ranges within the broad policy guidelines described above. Specific asset allocation policies shall be decided by UTIMCO and reported to the U. T. Board.

Performance Measurement

The investment performance of the LTF will be measured by an unaffiliated organization, with recognized expertise in this field and reporting responsibility to the UTIMCO Board. Such measurement will occur at least annually.

Investment Guidelines

The LTF must be invested at all times in strict compliance with applicable law.

Investment guidelines include the following:

General

- Investment guidelines for the U. T. System GEF shall be as stated in the GEF Investment Policy Statement (See Exhibit B).
- All investments will be reported in U. S. dollars.
- Investment policies of any unaffiliated liquid investment fund must be reviewed and approved by the chief investment officer prior to investment of LTF assets in such liquid investment fund.
- No securities may be purchased or held which jeopardize the LTF's tax-exempt status.
- No investment strategy or program may purchase securities on margin or use leverage unless specifically authorized by the UTIMCO Board.

- No investment strategy or program employing short sales may be made unless specifically authorized by the UTIMCO Board.

Cash and Cash Equivalents

- Holdings of cash and cash equivalents may include internal short-term pooled investment funds managed by UTIMCO.
- Unaffiliated liquid investment funds as approved by the chief investment officer.
- The LTF's custodian late deposit interest bearing liquid investment fund.

LTF Distributions

The LTF shall balance the needs and interests of present beneficiaries with those of the future. LTF spending policy objectives shall be to:

- A. provide a predictable, stable stream of distributions over time
- B. ensure that the inflation adjusted value of distributions is maintained over the long-term
- C. ensure that the inflation adjusted value of LTF assets after distributions is maintained over the long-term.

The goal is for the LTF's average spending rate over time not to exceed the LTF's average annual investment return after inflation in order to preserve the purchasing power of LTF distributions and underlying assets.

Pursuant to the Uniform Management of Institutional Funds Act, a governing board may distribute, for the uses and purposes for which the fund is established, the net realized appreciation in the fair market value of the assets of an endowment fund over the historic dollar value of the fund to the extent prudent under the standard provided by the Act. In addition, income may be distributed for the purposes associated with the endowments/foundations.

UTIMCO shall be responsible for establishing the LTF's distribution percentage and determining the equivalent per unit rate for any given year. Unless otherwise established by UTIMCO and approved by the Board or prohibited by the Act, fund distributions shall be based on the following criteria:

The annual unit distribution amount shall be adjusted annually based on the following formula:

- A. Increase the prior year's per unit distribution amount (cents per unit) by the average inflation rate (C.P.I.) for the previous twelve quarters. This will be the per unit distribution amount for the next fiscal year. This amount may be rounded to the nearest \$.0005 per unit.
- B. If the inflationary increase in Step A. results in a distribution rate below 3.5%, (computed by taking the proposed distribution amount per unit divided by the previous twelve quarter average market value price per unit) the UTIMCO Board, at its sole discretion, may grant an increase in the distribution amount as long as such increase does not result in a distribution rate of more than 5.5%.
- C. If the distribution rate exceeds 5.5%, (computed by taking the proposed distribution amount per unit divided by the previous twelve quarter average market value per unit) the UTIMCO Board at its sole discretion, may reduce the per unit distribution amount.

Notwithstanding any of the foregoing provisions, the Board of Regents may approve a per unit distribution amount that, in their judgment, would be more appropriate than the rate calculated by the policy provisions.

Distributions from the Fund to the unitholders shall be made quarterly as soon as practicable on or after the last business day of November, February, May, and August of each fiscal year.

LTF Accounting

The fiscal year of the LTF shall begin on September 1st and end on August 31st. Market value of the LTF shall be maintained on an accrual basis in compliance with Financial Accounting Standards Board Statements, Government Accounting Standards Board Statements, or industry guidelines, whichever is applicable. Significant asset write-offs or write-downs shall be approved by the chief investment officer and reported to the UTIMCO Board. The LTF's financial statements shall be audited each year by an independent accounting firm selected by UTIMCO's Board of Directors.

Valuation of Assets

As of the close of business on the last business day of each month, UTIMCO shall determine the fair market value of all LTF net assets and the net asset value per

unit of the LTF. Such valuation of LTF assets shall be based on the bank trust custody agreement in effect at the date of valuation. Valuation of LTF assets shall be based on the books and records of the custodian for the valuation date.

The fair market value of the LTF's net assets shall include all related receivables and payables of the LTF on the valuation date and the value of each unit thereof shall be its proportionate part of such net value. Such valuation shall be final and conclusive.

Purchase of LTF Units

Purchase of LTF units may be made on any quarterly purchase date (September 1, December 1, March 1, and June 1 of each fiscal year or the first business day subsequent thereto) upon payment of cash to the LTF or contribution of assets approved by the chief investment officer, at the net asset value per unit of the LTF as of the most recent quarterly valuation date.

Each fund whose monies are invested in the LTF shall own an undivided interest in the LTF in the proportion that the number of units invested therein bears to the total number of all units comprising the LTF.

Redemption of LTF Units

Redemption of Units shall be paid in cash as soon as practicable after the quarterly valuation date of the LTF. If the withdrawal is greater than \$10 million, advance notice of 30 business days shall be required prior to the quarterly valuation date. If the withdrawal is for less than \$10 million, advance notice of five business days shall be required prior to the quarterly valuation date. If the aggregate amount of redemptions requested on any redemption date is equal to or greater than 10% of the LTF's net asset value, the Board may redeem the requested units in installments and on a pro rata basis over a reasonable period of time that takes into consideration the best interests of all LTF unitholders. Withdrawals from the Fund shall be at the market value price per unit determined for the period of the withdrawal except as follows: withdrawals to correct administrative errors shall be calculated at the per unit value at the time the error occurred. To be considered an administrative error, the contribution shall have been invested in the Fund for a period less than or equal to one year determined from the date of the contribution to the Fund. Transfer of units between endowment unitholders shall not be considered redemption of units subject to this provision.

Investor Responsibility

The UTIMCO Board shall discharge its fiduciary duties with respect to the LTF solely in the interest of LTF unitholders and shall not invest the LTF so as to achieve temporal benefits for any purpose including use of its economic power to advance social or political purposes.

Amendment of Policy Statement

The Board of Regents reserves the right to amend the Investment Policy Statement as it deems necessary or advisable.

Effective Date

The effective date of this policy shall be March 1, 2001.

EXHIBIT A (Replaces former Exhibit A)

LTF ASSET ALLOCATION

EXPECTED RETURN AND RISK, NEUTRAL ALLOCATIONS,
RANGES AND PERFORMANCE **OBJECTIVES**

| | <u>Expected Return</u> | <u>Expected Risk</u> | <u>Neutral Allocation</u> | <u>Range</u> | <u>Benchmark Return</u> |
|----------------------------|----------------------------|--------------------------|-------------------------------|--------------|----------------------------|
| GEF Commingled Fund | 9.35% | 10.44% | 100.0% | 95%-100% | Endowment Policy Portfolio |
| Cash | 3.75% | 3.50% | 0.0% | 0%-5% | 91 day T-Bills Ave. Yield |
| Expected Nominal Return | | | 9.35% | | |
| Expected Risk | | | 10.44% | | |
| Return/Risk Ratio | | | 0.90 | | |

Risk is defined in annualized standard deviation terms.

The endowment policy portfolio is the sum of the neutrally weighted benchmark returns for the GEF.

Exhibit B – Shall be The University of Texas System General Endowment Fund
Investment Policy Statement.

3. U. T. Board of Regents: Approval of First Amendment to the Amended and Restated Investment Management Services Agreement with The University of Texas Investment Management Company (UTIMCO)

The Board of Directors of The University of Texas Investment Management Company (UTIMCO) recommended and the U. T. Board of Regents approved the First Amendment to the Amended and Restated Investment Management Services Agreement effective March 1, 2001, as set forth on Pages 87 - 89, which amends the Agreement originally dated March 1, 1996, and last amended and restated on November 16, 2000.

This amendment will authorize UTIMCO to manage the General Endowment Fund (GEF). See Item 2 on Page 36 relating to the establishment of the GEF.

**FIRST AMENDMENT
TO THE
AMENDED AND RESTATED
INVESTMENT MANAGEMENT SERVICES AGREEMENT**

This First Amendment to the Amended and Restated Investment Management Services Agreement (this "Amendment") by and between the Board of Regents (the "U. T. Board") of The University of Texas System (the "U. T. System") and The University of Texas Investment Management Company ("UTIMCO"), a Texas non-profit corporation, is effective March 1, 2001 (the "Effective Date").

RECITALS

WHEREAS, the U. T. Board and UTIMCO entered into a certain Investment Management Services Agreement effective March 1, 1996, as last amended and restated on November 16, 2000 (the "Agreement"), to authorize UTIMCO to invest certain designated funds under the control and management of the U. T. Board; and

WHEREAS, the U. T. Board and UTIMCO desire to enter into this Amendment to the Agreement in order to provide authorization for the management of the General Endowment Fund; and

WHEREAS, all conditions precedent to the execution and delivery of this Amendment have been fully satisfied and fulfilled, including, without limitation, the condition established by Section 16 of the Agreement;

NOW THEREFORE, in consideration of the premises and the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Revision to Definitions.

Section 1 of the Agreement shall be amended to incorporate a definition for the "General Endowment Fund", and to revise definitions of "Investment Policies" and "U. T. Board Accounts" as follows:

General Endowment Fund or **GEF** shall mean the pooled fund for the collective investment of long-term funds under the control and management of the U. T. Board. The PUF, PHF, LTF or other long-term funds may invest in the GEF as authorized by the U. T. Board in each fund's investment policy statement.

Investment Policies shall mean the written investment policies relating to the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, Separately Invested Funds, Short Intermediate Term Fund and the Short Term Fund, which may be amended from time to time by UTIMCO with the consent and approval of the U. T. Board.

U. T. Board Accounts shall mean the investment assets of the General Endowment Fund and U. T. System Funds.

Section 2. Notices.

Section 17 of the Agreement shall be amended for UTIMCO's address as follows:

To UTIMCO:

The University of Texas Investment Management Company
Attn: President and CEO
221 West Sixth St., Suite 1700
Austin, Texas 78701
Tel. (512) 225-1600
Fax (512) 225-1660

Section 3. Agreement in Effect.

Except as specifically amended herein, all provisions and sections of the Agreement are valid and in full effect.

Approved as to form:

Leo L. Barnes
U. T. System Office of General Counsel

**BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM**

Date:_____

By_____
Tom Loeffler
Chairman

ATTEST:

Francie A. Frederick
Counsel and Secretary to the
Board of Regents

**THE UNIVERSITY OF TEXAS
INVESTMENT MANAGEMENT COMPANY,**
a Texas nonprofit corporation

Date: _____

By: _____
Thomas G. Ricks
President and CEO

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 9:00 a.m., the Board recessed for meetings of the Standing Committees, and Chairman Loeffler 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 91).--Chairman Loeffler 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 BUSINESS AFFAIRS AND AUDIT COMMITTEE (Pages 92 - 101).--Committee Chairman Riter reported that the Business Affairs and Audit 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 Business Affairs and Audit Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. System: Approval of Chancellor's Docket No. 104 (Catalog Change)

The Board approved Chancellor's Docket No. 104 in the form distributed by the Counsel and Secretary to the Board. It is attached following Page 143 in the official copies of the Minutes, includes supplemental pages relating to fees and charges provided to the Board in advance of the meeting, 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 institution involved.

Appointments involving chancellor, executive vice chancellor, and vice chancellor positions were found to be in the best interest of The University of Texas System, as required by Texas Education Code Section 51.946.

2. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter VI, Section 6, Subsection 6.6 (Solicitation), Subdivision 6.61

Committee Chairman Riter noted that a revised item regarding amendments to the Regents' Rules and Regulations relating to solicitation was before the Board on yellow paper.

The Board amended the Regents' Rules and Regulations, Part One, Chapter VI, Section 6, Subsection 6.6, Subdivision 6.61, to read as set forth below:

6.61 . . .

- (k) Under the terms of an approved written agreement, the acknowledgement of a sponsor of an intercollegiate athletics department or athletic event of a component institution may be

displayed on the official Web page of such athletics department and, at the option of the sponsor, a textual hypertext link and/or a graphic hypertext link to the Web page of the sponsor may also be displayed. Such agreement may also provide for an acknowledgement of the sponsor to be announced over a public address system, displayed on a scoreboard or electronic message center or displayed by other means at locations designated for that purpose in athletic facilities pursuant to an approved policy of the component institution. The content of such acknowledgement and any use of the name, logos, symbols, or marks of a component institution by the sponsor must be according to established formats approved by the Trademark Licensing Director or, if nonstandard, have the prior written approval of the Trademark Licensing Director.

...

- (w) The placement on a Component Institution Web Page (as defined below) of textual and graphic information and a hypertext link to the Web site of a person or commercial entity for which the U. T. System or a component institution may receive revenue or avoid costs as a result of the permitted solicitation ("Web Site Solicitation"). Web Site Solicitations shall be placed on Component Institution Web Pages in accordance with guidelines promulgated by the Executive Vice Chancellor for Business Affairs. A Component Institution Web Page is a page created or maintained by or on behalf of a component institution or an office, department, or division of a component institution, and located within a component institution's information technology environment.

The amendments to the Regents' Rules and Regulations, Part One, Chapter VI, Section 6, Subsection 6.6, Subdivision 6.61, Item (k) add to authorized benefits for an intercollegiate athletics sponsor, the ability to be acknowledged on the official Web page of the component institution's athletics department and to display a textual hypertext link and/or a graphic hypertext link to the sponsor. Institutional control is preserved and The University of Texas System Trademark Policy, adopted by the Board of Regents on August 14, 1997, is followed.

The addition of a new Item (w) under Subdivision 6.61 authorizes the placement of company logos and hypertext links to a company Web site on U. T. System and component institutions' Web pages, subject to restrictions to be set forth in a Business Procedure Memorandum to be developed under the direction of the Executive Vice Chancellor for Business Affairs. The restrictions will preserve institutional control over the acknowledgements and solicitations authorized by the Regents' Rules and Regulations, will prevent designation of the Web pages as a public forum, and will require that U. T. System institutions have component-specific guidelines and restrictions approved by the Office of General Counsel.

3. U. T. Board of Regents: Adoption of a Resolution Authorizing the Issuance of Board of Regents of The University of Texas System Permanent University Fund Refunding Bonds, Series 2002A, in an Aggregate Principal Amount Not to Exceed \$115,000,000 and Authorization for Officers of U. T. System to Enter into a Forward Delivery Contract with Lehman Brothers, Inc., New York, New York, and to Complete All Transactions Related Thereto

The Board:

- a. Adopted a Resolution to authorize the issuance, sale, security, and delivery of Board of Regents of The University of Texas System Permanent University Fund Refunding Bonds, Series 2002A, in an aggregate principal amount not to exceed \$115,000,000 and maturing July 1, 2003 through July 1, 2010, to be used to refund a portion of the outstanding Permanent University Fund Refunding Bonds, Series 1992A, and to pay the costs of issuance
- b. Authorized appropriate officers and employees of the U. T. System as set forth in the Resolution to enter into a Forward Delivery Contract with Lehman Brothers, Inc., New York, New York, and to take any and all actions necessary to carry out the intentions of the U. T. Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such bonds.

Note: The [Resolution](#) and [Forward Delivery Contract](#), which were before the Board, are not included in these Minutes but are on file in the Office of the Board of Regents.

The U. T. System has outstanding \$108,515,000 of callable Permanent University Fund Refunding Bonds, Series 1992A, with interest rates ranging from 6.00% to 6.25% and maturing July 1, 2003 through July 1, 2010. The interest rates on the Series 1992A Bonds are significantly above current market interest rates.

The Series 1992A Bonds were structured with an optional redemption and can be called on July 1, 2002, at par. The Internal Revenue Code prohibits advance refunding (refunding prior to the bonds' call date) of the Series 1992A Bonds because these bonds were issued to advance refund the Permanent University Fund Refunding Bonds, Series 1985. The Internal Revenue Code does permit a current refunding (issuing refunding bonds within 90 days of the call date) of the Series 1992A Bonds.

With the historically low interest rate environment and the projected level of interest cost savings, locking in today's rates is more desirable than waiting until 2002 and bearing the risk that interest rates may be higher. While it is understood that rates could decline further by 2002, the U. T. System Office of Finance projects that there is a greater possibility that rates could be higher by 2002.

The ability to lock into a rate now can be achieved through a forward delivery contract wherein bonds are sold to investors in the primary market, but the delivery of the bonds is delayed beyond the traditional two-week period. Similar to U. T. System's traditional bond offerings, the Resolution authorizes certain U. T. System officials to sign a Purchase Contract with Lehman Brothers, but instead of closing in two weeks, the issue is not anticipated to close until April 2002. The Contract will establish interest rates on the Series 2002A Bonds based on current market rates.

Prior to the anticipated delivery date of April 2, 2002, the Office of Finance will solicit bids for securities to be placed into an escrow account until July 1, 2002. Proceeds from the Series 2002A Bonds will be used to purchase the escrow securities. Proceeds from the escrowed securities will be used to redeem the outstanding Series 1992A Bonds.

Permanent University Fund (PUF) bonds issued prior to January 1, 2000, qualify for an arbitrage exemption equal to 20% of the book value of the PUF under the terms of a statutory exemption to the Internal Revenue Code enacted by Congress in 1984. As a result of the amendment to the Texas Constitution passed in November 1999 providing for distributions to the Available University Fund from the total return of the PUF, PUF bonds issued subsequent to January 1, 2000, no longer qualify for the arbitrage exemption. U. T. System staff is currently working to have this arbitrage exemption restored by Congress retroactive to January 1, 2000. The Forward Delivery Contract is conditioned upon restoration of the PUF arbitrage exemption.

Committee Chairman Riter introduced Mr. Philip Aldridge, Assistant Vice Chancellor for Finance for The University of Texas System, and said Mr. Aldridge and Mr. Terry Hull, U. T. System Director of Finance, were available to answer any questions.

Regent Riter recommended that due to the recent, significant downturn in the market, there be no additional allocation of PUF Bond Proceeds, beyond those being proposed at this Board meeting, until the Business Affairs and Audit Committee, in cooperation with the U. T. System Administration Business Affairs and Finance staff, have considered and reviewed the issues and assumptions supporting debt capacity projections. An analysis of the debt capacity and status of the PUF will be provided at the April 2001 meeting of the Business Affairs and Audit Committee. Regent Loeffler commended Committee Chairman Riter for this recommendation and Chancellor R. D. Burck emphasized that this would not impact projects already approved.

4. U. T. System: Amendment to the Aggregate Amount of Equipment Financing for Fiscal Year 2001 and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity

The Board approved an amendment to the aggregate amount of equipment to be purchased in Fiscal Year 2001 under the Revenue Financing System Equipment Financing Program from \$15,530,000 to \$21,430,000, an increase of \$5,900,000 to be allocated to the following University of Texas System institutions:

| | |
|---|-------------|
| U. T. El Paso | \$3,300,000 |
| U. T. Health Science Center - San Antonio | \$2,600,000 |

In compliance with Section 5 of 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 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 98, the U. T. Board of Regents resolved that:

- a. Parity Debt shall be issued to pay the equipment's cost including any equipment costs incurred 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 Board relating to the Financing System
- c. The component institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligations 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 \$5,900,000 for the purchase of equipment
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Director of 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 equipment cost at U. T. El Paso and U. T. Health Science Center – San Antonio, 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 and the Ninth Supplemental Resolution as amended.

EXECUTED this 11th day of January, 2001

/s/ Terry Hull

Director of Finance

5. U. T. System: Appointment of CNA Insurance Companies, Chicago, Illinois, as Carrier for the Long Term Care Plan to be Effective September 1, 2001

The Board approved the appointment of CNA Insurance Companies, Chicago, Illinois, to serve as the carrier for the Long Term Care Plan to be offered to employees and retirees of The University of Texas System effective September 1, 2001. The contract was awarded to CNA based on its good customer service and ability to customize services to meet the needs of the U. T. System.

6. U. T. Health Science Center - Houston: Authorization to Sell Property Located at 11030 South Country Squire, Houston, Harris County, Texas, and Authorization for the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to Execute All Documents Related Thereto

Authorization was granted for The University of Texas System Real Estate Office, on behalf of The University of Texas Health Science Center at Houston, to sell the single family residential property located at 11030 South Country Squire in Houston, Harris County, Texas. The property will be marketed through a competitive offer process and sold with all remaining minerals for the best offer at or above its appraised value. The net proceeds from the sale will be used to further the core mission of U. T. Health Science Center - Houston and its research programs in a manner consistent with applicable Internal Revenue Service regulations.

Further, the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate was authorized 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 sale.

The subject property was used as the residence for the president of the U. T. Health Science Center - Houston since its purchase in 1979 for \$415,000 with general Tuition Revenue Bond Proceeds. Improvements totaling \$43,364 were made in 1990 with local institutional funds. The most recent independent MAI fair market value appraisal, dated December 7, 2000, indicates that the market value of the house is \$900,000.

Committee Chairman Riter updated the Board on the initiative recommended at the January 2001 meeting of the Special Committee on Telecommunications and Technology Transfer to create a Technology Transfer Commission. Chancellor Burck reported that appointment of the Commission was close to completion and that the charge to the Commission was to assess and recommend improvements within the component institution technology transfer operations and recommend what The University of Texas System can do to enhance and facilitate technology transfer System-wide.

INFORMATIONAL REPORTS

1. U. T. System: Presentation of the December 2000 Monthly Financial Report

Mr. Kerry L. Kennedy, Executive Vice Chancellor for Business Affairs, reviewed the December 2000 Monthly Financial Report for The University of Texas System and emphasized that there were no variances from budget which did not have reasonable explanations.

He reported that the impact of higher gas and utility prices are beginning to be revealed in institutional financial statements relating to the operation and maintenance of physical plants. Expenditures now exceed the same time period last year by approximately \$9.3 million. See Page 124 related to creation by Chancellor R. D. Burck of a System-wide Energy Utility Task Force.

Executive Vice Chancellor Kennedy also stated that the four component institutions that were rated less than satisfactory in the FY 2000 Analysis of Financial Condition report were being monitored on their financial progress by the U. T. System Controller's Office and that a detailed report of the mid-year financial results would be brought before the Business Affairs and Audit Committee in April 2001.

A copy of The University of Texas System Monthly [Financial Report](#) as of December 2000 is on file in the Office of the Board of Regents.

2. U. T. System: Annual Presentation of the Reporting Package for the Board of Regents

Executive Vice Chancellor for Business Affairs, Mr. Kerry L. Kennedy, stated that members of the Board had received a copy of The University of Texas System "Reporting Package for the Board of Regents" dated February 2001. He reviewed highlights of the report including financial, investment, and research data for the U. T. System institutions covering a five-year period ending August 31, 2000, and faculty, employee, and student demographics extending from the Fall 1996 through the Fall 2000 Semester.

Mr. Kennedy said that, with the creation of the Technology Transfer Commission, next year's Report would include a section on institutional technology transfer initiatives. He thanked Mr. Curtis Eastberg, Systems Analyst in the U. T. System Office of Information Resources, and Ms. Dana Malone, Assistant Controller in the U. T. System Office of the Controller, as well as many others throughout System Administration for their hard work in compiling the Reporting Package. Vice-Chairman Clements commended Executive Vice Chancellor Kennedy for a wonderful report, said that the portions added are very helpful, and congratulated him on a very good reporting system. Committee Chairman Riter concurred and said the Report was a beautiful piece of work that gives the whole picture on the U. T. System for the last six years.

A copy of the "[Reporting Package for the Board of Regents](#)" dated February 2001 is on file in the Office of the Board of Regents and is also available on the World Wide Web.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 102 - 109).--Committee Chairman Miller 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 and without objection by the U. T. Board of Regents:

1. U. T. Arlington - University Village West Apartments: Approval to Amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to Include Project

The Board amended the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to include the University Village West Apartments at The University of Texas at Arlington at a preliminary project cost of \$8,804,000 with funding from Revenue Financing System Bond Proceeds.

The project will construct an apartment complex consisting of 115,440 gross square feet, capable of housing 250 students, including a commons building, swimming pool, and related site improvements.

2. U. T. El Paso: Establishment of a Bachelor of Science in Environmental Science; Approval to Submit the Proposal 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 Bachelor of Science in Environmental Science at The University of Texas at El Paso
- b. Approved submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action
- c. Authorized the Executive Vice Chancellor for Academic 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.

This bachelor's degree program is consistent with the Table of Programs for U. T. El Paso and institutional plans for offering quality interdisciplinary degree programs to meet student needs.

The Bachelor of Science in Environmental Science, which will be administered by the College of Science, is an interdisciplinary program that combines elements of previously approved programs in biological sciences, chemistry, and geological sciences. It is anticipated that 25 students will enter the program during the first year, beginning in September 2001, with enrollment increasing to 115 students at the end of five years.

The number of semester credit hours required for the degree will vary between 127 and 133, depending upon the selected concentration in Environmental Biology, Environmental Chemistry, Environmental Geoscience, or Environmental Hydroscience. Only 19 semester credit hours of new course work will be added to the course inventory, and students in the program will be required to complete an internship.

Approximately 50 faculty in the College of Science are available to the program and three new positions have been created in anticipation of the new program. The program director, a tenured faculty member from one of the departments within the College of Science, will oversee curriculum development with the assistance of faculty and external advisory committees. The director will be responsible for student advisement and supervision and a staff coordinator will be hired to assist with student advising and with the training of peer mentors.

The projected total cost for the first five years of the program is \$870,000 and includes faculty salaries, program administration, graduate teaching assistants, salary for a program coordinator, supplies, materials, and equipment. The projected State and federal funding through a National Science Foundation Model Institutions of Excellence grant will adequately cover the projected costs.

The program meets all applicable Coordinating Board criteria for degree programs that may be approved by the Commissioner of Higher Education on behalf of the Coordinating Board.

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

3. U. T. Permian Basin - Center for Energy and Economic Diversification Roof Replacement: Approval to Appropriate Funds and Authorize Expenditure

The Board appropriated funds and authorized expenditure for the Center for Energy and Economic Diversification Roof Replacement project at The University of Texas of the Permian Basin at a total project cost of \$300,000, with funding of \$200,000 from Permanent University Fund (PUF) Bond Proceeds and \$100,000 from General Revenues.

University of Texas System engineers recommended installation of a new roof as roof deterioration was causing damage to the interior of the building.

4. U. T. San Antonio and U. T. Health Science Center - San Antonio: Authorization to Plan for Selected New Graduate Degree Programs to be Jointly Offered by the Two Institutions and Authorization to Seek Coordinating Board Approval of Necessary Amendments to the Role and Scope Tables of Programs

With the concurrence of the Health Affairs Committee, authorization was granted to The University of Texas at San Antonio and The University of Texas Health Science Center at San Antonio to plan to jointly offer the new graduate degree programs listed below:

1. M.S./Ph.D. in Bioengineering
2. M.S./Ph.D. in Music Psychology with an Emphasis in Imaging
3. M.S./Ph.D. in Biology with an Emphasis in Molecular and Cellular Biology
4. M.S./Ph.D. in Neurosciences with an Emphasis in Imaging
5. M.S./Ph.D. in Computational Biology (Bioinformatics)
6. M.S./Ph.D. in Communication Disorders
7. M.S./Ph.D. in Social Work
8. M.S./Ph.D. in Linguistics
9. M.S. in Physics
10. M.S. in Teacher Education

The Board further recommended that Role and Scope Tables of Programs be amended accordingly, and that authorization be granted to the Chancellor or the Executive Vice Chancellors for Academic and Health Affairs to seek the necessary amendments to the Texas Higher Education Coordinating Board's Role and Scope Tables of Programs. Upon completion of planning for a specific program, the two institutions will present a proposal in the normal format for review and approval by the U. T. Board of Regents.

In January 2000, U. T. San Antonio and U. T. Health Science Center - San Antonio began to examine opportunities for joint and collaborative degree programs, research ventures, and other ways in which the two institutions could work together with mutual benefit to each institution and to the region they serve. A steering committee of representatives from each institution and working groups identified 10 areas in which to pursue development of academic degrees and related research programs.

Degree program planning authority is normally granted by approving a Role and Scope Table of Programs based upon this classification structure. The U. T. Board of Regents has typically granted planning authority to an institution for all degree programs within a broad discipline category and level. The Coordinating Board has more often limited planning authority to a smaller subset of specialties within a discipline category. The U. T. System Administration staff will work with the Coordinating Board staff to reach agreement on the classification of each of the recommended programs. Then, the staff will make appropriate changes by broad discipline category to the U. T. System Role and Scope Tables of Programs for U. T. San Antonio and U. T. Health Science Center - San Antonio and, on behalf of the Board of Regents, request that the Coordinating Board approve similar changes.

Committee Chairman Miller commented on the powerful synergy at work resulting from the pooling of U. T. System resources and called on U. T. San Antonio President Ricardo Romo and U. T. Health Science Center - San Antonio President Francisco G. Cigarroa who both expressed excitement and enthusiasm for this opportunity for a model program of collaboration which will lead to innovations in research and teaching, efficiency in space utilization, and cost savings. President Cigarroa stated that while there is still a lot of work to be done, these programs will be of tremendous benefit to the students. Regent Oxford commended the Presidents for the continued trend of cooperation and partnership between the two campuses and noted that the benefits will be everlasting to the U. T. System and to the State of Texas. Chairman Loeffler stated that this is a wonderful pilot project which could possibly be modified for other U. T. campuses, as well as for university systems outside of the U. T. System.

5. U. T. System: Plan and Initial Report for Accountability Project and Adoption of Plan

Committee Chairman Miller stated that he believes it is possible to administratively perform the accountability system planned for The University of Texas System and noted it was appropriate for the Regents to memorialize, with official action, the report "U. T. System Accountability Project Plan and Initial Report" dated February 15, 2001, prepared by staff in the Office of Academic Affairs and previously distributed to the Board. He thanked the Academic Affairs staff and stated that the report is a fine analysis of accountability.

Regent Miller reported that speakers at the January Academic Affairs Committee meeting noted that if U. T. System did not adopt an accountability plan that the State legislature would initiate an accountability plan for higher education.

Committee Chairman Miller called on Dr. Joseph H. Stafford, Associate Vice Chancellor for Academic Affairs, for a brief summary of the "U. T. System Accountability Project Plan and Initial Report." Dr. Stafford, with the aid of a PowerPoint presentation, highlighted portions of the report and stated that the purpose of the project will be seen in the long term through changes in decision-making cultures within organizations. By focusing on and measuring those results, the project will permit reports to the U. T. Board of Regents and to external organizations to improve decision-making skills. Dr. Stafford noted that the goal of the project is to focus on three missions of teaching, research, and service unlike other university systems which have focused on teaching alone. Associate Vice Chancellor Stafford said that one of the most important aspects of the plan is to review all types of students, including freshman or transfer students, students prepared for college or needing remediation, and full-time or part-time students. Institutional differences such as discipline and student type must be considered and inclusion of these varying factors will measure the performance of the student and not the mission of the institution. Dr. Stafford noted that minimal new data would be required for this assessment as most U. T. component institutions have already provided the data; however, all institutions will be encouraged to add to the basic data set to further refine the review of institutional measures as well as to improve the process.

Professor Raymond Rodrigues, Special Assistant to the Executive Vice Chancellor for Academic Affairs, is heading up the second phase of Learning Assessment and will make a report during the August 2001 meeting of the Board of Regents. The review will include the mission of learning which includes the percent of students earning degrees, credit hours per degree awarded, competencies in general education, competencies in the major, and the National Survey of Student Engagement (NSSE) supplement.

Regent Hunt commended the Office of Academic Affairs staff for taking this initiative forward especially in the scheme of the Long-Range Planning Report developed by the U. T. Board of Regents' Ad Hoc Long-Range Planning Committee. He stated that accountability adds significant value in asking the legislature for deregulation as well as requesting additional assistance from both the State and the private sector.

Regent Loeffler complimented the Academic Affairs Committee on the time and effort spent on the accountability study and stated that the process was thorough and open. He noted that there will always be a difference in opinions, and through these discussions, the very best method of accountability will be achieved.

Committee Chairman Miller then called on Dr. Betty Travis, Chair of The University of Texas System Faculty Advisory Council and Professor in the Division of Mathematics and Statistics at The University of Texas at San Antonio, for a report from the Council concerning student assessment of learning. ([Dr. Travis' statement](#) is on file in the Office of the Board of Regents.)

Dr. Travis noted that the Council supports assessment and accountability at all levels, beginning with the regular and systematic assessment of students up to and including the accountability of faculty and administrators for the education of these students. She noted that a major challenge is in testing student learning and identified concern with the validity of tests that are developed.

Chairman Loeffler commended Dr. Travis for her leadership of the U. T. System Faculty Advisory Council and for her extraordinary service at U. T. San Antonio.

In response to Mr. Loeffler's question of whether she could state if there are some areas that are good, Professor Travis stated that the Council views the differences as challenges, not just concerns, and believes the Council, working with Dr. Sharpe's office and Dr. Rodrigues, will meet the challenges.

Dr. Travis stated that the Council would like to see three items included in any tests that are developed:

1. Testing will be the least intrusive possible to the students, perhaps imbedded into final exams.
2. Testing does not have high stakes associated with it.
3. Tests are faculty-generated and faculty-developed.

Committee Chairman Miller noted that the Academic Affairs Committee shares the same goals as the Faculty Advisory Council and encouraged faculty input in the complex accountability process. He stated that accountability is a national trend and as such, the U. T. System accountability process would move forward.

In response to Regent Oxford's inquiry as to whether the Board would be asked to vote on competencies achieved or simply the approval to move forward, Regent Miller stated the Committee was only requesting approval to move forward on recommending a process for accountability.

Committee Chairman Miller made a motion to adopt the Plan which carried unanimously.

INFORMATIONAL REPORT

U. T. System: Presentation on K-16 Data Collection and Research Activities

Dr. R. Michael Kerker, Director of Research and Policy Analysis in the Office of Academic Affairs, reported on The University of Texas System K-16 data collection and research activities. Dr. Kerker stated that the recently obtained data set from the program "Just for the Kids" will allow a detailed examination of the relationship between students' academic behavior and performance in high school, and subsequent success in college. He noted that the richness of this data is unprecedented in the United States.

The database includes 198,000 students who graduated from Texas public high schools in 1998 and covers demographic information, detailed information on courses taken, end-of-course examination data in algebra and biology, TAAS grades (8th and 10th grade), and the type of high school

diploma received. The unique feature of this data set is the ability to merge public information data with the Texas Higher Education Coordinating Board data to determine if the student is enrolled in a public institution of higher education in Texas, the type of institution, whether the student was prepared for college-level work, first year grade point average, and whether the student returned the following year. Dr. Kerker noted this database provides the ability to add subsequent data from colleges to track students and to be able to examine the relationship between performance and success from the ninth grade through a bachelor's degree. Dr. Kerker noted the findings would be reported at the May 2001 Board of Regents' meeting.

Committee Chairman Miller stated that, during the January 2000 retreat discussions, a lack of alignment in testing and information flows in following students in K-12 through K-16 was noted. He said the new data set is a breakthrough that will allow this type of review.

Vice-Chairman Clements asked if there were any plans to incorporate data from private schools and Dr. Kerker responded that the only data available at this time is from public schools. Committee Chairman Miller noted that the public school data provides a sufficiently broad population for accurate reporting and that over time, private school data may be included as well. Regent Hunt added that the public sector comprises 90% of the population, providing sufficient information.

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 110 - 123).--At the request of Committee Chairman Loeffler, Vice-Chairman Clements 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 and without objection by the U. T. Board of Regents:

1. U. T. System: Approval to Amend the Regental Policy on Academic Program Approval Standards to Include the Health Institutions

In its broad authority to administer The University of Texas System, the U. T. Board of Regents is responsible for approval of all academic degree programs at the 15 component institutions. While final authorization of degree programs in Texas is vested in the Texas Higher Education Coordinating Board, the Coordinating Board requires and relies on, to a considerable extent, the prior review and approval by the governing board of any institution requesting program changes.

The U. T. Board of Regents has vested in the president of each component institution, the responsibility and authority for academic program leadership at that institution, within the overall policy and standards articulated by the Board. The Academic Affairs Committee and the Health Affairs Committee of the U. T. Board of Regents consider and report to the full Board on matters of academic planning and instruction at the nine general academic institutions and the six health institutions. The following Regental policy describes the principles and standards that are used for program proposal review by the Academic Affairs Committee and the Health Affairs Committee and the staff of the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Health Affairs in support of the work of the Committees.

In accordance therewith, and with the concurrence of the Academic Affairs Committee, the Board revised The University of Texas System Regental Policy entitled "Academic Program Approval Standards," originally approved by the U. T. Board of Regents in August 1999 for the general academic institutions, to include academic programs at the U. T. System health institutions as set forth on Pages 111 - 114.

ACADEMIC PROGRAM APPROVAL STANDARDS

The standards used for review and approval of academic program proposals are derived from three overarching principles that guide decisions about program goals, design, and implementation at the U. T. System institutions. These principles are:

1. *New university degree and certificate programs should be consistent with the higher education goals and mission of the State of Texas, The University of Texas System, and the offering institution.* This principle has implications not only for which programs should be offered by U. T. institutions, but also for how they are designed and delivered so as to be responsive to the needs of students, parents, and the private and public sectors.
2. *U. T. degree and certificate programs should be of excellent quality.* Program design, resources, and implementation plan, judged critically in view of the stated goals for a particular program, should compare favorably with State, national, and international standards and competing programs. In general, they should exceed minimum standards of the Texas Higher Education Coordinating Board or appropriate accrediting bodies.
3. *Academic programs at U. T. institutions should represent good investments and efficient use of public and private resources.* Program choice, design, and implementation plans should reflect wise use of institutional and interinstitutional or shared resources.

Applying these principles of excellence to review of proposed new academic degree or certificate programs, the Academic or Health Affairs Committee approves proposals that provide good evidence of meeting the following standards:

- A. Standards Relating to Goals, Need, Fit
 1. Program goals and educational objectives are clear.
 2. Connections between proposed program goals and State and U. T. System goals and mission are strong and convincing.
 3. Program goals advance institutional mission and strategic plan. Program is on the approved Table of Programs.

4. Program would meet a well-documented unmet need related to present or future manpower or social needs or regional priorities.
5. Program complements and builds upon existing university programs, strengths, and resources.

B. Standards for Quality of Implementation

1. Design of the degree or certificate program reflects understanding of state-of-the-art in the discipline.
2. Resources, including faculty, facilities, special equipment, field placement sites for internships, library and information access, and others as necessary, are adequate to deliver program of excellent quality, meeting or exceeding Southern Association of Colleges and Schools (SACS) standards and those of other professional accrediting bodies where applicable.
3. Faculty responsible for program design and delivery have appropriate, relevant content expertise, scholarship records, and other professional experience and credentials.
4. New graduate programs are built upon demonstrated competence in related areas at the undergraduate or (where appropriate) master's level.
5. Program implementation and delivery plans are responsive to student needs and supportive of student retention and graduation, in light of program goals and resource availability.
6. The program proposal includes a plan for periodic program evaluation focusing on the program objectives, productivity, faculty and resources, changes in environment such as competition and delivery modes, student outcomes, retention, and graduation.
7. An efficient administration plan for the program is described, with clear accountability and appropriate roles for faculty committees and unit administrators.

8. Interdisciplinary, cross-departmental, or cross-college programs are supported by administrative reporting structures likely to preserve interdisciplinary cooperation.

C. Standards for Costs and Revenues

1. Proposal presents clear, logically consistent estimates of program costs and revenues.
2. Prospective student demand adequate for an efficient program is convincingly demonstrated, with specific attention to competing programs, other providers, and other delivery systems.
3. Proposal establishes growth potential to generate adequate resources to support program costs from State formula funding sources after the first three years and, where appropriate, from non-State sources.
4. Available interinstitutional, shared resources are utilized where appropriate.
5. Overall program costs are justifiable in light of potential program benefits and impact.

D. Compliance Standard

Proposal complies in content and format with Coordinating Board rules and instructions for program authorization, so that approval is not likely to be delayed or complicated unnecessarily at that level.

E. Additional Standards for Doctoral Programs

1. There is a sufficient base of sponsored research programs in place to support student and faculty research.
2. Proposal presents convincing plans for recruitment of a critical mass of very talented students, carefully screened in accord with the goals of the program.
3. Proposed program addresses preparation for graduates' future roles of teaching, research or creative endeavor, and work in nonacademic professional settings as appropriate.

4. Appropriate student support is available and/or there is a convincing plan for development of future support.
 5. Because of the high level of resource requirements for doctoral programs, particularly rigorous attention must be applied to almost all approval standards in this document.
2. U. T. Medical Branch - Galveston - Texas Department of Criminal Justice Hospital Fire Sprinklers: Authorization to Amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to Include Project; Appropriate Funds and Authorize Expenditure; and Authorize Institutional Management of Project

The Board:

- a. Amended the FY 2000-2005 Capital Improvement Program (CIP) and the FY 2000-2001 Capital Budget to include the Texas Department of Criminal Justice (TDCJ) Hospital Fire Sprinklers project at The University of Texas Medical Branch at Galveston at a total project cost of \$6,300,000
- b. Appropriated funds and authorized expenditure of \$6,300,000 from Hospital Revenues
- c. Authorized U. T. Medical Branch - Galveston to locally manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts associated with the TDCJ Hospital Fire Sprinklers project.

The TDCJ Hospital Fire Sprinklers project at U. T. Medical Branch - Galveston involves renovation of 234,147 gross square feet of the facility to install an automatic sprinkler protection system. This project brings the building, which is owned by the Medical Branch, into compliance with life safety code requirements.

This upgrade in applicable life safety code necessitated adding the project to the CIP prior to the development and approval of the next CIP.

The funding source for the project is hospital funds generated by providing TDCJ health-care services. At the request of the Health Affairs Committee, U. T. Medical Branch - Galveston leadership discussed the feasibility of additional funding with members of the Correctional Managed Care Committee, and determined that specific legislative authority would be required for TDCJ or the Committee to fund capital improvements to a facility owned by U. T. Medical Branch - Galveston. Officials of the Medical Branch have committed to work with TDCJ, the Correctional Managed Care Committee, and the Texas Legislature to ensure that future health-care service agreements with TDCJ have a capitation rate that will cover all indirect costs, including depreciation expenses at the TDCJ Hospital.

U. T. Medical Branch - Galveston has a staff of professional project managers trained to execute clinical renovation projects under the difficult conditions of construction in occupied space. Because of the nature of the work and the specialized ability of U. T. Medical Branch - Galveston personnel, it has been determined the institution is best able to manage this project.

3. U. T. Health Science Center - Houston: Authorization to Change the Name of the U. T. Allied Health Sciences School - Houston to the School of Health Information Sciences, to Submit the Name Change to the Coordinating Board for Approval (Catalog Change), and to Editorially Amend the Regents' Rules and Regulations, Part One, Chapter VIII, Section 4 (Institutions and Entities Composing the System)

The Board authorized The University of Texas Health Science Center at Houston to change the name of The University of Texas Allied Health Sciences School at Houston to the School of Health Information Sciences and to submit the name change to the Texas Higher Education Coordinating Board for review and appropriate action.

In addition, the Counsel and Secretary to the Board was authorized to editorially amend the Regents' Rules and Regulations, Part One, Chapter VIII, Section 4, regarding institutions and entities composing the System, to reflect this name change after approval by the Coordinating Board.

The School has transformed from one with an array of certificate and baccalaureate allied health programs to a school focused on an increasingly significant element of contemporary research and health care. The School has two graduate programs in Health Informatics and is adding two special emphasis areas within the current degrees. A detailed plan has been

developed for offering a master-level program in Health Informatics with a concentration in health education research technology. A search for an additional faculty member to join the others in the School of Health Information Sciences to offer these courses is currently underway.

Through collaboration with faculty from other U. T. Health Science Center - Houston schools, a programmatic concentration of computational biomedicine is being developed within the doctoral program in Health Informatics. Two faculty members whose expertise lie in this area have been hired and a search is currently underway for two additional faculty members in the computational biomedical area of Health Informatics.

The School of Health Information Sciences will continue to collaborate extensively in research with colleagues in the U. T. Health Science Center - Houston Institute of Molecular Medicine, basic and clinical science departments, U. T. M. D. Anderson Cancer Center, and other Texas Medical Center institutions to bring computation solutions to biomedical problems.

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

4. U. T. M. D. Anderson Cancer Center - Science Park Research Division Infrastructure Upgrade: Approval to Amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to Revise Project Scope; Revise Total Project Cost; Appropriate Funds and Authorize Expenditure; and Authorize Institutional Management of Project

The Board:

- a. Amended the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to revise the project scope for the Science Park Research Division Infrastructure Upgrade at The University of Texas M. D. Anderson Cancer Center to include an addition to the A. Clark Griffin Research Facility
- b. Revised the total project cost from \$6,300,000 to \$13,600,000
- c. Appropriated funds and authorized expenditure of \$13,600,000 from Hospital Revenues

- d. Authorized U. T. M. D. Anderson Cancer Center to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts associated with the Science Park Research Division Infrastructure Upgrade project.

The Science Park Research Division Infrastructure Upgrade at U. T. M. D. Anderson Cancer Center is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a preliminary project cost of \$6,300,000, with funding from Hospital Revenues. The original Science Park Research Division Infrastructure Upgrade project included replacements and upgrades to the mechanical, electrical, and plumbing systems of the A. Clark Griffin Research Facility. However, subsequent to a review of the programmatic needs of the facility, it was determined that the research program will require additional space for animals within the next five years.

The project will construct an 8,500 square foot addition to the A. Clark Griffin Research Facility for research program expansion and will provide swing space for the animals during the renovation of the Griffin Research Facility. The funds approved for the original project included funds to build a temporary animal housing facility.

U. T. M. D. Anderson Cancer Center has a staff of professional project managers trained to implement clinical renovation projects under the difficult conditions of construction in occupied space. Because of the nature of the work and the specialized ability of U. T. M. D. Anderson Cancer Center personnel, it has been determined that the institution is best able to manage this project.

5. U. T. M. D. Anderson Cancer Center - M. D. Anderson Cancer Center Outreach Corporation: Amendment of Article IV of the Bylaws Regarding Membership of the Board of Directors, Appointment of New Member, and Approval of Appointment of New Member

The Board:

- a. Authorized the President of The University of Texas M. D. Anderson Cancer Center to amend Article IV of the Bylaws of the M. D. Anderson Cancer Center Outreach Corporation as set forth below:

Section 2. Number. The Board of Directors shall consist of seven (7) Directors. The number of Directors may be increased or decreased (provided such decrease does not have the effect of shortening the term of any incumbent Director) from time to time by amendment of the Bylaws in accordance with the provisions of Article X, provided that the number of Directors shall never be less than three (3). The Member may appoint four (4) Directors, provided that such appointments shall be subject to the prior approval of such appointments by the Board of Regents of The University of Texas System (the "Board of Regents"). The Board of Regents may appoint three (3) Directors, one of whom shall be a Regent and two of whom shall be administrative officers of The University of Texas System.

- b. Appointed Mr. Kerry L. Kennedy, Executive Vice Chancellor for Business Affairs, U. T. System (replaced Mr. R. D. Burck, Chancellor), to serve on the Board of Directors
- c. Approved the appointment of Dr. Margaret Kripke, Senior Vice President and Chief Academic Officer, U. T. M. D. Anderson Cancer Center as a new member.

The appointment of Dr. Kripke is in addition to those heretofore approved and presently serving on the Board of Directors of the M. D. Anderson Cancer Center Outreach Corporation.

Article IV, Section 2 of the M. D. Anderson Cancer Center Outreach Corporation Bylaws, originally approved by the U. T. Board of Regents on April 6, 1989, and subsequently amended on February 9, 1995, August 8, 1996, and August 12, 1999, provides that the Board of Directors consist of 11 Directors. In order that the Board of Directors may act with greater efficiency and to enhance the ability to schedule Board meetings, the number of Board members was reduced to seven.

Mr. Burck, who was serving on the Board, requested that Mr. Kerry L. Kennedy, Executive Vice Chancellor for Business Affairs, replace him. Additionally, Dr. Margaret Kripke, Senior Vice President and Chief Academic Officer at U. T. M. D. Anderson Cancer Center, was nominated by President Mendelsohn to fill one of the remaining positions on the Board of Directors. Pursuant to the Bylaws, her appointment was subject to the approval of the U. T. System Board of Regents.

The current membership of the Board of Directors includes the following individuals:

Leon J. Leach, Chairman of the Board of Directors
Regent Patrick C. Oxford
Charles B. Mullins, M.D.
David L. Callender, M.D.
Kerry L. Kennedy
Margaret Kripke, Ph.D.
Martin N. Raber, M.D.

INFORMATIONAL REPORT

U. T. Southwestern Medical Center - Dallas: Presentation on the Human Genome Project

(Note: This presentation was made at the end of the meeting.)

Chairman Loeffler announced that the presentation on the Human Genome Project by Michael S. Brown, M.D., Regental Professor at The University of Texas Southwestern Medical Center at Dallas, was deferred earlier in the meeting. He introduced Kern Wildenthal, M.D., President of U. T. Southwestern Medical Center - Dallas, who in turn introduced Nobel laureate Brown, a distinguished molecular geneticist who, along with his U. T. Southwestern colleague Dr. Joseph L. Goldstein, received the Nobel Prize in medicine in 1985.

Dr. Brown presented a special report entitled "A Renaissance in Our Lifetime," which provides an exciting opportunity for research universities. He spoke about the revolution in medical science as a result of the Human Genome Project and noted that the unique marriage of industry and science provided machinery necessary to decode the human genome. He spoke about the public sector (U. S. Department of Energy and the National Institutes of Health) and the private sector (Celera) analyses of the genome and presented a large map of the human genome which, he announced, would be published on February 16, 2001, in scientific journals (see photo entitled "Annotation of the Celera Human Genome Assembly" on Page 123) and said that while the map is relatively accurate, it is not complete. He stated that recent discoveries open up an entirely new vista in scientific efforts to understand human development and the causes and treatment of disease. While the State of Texas has invested in research infrastructure, biomedical faculty, and health science institutions, further investment is imperative to attract growing federal expenditures on research to build Texas as a major center of the burgeoning biotechnology industry. He pointed to the need to train physician scientists who understand disease and the science behind the disease and said that U. T. is well positioned to apply the information and train doctors who could work with industry to identify the right medicines to target specific biological diseases.

Statement by Chairman Loeffler

Thank you, Dr. Brown. Your delivery was very informative, very important, and you have certainly made clear the contributions that the U. T. System and our health and academic institutions have been doing and can be doing with respect to the Human Genome phenomenon. You have also clearly outlined the challenge for Texas. From our perspective as members of the Board, it is certainly our intent along with yours and your colleagues, and your sister institutions, to be participants in this renaissance of biomedical and biotechnical research, and the question of whether we will sit on the sidelines as a spectator or will we be a leader. I certainly know that all of us on this Board say that we will be a leader.

Our task as a State, and the specific responsibility of the Board of Regents of The University of Texas System, is to make certain that we are prepared to participate fully in this revolution and, more than that, to be one of the nation's preeminent leaders in exploring the frontiers of this renaissance in the 21st Century.

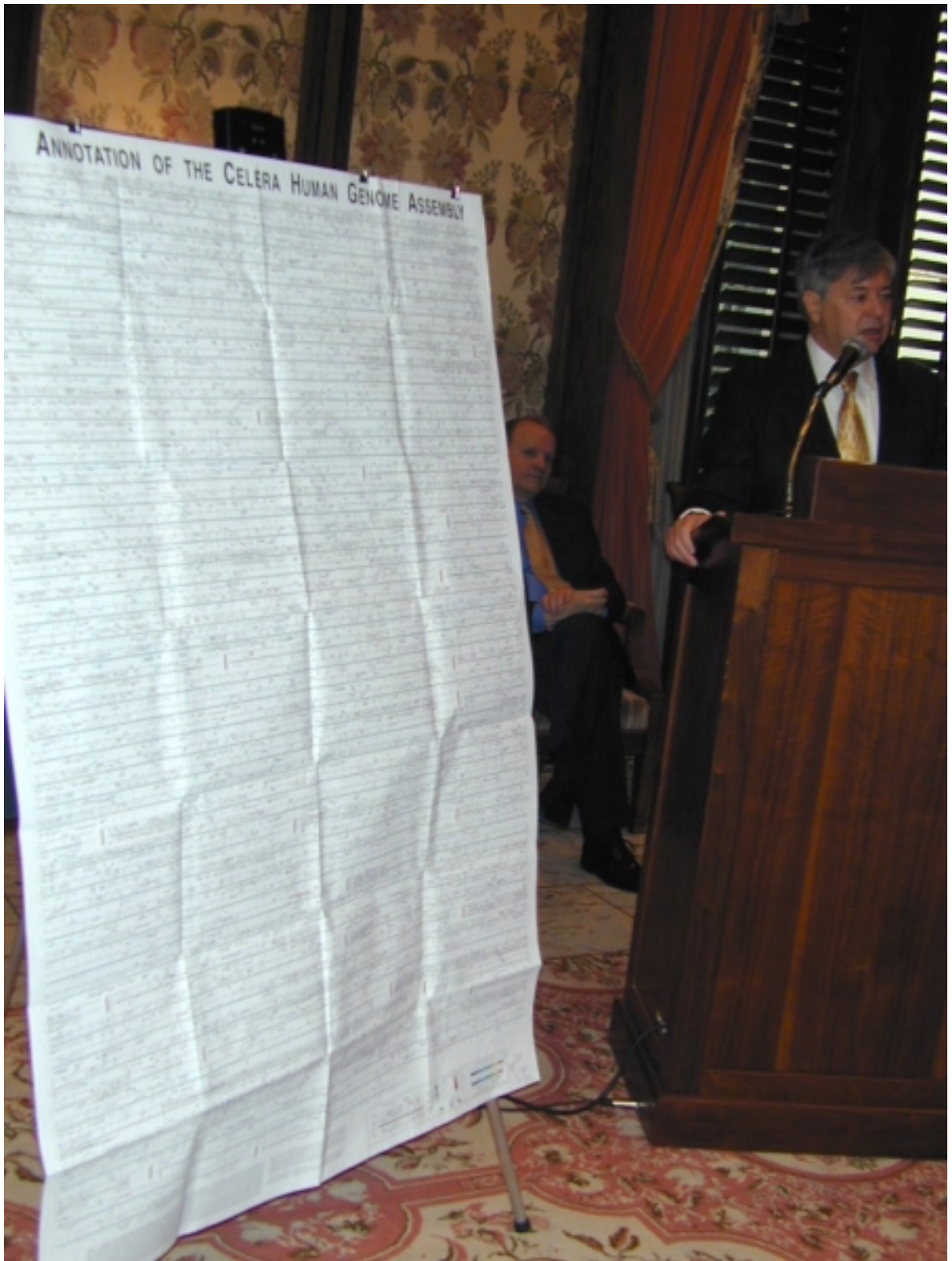
The continuing increases in federal support from the National Institutes of Health and the federal government represent the national commitment to a vigorous campaign to conclude the mapping and to conquer disease both from a preventive and treatment standpoint.

The Board of Regents has made a significant investment and we are proud to say to you and the people of Texas that in the Year 2000 we set forth the initial "seed money" to expand facilities of both our academic and health facilities; seed money at \$200 million which once leveraged will be almost \$1.2 billion.

I think that with the efforts we have put forth from the Board of Regents of The University of Texas System, from our health components, and from yourself and your peers, we have positioned ourselves to take great advantage of what tomorrow has to offer. I do know that this Board wants very much for you to be the leader, on the cutting edge. It is a great first for those who will be your colleagues to bring about the savvy final discoveries in the last verse in the mapping of the genome phenomenon. It will not only then give you the intellectual satisfaction but for those who have hope of conquering a

disease, a real opportunity in a way far beyond what we can even dream today. I would liken it to the Industrial Revolution at the beginning of the 20th Century and all the things that each of us in this room were able to enjoy at least from the middle of the 20th Century to its conclusion a year ago. The phenomenon that you are involved in will bring many, many more rewards for human-kind than the Industrial Revolution.

Thank you for joining us and I would like to thank Dr. Wildenthal, and all the presidents of our health and academic components for making this possible. I have encouraged the press to visit with Dr. Brown, with each member of the Board and with the U. T. System leadership to understand our determination. I think that the State of Texas has a great story to tell. Our talent is very clear and I can assure everyone watching our work today that we will not fail.



REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 124 - 139).--Committee Chairman Clements commented on The University of Texas System Campus Master Plan Executive Summaries volume and noted that each member of the Board would receive a copy of the book. She stated that a tremendous amount of work, which included the full cooperation of the component institutions, went into the book and commended Mr. Sidney J. Sanders, Assistant Vice Chancellor for Facilities Planning and Construction for the U. T. System, for expediting this publication which will be a guideline for campus construction for many years to come.

Vice-Chairman Clements also thanked Chancellor R. D. Burck for taking the initiative to create a special Energy Utility Task Force to design and implement a comprehensive energy management strategy for the U. T. System. With energy prices at historically high levels, Mrs. Clements stated it is imperative to identify ways to reduce energy consumption and manage energy costs throughout the U. T. System and said a proactive approach must be taken to manage energy consumption. (See Item 1 on Page 100 related to a report by Mr. Kerry L. Kennedy, Executive Vice Chancellor for Business Affairs.)

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 and without objection by the U. T. Board of Regents:

1. U. T. Board of Regents - Regents' Rules and Regulations, Part Two: Amendments to Chapter VIII (Physical Plant Improvements) and Rescission of Regental Policy on Capital Improvement Process Procedures

The Board amended the Regents' Rules and Regulations, Part Two, Chapter VIII, regarding physical plant improvements, as set forth below:

- a. New Section 1 adds language about the Capital Improvement Program (CIP) and former Sections 1 and 2 were amended and renumbered as Sections 2 and 3 to read as follows:

Sec. 1. Capital Improvement Program.

- 1.1 The University of Texas System Administration will prepare a Capital Improvement Program (CIP) biennially to

be presented to the U. T. System Board of Regents in August following completion of each regular session of the Texas Legislature.

- 1.2 The CIP will consist of a six-year projection of major new construction and repair and rehabilitation projects (Major Projects) to be implemented and funded from component and System-wide revenue sources. The CIP should be a current reflection of the institutions' continuous processes of strategic planning and master planning for institutional programs, as well as for the future development and preservation of the physical plant of the campuses.
 - 1.21 Major Projects are defined as repair and rehabilitation projects of at least \$2,000,000 and new construction projects of at least \$1,000,000. A project that is architecturally or historically significant is defined as a Major Project regardless of cost.
 - 1.22 Candidate projects will routinely be added to the CIP during the biennial update. For emerging critical or urgent new Major Projects, the institutional president may submit an "off-cycle" request for inclusion via the quarterly Board of Regents' agenda. Requests to add to or modify the CIP will be reviewed in accordance with the processes adopted in the CIP.
 - 1.23 Adoption of the CIP provides authority for the U. T. System Administration and the institutional administration to expend institutional funds up to 3% of the anticipated preliminary project cost to develop the formal Facility Program document, select the project architect, and develop preliminary project plans. These funds will be provided by the component initially but may be reimbursed to the component from applicable bond proceeds after design development approval and appropriation of project funds by the Board.
- 1.3 The CIP will include the Capital Budget, a two-year detailed expenditure allocation of source(s) of funds.
 - 1.31 Approval of the Capital Budget authorizes and appropriates funding amounts and sources for

identified major repair and rehabilitation projects that are not architecturally or historically significant. Authorization of these projects and appropriation of these funds allows these projects to be presented to the Chancellor for approval of design development plans, authorization for expenditure of funds, and execution of the projects by the administrative staff without returning to the Board for further approvals.

- 1.32 The Board will approve the design development plans for all Major Projects other than repair and rehabilitation projects that are not architecturally or historically significant.

Sec. 2. Institutional Committees.

2.1 . . .

2.2 Ad Hoc Project Building Committee.--The president may appoint, according to the institutional Handbook of Operating Procedures, an Ad Hoc Project Building Committee composed of, but not limited to, representatives of the departments or divisions that will occupy the building. The chairperson of the Institutional Building Advisory Committee, or his or her delegate, shall be an ex officio member of each Ad Hoc Project Building Committee. The committee shall work with the Office of Facilities Planning and Construction to prepare a facility program in accordance with the Facilities Programming Guidelines maintained by the Office of Facilities Planning and Construction.

Former Subsections 1.3 and 1.4 were renumbered as 2.3 and 2.4.

Sec. 3. Major Construction and Repair and Rehabilitation Projects.

3.1 General Requirements.

3.11 Subject to Subsections 1.2 and 2.3 and Subdivisions 3.12, 3.13, 3.14 and 3.15 of this Section and the general provisions of Part One, Chapter I,

Section 9 and except as otherwise specified in these Rules and Regulations, the Chancellor, with the advice of the appropriate Executive Vice Chancellor and institutional president, is authorized to appoint architects, approve plans, and execute contracts for all new construction projects and for all major repair and rehabilitation projects that have previously been approved or authorized by the Board in the CIP.

Former Subdivisions 2.12 through 2.16 were renumbered as 3.12 through 3.16.

3.2 Major Projects Procedures.

3.21 Following Board approval of a Major Project and the Preliminary Project Cost, the Institutional Building Advisory Committee shall make recommendations to the president regarding priorities for new construction consistent with the needs of the component.

Former Subdivisions 2.22 through 2.28 were renumbered as 3.22 through 3.28.

b. Sections 3 through 5 were renumbered as Sections 4 through 6.

The amendments to the Regents' Rules and Regulations, Part Two, Chapter VIII, add language in Section 1 to define the CIP and the parameters and authorities associated with a project included in the CIP and the Capital Budget, as well as how projects may be added to the CIP "off-cycle." The CIP processes are detailed in the flow charts incorporated in the CIP document approved by the U. T. Board of Regents in November 1999 and amended by the Board in November 2000 for adding projects to the CIP between the biennial review and approval cycles. Further CIP process details will be addressed in Business Procedures Memoranda to be issued by The University of Texas System Administration.

Minor editorial amendments were made to Sections 2 and 3 to standardize nomenclature.

The amendment to Section 3, Subsection 3.1, Subdivision 3.11 eliminates the restriction on the Chancellor's authority to appoint architects, approve plans, and execute contracts for new construction and major repair and rehabilitation projects as long as such projects have previously been approved or authorized by the Board in the CIP.

These amendments to the Regents' Rules and Regulations rescind the Regental Policy entitled "Procedures to be Followed by University of Texas System Institutions to Gain Authorization of Major New Construction and Major Renovation Projects" (Capital Improvement Process Procedures) approved by the U. T. Board of Regents in December 1994.

2. U. T. Austin - Basketball Support Facility (Project No. 102-053): Approval to Amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to Divide the Project into Two Stages and Appropriate Funds and Authorize Expenditure for the Repair and Renovation Stage of the Frank C. Erwin, Jr. Special Events Center

The Board:

- a. Amended the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to divide the scope of the Basketball Support Facility at The University of Texas at Austin into two stages
- b. Appropriated funds and authorized expenditure of \$3,500,000 from Gifts and Grants for the repair and renovation stage of the Frank C. Erwin, Jr. Special Events Center portion of the Basketball Support Facility project at U. T. Austin.

The Basketball Support Facility project at U. T. Austin is included in the FY 2000-2005 Capital Improvement Program (CIP) and the FY 2000-2001 Capital Budget at a preliminary project cost of \$7,500,000 with funding from Gifts and Grants.

This project can be more easily completed in two stages, a repair and renovation stage and a new construction stage. It is advantageous to the campus to proceed with the repair and renovation stage of the Frank C. Erwin, Jr.

Special Events Center at this time to allow for the modification and reconfiguration of the seating to meet the needs of the 2001-2002 basketball season. The design development approval and budget adjustment request for the Basketball Support Facility will be made at a later date.

Regent Oxford emphasized that the repair and renovation stage is driven by fire and life safety requirements and noted that the aesthetic portion of the renovation project would be self-funded with seat sales and no general appropriation money would be used. President Faulkner summarized the four stages of the project and stated that financing would be obtained through revenue generated by use fees on the building or by secured gifts.

3. U. T. Austin - John A. and Katherine G. Jackson Geological Sciences Building (Project No. 102-070): Authorization of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval of Total Project Cost; and Appropriation of Funds and Authorization of Expenditure

Following a presentation on the John A. and Katherine G. Jackson Geological Sciences Building project at The University of Texas at Austin by Mr. Sidney J. Sanders, Assistant Vice Chancellor for Facilities Planning and Construction for The University of Texas System, the Board:

- a. Approved design development plans for the John A. and Katherine G. Jackson Geological Sciences Building at U. T. Austin
- b. Approved the evaluation of alternative energy economic feasibility
- c. Approved a total project cost of \$15,000,000
- d. Appropriated funds and authorized expenditure of \$15,000,000, with funding from Gifts and Grants.

At the November 2000 U. T. Board of Regents' meeting, the John A. and Katherine G. Jackson Geological Sciences Building project at U. T. Austin was added to the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a preliminary project cost of \$15,000,000, with funding from Gifts and Grants.

The project is consistent with the Cesar Pelli Master Plan and will provide additional and renovated space needed for the expansion of Geological Sciences and related activities in Natural Sciences. The existing building, constructed in 1967, contains 136,000 gross square feet and has not undergone an extensive renovation since the building was opened. The addition of approximately 40,000 gross square feet will provide new programmatic space for the College of Natural Sciences.

The gift of \$15,000,000 will be funded through a trust established by Mr. John A. Jackson of Dallas, Texas. Payments will be made to U. T. Austin on a periodic basis to support the cost of constructing and furnishing the new addition.

Section 2166.403 of the Texas Government Code requires the governing body of the appropriate State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into new State buildings. The Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standard for New State Buildings and determined that alternative energy devices for the project are not economically feasible.

4. U. T. Austin - Texas Swim Center Renovation - Phase I (Project No. 102-983): Approval to Revise Total Project Cost and Appropriation of Additional Funds

The Board:

- a. Revised the total project cost for the Texas Swim Center Renovation - Phase I at The University of Texas at Austin from \$2,000,000 to \$3,000,000
- b. Appropriated additional funds of \$1,000,000 from Designated Tuition.

The Texas Swim Center Renovation - Phase I project at U. T. Austin is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a total project cost of \$2,000,000 with funding from Designated Tuition. The increase in the total project cost from \$2,000,000 to \$3,000,000 will fund additional fire and life safety costs identified as the scope and design of the project developed.

5. U. T. Pan American - Administration Building Addition (Project No. 901-050): Authorization of Change in Project Scope; Approval to Redesignate Project as the Administrative Offices Renovation; Appropriation of Funds; and Authorization of Institutional Management of Project

The Board:

- a. Approved a change in project scope for the Administration Building Addition at The University of Texas - Pan American from a construction and renovation project to a renovation only project
- b. Redesignated the Administration Building Addition as the Administrative Offices Renovation project
- c. Appropriated funds of \$2,500,000 from Higher Education Funds and \$2,537,000 from Unexpended Plant Funds
- d. Authorized U. T. Pan American to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts associated with the project.

This project is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a total project cost of \$5,037,000, with funding of \$2,500,000 from the Higher Education Fund and \$2,537,000 from Unexpended Plant Funds.

This project will consist of a number of sequential renovation projects over a period of two to three years rather than addition of new space. Based on the relatively small and simple efforts requiring multiple relocations of occupants, this repair and rehabilitation project is best managed by the U. T. Pan American Facilities Management staff who have the experience and capability to manage all aspects of the revised scope of work.

6. U. T. Pan American - Math Building Renovation (Project No. 901-048): Authorization of Institutional Management of Project

The Board authorized The University of Texas - Pan American to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts associated with the Math Building Renovation project.

The Math Building Renovation project at U. T. Pan American is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a total project cost of \$2,880,000, with funding of \$2,000,000 from the Higher Education Fund and \$880,000 from Unexpended Plant Funds.

The project will renovate the existing 17,000 gross square feet of space and will upgrade the building to meet new code and life safety requirements. The work will also include masonry repair and mechanical and electrical system upgrades. The project will be accomplished by several small projects that can best be managed by the Physical Plant staff at U. T. Pan American.

7. U. T. Tyler - Student Health and Kinesiology (Project No. 802-019): Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval of Total Project Cost; and Appropriation of Funds and Authorization of Expenditure

Mr. Sidney J. Sanders, Assistant Vice Chancellor for Facilities Planning and Construction for The University of Texas System, presented the design development plans for the Student Health and Kinesiology project at The University of Texas at Tyler. Based on this presentation, the Board:

- a. Approved design development plans for the Student Health and Kinesiology project at The University of Texas at Tyler
- b. Approved the evaluation of alternative energy economic feasibility
- c. Approved a total project cost of \$19,300,000
- d. Appropriated funds and authorized expenditure of \$9,600,000 from Gifts and Grants and \$9,700,000 from Permanent University Fund Bond Proceeds.

The Student Health and Kinesiology project at U. T. Tyler is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a preliminary project cost of \$19,300,000, with funding of \$9,600,000 from Gifts and Grants and \$9,700,000 from Permanent University Fund Bond Proceeds.

This project will consist of 98,800 gross square feet to house Health and Kinesiology academic offices, classrooms, and laboratories, as well as traditional fitness spaces that will be used for instructional purposes.

Section 2166.403 of the Texas Government Code requires the governing body of the appropriate State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into new State buildings. The Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standard for New State Buildings and determined that alternative energy devices for the project are not economically feasible.

8. U. T. Southwestern Medical Center - Dallas - Plaza: Authorization to Name Facility as the C. Vincent Prothro Plaza and Gardens (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.3, Honorific Namings)

The Board approved the naming of the Plaza that connects The Seay Biomedical Building, the Nancy B. and Jake L. Hamon Biomedical Research Building, and the Simmons Biomedical Research Building at The University of Texas Southwestern Medical Center at Dallas North Campus as the C. Vincent Prothro Plaza and Gardens to recognize the significant contributions and commitment of Mr. C. Vincent Prothro to the campus.

9. U. T. Medical Branch - Galveston - Student Learning Center (Project No. 601-060): Authorization of Institutional Management of Project

The Board authorized The University of Texas Medical Branch at Galveston to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts associated with the Student Learning Center. The project is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a total project cost of \$8,292,000, with funding of \$4,100,000 from Gifts and Grants and \$4,192,000 from Permanent University Fund Bond Proceeds.

This project will renovate approximately 46,500 gross square feet of classroom and group teaching space for the medical school in multiple areas within the campus facilities. Existing space will be divided into 50 small group rooms, 20 standardized patient rooms, and student teaching labs and support spaces through a series of small sequential construction stages best managed by professional project managers at U. T. Medical Branch - Galveston who are trained to execute clinical renovation projects under the difficult conditions of construction in occupied space.

10. U. T. Health Science Center - Houston - Nursing and Biomedical Sciences Building (Project No. 701-967): Appropriation of Funds and Authorization of Expenditure for Deconstruction Stage

The Board appropriated funds and authorized expenditure of \$600,000 from Gifts and Grants for deconstruction of the Graduate School Building along with utility and site work for the Nursing and Biomedical Sciences Building project at The University of Texas Health Science Center at Houston.

This project is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a preliminary project cost of \$63,700,000, with funding of \$32,500,000 from Revenue Financing System Bond Proceeds, \$17,500,000 from Tuition Revenue Bond Proceeds, \$10,000,000 from Gifts and Grants, and \$3,700,000 from Unexpended Plant Funds.

In November 1998, the U. T. Board of Regents appropriated \$3,700,000 from Unexpended Plant Funds and \$3,000,000 from Gifts and Grants for the first stage of the project; the renovation work that permits the relocation of staff housed in the Human Genetics Center. The second stage will involve the deconstruction work, as well as some preliminary site and utility work to fully prepare the project site for construction of the new building. Plans for the construction stage of the project will be presented to the U. T. Board of Regents for approval at a later date.

11. U. T. Health Science Center - San Antonio - Children's Cancer Research Center (Project No. 402-022): Approval of 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

House Bill 1945, codified as Texas Education Code Section 63.001 et seq. during the 76th Session of the Texas Legislature, established the Permanent Health Fund, including a \$200,000,000 fund for The University of Texas Health Science Center at San Antonio. Under Section 63.102(c) of the statute, an amount appropriated from the \$200,000,000 may be used to establish, maintain, and operate a children's cancer center.

Following a presentation on the Children's Cancer Research Center project at U. T. Health Science Center - San Antonio by Mr. Sidney J. Sanders, Assistant Vice Chancellor for Facilities Planning and Construction for The University of Texas System, the Board:

- a. Approved design development plans for the Children's Cancer Research Center project at U. T. Health Science Center - San Antonio
- b. Approved the evaluation of alternative energy economic feasibility
- c. Approved a total project cost of \$49,500,000
- d. Appropriated funds and authorized expenditure of \$49,500,000 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 137, the U. T. Board of Regents 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. Health Science Center - San Antonio, 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 \$49,500,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

The Children's Cancer Research Center at U. T. Health Science Center - San Antonio is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget, at a preliminary project cost of \$49,500,000, with funding from Revenue Financing System Bond Proceeds.

Section 2166.403 of the Texas Government Code requires the governing body of the appropriate State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into new State buildings. The Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standard for New State Buildings and determined that alternative energy devices for the project are not economically feasible.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Director of 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 Children's Cancer Research Center project at U. T. Health Science Center - San Antonio, 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 as amended, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, and the Ninth Supplemental Resolution as amended.

EXECUTED this 29th day of January, 2001

/s/ Terry Hull

Director of Finance

INFORMATIONAL REPORT

U. T. System: Report on Architecturally Significant Projects

Committee Chairman Clements reported that the U. T. Board of Regents' Facilities Planning and Construction Committee selected the following design associations for these architecturally significant projects at its meeting on January 9, 2001:

- a. The University of Texas at San Antonio - Engineering/
Biotechnology Building - Phase III: FKP Architects, Inc., Houston, Texas
- b. The University of Texas Health Science Center at San
Antonio - Hidalgo County Medical Research Division of
the Regional Academic Health Center (RAHC): Hellmuth,
Obata & Kassabaum (H O & K), Inc., Houston, Texas.

Vice-Chairman Clements thanked all the Board members who participated in the selection process of these architecturally significant projects and stated that the new system of having Regents serve on these committees is working well. Mrs. Clements noted that in addition to hearing presentations from the architects, the meetings of the architecturally significant projects have provided an opportunity to generally review the whole project and consider needed alterations.

* * * * *

At the conclusion of the Facilities Planning and Construction Committee meeting, Committee Chairman Clements reported that the quarterly reporting on Historically Underutilized Business participation changed from "Construction Contracts Awarded" to "Subcontracting Plans Submitted" as a more comprehensive measure of quarterly performance.

Since the last regular meeting, one Historically Underutilized Business Subcontracting Plan was submitted for general construction contracts totaling \$4,210,000. This included an anticipated 28.98% total participation rate by Historically Underutilized Businesses, with 21.70% by minority-owned businesses and 7.28% by women-owned businesses. A total of seven Architect/Engineer Subcontracting Plans were submitted for contract award representing a total of \$22,394,180 in contracts. These contracts include a 19.44% total participation rate by Historically Underutilized Businesses, with 17.74% by minority-owned firms and 1.70% by women-owned firms.

RECESS AND RECONVENE.--At 10:20 a.m., the Board recessed and reconvened at 10:55 a.m. as a committee of the whole to consider those items remaining on the agenda.

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

The Board for Lease of University Lands met on November 8, 2000, in the Board of Regents' Meeting Room on the ninth floor of Ashbel Smith Hall in Austin, Texas, for a general business meeting and to award leases for Regular Oil and Gas Lease Sale No. 98. Bids were opened at the Center for Energy and Economic Diversification in Midland, Texas, on November 7, 2000.

Following is a report on the result of the lease sale:

Regular Oil and Gas Lease Sale No. 98: Total bonuses received in the amount of \$4,587,471.40 for 19,269.669 acres (68 tracts) leased; single highest bid was \$204,504.75 (\$624.16/acre) for a 327.650-acre tract in Upton County; 28,659.426 acres (102 tracts) nominated for lease. The Board rejected the bid associated with Tract No. 13 because the Attorney General's Office will soon file litigation relating to the prior lease on this tract.

Following is a report on the general business meeting:

- a. Approval of the Minutes of the May 17, 2000, meeting of the Board for Lease of University Lands
- b. Approval of lease procedures and terms for Regular Oil and Gas Lease Sale No. 99 to be held on Wednesday, May 16, 2001
- c. Approval of a temporary exploratory unit proposed by McCabe Petroleum Corporation - Ward County, Texas
- d. Executive Session pursuant to authority granted under Section 551.071 of the Texas Government Code regarding pending or contemplated litigation
- e. Approval of the management of the royalty in-kind programs as presented by staff, including expressly authorizing staff to continue to explore the marketing of University in-kind oil and gas under the General Land Office's State Power Program

- f. General Land Office staff updated the Board with the status of the General Land Office's State Power Program (which authorizes the Commissioner to convert oil and gas royalties taken in-kind from State lands into other forms of energy, including electricity, for sale to certain public retail customers).

Executive Vice Chancellor Kerry L. Kennedy reminded the Board that all monies from bids are deposited in the Permanent University Fund and stated that he is pleased with the result of the November 2000 sale which brought in revenues of approximately \$4.6 million in a single lease sale compared to \$4.3 million for the combined two fiscal years 1999 and 2000. Chancellor R. D. Burck attributed the success to market conditions.

REPORT FOR THE RECORD

U. T. Tyler: Report on Educational Partnership Agreement with Tyler Junior College

The U. T. Board of Regents and the Board of Trustees of Tyler Junior College approved an Educational Partnership Agreement between The University of Texas at Tyler and Tyler Junior College on August 11, 1994. The Agreement was subsequently approved by the Texas Higher Education Coordinating Board.

The purpose of the Partnership, as authorized by State law, was to utilize resources of both institutions to maximize higher education access and opportunity for students of the East Texas region to participate in a continuous educational experience through which associate, baccalaureate, and graduate degrees could be obtained. The authorizing legislation required the establishment of a Partnership Advisory Committee which was to meet annually.

While there is a strong ongoing academic relationship between the two institutions, President Rodney Mabry of U. T. Tyler and President William Crowe of Tyler Junior College agree there is no need at this time to continue a formal educational partnership as authorized by Texas Education Code Section 51.661 et seq. Accordingly, the Partnership Advisory Committee will be dissolved.

OTHER MATTERS

U. T. Board of Regents: Presentation of Certificate of Appreciation to John P. Howe, III, M.D., Former President of U. T. Health Science Center - San Antonio

Chairman Loeffler noted that John P. Howe, III, M.D., former President of The University of Texas Health Science Center at San Antonio, who had resigned effective October 15, 2000, was present at the meeting following recuperation from surgery. Regent Loeffler commended Dr. Howe for his service to the State of Texas and to The University of Texas System and then presented the following certificate of appreciation:

CERTIFICATE OF APPRECIATION

The Board of Regents

Expresses to

JOHN P. HOWE, III, 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 Science Center at San Antonio

1985 – 2000

Adopted by unanimous vote this 15th day of February 2001

(signed by all members of the Board)

Dr. Howe graciously accepted the accolade and expressed his sincere appreciation to the staff of the U. T. Health Science Center – San Antonio and others with whom he had worked. He wished President Francisco Cigarroa the best and then thanked the Board for the opportunity to serve the U. T. System. He received a standing ovation and a handshake from each member of the Board.

SCHEDULED MEETING.--The next scheduled meeting of the U. T. Board of Regents will be held on May 9-10, 2001, in Austin.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 11:45 a.m.

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

April 4, 2001

**THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
CHANCELLOR'S DOCKET NO. 104**

January 12, 2001

TO MEMBERS OF THE BUSINESS AFFAIRS AND AUDIT COMMITTEE:

A. W. "Dub" Riter, Jr., Chairman
Woody L. Hunt
Patrick C. Oxford

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 February 15, 2001. The 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 | C - 1 through C - 21 |
| The University of Texas at Arlington | AR - 1 through AR - 16 |
| The University of Texas at Austin | A - 1 through A - 45 |
| The University of Texas at Brownsville | B - 1 through B - 7 |
| The University of Texas at Dallas | D - 1 through D - 8 |
| The University of Texas at El Paso | EP - 1 through EP - 7 |
| The University of Texas – Pan American | PA - 1 through PA - 3 |
| The University of Texas of the Permian Basin | PB - 1 through PB - 6 |
| The University of Texas at San Antonio | SA - 1 through SA - 14 |
| The University of Texas at Tyler | TA - 1 through TA - 8 |
| The University of Texas Southwestern Medical Center at Dallas | HD - 1 through HD - 25 |
| The University of Texas Medical Branch at Galveston | G - 1 through G - 8 |
| The University of Texas Health Science Center at Houston | HH - 1 through HH - 7 |
| The University of Texas Health Science Center at San Antonio | HS - 1 through HS - 9 |
| The University of Texas M. D. Anderson Cancer Center | CC - 1 through CC - 16 |
| The University of Texas Health Center at Tyler | HT - 1 through HT - 2 |

/s/ R. D. Burck
Chancellor

xc: Other Members of
the Board

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

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| Other Matters | |
| Proposed Allocation from PUF Bond Proceeds for Library Special Collection | C - 5 |
| Ratification of Newly Commissioned University of Texas System Peace Officers | C - 6 |
| Real Estate Office Report..... | C - 7 |
| Medical and Dental Services, Research and Development | |
| Programs/Physicians Referral Service..... | C - 8 |

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET

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. Source of funds for payment of salaries, unless otherwise shown, is the departmental salaries account.

| <u>Item, Department, Title, Name</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary Rate</u> | <u>RBC #</u> |
|---|----------------------------|---------------|-----------------|------------------------------|--------------|
| <u>APPOINTMENTS AND PROMOTIONS</u> | | | | | |
| SYSTEM ADMINISTRATION | | | | | |
| Office of the Chancellor | | | | | |
| 1. Robert D. Burck | | | | | 4 |
| From: Chancellor ad interim | | 100 | 12 | 304,184 | |
| | | SUPLT | 12 | 50,816 | |
| To: Chancellor | 12/6 | 100 | 12 | 355,000 | |
| Source of Funds: | | | | | |
| \$ 70,231 | - Office of the Chancellor | | | | |
| <u>284,769</u> | - Chancellor's Council | | | | |
| <u>\$ 355,000</u> | - Total Compensation | | | | |
| Office of the Executive Vice Chancellor for Business Affairs | | | | | |
| 2. Kerry L. Kennedy | | | | | 5 |
| From: Executive Vice Chancellor for Business Affairs ad interim | | 100 | 12 | 141,750 | |
| | | SUPLT | 12 | 53,950 | |
| To: Executive Vice Chancellor for Business Affairs | 12/6 | 100 | 12 | 230,600 | |

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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> | |
| SYSTEM ADMINISTRATION (Continued) | | | | | |
| Office of Academic Affairs | | | | | |
| 3. Felipe Alanis | | | | | 9 |
| From: Assistant Vice Chancellor for Academic Affairs | | 100 | 12 | 130,000 | |
| To: Associate Vice Chancellor for Academic Affairs | 1/1 | 100 | 12 | 150,000 | |
| 4. Mike Kerker | | | | | 3 |
| From: Senior Research and Policy Analyst | | 100 | 12 | 85,280 | |
| To: Director of Research and Policy Analysis | 11/1 | 100 | 12 | 93,000 | |
| Office of Academic Affairs/U. T. Telecampus | | | | | |
| 5. Darcy Hardy | | | | | 2 |
| From: Director U. T. Telecampus | | 100 | 12 | 105,000 | |
| To: Assistant Vice Chancellor for Academic Affairs and Director U. T. Telecampus | 11/1 | 100 | 12 | 115,000 | |
| Office of the Vice Chancellor for Governmental Relations | | | | | |
| 6. Thomas A. Scott | | | | | 6 |
| From: Vice Chancellor for Governmental Relations ad interim | | 100 SUPLT | 12 12 | 130,244 18,156 | |
| To: Vice Chancellor for Governmental Relations | 12/6 | 100 | 12 | 156,000 | |

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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> | |
| SYSTEM ADMINISTRATION (Continued) | | | | | |
| Office of the Vice Chancellor for Community Relations | | | | | |
| 7. Armando Diaz | | | | | 7 |
| From: Associate Vice Chancellor for Governmental and Community Relations | | 100 | 12 | 119,256 | |
| To: Vice Chancellor for Community Relations | 12/6 | 100 | 12 | 145,000 | |
| Office of Finance | | | | | |
| Assistant Vice Chancellor for Finance | | | | | |
| 8. Philip R. Aldridge | 1/8 | 100 | 12 | 149,628 | 10 |
| Office of the Controller | | | | | |
| 9. Randall F. Wallace | | | | | 8 |
| From: Assistant Vice Chancellor and Controller ad interim | | 100 | 12 | 103,940 | |
| | | SUPLT | 12 | 32,308 | |
| To: Assistant Vice Chancellor and Controller | 12/6 | 100 | 12 | 150,000 | |

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

OTHER MATTERS

Proposed Allocation From PUF Bond Proceeds For Library Special Collection

Based upon a request dated November 3, 2000 from President Romo, an allocation of \$18,750 from the PUF Library Special Reserve is recommended.

The University of Texas at San Antonio has an opportunity to purchase the National Audubon Society-Abbeville Press Facsimile Edition of the John James Audubon's *Birds of America*, published in 1985. This monumental, double elephant folio facsimile will complement existing collections and be a significant addition to the resources held at UTSA. The Special Collections at UTSA is focused on Western Americana and Texana and already includes some Audubon materials. The present owner of the books, Mr. Dean H. Maddox of Houston, has agreed to accept half the appraised value of the books and the display case in cash and donate the balance of the value. Therefore, \$18,750 is requested from the Special Collection Reserve.

The U. T. System Board of Regents appropriated \$1 million for Special Collections Enhancement in June 1986. This amount was placed in reserve for institutional requests when unusual acquisition opportunities exist. The reserve balance now stands at \$70,869.30.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

OTHER MATTERS (Continued)

Ratification of Newly Commissioned University of Texas System Peace Officers

In accordance with Chapter 51.203 of the Texas Education Code, the Board of Regents is requested to ratify the commissioning of the below listed individuals as peace officers effective December 15, 2000. The following officers have completed a course of training that included mandated Texas Commission on Law Enforcement Officer Standards and Education courses at the University of Texas System Police Training Academy and have successfully passed the State of Texas Peace Officer Licensing Examination.

| <u>Name</u> | <u>Component Institution</u> |
|------------------------|--|
| Roy Arce, Jr. | U. T. Pan American |
| Shannon L. Boyer | U. T. Southwestern Medical Center - Dallas |
| Oziel Briones | U. T. Brownsville |
| Mark W. Brushwiller | U. T. San Antonio |
| Thomas J. Calucci | U. T. San Antonio |
| Rene S. Carrasco | U. T. Permian Basin |
| Kelvyn T. Comeaux | U. T. Medical Branch - Galveston |
| Manuel A. Fajin | U. T. San Antonio |
| Stephen C. Finney, Jr. | U. T. Dallas |
| Ronald G. Franco | U. T. El Paso |
| Steven E. Garza | U. T. Pan American |
| Steven F. Harris | U. T. Austin |
| Mark D. Keithly | U. T. Southwestern Medical Center - Dallas |
| Benjamin R. Kiser | U. T. System Institutions - Tyler |
| Brian A. Martin | U. T. Medical Branch - Galveston |
| Ozcar M. Orozco | U. T. El Paso |
| Robert J. Peterson | U. T. Pan American |
| Tyrone N. Scott | U. T. Austin |
| Brandon L. Simmons | U. T. Houston |
| Ricky D. Sluder | U. T. Southwestern Medical Center - Dallas |
| Vance W. Weltner | U. T. San Antonio |
| Angela D. Willis | U. T. System Institutions - Tyler |

THE UNIVERSITY OF TEXAS SYSTEM
 BOARD OF REGENTS MEETING
 February 15, 2001
 REALESTATEASSETS

Managed by U.T. System Real Estate Office

Summary Report at November 30, 2000

FUND TYPE

| | current Purpose Restricted | | Endowment & Similar Funds | | Annuity & Life Income Funds | | TOTAL | |
|--|-------------------------------|------------|------------------------------|------------|--------------------------------|---------|------------|-------------|
| | Book | Market | Book | Market | Book | Market | Book | Market |
| Land & Buildings: Ending Value 08/31/00 | 4,837,813 | 18,648,246 | 20,877,942 | 97,049,247 | 1,213,970 | 783,802 | 26,929,725 | 116,481,295 |
| increase or Decrease | (165,001) | 32,412 | (150,855) | 17,751 | 180,694 | 180,694 | (135,162) | 230,857 |
| Ending Value 11/30/00 | 4,672,812 | 18,680,658 | 20,727,087 | 97,066,998 | 1,394,664 | 964,496 | 26,794,563 | 116,712,152 |
| Other Real Estate: Ending Value 08/31/00 | 218,404 | 218,404 | 350,267 | 350,267 | | | 568,671 | 568,671 |
| Increase or Decrease | (2,359) | (2,359) | (1,852) | (1,852) | 0 | 0 | (4,211) | (4,211) |
| Ending Value 11/30/00 | 216,045 | 216,045 | 348,415 | 348,415 | | | 564,460 | 564,460 |

C-7

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

The University of Texas System
PHYSICIAN/DENTAL PRACTICE PLANS
Quarterly Financial Report
(Unaudited)

For the Three Months Ending November 30, 2000

The University of Texas System
Comparison of 2001 Actual Year-to-Date Margins
to 2000 Add Year-to-Date Margins
For the Three Months Ending November 30, 2000

| | 2000 Actual Year-to-Date Operating Margin | 2001 Actual Year-to-Date Operating Margin | Variance |
|--|---|---|-------------------|
| U.T.S.M.C. at Dallas | \$ 3,308,899 | 3,587,838 | 278,939 |
| U.T.S.M.C. at Dallas-Allied Health | 127,446 | 34,112 | (93,334) |
| U.T.M.B. at Galveston | 1,750,669 | (2,435,444) | (4,186,113) (A) |
| U.T.H.S.C. at Houston | (1,418,054) | 9,850,159 | 11,268,213 (B) |
| U.T.H.S.C. at San Antonio - MSRDP | (7,237,372) | (1,807,493) | 5,429,879 (C) |
| U.T.H.S.C. at San Antonio - DSRDP | 304,188 | 344,264 | 40,076 |
| U.T.M.D. Anderson Cancer Center | 2,049,170 | (3,846,062) | (5,895,232) (D) |
| U.T.H.C. at Tyler | 115,726 | (416,699) | (532,425) |
| Combined Operating Margins | \$ (999,328) | 5,310,675 | 6,310,003 |

- (A) U.T.M.B. at Galveston - Net patient revenues decreased \$2.9 million due to an increase in the number of patient visits and procedures related to indigent care patients, and the corresponding increase in unsponsored charity care, contractual adjustments and bad debt expense. Additionally, total expenditures increased \$1.6 million due to the recording of expenditures on an accrual basis in 2001 versus the cash basis in 2000 and increased spending for office space and medical and surgical supplies.
- (B) U.T.H.S.C. at Houston - Total revenues increased \$7.8 million due to several items. Since March 2000, approximately 15% more in gross charges have been recorded per month. This is due to greater clinician productivity and improved business office charge capture processes. U.T.H.S.C. at Houston also reported its professional fee revenue results for 2000 net of the 5.01(a) Corporation's withholds for funding the 5.01(a) Corporation's budget. The revenue amounts presented for the first quarter of 2001 now reflect the full professional fee revenue results on an accrual basis, prior to any netting of the 5.01(a) Corporation's withheld amounts. Additionally, contractual income increased due to a change in accounting for the administrative overhead of the Medical School. In 2000, these administrative overhead charges were accounted for as intra-company transfers. In 2001, these charges are more appropriately recorded as contractual income payments. Total expenditures decreased \$3.5 million due to cost containment efforts. In addition, the conference center at the Medical School was completed in 2000; therefore, capital outlay decreased in 2001.
- (C) U.T.H.S.C. at San Antonio - MSRDP - Net patient revenues increased \$9.8 million primarily due to the recording of revenues on an accrual basis in 2001 versus the cash basis in 2000. Total expenditures increased \$4.3 million largely due to the recording of expenses on an accrual basis in 2001 versus a cash basis in 2000 and salary increases. In addition, expenses related to the relocation of the 5.01(a) Corporation, as well as start-up costs associated with the new 5.01(a) Corporation's Diagnostic Clinic, which opened in October 2000, were recorded in 2001.
- (D) U.T.M.D. Anderson Cancer Center - Net patient revenues decreased \$1.5 million due to a shift in payor mix and a corresponding decline in third party reimbursement rates. Additionally, other income decreased \$1 million in 2001 due to the inclusion of the proceeds from the sale of the patient accounts receivable in 2000 with no such amount for 2001. Total expenditures also increased \$3.4 million due largely to new positions that have been filled and merit increases.

The University of Texas System
MSRDP/DSRDP/PRS Year-to-Date Summary of Operations - Accrual Basis
For the Three Months Ending November 30, 2000

| | Cumulative Year-to-Date 2000 | Cumulative Year-to-Date 2001 | Increase/ (Decrease) | Percent Increase/ (Decrease) |
|--|------------------------------------|------------------------------------|-------------------------|------------------------------------|
| Beginning Fund Balance, September 1 | \$ 356,102,309 | 368,410,768 | 12,308,459 | 3.46% |
| Revenues | | | | |
| Gross Charges | - | 374,304,612 | - | - |
| Less: | | | | |
| Un-sponsored Charity Care | - | 103,335,496 | - | - |
| Contractual Adjustments | - | 96,193,307 | - | - |
| Other Unreimbursed Medical Costs | - | 9,871,513 | - | - |
| Bad Debt Expense | - | 32,610,075 | - | - |
| Net Patient Revenue | - | 132,294,221 | - | - |
| Contractual Income | - | 39,074,449 | - | - |
| Interest Income | - | 1,679,707 | - | - |
| Other Income | - | 1,275,769 | - | - |
| Total Revenues - per Monthly Financial Report | 157,394,804 | 174,324,146 | 16,929,342 | 10.76% (1) |
| Expenditures | | | | |
| Faculty Salaries | 62,527,876 | 64,872,888 | 2,345,012 | 3.75% |
| Staff Salaries | 29,613,480 | 29,771,539 | 158,059 | 0.53% |
| Resident Salaries | 759,856 | 741,021 | (18,835) | -2.48% |
| Fringe Benefits | 29,142,283 | 31,969,363 | 2,827,080 | 9.70% |
| Maintenance and Operations | 24,917,609 | 31,214,502 | 6,296,893 | 25.27% (2) |
| Professional Liability Insurance | 5,372,754 | 4,566,756 | (805,998) | -15.00% (3) |
| Travel | 2,054,292 | 2,302,382 | 248,090 | 12.08% |
| Capital Outlay | 2,665,757 | 2,228,861 | (436,896) | -16.39% |
| Official Functions | 559,229 | 321,760 | (237,469) | -42.46% |
| Other Expenses | - | - | - | - |
| Total Expenditures | 157,613,136 | 167,989,072 | 10,375,936 | 6.58% |
| Debt Service | 780,996 | 1,024,399 | 243,403 | 31.17% |
| Total Exp. & Debt Service - per Monthly Financial Report | 158,394,132 | 169,013,471 | 10,619,339 | 6.70% |
| Year-to-Date Operating Margin | (999,328) | 5,310,675 | 6,310,003 | -631.42% |
| Other Additions/Deductions | | | | |
| Other Additions | 1,225,654 | 546,070 | (679,584) | -55.45% (4) |
| Other Deductions | (4,793,607) | (5,856,664) | (1,063,057) | 22.18% (5) |
| | (3,567,953) | (5,310,594) | (1,742,641) | 48.84% |
| Net Increase/(Decrease) | (4,567,281) | 81 | 4,567,362 | 100.00% |
| Ending Fund Balance, November 30 | \$ 351,535,028 | 368,410,849 | 16,875,821 | 4.80% |

The University of Texas System
Explanations of Variances to Practice Plans
Summary of Operations
For the Three Months Ending November 30, 2000

Explanations are provided for variances equal to or greater than 10% of the prior year-to-date actual and greater than \$500,000.

Revenues

- (1) Total Revenues – The \$16.9 million (10.8%) increase in revenues over the same period last year is largely attributable to ***U.T.H.S.C. San Antonio*** (\$9.7 million) and ***U.T.H.S.C. Houston*** (\$7.8 million).

U.T.H.S.C. San Antonio's variance is due to the recording of revenues on an accrual basis in 2001 versus a cash basis in 2000.

U.T.H.S.C. Houston's favorable variance is a result of several items. Since March 2000, approximately 15% more in gross charges have been recorded per month. This is due to greater clinician productivity and improved business office charge capture processes. ***U.T.H.S.C. Houston*** also reported its professional fee revenue results for 2000 net of the 5.01(a) Corporation's withholds for funding the 5.01(a) Corporation's budget. The revenue amounts presented for the first quarter of 2001 now reflect the full professional fee revenue results on an accrual basis, prior to any netting of the 5.01(a) Corporation's withheld amounts. Additionally, contractual income increased due to a change in accounting for the administrative overhead of the Medical School. In 2000, these administrative overhead charges were accounted for as intra-company transfers. In 2001, these charges are more appropriately recorded as contractual income payments.

Expenditures

- (2) Maintenance and Operations – The \$6.3 million (25.3%) increase in expenditures over the same period last year is largely attributable to ***U.T.H.S.C. San Antonio*** (\$4.6 million) and ***U. T.S.M. C. Dallas*** (\$1.4 million).

Approximately \$1.5 million of ***U.T.H.S.C. San Antonio's*** variance is due to the recording of expenses on an accrual basis in 2001 versus a cash basis in 2000. Another \$1.5 million of the variance is due to all ***U.T.H.S.C. San Antonio*** employees that worked in the MSRDP Central Office being transferred to the 5.01(a) Corporation effective February 1, 2000. These expenses are now recorded in Maintenance and Operations along with all other managed care services expenditures related to the 5.01(a) Corporation. The remainder of the variance is attributable to expenses related to the relocation of the 5.01(a) Corporation, as well as start-up costs associated with the new 5.01(a) Corporation's Diagnostic Clinic, which opened in October 2000.

**Explanations of Variances to Practice Plans
Summary of Operations
For the Three Months Ending November 30, 2000 (Continued)**

U.T.S.M.C. *Dallas*' variance is largely the result of increased managed care services expenditures associated with the 5.01(a) Corporation and the transfer of radiological technical operations from Zale Lypshy University Hospital.

- (3) Professional Liability Insurance – The \$806,000 (15%) decrease in expenditures over the same period last year is due to variances at all of the institutions, none of which exceeded \$500,000. On May 11, 2000, the Board of Regents approved an overall 11.5% premium decrease effective September 1, 2000.

Other Additions/Deductions

- (4) Other Additions – The \$680,000 (55.5%) decrease in Other Additions compared to the same period last year is primarily attributable to U.T.S.M.C. ***Dallas (\$650,000)***. ***U.T.S.M.C. Dallas*** did not record any transfers to MSRDP during the first quarter of 2001.
- (5) Other Deductions – The \$1.1 million (22.2%) increase in Other Deductions versus the ***same*** period last year is due to ***U.T.S.M.C. Dallas***. Renovations to the Clinical Services II Building for clinical faculty office space are being funded with transfers from MSRDP.

GLOSSARY OF TERMS

GROSS CHARGES -- *Posted charges.*

UNSPONSORED **CHARITY CARE** -- *Unreimbursed charges to **financially** or medically indigent patients.*

CONTRACTUAL ADJUSTMENTS -- *The difference between the gross charge and the discounted **amount** agreed to by a third party contract, such as **PPOs, HMOs** and Medicare. Does not **include** Medicaid unreimbursed charges, which are considered **un-sponsored** charity care.*

OTHER **UNREIMBURSED MEDICAL COSTS** -*All other write-offs, i.e., **unbilled charges** and discounts **for** personal courtesy **and** employees.*

BAD DEBT EXPENSE -- *Charges that were at one time the responsibility of a **third party** that are deemed uncollectible. Does not include the contractual adjustment portion of the gross charge.*

NET PATIENT REVENUE -- *Gross charges less **all** deductions.*

CONTRACTUAL **INCOME** -- *Income received for contractual physician services to **affiliated** hospitals and contractual physician services to the Texas Department Criminal Justice **at** U.T. Medical Branch at Galveston.*

INTEREST INCOME -- *Income **earned from** investments.*

OTHER INCOME--*Income not related to **patient** care.*

FACULTY **SALARIES** -- *All **faculty** salary payments including salary augmentation.*

STAFF SALARIES -*All non-faculty **salary** payments, excluding resident salaries.*

RESIDENT SALARIES -- *Salaries paid to resident physicians.*

FRINGE BENEFITS -- *Group insurance premiums (net **of** premium sharing) paid by the plan, supplemental retirement annuities, parking, and **mandatory** state benefits (retirement, **OASI, WCI**, premium sharing, etc.).*

MAINTENANCE AND OPERATIONS -*All expenditures not classified elsewhere, i.e., utilities, supplies, repairs **and** maintenance, shipping **and** postage, etc.*

PROFESSIONAL LIABILITY INSURANCE -- *Professional liability insurance premiums paid by the institution on behalf **of plan** members.*

TRAVEL -*All costs associated with travel.*

CAPITAL OUTLAY -- *Cost **of** capital acquisitions **funded from plan** resources not reported in "Debt Service" below.*

OFFICIAL FUNCTIONS -- *Business related events **that** are **of** documented benefit to the institution.*

OTHER EXPENSES -- *Other expenditure items not **identified** elsewhere.*

DEBT SERVICE -- *Principal and interest paid on **any** debt, i.e., building construction, renovation, **lease-purchase** agreements, etc.*

OTHER ADDITIONS -- *Transfers **from** non-practice plan **funds**.*

OTHER DEDUCTIONS -*Annual change in Accrued Compensable Absences payable and transfers to non-practice plan **funds for** the establishment **of quasi-endowments**, to provide funding **for new** programs outside the plan, to provide **reimbursement for** services rendered, and to provide salary and program enhancement supplements.*

The University of Texas Southwestern Medical Center at Dallas
MSRDP/PRS Year-to-Date Summary of Operations - Accrual Basis
For the **Three Months** Ending November **30, 2000**

| | Cumulative Year-to-Date 2000 | Cumulative Year-to-Date 2001 | Increase/ (Decrease) | Percent Increase/ (Decrease) |
|--|------------------------------------|------------------------------------|-------------------------|------------------------------------|
| Beginning Fund Balance, September 1 | \$ 146,050,572 | 159,407,163 | 13356591 , , | 9.15% |
| Revenues | | | | |
| Gross Charges | | 127,898,558 | | |
| Less: | | | | |
| Un-sponsored Charity Care | | 52,792,075 | | |
| Contractual Adjustments | | 25,919,331 | | |
| Other Unreimbursed Medical Costs | | 2,233,347 | | |
| Bad Debt Expense | | 8,718,474 | | |
| Net Patient Revenue | | 38,235,331 | | |
| Contractual Income | | 15,809,851 | | |
| Interest Income | | | | |
| Other Income | | 313,002 | | |
| Total Revenues - per Monthly Financial Report | 50,164,908 | 54,358,184 | 4,193,276 | 8.36% |
| Expenditures | | | | |
| Faculty Salaries | 17,636,755 | 18,751,841 | 1,115,086 | 6.32% |
| Staff Salaries | 8,929,889 | 9,906,281 | 976,392 | 10.93% |
| Resident Salaries | | | | |
| Fringe Benefits | 5,778,245 | 6333,142 | 454,897 | 1.87% |
| Maintenance and Operations | 10,788,586 | 12,229,046 | 1440,460 | 13.35% |
| Professional Liability Insurance | 1,346,827 | 1,232,941 | (113,886) | -8.46% |
| Travel | 529,871 | 501,591 | (28,280) | -5.34% |
| Capital Outlay | 959,161 | 891,105 | (68,056) | -7.10% |
| Official Functions | 105,679 | | (105,679) | -100.00% |
| Other Expenses | | | | |
| Total Expenditures | 46,075,013 | 49, x5,947 | 3,610934 | 7.91% |
| Debt Service | 780,996 | 1,024,399 | 243,403 | 31.17% |
| Total Exp. & Debt Service - per Monthly Financial Report | 46,856,009 | 50,770,346 | 3,914,337 | 8.35% |
| Year-to-Date Operating Margin | 3,308,899 | 3,587,838 | 278,939 | 8.43% |
| Other Additions/Deductions | | | | |
| Other Additions | 650,000 | | (650,000) | -100.00% |
| Other Deductions | (2,041,020) | (3,152,955) | (1,111,935) | 54.48% |
| | (1,391,020) | (3,152,955) | (1,761,935) | 126.66% |
| Net Increase/(Decrease) | 1,917,879 | 434,883 | (1,482,996) | -77.32% |
| Ending Fund Balance, November 30 | \$ 147,968,451 | 159,842,046 | 11,873,595 | 8.02% |

The University of Texas Southwestern Medical Center at Dallas
MSRDP-Allied Health Faculty Services Plan Year-to-Date Summary of Operations - Accrual Basis
For the Three Months Ending November 30, 2000

| | Cumulative Year-to-Date 2000 | Cumulative Year-to-Date 2001 | Increase/ (Decrease) | Percent Increase/ (Decrease) |
|---|------------------------------------|------------------------------------|-------------------------|------------------------------------|
| Beginning Fund Balance, September 1 | \$ 1,915,068 | 2,477,212 | 562,144 | 29.35% |
| Revenues | | | | |
| Gross Charges | | 562,857 | | |
| Less: | | | | |
| Un-sponsored Charity Care | | 660 | | |
| Contractual Adjustments | | 131,937 | | |
| Other Unreimbursed Medical Costs | | 12,492 | | |
| Bad Debt Expense | | (8,476) | | |
| Net Patient Revenue | | 426,244 | | |
| Contractual Income | | (2,526) | | |
| Interest Income | | | | |
| Other Income | | 12,601 | | |
| Total Revenues - per Monthly Financial Report | 447,130 | 436,319 | (10,811) | -2.42% |
| Expenditures | | | | |
| Faculty Salaries | 98,143 | 58,997 | (39,146) | -39.89% |
| Staff Salaries | 87,976 | 125,965 | 37,989 | 43.18% |
| Resident Salaries | | | | |
| Fringe Benefits | 57,314 | 63,088 | 5,774 | 10.07% |
| Maintenance and Operations | 66,549 | 144,451 | 77,902 | 117.06% |
| Professional Liability Insurance | | | | |
| Travel | 4,867 | 8,102 | 3,235 | 66.47% |
| Capital Outlay | 2,018 | 1,604 | (414) | -20.52% |
| Official Functions | 2,817 | | (2,817) | -100.00% |
| Other Expenses | | | | |
| Total Expenditures | 319,684 | 402,207 | 82,523 | 25.81% |
| Debt Service | | | | |
| Total Exp. & Debt Service - per Monthly Financial Report | 319,684 | 402,207 | 82,523 | 25.81% |
| Year-to-Date Operating Margin | 327,446 | 34,112 | (93,334) | -73.23% |
| Other Additions/Deductions | | | | |
| Other Additions | 247,599 | 166,431 | (81,168) | -32.78% |
| Other Deductions | (181,643) | (195,767) | (14,124) | 7.78% |
| | 65,956 | (29,336) | (95,292) | -144.48% |
| Net Increase/(Decrease) | 193,402 | 4,776 | (188,626) | -97.53% |
| Ending Fund Balance, November 30 | \$ 2,108,470 | 2,481,988 | 373,518 | 17.72% |

The University of Texas Medical Branch at Galveston
MSRDP/PRS Year-to-Date Summary of Operations - Accrual Basis
For the Three Months Ending November 30, 2000

| | Cumulative Year-to-Date 2000 | Cumulative Year-to-Date 2001 | Increase/ (Decrease) | Percent Increase/ (Decrease) |
|---|------------------------------------|------------------------------------|-------------------------|------------------------------------|
| Beginning Fund Balance, September 1 | \$ 37,960,849 | 42,430,429 | 4,469,580 | 11.77% |
| Revenues | | | | |
| Gross Charges | | 65,671,638 | | |
| Less: | | | | |
| Un-sponsored Charity Care | | 15,975,411 | | |
| Contractual Adjustments | | 21,620,565 | | |
| Other Unreimbursed Medical Costs | | 4,899,252 | | |
| Bad Debt Expense | | 5,856,051 | | |
| Net Patient Revenue | | <u>17,320,359</u> | | |
| Contractual Income | | 8,077,374 | | |
| Interest Income | | 465,121 | | |
| Other Income | | 654,935 | | |
| Total Revenues - per Monthly Financial Report | <u>29,134,964</u> | <u>26,517,789</u> | <u>(2,617,175)</u> | <u>-8.98%</u> |
| Expenditures | | | | |
| Faculty Salaries | 10,700,776 | 10,592,315 | (108,461) | -1.01% |
| Staff Salaries | 7,173,726 | 7,672,627 | 498,901 | 6.95% |
| Resident Salaries | 759,856 | 741,021 | (18,835) | -2.48% |
| Fringe Benefits | 3,771,075 | 4,359,527 | 588,452 | 15.60% |
| Maintenance and Operations | 2,690,010 | 3,418,533 | 728,523 | 27.0840 |
| Professional Liability Insurance | 1,585,856 | 1,404,066 | (181,790) | -11.46% |
| Travel | 458,318 | 407,765 | (50,553) | -11.03% |
| Capital Outlay | 227,541 | 344,829 | 117,288 | 51.55% |
| Official Functions | 17,137 | 12,550 | (4,587) | -26.77% |
| Other Expenses | | | | |
| Total Expenditures | <u>27,384,295</u> | <u>28,953,233</u> | <u>1,568,938</u> | <u>5.7396</u> |
| Debt Service | | | | |
| Total Exp. & Debt Service - per Monthly Financial Report | <u>21,184,295</u> | <u>28,953,233</u> | <u>1,568,938</u> | <u>5.73%</u> |
| Year-to-Date Operating Margin | <u>1,750,669</u> | <u>(2,435,444)</u> | <u>(4,186,113)</u> | <u>-239.128</u> |
| Other Additions/Deductions | | | | |
| Other Additions | 61,354 | | (61,354) | -100.00% |
| Other Deductions | (108,230) | (27,785) | 80,445 | -74.3346 |
| | (46,876) | (27,785) | 19,091 | -40.73% |
| Net Increase/(Decrease) | <u>1,703,793</u> | <u>(2,463,229)</u> | <u>(4,167,022)</u> | <u>-244.57%</u> |
| Ending Fund Balance, November 30 | <u>\$ 39,664,642</u> | <u>39,967,200</u> | <u>302,558</u> | <u>0.76%</u> |

The University of Texas Health Science Center at Houston
MSRDP/PRS Year-to-Date Summary of Operations - Accrual Basis
For the Three Months Ending November 30, 2000

| | Cumulative Year-to-Date 2000 | Cumulative Year-to-Date 2001 | Increase/ (Decrease) | Percent Increase/ (Decrease) |
|---|------------------------------------|------------------------------------|-------------------------|------------------------------------|
| Beginning Fund Balance, September 1 | \$ 41,653,442 | 41,705,455 | 52,013 | 0.12% |
| Revenues | | | | |
| Gross Charges | | 59,033,708 | | |
| Less: | | | | |
| Un-sponsored Charity Care | | 15,842,206 | | |
| Contractual Adjustments | | 12,767,562 | | |
| Other Unreimbursed Medical Costs | | 1,589,198 | | |
| Bad Debt Expense | | 9,943,956 | | |
| Net Patient Revenue | | <u>18,890,786</u> | | |
| Contractual Income | | 15,148,645 | | |
| Interest Income | | 243,593 | | |
| Other Income | | | | |
| Total Revenues - per Monthly Financial Report | <u>26,497,144</u> | <u>34,283,024</u> | <u>7,785,880</u> | <u>29.38%</u> |
| Expenditures | | | | |
| Faculty Salaries | 11,949,652 | 10,902,773 | (1,046,879) | -8.76% |
| Staff Salaries | 5,562,979 | 4,268,115 | (1,294,864) | -23.28% |
| Resident Salaries | | | | |
| Fringe Benefits | 4,396,287 | 4,171,281 | (225,006) | -5.12% |
| Maintenance and Operations | 4,187,082 | 3,954,541 | (232,541) | -5.5540 |
| Professional Liability Insurance | 733,021 | 634,549 | (98,472) | -13.43% |
| Travel | 170,109 | 161,352 | (8,757) | -5.159 |
| Capital Outlay | 625,499 | 158,182 | (467,317) | -74.71% |
| Official Functions | 290,569 | 182,072 | (108,497) | -37.34% |
| Other Expenses | | | | |
| Total Expenditures | <u>27,915,198</u> | <u>24,432,865</u> | <u>(3,482,333)</u> | <u>-12.47%</u> |
| Debt Service | | | | |
| Total Exp. & Debt Service - per Monthly Financial Report | <u>27,915,198</u> | <u>24,432,865</u> | <u>(3,482,333)</u> | <u>-12.47%</u> |
| Year-to-Date Operating Margin | <u>(1,418,054)</u> | <u>9,850,159</u> | <u>11,268,213</u> | <u>-794.63%</u> |
| Other Additions/Deductions | | | | |
| Other Additions | - | - | - | - |
| Other Deductions | (1,894,800) | (1,546,549) | 348,251 | -18.38% |
| | <u>(1,894,800)</u> | <u>(1,546,549)</u> | <u>348,251</u> | <u>-18.38%</u> |
| Net Increase/(Decrease) | <u>(3,312,854)</u> | <u>8,303,610</u> | <u>11,616,464</u> | <u>-350.65%</u> |
| Ending Fund Balance, November 30 | <u>\$ 38,340,588</u> | <u>50,009,065</u> | <u>11,668,477</u> | <u>30.43%</u> |

**The University of Texas Health Science Center at San Antonio
MSRDP/PRS Year-to-Date Summary of Operations - Accrual Basis
For the Three Months Ending November 30, 2000**

| | Cumulative Year-to-Date 2000 | Cumulative Year-to-Date 2001 | Increase/ (Decrease) | Percent Increase/ (Decrease) |
|---|------------------------------------|------------------------------------|-------------------------|------------------------------------|
| Beginning Fund Balance, September 1 | \$ 30,144,183 | 21,241,673 | (8,902,510) | -29.53% |
| Revenues | | | | |
| Gross Charges | - | 42,253,206 | - | - |
| Less: | | | | |
| Un-sponsored Charity Care | - | 10,906,217 | - | - |
| Contractual Adjustments | - | 4,699,788 | - | - |
| Other Unreimbursed Medical Costs | - | 71,591 | - | - |
| Bad Debt Expense | - | 5,352,479 | - | - |
| Net Patient Revenue | - | 21,223,131 | - | - |
| Contractual Income | | | | |
| Interest Income | | 195,248 | | |
| Other Income | | | | |
| Total Revenues - per Monthly Financial Report | <u>11,686,530</u> | <u>21,418,379</u> | <u>9,731,849</u> | <u>83.2190</u> |
| Expenditures | | | | |
| Faculty Salaries | 7,743,272 | 8,941,797 | 1,198,525 | 15.48% |
| Staff Salaries | 3,058,084 | 1,557,809 | (1,500,275) | -49.06% |
| Resident Salaries | | | | |
| Fringe Benefits | 4,035,935 | 4,582,986 | 547,051 | 13.55% |
| Maintenance and Operations | 2,750,265 | 7,341,935 | 4,591,670 | 166.95% |
| Professional Liability Insurance | 828,561 | 388,271 | (440,290) | -53.34% |
| Travel | 231,466 | 205,009 | (32,457) | -33.61% |
| Capital Outlay | 221,043 | 154,110 | (66,273) | -29.98% |
| Official Functions | 49,216 | 53,295 | 4,079 | 8.16% |
| Other Expenses | | | | |
| Total Expenditures | <u>18,923,902</u> | <u>23,225,872</u> | <u>4,301,970</u> | <u>22.73%</u> |
| Debt Service | | | | |
| Total Exp. & Debt Service - per Monthly Financial Report | <u>18,923,902</u> | <u>23,225,872</u> | <u>4,301,970</u> | <u>22.73%</u> |
| Year-to-Date Operating Margin | <u>(7,237,372)</u> | <u>(1,807,493)</u> | <u>5,429,879</u> | <u>-15.03%</u> |
| Other Additions/Deductions | | | | |
| Other Additions | 86,086 | 40,161 | (45,919) | -53.34% |
| Other Deductions | (561,914) | (693,441) | (125,527) | 22.10% |
| | (481,828) | (653,274) | (111,446) | 35.589% |
| Net Increase/(Decrease) | <u>(7,719,200)</u> | <u>(2,460,767)</u> | <u>5,258,433</u> | <u>-68.12%</u> |
| Ending Fund Balance, November 30 | <u>\$ 22,424,983</u> | <u>18,780,906</u> | <u>(3,644,077)</u> | <u>-16.25%</u> |

**The University of Texas Health Science Center at San Antonio
DSRDP Year-to-Date Summary of Operations - Accrual Basis
For the Three Months Ending November 30, 2000**

| | Cumulative Year-to-Date 2000 | Cumulative Year-to-Date 2001 | Increase/ (Decrease) | Percent Increase/ (Decrease) |
|---|------------------------------------|------------------------------------|-------------------------|------------------------------------|
| Beginning Fund Balance, September 1 | \$ 5,751,054 | 6,512,475 | 761,411 | 13.24% |
| Revenues | | | | |
| Gross Charges | - | 1,215,860 | - | - |
| Less: | | | | |
| Un-sponsored Charity Care | - | - | - | - |
| Contractual Adjustments | - | - | - | - |
| Other Unreimbursed Medical Costs | - | - | - | - |
| Bad Debt Expense | - | - | - | - |
| Net Patient Revenue | <u>-</u> | <u>1,215,860</u> | <u>-</u> | <u>-</u> |
| Contractual Income | | | | |
| Interest Income | | 34,383 | | |
| Other Income | | | | |
| Total Revenues - per Monthly Financial Report | <u>1,000,998</u> | <u>1,250,243</u> | <u>249,245</u> | <u>24.90%</u> |
| Expenditures | | | | |
| Faculty Salaries | 49,676 | 101,379 | 51,703 | 104.08% |
| Staff Salaries | 251,261 | 311,587 | 60,326 | 24.01% |
| Resident Salaries | | | | |
| Fringe Benefits | 61,192 | 124,970 | 63,778 | 104.23% |
| Maintenance and Operations | 292,214 | 298,377 | 6,163 | 2.11% |
| Professional Liability Insurance | | 17,783 | 17,783 | 100.00% |
| Travel | 36,024 | 20,937 | (15,087) | -41.88% |
| Capital Outlay | 6,443 | 14,130 | 7,687 | 119.31% |
| Official Functions | | 16,816 | 16,816 | 100.00% |
| Other Expenses | | | | |
| Total Expenditures | <u>696,810</u> | <u>905,979</u> | <u>209,169</u> | <u>30.02%</u> |
| Debt Service | | | | |
| Total Exp. & Debt Service - per Monthly Financial Report | <u>696,810</u> | <u>905,979</u> | <u>209,169</u> | <u>30.02%</u> |
| Year-to-Date Operating Margin | <u>304,188</u> | <u>344,264</u> | <u>40,076</u> | <u>13.17%</u> |
| Other Additions/Deductions | | | | |
| Other Additions | 180,615 | 314,896 | 134,281 | 74.35% |
| Other Deductions | | (40,167) | (40,167) | 100.00% |
| | <u>180,615</u> | <u>274,729</u> | <u>94,114</u> | <u>52.11%</u> |
| Net Increase/(Decrease) | <u>484,803</u> | <u>618,993</u> | <u>134,190</u> | <u>27.68%</u> |
| Ending Fund Balance, November 30 | <u>\$ 6,235,867</u> | <u>7,131,468</u> | <u>895,601</u> | <u>14.36%</u> |

The University of Texas M.D. Anderson Cancer Center
MSRDP/PRS Year-to-Date Summary of Operations - Accrual Basis
For the Three Months Ending November 30, 2000

| | Cumulative Year-to-Date 2000 | Cumulative Year-to-Date 2001 | Increase/ (Decrease) | Percent Increase/ (Decrease) |
|---|------------------------------------|------------------------------------|-------------------------|------------------------------------|
| Beginning Fund Balance, September 1 | \$ 89,028,738 | 91,998,554 | 2,969,816 | 3.34% |
| Revenues | | | | |
| Gross Charges | | 71,502,256 | | |
| Less: | | | | |
| Un-sponsored Charity Care | | 6,941,889 | | |
| Contractual Adjustments | | 28,908,235 | | |
| Other Unreimbursed Medical Costs | | 1,027,284 | | |
| Bad Debt Expense | | 2,293,946 | | |
| Net Patient Revenue | | 32,330,902 | | |
| Contractual Income | | | | |
| Interest Income | | 730,354 | | |
| Other Income | | 86,919 | | |
| Total Revenues - per Monthly Financial Report | 35,639,158 | 33,148,175 | (2,490,983) | -6.99% |
| Expenditures | | | | |
| Faculty Salaries | 12,695,478 | 13,497,092 | 801,614 | 6.31% |
| Staff Salaries | 4,293,765 | 5,361,035 | 1,067,270 | 24.86% |
| Resident Salaries | | | | |
| Fringe Benefits | 10,779,166 | 12,065,522 | 1,286,356 | 11.93% |
| Maintenance and Operations | 3,790,221 | 3,637,783 | (152,438) | -4.02% |
| Professional Liability Insurance | 755,792 | 761,360 | 5,568 | 0.74% |
| Travel | 564,486 | 952,093 | 387,607 | 68.67% |
| Capital Outlay | 623,392 | 662,325 | 38,933 | 6.25% |
| Official Functions | 87,688 | 57,027 | (30,661) | -34.97% |
| Other Expenses | | | | |
| Total Expenditures | 33,589,988 | 36,994,237 | 3,404,249 | 10.13% |
| Debt Service | | | | |
| Total Exp. & Debt Service - per Monthly Financial Report | 33,589,988 | 36,994,237 | 3,404,249 | 10.13% |
| Year-to-Date Operating Margin | 2,049,170 | (3,846,062) | (5,895,232) | -287.69% |
| Other Additions/Deductions | | | | |
| Other Additions | | 24,576 | 24,576 | 100.00% |
| Other Deductions | | (200,000) | (200,000) | 100.00% |
| | | (175,424) | (175,424) | 100.00% |
| Net Increase/(Decrease) | 2,049,170 | (4,021,486) | (6,070,656) | -296.25% |
| Ending Fund Balance, November 30 | \$ 91,077,908 | 87,977,068 | (3,100,840) | -3.40% |

The University of Texas Health Center at Tyler
MSRDP/PRS Year-to-Date Summary of Operations - Accrual Basis
For the Three Months Ending November 30, 2000

| | Cumulative Year-to-Date 2000 | Cumulative Year-to-Date 2001 | Increase/ (Decrease) | Percent Increase/ (Decrease) |
|---|------------------------------------|------------------------------------|-------------------------|------------------------------------|
| Beginning Fund Balance, September 1 | \$ 3,598,393 | 2,637,807 | (960,586) | -26.69% |
| Revenues | | | | |
| Gross Charges | - | 6,166,529 | - | - |
| Less: | | | | |
| Un-sponsored Charity Care | | 877,038 | | |
| Contractual Adjustments | | 2,145,889 | | |
| Other Unreimbursed Medical Costs | | 38,349 | | |
| Bad Debt Expense | | 453,645 | | |
| Net Patient Revenue | | <u>2,651,608</u> | | |
| Contractual Income | | 41,105 | | |
| Interest Income | | 11,008 | | |
| Other Income | | 208,312 | | |
| Total Revenues - per Monthly Financial Report | <u>2,823,972</u> | <u>2,912,033</u> | 88,051 | 3.12% |
| Expenditures | | | | |
| Faculty Salaries | 1,654,124 | 2,026,694 | 372,570 | 22.52% |
| Staff Salaries | 255,800 | 568,120 | 312,320 | 122.10% |
| Resident Salaries | | | | |
| Fringe Benefits | 263,069 | 368,847 | 105,778 | 40.21% |
| Maintenance and Operations | 352,682 | 189,836 | (162,846) | -46.17% |
| Professional Liability Insurance | 122,697 | 127,786 | 5,089 | 4.15% |
| Travel | 53,151 | 45,533 | (7,618) | -14.33% |
| Capital Outlay | 660 | 1,916 | 1,256 | 190.30% |
| Official Functions | 6,063 | | (6,063) | -100.00% |
| Other Expenses | | | | |
| Total Expenditures | <u>2,708,246</u> | <u>3,328,732</u> | 620,486 | 22.91% |
| Debt Service | | | | |
| Total Exp. & Debt Service - per Monthly Financial Report | <u>2,708,246</u> | <u>3,328,732</u> | 620,486 | 22.91% |
| Year-to-Date Operating Margin | <u>115,726</u> | <u>(416,699)</u> | (532,425) | -460.07% |
| Other Additions/Deductions | | | | |
| Other Additions | | | | |
| Other Deductions | | | | |
| Net Increase/(Decrease) | <u>115,726</u> | <u>(416,699)</u> | (532,425) | -460.07% |
| Ending Fund Balance, November 30 | \$ <u>3,714,119</u> | <u>2,221,108</u> | (1,493,011) | -40.20% |

THE UNIVERSITY OF TEXAS AT ARLINGTON
BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

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THE UNIVERSITY OF TEXAS AT ARLINGTON
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AMENDMENTS TO THE 2000-01 BUDGET

The following Requests for Budget Changes (RBC's) 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. Source of funds for payment of salaries, unless otherwise shown, is the departmental salaries account.

| <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> | |
| <u>APPOINTMENTS AND PROMOTIONS</u> | | | | | |
| OFFICE OF THE PROVOST | | | | | |
| 1. George C. Wright (T) | | | | | 1 |
| From: Professor and Senior Vice President for Academic Affairs and Provost | | 0 100 | 09 12 | 98,500 214,000 | |
| To: Professor and Executive Vice President for Academic Affairs and Provost | 9/1-5/31 | 0 | 09 | 98,500 | |
| | 9/1-8/31 | 100 | 12 | 214,000 | |

THE UNIVERSITY OF TEXAS AT ARLINGTON
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 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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> | |
| VICE PRESIDENT OF RIVERBEND CAMPUS AND GRADUATE SCHOOL | | | | | |
| Mechanical & Aerospace Engineering | | | | | |
| 2. Dale A. Anderson (T) | | | | | 12 |
| From: Vice President of Riverbend Campus and Professor and Dean of the Graduate School | | 100 0 SUPLT | 12 09 12 | 150,000 102,500 15,000 | |
| To: Vice President of Riverbend Campus and Professor | 9/1-8/31 9/1-5/31 | 100 0 | 12 09 | 165,000 110,000 | |
| OFFICE OF THE GRADUATE SCHOOL | | | | | |
| Sociology and Anthropology | | | | | |
| 3. Karl M. Petruso (T) | | | | | 14 |
| From: Associate Vice President for Research and Graduate Studies and Associate Professor | | 100 0 | 12 09 | 84,702 54,844 | |
| To: Associate Professor | 9/1-5/31 9/1-1/15 | 100 SUPLT | 09 4.5 | 57,344 6,091 | |

THE UNIVERSITY OF TEXAS AT ARLINGTON
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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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> | |
| SCHOOL OF ARCHITECTURE | | | | | |
| 4. Marian Millican (T) | | | | | 76 |
| From: Associate Professor | | 100 | 09 | 51,385 | |
| To: Associate Professor and Special Assistant to the President | 9/1-5/31 | 100 | 09 | 51,385 | |
| | 9/1-8/31 | SUPLT | 12 | 25,600 | |
| COLLEGE OF BUSINESS ADMINISTRATION | | | | | |
| Accounting | | | | | |
| 5. Thomas W. Hall (T) | | | | | 8 |
| From: Professor | | 100 | 09 | 94,325 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 94,325 | |
| and Chairperson | 9/1-8/31 | SUPLT | 09 | 10,837 | |
| Information Systems and Management Sciences | | | | | |
| 6. Gregory V. Frazier (T) | | | | | 15 |
| From: Associate Professor | | 100 | 09 | 79,665 | |
| To: Associate Professor | 9/1-5/31 | 0 | 09 | 79,665 | |
| and Director of MBA Programs | 9/1-8/31 | 100 | 12 | 97,368 | |

THE UNIVERSITY OF TEXAS AT ARLINGTON
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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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 BUSINESS ADMINISTRATION (continued) | | | | | |
| Information Systems and Management Sciences | | | | | |
| 7. Sumit Sircar (T) | | | | | 17 |
| From: Professor and Chairperson | | 100 SUPLT | 09 09 | 81,384 6,103 | |
| To: Professor and Chairperson and Director of the Center for Information Technologies Management | 9/1-5/31 9/1-8/31 9/1-5/31 | 100 SUPLT SUPLT | 09 09 09 | 81,384 6,103 10,000 | |
| Management | | | | | |
| 8. Richard L. Priem (T) | | | | | 10 |
| From: Professor | | 100 | 09 | 86,463 | |
| To: Professor and Chairperson | 9/1-5/31 9/1-8/31 | 100 SUPLT | 09 09 | 86,463 6,485 | |
| SCHOOL OF EDUCATION | | | | | |
| Curriculum and Instruction | | | | | |
| Associate Professor | | | | | |
| 9. Jeannine S. Hirtle (T) | 9/1-5/31 | 100 | 09 | 48,000 | 22 |
| Education Administration | | | | | |
| 10. Elaine L. Wilmore (T) | | | | | 16 |
| From: Associate Professor and Chairperson | 9/1-5/31 9/1-5/31 | 100 SUPLT | 09 09 | 51,182 5,000 | |
| To: Associate Professor | 9/1-5/31 | 100 | 09 | 51,182 | |

THE UNIVERSITY OF TEXAS AT ARLINGTON
 BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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> | |
| SCHOOL OF EDUCATION (continued) | | | | | |
| Kinesiology | | | | | |
| Associate Professor | | | | | |
| 11. Brett W. Everhart (T) | 9/1-5/31 | 100 | 09 | 55,000 | 23 |
| Associate Professor | | | | | |
| 12. Ada L. Fincher (T) | 9/1-5/31 | 100 | 09 | 49,166 | 21 |
| COLLEGE OF ENGINEERING | | | | | |
| Computer Science and Engineering | | | | | |
| Associate Professor | | | | | |
| 13. Mohan Kumar (T) | 9/1-5/31 | 100 | 09 | 77,000 | 80 |
| COLLEGE OF LIBERAL ARTS | | | | | |
| English | | | | | |
| 14. Phillip Cohen (T) | | | | | 5 |
| From: Associate Professor and Chairperson | | 100 | 09 | 53,980 | |
| | | SUPLT | 09 | 6,000 | |
| To: Associate Professor and Associate Dean of the Graduate School | 9/1-5/31 | 0 | 09 | 53,980 | |
| | 9/1-8/31 | 100 | 12 | 87,000 | |
| 15. Timothy R. Morris (T) | | | | | 7 |
| From: Associate Professor | | 100 | 09 | 50,952 | |
| To: Associate Professor and Acting Chairperson | 9/1-5/31 | 100 | 09 | 50,952 | |
| | 9/1-5/31 | SUPLT | 09 | 6,000 | |

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

THE UNIVERSITY OF TEXAS AT ARLINGTON
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| <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 LIBERAL ARTS (continued) | | | | | |
| Political Science | | | | | |
| 16. Michael Moore (T) | | | | | 3 |
| From: Associate Professor | | 100 | 09 | 48,200 | |
| To: Associate Professor | 9/1-5/31 | 0 | 09 | 48,200 | |
| and Assistant Vice President for Academic Affairs | 9/1-5/31 | SUPLT | 4.5 | 4,820 | |
| | 9/1-8/31 | 100 | 12 | 80,000 | |
| Sociology and Anthropology | | | | | |
| 17. Robert L. Young (T) | | | | | 9 |
| From: Professor | | 100 | 09 | 59,113 | |
| To: Professor | 9/1-5/31 | 0 | 09 | 60,000 | |
| and Chairperson | 9/1-5/31 | SUPLT | 09 | 6,000 | |
| COLLEGE OF SCIENCE | | | | | |
| Chemistry and Office of the Dean | | | | | |
| 18. H. Keith McDowell (T) | | | | | 4 |
| From: Professor and Associate Dean of Science | | 50 | 09 | 83,900 | |
| | | 50 | 09 | 111,867 | |
| To: Professor and Dean of the Graduate School | 9/1-5/31 | 0 | 09 | 83,900 | |
| | 9/1-8/31 | 100 | 12 | 115,000 | |

THE UNIVERSITY OF TEXAS AT ARLINGTON
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 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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 SCIENCE (continued) | | | | | |
| Biology | | | | | |
| 19. Robert F. McMahon (T) | | | | | 2 |
| From: Professor | | 100 | 09 | 67,299 | |
| To: Professor | 9/1-5/31 | 0 | 09 | 67,299 | |
| and Associate Dean of Science | 9/1-8/31 | 100 | 12 | 97,732 | |
| Mathematics | | | | | |
| Professor | | | | | |
| 20. Chaoqun Liu (T) | 9/1-5/31 | 100 | 09 | 85,000 | 24 |
| SCHOOL OF SOCIAL WORK | | | | | |
| 21. Norman H. Cobb (T) | | | | | 11 |
| From: Associate Professor | | 100 | 09 | 52,550 | |
| To: Associate Professor | 9/1-5/31 | 0 | 09 | 52,550 | |
| and Associate Dean | 9/1-8/31 | 100 | 12 | 70,067 | |
| | 9/1-8/31 | SUPLT | 12 | 9,000 | |

THE UNIVERSITY OF TEXAS AT ARLINGTON
 BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES

Ratification is recommended for the following new fees and miscellaneous charges for the 2001-02 academic year. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

LABORATORY FEES

| Course Number | Course Title | Proposed Fee |
|------------------|-------------------------------|-----------------|
| CSE 1310 | Intro to Computers | \$ 5 |
| CSE 1320 | Intermediate Programming | 5 |
| CSE 2441 | Digital Logic Circuits | 5 |
| CSE 4316 | Computer System Design I | 5 |
| CSE 4317 | Computer System Design II | 5 |
| CSE 5364 | Robotics | 5 |
| I E 4325 | Automation & Comp. Aided Mfg. | 2 |

COURSE SPECIFIC INCIDENTAL FEES

| | | |
|-----------|-------------------------------|----|
| KINE 4301 | Applied Kinesiology | 25 |
| KINE 4300 | Program Design & Admin. | 25 |
| KINE 4335 | ECG Interpretation | 25 |
| KINE 3333 | Therapeutic Modalities | 20 |
| KINE 4336 | Therapeutic Exercise | 20 |
| CSE 1301 | Computer Literacy | 25 |
| CSE 1310 | Intro to Computers | 30 |
| CSE 1320 | Intermediate Programming | 30 |
| CSE 1325 | Adv. Object-oriented program. | 30 |
| CSE 2441 | Digital Logic Circuits | 30 |
| CSE 3442 | Embedded Computer Systems | 25 |
| CSE 4316 | Computer System Design I | 30 |
| CSE 4317 | Computer System Design II | 30 |
| CSE 4320 | Fund. of Telecomm. Software | 25 |
| CSE 4342 | Real-Time Data Acquisition | 25 |
| CSE 4344 | Computer Network Organization | 30 |

THE UNIVERSITY OF TEXAS AT ARLINGTON
 BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC INCIDENTAL FEES

| Course Number | Course Title | Proposed Fee |
|------------------|-------------------------------|-----------------|
| CSE 4346 | Advanced Computer Networks | \$30 |
| CSE 4348 | Multimedia Systems | 30 |
| CSE 4351 | Parallel Processing | 25 |
| CSE 4353 | Distributed Computing | 25 |
| CSE 4356 | Honors Project I | 25 |
| CSE 4357 | Honors Project II | 25 |
| CSE 4360 | Autonomous Robot Design | 45 |
| CSE 5328 | Software Engineering Team I | 25 |
| CSE 5329 | Software Engineering Team II | 25 |
| CSE 5343 | Real-Time Data Acquisition | 25 |
| CSE 5344 | Computer Networks | 30 |
| CSE 5346 | Networks II | 30 |
| CSE 5348 | Multimedia Systems | 30 |
| CSE 5351 | Parallel Processing | 30 |
| CSE 5353 | Distributed Computing | 25 |
| CSE 5364 | Robotics | 45 |
| CSE 5366 | Digital Signal Processing | 30 |
| CSE 5442 | Embedded Computer Systems | 25 |
| I E 4325 | Automation & Comp. Aided Mfg. | 10 |
| I E 4349 | Robot Work Systems | 10 |
| I E 4350 | Design of Production Systems | 10 |
| I E 5330 | Automation & Advanced Mfg. | 10 |
| I E 6310 | Industrial Robot Applications | 10 |
| ART 3340 | Kiln Formed Glass | 75 |
| ART 3356 | Graphics | 50 |
| ART 4346 | Graphics: Portfolio | 50 |
| ART 4347 | Graphics: Brochure | 50 |
| ART 4366 | Graphics: Online | 50 |
| CHEM 5355 | Principles of Chemistry I | 40 |
| CHEM 5356 | Principles of Chemistry II | 40 |
| CHEM 5358 | Lab Problems in Chemistry | 55 |

FEES AND MISCELLANEOUS CHARGES (Continued)

THE UNIVERSITY OF TEXAS AT ARLINGTON
 BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

COURSE SPECIFIC INCIDENTAL FEES

| <u>Course Number</u> | <u>Course Title</u> | <u>Proposed Fee</u> |
|--------------------------|----------------------------------|-------------------------|
| GEOL 1425 | Earth Systems | \$5 |
| GEOL 2401 | Weather and Climate | 4 |
| GEOL 2404 | Geologic Hazards | 4 |
| GEOL 2405 | History of Life/Geologic Time | 4 |
| GEOL 2406 | Natural Resources | 4 |
| GEOL 2409 | Earth's Landforms | 4 |
| GEOL 2410 | Planetary Geology | 4 |
| GEOL 2411 | Global Environmental Issues | 4 |
| GEOL 2412 | Env. Geology of the Metroplex | 15 |
| GEOL 2446 | Igneous/Metamorphic Petrology | 15 |
| GEOL 3313 | Outdoor Geology | 300 |
| GEOL 3402 | Dinosauria | 15 |
| GEOL 3403 | Volcanoes | 4 |
| GEOL 5335 | Lab Methods & Techniques | 10 |
| GEOL 5312 | Sandstone Petrology | 15 |
| BIOL 3344 | Plant Morphology | 50 |
| BIOL 3346 | Human Anatomy | 50 |
| BIOL 3347 | Environmental Biology | 25 |
| BIOL 3347 | Environmental Biology | 25 |
| BIOL 3374 | Teaching Biol Concepts IV | 30 |
| BIOL 3446 | Marine Biology | 20 |
| BIOL 3446 | Marine Biology | 80 |
| BIOL 5343 | Reptile Biology | 25 |
| BIOL 5363 | Quantitative Approaches | 30 |
| BIOL 5410 | Biological Techniques | 15 |
| BIOL 5420 | Biology Rotations | 25 |
| PHYS 5329 | Lab Techniques in Physics | 15 |
| PHYS 5329 | Lab Techniques in Physics | 30 |
| PHYS 5301 | Mechanics, Heat, Wave Motion | 15 |
| PHYS 5302 | Electricity, Magnetism, Circuits | 15 |
| PSYC 1315 | Intro to Psychology | 10 |
| PSYC 2442 | Experimental Psychology | 10 |

THE UNIVERSITY OF TEXAS AT ARLINGTON
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FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

OTHER FEES AND CHARGES

The following new charge recommended for approval by the U. T. Board of Regents and inclusion in institutional catalogs has been approved by the Executive Vice Chancellor for Academic 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> |
|---|----------------------------------|
| ENGINEERING INTERNET FEE To defray costs associated with production of Engineering internet courses | \$75 per semester credit hour |

THE UNIVERSITY OF TEXAS AT ARLINGTON
 BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

STUDENT SERVICES FEES

Ratification is recommended for the following student services fees to be effective beginning with the Fall Semester 2001. The statutory requirements for involvement of a student services fees committee have been met. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

COMPULSORY STUDENT SERVICES FEE

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|-------------------------------------|--------------------------|---------------------------|-----------------------------|
| <u>For each regular semester</u> | | | |
| Per Semester Credit Hour | \$8.63 | \$9.00 | 4.3% |
| Maximum | \$103.00 | \$108.00 | 4.9% |
| <u>For summer session (11 week)</u> | | | |
| Per Semester Credit Hour | \$8.63 | \$9.00 | 4.3% |
| Maximum | \$103.00 | \$108.00 | 4.9% |
| <u>For summer session (5 week)</u> | | | |
| Per Semester Credit Hour | \$8.63 | \$9.00 | 4.3% |
| Maximum | \$51.50 | \$54.00 | 4.9% |
| <u>For intersessions (3 week)</u> | | | |
| Per Semester Credit Hour | \$8.63 | \$9.00 | 4.3% |
| Maximum | \$25.00 | \$26.00 | 4.0% |

THE UNIVERSITY OF TEXAS AT ARLINGTON
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FEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Ratification is recommended for the following designated tuition rates to be effective beginning with the Fall Semester of 2001. The proposed rate increases will be the subject of discussion at a public forum as required by statute and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|---------------------------------|----------------------|-----------------------|-------------------------|
| <u>Per Semester Credit Hour</u> | \$40 | \$42* | 5.0% |

*Estimated rate, which is subject to legislative action. The actual rate will be the rate allowed by statute.

THE UNIVERSITY OF TEXAS AT ARLINGTON
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FEES AND MISCELLANEOUS CHARGES (Continued)

DIFFERENTIAL GRADUATE TUITION CHARGES

Ratification is recommended for the following differential graduate tuition charges for the 2001-02 academic year. The fee will be the subject of discussion with representative students and has been administratively approved by the Executive Vice Chancellor for Academic Affairs. A portion of the increase will be used for financial assistance for students impacted by the increase.

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

| <u>Academic Program</u> | <u>Current Fee</u> | | <u>Proposed Fee</u> | |
|--|--------------------|---------------------|---------------------|---------------------|
| | <u>Resident</u> | <u>Non-Resident</u> | <u>Resident</u> | <u>Non-Resident</u> |
| Per Semester Credit Hour All Programs | \$40.00 | \$51.00 | \$42.00* | \$53.00* |

* These rates are estimates and are subject to legislative approval. The actual rates will not exceed the rates allowed by statute. The resident differential graduate tuition rate is set equal to the base resident rate.

THE UNIVERSITY OF TEXAS AT ARLINGTON
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FEES AND MISCELLANEOUS CHARGES (Continued)

TUITION CHARGES FOR STUDENTS WITH EXCESS HOURS

Ratification is recommended for the following tuition charges to students enrolled with excess hours for the 2001-02 academic year as authorized by Section 54.066 and Section 54.068 of the Texas Education Code.

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

| <u>Academic Program</u> | <u>Current Fee</u> | | <u>Proposed Fee</u> | |
|---|---|---------------------|---|---------------------|
| | <u>Resident</u> | <u>Non-Resident</u> | <u>Resident</u> | <u>Non-Resident</u> |
| Certain doctoral students with in excess of 99 doctoral hours | \$335 per semester credit hour (non-resident tuition of \$255 plus \$40 graduate student differential plus \$40 designated) or \$80 per semester plus the non-resident rate set by the Coordinating Board | N/A | \$337 per semester credit hour (non-resident tuition of \$253 plus \$42 graduate student differential plus \$42 designated) or the non-resident rate set by the Coordinating Board* plus designated tuition plus non-resident graduate student differential | N/A |

* The base non-resident tuition rate is set annually by the Texas Higher Education Coordinating Board and has been set at \$253 per semester credit hour for fiscal year 2001-02. The total tuition rate will be the non-resident rate set by the Coordinating Board (\$253) plus the rate for graduate student differential plus the rate for designated tuition. The \$42 per hour rates for graduate student differential and designated tuition are estimates and are subject to legislative approval.

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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: Ford Motor Company Fund
 College/School/ Department: College of Engineering\$ 666,000
 Ex-Students' Association.....\$ 50,000
 Red McCombs School of Business\$ 287,500
 College of Engineering (Special Ford Project) ...\$ 195,000
 Purpose: Program support
 Asset Type: Cash
 Value: \$1,198,500

2. Donor Name: Mike A. Myers
 College/School/ Department: Intercollegiate Athletics
 The Longhorn Legacy
 Purpose: Facilities construction
 Asset Type: 13,000 shares Wells Fargo & Co. common stock
 Value: \$618,312.50 (payment on \$3,000,000 pledge)

3. Donor Name: Charles E. Seay
 College/School/ Department: College of Liberal Arts
 Department of Psychology
 Purpose: Seay Building construction
 Asset Type: 64,000 shares of ReliaStar Financial Corporation common stock
 valued at \$3,456,000 and \$12,350 cash
 Value: \$3,468,350 (final payment on \$5,000,000 pledge)

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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 ratification by the U. T. Board of Regents.

**GENERAL CONTRACTS
(FUNDS COMING IN)**

1. Agency: Stadium Enterprises, Ltd.
Funds: One time payment of \$623,340 for current store inventory
Guaranteed royalty payments of
\$450,000 for the 1st contract year;
\$500,000 for the 2nd contract year;
\$560,000 for the 3rd contract year;
\$620,000 for the 4th contract year;
\$670,000 for the 5th contract year;
\$750,000 for the 6th contract year; and
Bonus royalty payment of:
\$50,000 for a Big XII Championship win;
\$300,000 for a National Championship win;
\$50,000 for a Heisman Trophy; and
Pay UIL 10% of the gross revenue, after deducting sales taxes, from
sales at UIL events
Period: August 11, 1999 through June 30, 2005
Description: Provide for the management and operation of certain retail outlets for the
sale of University licensed merchandise and novelties in the Darrell K
Royal – Texas Memorial Stadium Longhorn Ltd. stores and at other
specified locations on The University of Texas at Austin campus.

2. Agency: Department of Defense: U. S. Army
Funds: \$4,370,000
Period: August 9, 2000 – September 29, 2003
Description: Increase in funding for the study of Electromechanics Hypervelocity
Physics as They Relate to Weapon Systems to address biological or
chemical threats.

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CONTRACTS (Continued)
GENERAL CONTRACTS

(FUNDS COMING IN)

3. Agency: Department of Defense: NAVY
Funds: \$2,175,000
Period: November 01, 2000 – October 31, 2001
Description: Collect and analyze acoustic data, and utilize the results to design acoustic sensor and signal processing algorithms, develop test strategies, and conduct mission planning for the Advanced Deployable Surveillance System.

**NONINTELLECTUAL PROPERTY-RELATED SPONSORED RESEARCH
AGREEMENTS-FOREIGN**

(FUNDS COMING IN)

4. Country: Canada
Grantor: National Research Council of Canada
No.: UTA01-066
New Funds: None
Current period: November 2, 2000 – November 1, 2003
Title/Description: Transfer of Anti-Brucella Hybridoma YsT9.2 sample to Dr. George Georgiou of the Institute for Cellular and Molecular Biology
5. Country: Canada
Grantor: National Research Council of Canada
No.: UTA01-065
New Funds: None
Current period: November 2, 2000 – November 1, 2003
Title/Description: Transfer of Plasmid Encoding a Single Chain Fv Version of a mAb, Yst9.1. that Binds Brucella LPS to Dr. George Georgiou of the Institute for Cellular and Molecular Biology.

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CONTRACTS (Continued)
NONINTELLECTUAL PROPERTY-RELATED SPONSORED RESEARCH
AGREEMENTS-FOREIGN

(FUNDS COMING IN)

6. Country: French Polynesia
Grantor: The Universite de la Polynesie Francaise
No.: Continuation of the Memorandum of Agreement
No. UTA96-0148
New Funds: None
Current period: August 1, 2000 – July 31, 2001
Title/Description: Collaboration on the U.S. World Ocean Circulation
Experiment, a part of the overall global change monitoring
effort by the U.S. and other countries.
7. Country: Japan
Grantor: Japan Marine Science and Technology Center
No.: UTA-00-6
New Funds: None
Current period: September 4, 2000 – November 2, 2000
Title/Description: Visiting Scientist – Dr. Jin-Oh Park in the Institute of
Geophysics under the direction of Dr. Nathan Bangs for the
purpose of providing training and related intellectual
development and education.
8. Country: Japan
Grantor: University of Tokyo
No.: UTA01-039
New Funds: None
Current period: September 22, 2000 – January 15, 2001
Title/Description: Visiting Scientist – Dr. Yasuyuki Nakamura in the Institute of
Geophysics under the direction of Dr. Nathan Bangs for the
purpose of providing training and related intellectual
development and education.

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CONTRACTS (Continued)
NONINTELLECTUAL PROPERTY-RELATED SPONSORED RESEARCH
AGREEMENTS-FOREIGN

(FUNDS COMING IN)

9. Country: Japan
Grantor: Japan National Oil Company
No.: UTA01-074
New Funds: None
Current period: October 29, 2000 – November 17, 2000
Title/Description: Visiting Scientist – Dr. Sumito Morita in the Institute of Geophysics under the direction of Dr. Nathan Bangs for the purpose of providing training and related intellectual development and education.
10. Country: Mexico
Grantor: Pemex Exploracion y Produccion, PEMEX
No.: UTA01-016
New Funds: \$45,000
Current period: January 1, 2000 – December 31, 2000
Title/Description: Support of general research related to use of geophysical techniques for characterizing heterogeneity style in hydrocarbon reservoirs.
11. Country: United Kingdom
Grantor: BHP Petroleum Ltd.
No.: ALG-D-238
New Funds: \$80,000
Current period: January 1, 2000 – December 31, 2001
Title/Description: Injection Water Management Study
12. Country: United Kingdom
Grantor: Corus Tubes (Energy)
No.: UTA00-314
New Funds: \$26,000
Current period: March 16, 2000 – March 15, 2002
Title/Description: Structural Integrity of Offshore Pipelines

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CONTRACTS (Continued)
NONINTELLECTUAL PROPERTY-RELATED SPONSORED RESEARCH
AGREEMENTS-FOREIGN

(FUNDS COMING IN)

13. Country: United Kingdom
Grantor: Sainsbury Laboratory
No.: UTA01-055
New Funds: As per agreement
Current period: October 24, 2000 – October 23, 2005
Title/Description: Study of Phenotypes of Transposon Insertion Mutant Lines of Arabidopsis to identify lines that carry knockout mutations in genes involved in plant hormone response.
14. Country: Venezuela
Grantor: PDVSA INTEVEP
No.: UTA01-048
New Funds: None
Current period: October 9, 2000 – October 31, 2000
Title/Description: Visiting Scientist – Margarita Navas in the Bureau of Economic Geology under the direction of Dr. Stephen Louback for the purpose of providing training and related intellectual development and education.

THE UNIVERSITY OF TEXAS AT AUSTIN
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PLANS TO MANAGE POTENTIAL CONFLICTS OF INTEREST

The following Plan to Manage Potential Conflicts of Interest has been reviewed by the Office of General Counsel and approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. Board of Regents.

1. Plan to Manage Potential Conflict of Interest for Drs. Alan M. Lloyd, Stanley J. Roux, Jr., and James B. Windsor

Drs. Alan M. Lloyd, Stanley J. Roux, Jr., and James B. Windsor, are the three U. T. Austin co-founders of *TEXAGEN*, Inc., a company which has licensed technology from U. T. Austin. Dr. Windsor, a post-doctoral research assistant in Dr. Lloyd's laboratory, is President of *TEXAGEN*.

The technology was developed in Dr. Lloyd's and Dr. Roux's laboratories at U. T. Austin, patented by U. T. Austin, and licensed to *TEXAGEN*. Each of the three inventors is listed as a co-inventor on patent applications related to their technology, owns 20% of stock in *TEXAGEN*, and holds a key management position in the company. U. T. Austin owns 2.5% of *TEXAGEN* common stock and has received licensing fees from *TEXAGEN*. Both Dr. Lloyd's and Dr. Roux's laboratories continue to work on this technology and have received funding, separately and jointly, from several funding sources, such as the National Science Foundation and the State of Texas Advanced Research and Technology Program. Currently, no income is derived by the three inventors from *TEXAGEN*; however, new research findings related to the technology licensed by *TEXAGEN* could affect the value of equity interests in *TEXAGEN*. Additionally, potential future relationships of these inventors with *TEXAGEN* might involve either setting up a separate management team to run *TEXAGEN* or to license the technology to an outside company. In either case, the inventors will have minimal or no management responsibilities at *TEXAGEN*. However, in the future, it is possible that the inventors will establish consulting agreements with *TEXAGEN*. Thus, current and possible future sponsored research related to this technology, current licensing arrangements, and possible future consulting arrangements with *TEXAGEN* create a potential conflict of interest.

U. T. Austin has determined that current and future sponsored research and licensing agreements between U. T. Austin and *TEXAGEN* are appropriate because the company-related activities of Drs. Lloyd, Roux, and Windsor will involve commercialization of their technology; their University laboratories will be involved in basic research into the technology.

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PLAN TO MANAGE POTENTIAL CONFLICTS OF INTEREST (Continued)

As required by Texas Education Code, Section 51.912a, and the Regents' Rules and Regulations, Part Two, Chapter XII, Sections 6 and 7, each inventor has submitted individual Financial Disclosure and Conflict of Interest Reports to disclose his current and anticipated future relationships with *TEXAGEN* and they will update them as required by law.

The College of Natural Sciences, in collaboration with the Office of the Vice President for Research, has developed the measures described below to eliminate the likelihood that actual conflicts would arise in research conducted by Drs. Lloyd, Roux, and Windsor and others in their laboratories. The primary mechanism for managing potential conflicts of interest in this situation involves the establishment of a College of Natural Sciences Oversight Committee. The College of Natural Sciences Oversight Committee will meet at least annually to review the research program of Drs. Lloyd, Roux, and Windsor and to determine whether there are any conflicts of interest. The following steps are required under this management plan, which was approved by the Objectivity in Research Committee:

- 1) A College Oversight Committee, comprised of the College's Associate Dean for Research and two colleagues with relevant technical expertise, will review reports and communicate their assessments on the objectivity of the research to the UT-Austin Objectivity in Research Committee.
- 2) Drs. Lloyd, Roux, and Windsor will submit copies of: 1) abstracts that describe the scope of the research that is anticipated related to their technology; and 2) annual research progress reports, which will include a list of persons who derived support from the sponsored research agreement, as well as a compilation of any publications that resulted from the sponsored research to the members of the independent Oversight Committee. Any additional supporting information that is needed for evaluation of the potential conflict of interest will be provided as requested by the independent members of the College Oversight Committee.
- 3) Drs. Lloyd, Roux, and Windsor will notify the University's Objectivity in Research Committee annually of any intellectual property disclosures or patentable technologies arising from the research related to *TEXAGEN* technology. In addition, they will adhere to the University's normal procedures regarding disclosure of patentable technologies to the University Intellectual Property Committee.

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PLAN TO MANAGE POTENTIAL CONFLICTS OF INTEREST (Continued)

- 4) Should either of these committees (the College Oversight Committee or the Objectivity in Research Committee) determine that an actual conflict of interest exists at any point in this oversight process, terms of the agreement are to be modified accordingly or such other remedial action will be taken in accordance with procedures for obtaining approval of plans to manage conflicts of interest.
- 5) Drs. Lloyd, Roux, and Windsor will notify the University's Objectivity in Research Committee of any changes in circumstances regarding their relationships with *TEXAGEN* that may affect the potential for conflicts of interest to arise.

The proposed arrangement is consistent with Section 51.912 of the Texas Education Code and corresponding provisions of The U. T. System Intellectual Property Policy. Pursuant to Part Two, Chapter XII, Subsections 6.2 and 7.1 of the Regents' Rules and Regulations, approval by The University of Texas Board of Regents is necessary for Drs. Lloyd, Roux, and Windsor to establish sponsored research and licensing agreements (and possible consulting arrangements) with *TEXAGEN*.

THE UNIVERSITY OF TEXAS AT AUSTIN
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AMENDMENTS TO THE 2000-01 BUDGET

The following Requests for Budget Changes (RBC's) 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. Source of funds for payment of salaries, unless otherwise shown, is the departmental salaries account.

| <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> | |
| APPOINTMENTS AND PROMOTIONS | | | | | |
| INSTRUCTION | | | | | |
| RED McCOMBS SCHOOL OF BUSINESS | | | | | |
| Management | | | | | |
| 1. William B. Swann, Jr. (T) | | | | | 081 |
| From: Management - Professor | | 0 | 09 | 91,260 | |
| Psychology - Research Associate | | 33 | 09 | 91,260 | |
| Psychology - Professor | | 67 | 09 | 91,260 | |
| To: Management - Professor | 9/1-5/31 | 0 | 09 | 91,260 | |
| Psychology - Professor | | 100 | 09 | 91,260 | |
| William Howard Beasley, III | | | | | |
| Professorship in the | | | | | |
| Graduate School of | | | | | |
| Business | 9/1-5/31 | SUPLT | 09 | 6,000 | |
| Source of Funds: | | | | | |
| \$91,260 | Psychology | | | | |
| <u>6,000</u> | Beasley Professorship | | | | |
| <u>\$97,260</u> | Total Compensation | | | | |

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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <u>Item, Department, Title, Name</u> | <u>Effective</u> <u>Date</u> | <u>%</u> <u>Time</u> | <u>Full-time</u> <u>Salary</u> | | <u>RBC#</u> |
|--|---------------------------------|------------------------------------|-----------------------------------|-------------|-------------|
| | | | <u>No.</u> <u>Mos.</u> | <u>Rate</u> | |
| RED McCOMBS SCHOOL OF BUSINESS (continued) | | | | | |
| Finance | | | | | |
| 2. Maxwell B. Stinchcombe (T) | | | | | 108 |
| From: Professor - Economics | | 100 | 09 | 131,000 | |
| To: Professor - Economics | 9/1-5/31 | 100 | 09 | 131,000 | |
| Professor - Finance | 9/1-5/31 | 0 | 09 | 131,000 | |
| E.C. McCarty Centennial Professorship | 9/1-5/31 | SUPLT | 09 | 9,000 | |
| Source of Funds: | | | | | |
| | \$131,000 | Economics | | | |
| | <u>9,000</u> | McCarty Centennial Professorship | | | |
| | <u>\$140,000</u> | Total Compensation | | | |
| 3. Scott J. Freeman (T) | | | | | 109 |
| From: Professor - Economics | | 100 | 09 | 97,000 | |
| To: Professor - Economics | 9/1-5/31 | 100 | 09 | 97,000 | |
| Professor - Finance | 9/1-5/31 | 0 | 09 | 97,000 | |
| Rex A. and Dorothy Sebastian Centennial Professorship in Business Administration | 9/1-5/31 | SUPLT | 09 | 9,000 | |
| Source of Funds: | | | | | |
| | \$ 97,000 | Economics | | | |
| | <u>9,000</u> | Sebastian Centennial Professorship | | | |
| | <u>\$106,000</u> | Total Compensation | | | |

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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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 | | | | | |
| Special Education | | | | | |
| 4. Alba A. Ortiz (T) | | | | | 041 |
| From: Professor | | 100 | 09 | 92,170 | |
| Ashbel Smith Professor | | SUPLT | 09 | 9,000 | |
| Office of Bilingual Education - Director | | 0 | 12 | 122,893 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 92,170 | |
| President's Chair for Education Academic Excellence | 9/1-5/31 | SUPLT | 09 | 9,000 | |
| Office of Bilingual Education - Director | 9/1-8/31 | 0 | 12 | 122,893 | |
| Source of Funds: | | | | | |
| \$ 92,170 | Special Education | | | | |
| <u>9,000</u> | Chair for Education Academic Excellence | | | | |
| <u>\$101,170</u> | Total Compensation | | | | |

COLLEGE OF ENGINEERING
Aerospace Engineering
Professor Emeritus

| | | | | | |
|---------------------|----------|--|--|--|-----|
| 5. Roger A. Broucke | 9/1-5/31 | | | | 034 |
|---------------------|----------|--|--|--|-----|

THE UNIVERSITY OF TEXAS AT AUSTIN
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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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> | |
| Aerospace Engineering (continued) | | | | | |
| 6. Philip L. Varghese (T) | | | | | 096 |
| From: Professor | | 100 | 09 | 84,903 | |
| William J. Murray, Jr. Fellowship In Engineering #3 | | SUPLT | 09 | 3,500 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 84,903 | |
| William J. Murray, Jr. Fellowship In Engineering #3 | 9/1-5/31 | SUPLT | 09 | 3,500 | |
| Harry H. Power Professorship In Engineering | 9/1-5/31 | SUPLT | 09 | 2,000 | |
| Source of Funds: | | | | | |
| \$84,903 | Aerospace Engineering | | | | |
| 2,000 | Harry H. Power Professorship | | | | |
| <u>3,500</u> | Murray Fellowship #3 | | | | |
| <u>\$90,403</u> | Total Compensation | | | | |
| Electrical and Computer Engineering | | | | | |
| 7. Harold W. Smith (T) | | | | | 086 |
| From: Professor | | 0 | 09 | 63,188 | |
| To: Professor Emeritus | 9/1-5/31 | | | | |

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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <u>Item, Department, Title, Name</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary Rate</u> | <u>RBC#</u> |
|--|---------------------------------|---------------|-----------------|------------------------------|-------------|
| Electrical and Computer Engineering (continued) | | | | | |
| 8. Alan C. Bovik (T) | | | | | 090 |
| From: Professor | | 100 | 09 | 96,167 | |
| General Dynamics Endowed Faculty Fellowship in Engineering | | SUPLT | 09 | 4,000 | |
| To: Professor | 9/1-5/31 | 67 | 09 | 96,167 | |
| Electrical Engineering Contracts and Grants Research Account - Senior Research Scientist | 9/1-5/31 | 33 | 09 | 96,167 | |
| Robert L Parker, Sr. Centennial Professorship in Engineering | 9/1-5/31 | SUPLT | 09 | 6,000 | |
| Source of Funds: | | | | | |
| \$ 96,167 | Electrical Engineering | | | | |
| <u>6,000</u> | Parker Centennial Professorship | | | | |
| <u>\$102,167</u> | Total Compensation | | | | |
| 9. William M. Grady (T) | | | | | 091 |
| From: Professor | | 100 | 09 | 91,354 | |
| | | SUPT | 09 | 3,500 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 91,354 | |
| Josey Centennial Professorship in Energy Resources | 9/1-5/31 | SUPT | 09 | 6,000 | |
| Source of Funds: | | | | | |
| \$91,354 | Special Education | | | | |
| <u>6,000</u> | Josey Centennial Professorship | | | | |
| <u>\$97,354</u> | Total Compensation | | | | |

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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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 FINE ARTS | | | | | |
| Music | | | | | |
| 10. Anton Nel (T) | | | | | 067 |
| From: Professor | | 100 | 09 | 66,000 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 66,000 | |
| Priscilla Pond Flawn Regents Professorship in Organ or Piano | 9/1-5/31 | SUPLT | 09 | 12,000 | |
| Source of Funds: | | | | | |
| | \$66,000 | Music | | | |
| | <u>12,000</u> | Flawn Professorship | | | |
| | <u>\$78,000</u> | Total Compensation | | | |
| | | | | | |
| 11. William L. Lewis (T) | | | | | 035 |
| From: Senior Lecturer | | 0 | 09 | 62,000 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 64,500 | |
| Frank C. Erwin Centennial Professorship In Opera | 9/1-5/31 | 0 | 09 | 64,500 | |
| COLLEGE OF LIBERAL ARTS | | | | | |
| American Studies | | | | | |
| Associate Professor Emeritus | | | | | |
| 12. Kurth Sprague | 9/1-5/31 | | | | 095 |
| Economics | | | | | |
| 13. Daniel C. Morgan (T) | | | | | 087 |
| From: Professor | | 0 | 09 | 50,337 | |
| To: Professor Emeritus | 9/1-5/31 | | | | |

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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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 LIBERAL ARTS (continued) | | | | | |
| English | | | | | |
| 14. Max R. Westbrook (T) | | | | | 068 |
| From: Professor | | 0 | 09 | 50,144 | |
| To: Professor Emeritus | 9/1-5/31 | | | | |
| Psychology | | | | | |
| 15. F. Gonzalez-Lima (T) | | | | | 069 |
| From: Professor | | 100 | 09 | 91,579 | |
| Professor – Pharmacy | | 0 | 09 | 91,579 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 125,000 | |
| Professor – Pharmacy | 9/1-5/31 | 0 | 09 | 125,000 | |
| George I. Sanchez Centennial Professorship in Liberal Arts | 9/1-5/31 | SUPLT | 09 | 15,000 | |
| Source of Funds: | | | | | |
| | \$125,000 | Psychology | | | |
| | <u>15,000</u> | Sanchez Professorship | | | |
| | <u>\$140,000</u> | Total Compensation | | | |
| COLLEGE OF NATURAL SCIENCES | | | | | |
| Biological Sciences | | | | | |
| Professor Emeritus | | | | | |
| 16. Guy Thompson | 9/1-5/31 | | | | 36 |
| 17. Harry E. Sutton | 9/1-5/31 | | | | 70 |
| Associate Professor | | | | | |
| 18. David S. Stein (T) | 9/1-5/31 | 100 | 09 | 67,000 | 37 |

THE UNIVERSITY OF TEXAS AT AUSTIN
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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 NATURAL SCIENCES (continued) | | | | | |
| Chemistry and Biochemistry | | | | | |
| 19. John White (T) | | | | | 57 |
| From: Professor | | 100 | 09 | 120,500 | |
| Norman Hackerman Professorship | | | | | |
| In Chemistry | | SUPLT | 09 | 20,000 | |
| To: Professor | 11/1-5/31 | 100 | 09 | 120,500 | |
| The Robert A. Welch Chair | | | | | |
| In Chemistry | 11/1-5/31 | SUPLT | 09 | 20,000 | |
| Source of Funds: | | | | | |
| \$120,500 | Chemistry | | | | |
| 15,556 | Welch Chair | | | | |
| <u>4,444</u> | Hackerman Professorhip | | | | |
| <u>\$140,500</u> | Total Compensation | | | | |
| 20. Stephen F. Martin (T) | | | | | 58 |
| From: Professor | | 100 | 09 | 106,000 | |
| Rowland Pettit Centennial Professorship | | | | | |
| In Chemistry | | SUPLT | 09 | 9,000 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 106,000 | |
| M. June and Virgil Waggoner Regents | | | | | |
| Chair In Chemistry | 9/1-5/31 | SUPLT | 09 | 20,000 | |
| Source of Funds: | | | | | |
| \$106,000 | Chemistry | | | | |
| <u>20,000</u> | Waggoner Chair | | | | |
| <u>\$126,000</u> | Total Compensation | | | | |

THE UNIVERSITY OF TEXAS AT AUSTIN
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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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> | |
| Mathematics | | | | | |
| 21. Rafael Llave (T) | | | | | 71 |
| From: Professor | | 100 | 09 | 80,000 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 80,000 | |
| Joe B. and Louise Cook Professorship in Mathematics | 9/1-5/31 | SUPLT | 09 | 6,500 | |
| Source of Funds: | | | | | |
| \$80,000 | Mathematics | | | | |
| <u>6,500</u> | Cook Professorship | | | | |
| <u>\$86,500</u> | Total Compensation | | | | |
| Physics | | | | | |
| 22. John W. Keto (T) | | | | | 102 |
| From: Professor | | 100 | 09 | 76,400 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 76,400 | |
| Marian Harris Thornberry Centennial Professorship in Mathematics or Physics | 9/1-5/31 | SUPLT | 09 | 5,000 | |
| Source of Funds: | | | | | |
| \$76,400 | Physics | | | | |
| <u>5,000</u> | Thornberry Professorship | | | | |
| <u>\$81,400</u> | Total Compensation | | | | |

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

THE UNIVERSITY OF TEXAS AT AUSTIN
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

| <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> | |
| SCHOOL OF LAW | | | | | |
| 23. Lynn E. Blais (T) | | | | | 48 |
| From: Professor | | 50 | 09 | 105,063 | |
| Associate Dean | | 50 | 12 | 140,084 | |
| To: Professor | 9/1-5/31 | 50 | 09 | 105,063 | |
| Associate Dean | 9/1-5/31 | 50 | 12 | 140,084 | |
| Leroy G. Denman, Jr. Regents Professorship in Real Property Law | 9/1-5/31 | SUPLT | 09 | 2,000 | |
| Source of Funds: | | | | | |
| \$ 52,532 | Law School | | | | |
| 70,042 | Dean's Office, Law School | | | | |
| <u>2,000</u> | Denman Professorship | | | | |
| <u>\$ 124,574</u> | Total Compensation | | | | |

LYNDON B. JOHNSON SCHOOL OF PUBLIC AFFAIRS

| | | | | | |
|-------------------------|----------|-----|----|--------|----|
| 24. Kenneth W. Tolo (T) | | | | | 60 |
| From: Professor | | 100 | 09 | 94,127 | |
| To: Professor Emeritus | 9/1-5/31 | | | | |

THE UNIVERSITY OF TEXAS AT AUSTIN
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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <u>TRANSFERS OF FUNDS</u> | | <u>RBC#</u> |
|-----------------------------------|------------|-------------|
| <u>LEGISLATIVE APPROPRIATIONS</u> | | |
| 25. Amount of Transfer | \$ 504,522 | 030 |

From: Legislative Appropriations -
 Texas Grant Program

To: Texas Grant Program -
 Scholarships and Fellowships

Increase in original budget amount (\$1,600,000) for the Texas Grant Program to reflect actual allocation from the Texas Higher Education Coordinating Board.

| | | |
|------------------------------|------------|-----|
| <u>STATE GENERAL REVENUE</u> | | |
| 26. Amount of Transfer: | \$ 320,471 | 063 |

| | |
|---|---------|
| From: Reserve for Budget Adjustments - Allotment, Unallocated and Reserves | 146,553 |
| Allocation for Budget Adjustment - Allotment | 173,918 |

| | |
|---------------------------|---------|
| To: State General Revenue | 320,471 |
|---------------------------|---------|

Adjusting the General Revenue Fund for the TXPHARM Program. H.B. 1, Article III Special Provisions, Section 38 directs the Texas Higher Education Coordinating Board in collaboration with the Texas Legislative Budget Board to provide adjusted General Revenue Fund appropriations amounts for the TXPHARM Program to the Comptroller of Public Accounts and to adjust the appropriations accordingly.

THE UNIVERSITY OF TEXAS AT AUSTIN
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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

TRANSFERS OF FUNDS

RBC#

DESIGNATED FUNDS

27. Amount of Transfer: \$ 150,000 032

From: College of Fine Arts Technology Services -
Operating Income

To: College of Fine Arts - Technology Services
Special Equipment

Transfer balance forward income to expenditure account to purchase computer equipment for classrooms and to fund classroom renovations as part of a joint project with the College of Liberal Arts.

28. Amount of Transfer: \$ 200,000 033

From: Dean of Natural Sciences - Equipment Fee -
Biological Sciences – Operating Income

To: Dean of Natural Sciences - Equipment Fee -
Biological Sciences – Maintenance, Operation,
And Equipment

Transfer balance forward income to expenditure account to purchase equipment for introductory biology teaching labs and an autoclave.

29. Amount of Transfer: \$ 351,570 072

From: Art - Equipment Fee - Operating Income

To: Art - Equipment Fee - Maintenance, Operation,
And Equipment

Balance forward income transferred to expenditure account for purchase of computer equipment for design media and information technology labs, woodshop supplies, and audio visual equipment.

THE UNIVERSITY OF TEXAS AT AUSTIN
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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

TRANSFERS OF FUNDS

RBC#

DESIGNATED FUNDS (continued)

30. Amount of Transfer: \$100,000 073

From: Dean of Natural Sciences - Instructional
Technology Fee - Operating Income

To: Dean of Natural Sciences - Maintenance,
Operation, and Equipment

Balance forward income transferred to expenditure account to cover charges from the Telecommunications Office for renovation projects in various areas of the College of Natural Sciences.

31. Amount of Transfer: \$ 2,000,000 092

From: Plant Funds – Pooled Plant Funds

To: Designated Funds - Purchased Utilities - Main Campus

To transfer funds in order to supplement the 2000-01 Utility Budget as approved by the University Budget Council.

32. Amount of Transfer: \$ 150,000 093

From: Dean of Natural Sciences - Equipment Fee -
Biological Sciences - Operating Income

To: Dean of Natural Sciences - Maintenance,
Operation, and Equipment

Transfer fee income to expenditure account for Experimental Science Building (ESB) teaching lab purchases - an autoclave, glass washer, and miscellaneous lab equipment.

THE UNIVERSITY OF TEXAS AT AUSTIN
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 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

TRANSFERS OF FUNDS

RBC#

DESIGNATED FUNDS (continued)

| | | |
|-------------------------|------------|-----|
| 33. Amount of Transfer: | \$ 200,000 | 103 |
|-------------------------|------------|-----|

From: Development Office Building Rental -
 General Physical Plant Operations and
 Maintenance - Operating Income

To: Development Office Building Rental -
 General Physical Plant Operations and
 Maintenance - All Expenses

Temporary transfer from rental income to expense account to cover startup expenditures, contractors, and consultants for various projects while project funding is in process. This account will be reimbursed when funding is received.

| | | |
|-------------------------|------------|-----|
| 34. Amount of Transfer: | \$ 340,314 | 105 |
|-------------------------|------------|-----|

From: College of Fine Arts Equipment Fee -
 Operating Income

To: College of Fine Arts Equipment Fee -
 Maintenance, Operation, and Equipment

Transfer balance forward income to expenditure account to purchase computer workstations, digital video equipment, audio and video editing hardware and software, and upgrades for the Fine Arts Microcomputer Laboratory.

| | | |
|-------------------------|------------|-----|
| 35. Amount of Transfer: | \$ 100,000 | 107 |
|-------------------------|------------|-----|

From: College of Education Information
 Technology Services - Operating Income

To: College of Education Information
 Technology Services - Maintenance,
 Operation, and Equipment

Balance forward income transferred to expenditure account to cover cost of projects for 2000-01, including a new personal computer lab.

THE UNIVERSITY OF TEXAS AT AUSTIN
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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

TRANSFERS OF FUNDS

RBC#

DESIGNATED FUNDS (continued)

36. Amount of Transfer: \$ 1,000,000 111

From: Purchased Utilities – Main Campus -
Operating Income

To: Purchased Utilities – Main Campus -
Maintenance and Operation

Transfer from income account to expense account in order to supplement
the 2000-2001 utility budget as approved by the University Budget Council.

SERVICE DEPARTMENTS FUNDS (REVOLVING FUNDS)

37. Amount of Transfer: \$ 7,544,481 110

From: Utility Plant Revolving Fund -
Operating Income

To: Utility Plant Revolving Fund -
Allocation for Budget Adjustment

Budget increase due to rise in natural gas prices.

AUXILIARY ENTERPRISES FUNDS

38. Amount of Transfer: \$ 245,945 104

From: Plant Funds -Texas Student Publications Reserve

To: Texas Student Publications -
Student Publications - General Overhead

To transfer funds needed for additional units to the printing press. This
portion will be used to purchase one unit for the press.

THE UNIVERSITY OF TEXAS AT AUSTIN
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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

TRANSFERS OF FUNDS

RBC#

PLANT FUNDS

39. Amount of Transfer: \$ 168,000 065

From: Pooled Plant Funds Balances

To: Harry Ransom Humanities Research Center -
Library Shelving - Theater Arts Library

To provide funding for library shelving in the Theater Arts Library.

40. Amount of Transfer: \$ 4,800,000 074

From: Vice President for Business Affairs -
Pooled Plant Fund Balances

To: Vice President for Employee and Campus Services -
Physical Plant Repairs (Interest)

To transfer funds from Unexpended Plant Funds to the Physical Plant for Physical Plant repairs and academic remodeling projects.

41. Amount of Transfer: \$ 3,200,000 075

From: Vice President for Business Affairs -
Renewals and Replacements

To: Vice President for Employee and Campus Services -
Renewals and Replacements Projects

To transfer funds from Unexpended Plant Funds to Renewals and Replacements for Physical Plant repairs and academic remodeling projects.

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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

TRANSFERS OF FUNDS

RBC#

PLANT FUNDS (continued)

42. Amount of Transfer: \$ 2,000,000 076

From: Vice President for Business Affairs -
Pooled Plant Funds Balances

To: Physical Plant - 1999-2001 Academic Remodeling -
Provost Office Renovation

To transfer funds from Pooled Plant Interest to Academic Remodeling for
Physical Plant repairs and academic remodeling projects.

43. Amount of Transfer: \$ 412,000 077

From: Vice President for Business Affairs -
Pooled Plant Funds Balances

To: Physical Plant - Campus - Professional Services for
Transportation Plan

To provide funding for professional services for transportation engineering
campus transportation plan provided by Walker Parking Consultants.

44. Amount of Transfer: \$ 240,000 078

From: Designated Funds - Dean of Natural Sciences -
Information Technology Services - Maintenance,
Operation, and Equipment

To: Plant Funds - Painter Hall - Fifth Floor Renovation

To provide funding to renovate the fifth floor of Painter Hall (PAI) for
classroom labs and administrative offices.

THE UNIVERSITY OF TEXAS AT AUSTIN
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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <u>TRANSFERS OF FUNDS</u> | <u>RBC#</u> |
|---|---------------------|
| PLANT FUNDS (continued) | |
| 45. Amount of Transfer: | \$ 217,323 079 |
| From: Designated Funds - Vice President for Business Affairs - MCC - Lease Payments | |
| To: Plant Funds - MCC - UT Move In Costs | |
| To provide funding to prepare the Microelectronics Computing Consortium (MCC) Building for UT move in - repairs, telecommunications, and related moving costs. | |
| 46. Amount of Transfer: | \$ 100,000 080 |
| From: Housing and Food Service Fire Safety System Reserve | |
| To: Housing and Food Service - Housing and Food Fire and Life Safety Projects | |
| To provide funding for fire and life safety projects on campus. | |
| 47. Amount of Transfer: | \$ 625,210 089 |
| From: Americans with Disabilities Act (ADA) | |
| Capital Improvement Projects - | |
| Phase 1 - Designated Tuition | 319,988 |
| Project 102-880E Repair and Rehabilitation 2000-2001 - Allocation Account | 42,262 |
| 1998-2001 Physical Plant Repair | 262,960 |
| To: Winship Drama Building - | |
| Laboratory Theatre Renovations | 582,948 |
| Project 102-880E Repair and Rehabilitation 2000-2001 - Expenditure Account | 42,262 |
| To provide supplemental funding requested for the renovation of the F. Loren Winship Drama Building - Laboratory Theatre to comply with life safety and ADA issues. | |

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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

TRANSFERS OF FUNDS

RBC#

PLANT FUNDS (continued)

48. Amount of Transfer: \$ 319,850 106

From: Pooled Plant Funds Balances

To: Physical Plant - Campus - Design Services for
West Mall Phase 1 and 2

To provide supplemental funding requested for the following phases:
program, schematic, design development, construction documents,
bid/award, and construction administration.

49. Amount of Transfer: \$ 250,000 94

From: Parking and Transportation Services -
Reserve for Parking Garage #2

To: Parking and Transportation Services - Parking Garage #2
Equipment for Office

To provide funding for equipment for the parking garage office.

THE UNIVERSITY OF TEXAS AT AUSTIN
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OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENT

The following agreement has been awarded, has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for ratification by the U. T. Board of Regents. Employment under this agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, Big XII Conference, and the Rules and Regulations of the Board of Regents of The University of Texas System and The University of Texas at Austin.

1. Item: Head Football Coach

- Funds: Raise total compensation to \$1.45 million

- Period: No change in term of contract

- Description: Agreement for employment of Head Football Coach, Mack Brown.

THE UNIVERSITY OF TEXAS AT AUSTIN
U. T. BOARD OF REGENTS' MEETING
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FEES AND MISCELLANEOUS CHARGES

Ratification is recommended for the following new fees and miscellaneous charges for the 2001-02 academic year. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

COURSE SPECIFIC INCIDENTAL FEES

| <u>Course Number</u> | <u>Course Title</u> | <u>Proposed Fee</u> |
|---------------------------------------|--|-------------------------|
| RED MCCOMBS SCHOOL OF BUSINESS | | |
| MIS 373 | Topics in Management Information Systems, Topic 2: Applied Data Communication Systems | \$ 25 |
| MIS 381N | Topics in Information Systems, Topic 24: Global E-Business/Theory & Cases | 165 |
| MIS 381N | Topics in Information Systems, Topic 25: E-Security/E-Forensic Frameworks | 165 |
| MKT 382 | Seminar: Marketing Administration, Topic 18: Global Marketing Studies | 2,900 |
| COLLEGE OF COMMUNICATION | | |
| ADV 377 | Advertising Media Topics, Topic 0 | 30 |
| ADV 377 | Advertising Media Topics, Topic 3: Digital Media | 80 |
| ADV 385 | International Advertising, Topic 1: Strategic Advertising Principles | 98 |
| RTF 196 | Portfolio in Media Production | 50 |
| RTF 296 | Portfolio in Media Production | 50 |
| RTF 396 | Portfolio in Media Production | 50 |
| RTF 496 | Portfolio in Media Production | 50 |
| CSD 311K | Phonetic Description of Speech | 50 |
| CSD 168L | Acquisition of Communicative Abilities in Children: Laboratory | 25 |
| CSD 378 | Clinical Audiology | 50 |
| CSD 393D | Evaluation and Remediation in Speech/ Language Pathology, Topic 3: Fluency Disorders | 30 |

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FEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC INCIDENTAL FEES

| <u>Course Number</u> | <u>Course Title</u> | <u>Proposed Fee</u> |
|--------------------------------------|--|-------------------------|
| COLLEGE OF COMMUNICATION (continued) | | |
| CSD 393D | Evaluation and Remediation in Speech/ Language Pathology, Topic 6: Language Intervention with Preschool-Age Children | 30 |
| CSD 393E | Evaluation and Remediation in Speech/ Language Pathology, Topic 3: Neurogenics | 30 |
| CSD 393F | Evaluation and Remediation in Speech/ Language Pathology, Topic 3: Team Management of Cranofacial Patients | 30 |
| CMS 306M | Professional Communication Skills | 7 |
| CMS 317M | Advanced Presentation Skills | 7 |
| COLLEGE OF EDUCATION | | |
| KIN 382 | Conference-Laboratory, Topic 4: Biomechanics Laboratory | 30 |
| COLLEGE OF FINE ARTS | | |
| ARH 381 | Topics in Latino and Chicano Art | 15 |
| ARH 382R | Topics in Art of Late Antiquity | 15 |
| ARH 386G | Topics in 18 th -Century Art | 15 |
| DES 380 | Core in Design | 50 |
| DES 381 | Core Lab 1 | 50 |
| DES 382 | Critique Studio 1 | 50 |
| DES 391 | Core Lab 2 | 50 |
| DES 394 | Advance Issues in Design | 50 |
| DES 398T | Supervised Teaching in Design | 50 |

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FEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC INCIDENTAL FEES

| <u>Course Number</u> | <u>Course Title</u> | <u>Proposed Fee</u> |
|------------------------------------|---|-------------------------|
| GRADUATE STUDIES | | |
| GRS 388S | Practicum in Oral Academic Communication | 25 |
| GRS 388W | Practicum in Written Academic Communication | 25 |
| GRS 389S | Culture of Academic Communication | 25 |
| GRS 389T | Culture and Communication for University Teaching | 25 |
| GRS 389W | Culture of Academic Writing Topic 3: Language in Culture and Society | 25 |
| COLLEGE OF LIBERAL ARTS | | |
| AMS 370 | Seminar in American Culture, Topic 13: Culture of Cities-W | 16 |
| AMS 370 | Seminar in American Culture, Topic 14: The Geography of Tourism | 16 |
| ASL 506 | First Year American Sign Language I | 5 |
| ASL 507 | First Year American Sign Language II | 5 |
| ASL 312K | Second Year American Sign Language I | 3 |
| ASL 312L | Second Year American Sign Language II | 3 |
| COLLEGE OF NATURAL SCIENCES | | |
| GEO 114G | Geophysics Colloquium | 33 |
| GEO 185G | Geophysics Colloquium | 33 |
| GEO 386G | GIS and GPS Applications in Earth Sciences | 54 |
| GEO 392M | Modern Geological Sciences | 9 |
| MNS 384H | Marine Botany | 71 |
| COLLEGE OF PHARMACY | | |
| PHR 19X | Pharmacy-Based Immunization Practice Laboratory | 50 |

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 FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

OTHER FEES AND CHARGES

The following new charges recommended for approval by the U. T. Board of Regents and inclusion in institutional catalogs have been approved by the Executive Vice Chancellor for Academic Affairs. All recommended charges are consistent with applicable statutory requirements under Section 54.504 and Section 55.16 of the Texas Education Code.

| Name/Description | Amount of Fee |
|---|---|
| SCHOOL OF ARCHITECTURE MATERIALS LAB FEE | \$60/semester \$60/12 wk./summer \$45/9 wk./summer \$38/6 wk./summer |
| To defray costs incurred in operating newly integrated Materials Lab in the School of Architecture | |
| RED MCCOMBS SCHOOL OF BUSINESS STUDENT LAPTOP SUPPORT FEE (OPTIONAL) | \$200/semester \$150/summer |
| To defray costs of providing support for laptop hardware and software for students not paying the Graduate Instructional Technology Services Fee. | |
| SCHOOL OF LAW INSTRUCTIONAL TECHNOLOGY FEE | \$200/semester |
| To defray costs of providing equipment and support for increased use of technology in classrooms. | |
| GRADUATE STUDIES GRADUATE CERTIFICATION FEE | \$10/semester |
| To defray costs of certifying students for Master's and Doctoral degrees. | |
| COLLEGE OF NATURAL SCIENCES INSTRUCTIONAL RESOURCE FEE | \$12/semester credit hour |
| To defray costs of maintaining undergraduate laboratory equipment. | |

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FEEES AND MISCELLANEOUS CHARGES (Continued)

OTHER FEES AND CHARGES

| <u>Name/Description</u> | <u>Amount of Fee</u> |
|---|----------------------|
| SCHOOL OF NURSING | |
| NECLEX PREPARATION EXAM FEE | \$45/semester |
| To defray costs of purchasing and administering NECLEX preparation exam. | |
| MEASUREMENT AND EVALUATION CENTER | |
| TEST REGISTRATION FEE | \$15/semester |
| To defray costs of registration and administration associated with Credit by Exam test. | |

THE UNIVERSITY OF TEXAS AT AUSTIN
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FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

HOUSING RATES
(including Apartments, Dormitory Rooms, Residence Halls)

Ratification is recommended for the following housing, board and rental rates to be effective beginning with the Fall Semester 2001. The rates have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|---|----------------------|-----------------------|-------------------------|
| <u>Long session rates (September - May)</u> | | | |
| Double rooms | | | |
| Existing Residence Halls | \$2,823 | \$3,114 | 10.31% |
| New Residence Hall | \$3,400 | \$3,714 | 9.23% |

The rate for single rooms will be 1.6 times the double room rate, and the rate for double rooms rented as singles will be two times the double rate.

Rooms with connecting or private bathroom facilities include an additional \$300 charge. The private accommodations warrant the higher rate.

The room rates include a \$150 Fire and Life Safety charge.

Residential FIGS (formerly First Year Experience Option) Fee

Participants in Residential FIGS will pay a \$100 fee to cover the cost of programming. This is \$50 less than the current rate.

For each summer session

Summer session rates are based on the per diem rate for the long session times the number of days in the summer session, adjusted to meet market demand.

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FEES AND MISCELLANEOUS CHARGES (Continued)

BOARD RATES

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|---|--------------------------|---------------------------|-----------------------------|
| <u>Long session rates (September - May)</u> | | | |
| 600 meals | \$ 2,464 | \$ 2,557 | 3.77% |
| 500 meals | \$ 2,250 | \$ 2,360 | 4.89% |
| 400 meals | \$ 2,065 | \$ 2,274 | 10.12% |
| 330 meals | \$ 1,936 | \$ 2,025 | 4.60% |

Meals are required as part of the contract for residence halls.
 A \$25 fee will be charged to residents who make a change in their meal plans.

For each summer session

Summer session rates are based on the long session rate and the number of days in the summer session adjusted to meet market demand.

Daily rates per person

Short term, orientation and summer conference program rates vary based on the length of stay, the number of participants, and the services provided. Base rates are recommended as follows:

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|-------|--------------------------|---------------------------|-----------------------------|
| Meals | \$ 17.00 | \$ 20.00 | 17.65% |

THE UNIVERSITY OF TEXAS AT AUSTIN
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 FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

RENTAL RATES

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|-------------------------------|--------------------------|---------------------------|-----------------------------|
| <u>UNIVERSITY APARTMENTS</u> | | | |
| <u>FAMILY STUDENT HOUSING</u> | | | |
| <u>Per month</u> | | | |
| 1 bedroom | \$ 408 | \$ 420 | 2.94% |
| 2 bedroom | \$ 471 | \$ 485 | 2.97% |
| 3 bedroom | \$ 601 | \$ 619 | 3.00% |

All apartment rates include water; the residents are responsible for the electric bills in all units. The rates for the Colorado Apartments include gas.

STUDENT HOUSING UNITS - UNIVERSITY COOPERATIVES

Monthly Rental Per Co-op

Resident Paid to the University

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|------------------------------|--------------------------|---------------------------|-----------------------------|
| Air conditioned double rooms | \$ 154 | \$ 178 | 15.58% |

THE UNIVERSITY OF TEXAS AT AUSTIN
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

STUDENT SERVICES FEES

Ratification is recommended for the following student services fees to be effective beginning with the Fall Semester 2001. The statutory requirements for involvement of a student services fees committee have been met and an affirmative vote of the student government has been secured for increases of more than 10%. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

COMPULSORY STUDENT SERVICES FEE

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|--|--------------------------|---------------------------|-----------------------------|
| <u>For each regular semester</u> | | | |
| Per Semester Credit Hour | \$ 10.40 | \$ 11.36 | 9.23% |
| Maximum (12 or more semester credit hours) | \$124.80 | \$136.32 | 9.23% |
| Per Student (headcount fee) | \$ 8.48 | \$ 8.88 | 4.72% |
| Total (12 or more semester credit hours) | \$133.28 | \$145.20 | 8.94% |
| <u>For summer session</u> | | | |
| Per Semester Credit Hour | \$ 10.40 | \$ 11.36 | 9.23% |
| Maximum (12 or more semester credit hours) | \$124.80 | \$136.32 | 9.23% |
| Per Student (headcount fee) | | | |
| Six Week Session | \$ 4.24 | \$ 4.44 | 4.72% |
| Nine Week Session | \$ 6.36 | \$ 6.66 | 4.72% |
| Twelve Week Session | \$ 8.48 | \$ 8.88 | 4.72% |

Note: The headcount fee is prorated for the six and nine week summer sessions

THE UNIVERSITY OF TEXAS AT AUSTIN
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

STUDENT SERVICES FEES (Continued)

VOLUNTARY STUDENT SERVICES FEES

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|--------------------------------------|--------------------------|---------------------------|-----------------------------|
| <i>Cactus Yearbook</i> | \$ 42.00 | \$ 45.00 | 7.14% |
| <u>For fall and spring semesters</u> | | | |
| Dollars for Scholars | | \$ 3.00 max | N/A |
| <u>For spring semester</u> | | | |
| Dollars for Scholars | | \$ 3.00 max | N/A |
| <u>For summer session</u> | | | |
| Dollars for Scholars | | \$ 3.00 max | N/A |

THE UNIVERSITY OF TEXAS AT AUSTIN
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

STUDENT UNION FEES

Ratification is recommended for the following student union fees to be effective beginning with the Fall Semester of 2001. The statutory requirements for involvement of a student services fee committee have been met. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|----------------------------------|--------------------------|---------------------------|-----------------------------|
| <u>For each regular semester</u> | | | |
| Per student (headcount fee) | \$36.24 | \$38.80 | 7.06% |
| Maximum | \$36.24 | \$38.80 | 7.06% |
| <u>For summer session</u> | | | |
| Per student (headcount fee) | | | |
| Six Week | \$18.12 | \$19.40 | 7.06% |
| Nine Week | \$27.18 | \$29.10 | 7.06% |
| Twelve Week | \$36.24 | \$38.80 | 7.06% |

Note: The student union fee is prorated for the six and nine week summer sessions.

THE UNIVERSITY OF TEXAS AT AUSTIN
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

FEEES AND MISCELLANEOUS CHARGES (Continued)

MEDICAL SERVICES FEES

Ratification is recommended for the following medical services fee increases to be effective beginning with the Fall Semester 2001. The increases have been the subject of appropriate student input and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|----------------------------------|--------------------------|---------------------------|-----------------------------|
| <u>For each regular semester</u> | | | |
| Per Student (headcount fee) | \$ 57.76 | \$ 60.56 | 4.85% |
| Maximum | \$ 57.76 | \$ 60.56 | 4.85% |
| <u>For summer session</u> | | | |
| Per Student (headcount fee) | | | |
| Six-Week Session: | \$ 28.88 | \$ 30.28 | 4.85% |
| Nine-Week Session: | \$ 43.32 | \$ 45.42 | 4.85% |
| Twelve-Week Session: | \$ 57.76 | \$ 60.46 | 4.67% |

THE UNIVERSITY OF TEXAS AT AUSTIN
U. T. BOARD OF REGENTS' MEETING
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FEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Ratification is recommended for the following designated tuition rates to be effective beginning with the Fall Semester of 2001. The proposed rate increases will be the subject of discussion at a public forum as required by statute and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|---------------------------------|--------------------------|---------------------------|-----------------------------|
| <u>Per Semester Credit Hour</u> | \$40 | \$42* | 5.0% |

*Estimated rate, which is subject to legislative action. The actual rate will be the rate allowed by statute.

THE UNIVERSITY OF TEXAS AT AUSTIN
 U. T. BOARD OF REGENTS' MEETING
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FEES AND MISCELLANEOUS CHARGES (Continued)

DIFFERENTIAL GRADUATE TUITION CHARGES

Ratification is recommended for the following differential graduate tuition charges for the 2001-02 academic year. The fee will be the subject of discussion with representative students and has been administratively approved by the Executive Vice Chancellor for Academic Affairs. A portion of the increase will be used for financial assistance for students impacted by the increase.

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

| <u>Academic Program</u> | <u>Current Fee</u> | | <u>Proposed Fee</u> | |
|--|--------------------|---------------------|---------------------|---------------------|
| | <u>Resident</u> | <u>Non-Resident</u> | <u>Resident</u> | <u>Non-Resident</u> |
| Per Semester Credit Hour All Programs(except those listed below) | \$40.00 | \$40.00 | \$42.00* | \$42.00* |
| College of Pharmacy (Undergraduate Professional and Pharm. D.) | \$40.00 | \$255.00 | \$42.00* | \$253.00** |
| McCombs School of Business (MBA/MPA, PPA) | \$40.00 | \$200.00 | \$42.00* | \$253.00** |
| School of Law | \$80.00 | \$207.00 | \$80.00 | \$207.00 |

* These rates are estimates and are subject to legislative approval. The actual rates will not exceed the rates allowed by statute. The resident differential graduate tuition rate is set equal to the base resident rate. For all programs except Pharmacy, Business, and Law, the non-resident differential graduate tuition rate is set equal to the resident rate.

** The base non-resident tuition rate is set annually by the Texas Higher Education Coordinating Board and has been set at \$253 per semester credit hour for fiscal year 2001-02. If the base non-resident tuition rate changes from \$253, the graduate tuition rate will change accordingly to twice the non-resident rate set by the Coordinating Board.

THE UNIVERSITY OF TEXAS AT AUSTIN
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

TUITION CHARGES FOR STUDENTS WITH EXCESS HOURS

Ratification is recommended for the following tuition charges to students enrolled with excess hours for the 2001-02 academic year as authorized by Section 54.066 and Section 54.068 of the Texas Education Code.

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

| <u>Academic Program</u> | <u>Current Fee</u> | | <u>Proposed Fee</u> | |
|---|---|---------------------|---|---------------------|
| | <u>Resident</u> | <u>Non-Resident</u> | <u>Resident</u> | <u>Non-Resident</u> |
| Certain doctoral students with in excess of 99 doctoral hours | \$335 per semester credit hour (non-resident tuition of \$255 plus \$40 graduate student differential plus \$40 designated) or \$80 per semester plus the non-resident rate set by the Coordinating Board | N/A | \$337 per semester credit hour (non-resident tuition of \$253 plus \$42 graduate student differential plus \$42 designated) or the non-resident rate set by the Coordinating Board* plus designated tuition plus non-resident graduate student differential | N/A |

* The base non-resident tuition rate is set annually by the Texas Higher Education Coordinating Board and has been set at \$253 per semester credit hour for fiscal year 2001-02. The total tuition rate will be the non-resident rate set by the Coordinating Board (\$253) plus the rate for graduate student differential plus the rate for designated tuition. The \$42 per hour rates for graduate student differential and designated tuition are estimates and are subject to legislative approval.

THE UNIVERSITY OF TEXAS AT BROWNSVILLE
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THE UNIVERSITY OF TEXAS AT BROWNSVILLE
 U. T. BOARD OF REGENTS' MEETING
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AMENDMENTS TO THE 2000-01 BUDGET

The following Requests for Budget Changes (RBC's) 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. Source of funds for payment of salaries, unless otherwise shown, is the departmental salaries account.

| <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> | |
| <u>APPOINTMENTS AND PROMOTIONS</u> | | | | | |
| SCHOOL OF BUSINESS | | | | | |
| Business Technology | | | | | |
| 1. Beatriz Castillo (T) | | | | | 5 |
| From: Assistant Professor | | 100 | 09 | 39,332 | |
| To: Assistant Master Technical Instructor | 9/1-5/31 | 100 | 09 | 44,000 | |
| COLLEGE OF SCIENCE, MATH AND TECHNOLOGY | | | | | |
| Biology | | | | | |
| 2. Alfredo Munoz (T) | | | | | 10 |
| From: Assistant Professor/ Chairperson | | 100 SUPLT | 09 09 | 50,665 5,333 | |
| To: Associate Professor/ Chairperson | 9/1-5/31 9/1-5/31 | 100 SUPLT | 09 09 | 50,665 8,000 | |

THE UNIVERSITY OF TEXAS AT BROWNSVILLE
U. T. BOARD OF REGENTS' MEETING
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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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 SCIENCE, MATH AND TECHNOLOGY & ACADEMIC AFFAIRS | | | | | |
| Industrial Technology | | | | | |
| 3. John P. Wade (T) | | | | | 3 |
| From: Associate Master Technical Instructor | | 100 | 09 | 43,722 | |
| To: Associate Master Technical Instructor | 9/1-5/31 | 0 | 09 | 43,722 | |
| Interim Associate Vice President for Academic Affairs | 9/1-5/31 | 100 | 12 | 70,000 | |
| SCHOOL OF HEALTH SCIENCES | | | | | |
| Dean | | | | | |
| 4. Eldon Nelson (T) | | | | | 13 |
| From: Dean/Professor | 9/1-8/31 | 100 | 12 | 85,035 | |
| To: Dean/Professor | 9/1-8/31 | 100 | 12 | 90,000 | |
| | 9/1-5/31 | 0 | 09 | 51,030 | |

THE UNIVERSITY OF TEXAS AT BROWNSVILLE
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

FEEES AND MISCELLANEOUS CHARGES

Ratification is recommended for the following new fees and miscellaneous charges for the 2001-02 academic year. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

SUPPLEMENTAL FEES

| <u>Course Number</u> | <u>Course Title</u> | <u>Proposed Fee</u> |
|--------------------------|---------------------|-------------------------|
| ARTS 3314 | Individual Problems | \$ 95 |

THE UNIVERSITY OF TEXAS AT BROWNSVILLE
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

OTHER FEES AND CHARGES

The following new charges recommended for approval by the U. T. Board of Regents and inclusion in institutional catalogs have been approved by the Executive Vice Chancellor for Academic Affairs. All recommended charges are consistent with applicable statutory requirements under Section 54.504 and Section 55.16 of the Texas Education Code.

| <u>Name/Description</u> | <u>Amount of Fee</u> |
|--|---|
| QUICK TASP FEE For students who take the Quick TASP in lieu of regular TASP | \$10 per student |
| TEACHER EDUCATION PROGRAM ADMISSION FEE To defray costs associated with providing services to students in the teacher certification program | \$50 |
| SCHOOL OF EDUCATION – FOREIGN FIELD EXPERIENCE FEE To defray costs associated with foreign field experience courses, specifically courses EDEC 6310 and BILC 6322 | \$550 per course |
| ADMISSION TO SCHOOL OF BUSINESS UPPER DIVISION FEE To defray costs associated with managing student files and providing the necessary technology and human resources to the School of Business students | \$50 |
| COPY/PRINT CARD FEE To defray the costs of materials and supplies | \$10 for 250 copies/prints and \$0.05 per copy/print thereafter |

THE UNIVERSITY OF TEXAS AT BROWNSVILLE
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

STUDENT SERVICES FEES

Ratification is recommended for the following student services fees to be effective beginning with the Fall Semester 2001. The statutory requirements for involvement of a student services fees committee have been met. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

COMPULSORY STUDENT SERVICES FEE

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|----------------------------------|--------------------------|---------------------------|-----------------------------|
| <u>For each regular semester</u> | | | |
| Per Semester Credit Hour | \$9.10 | \$10.00 | 10.0% |
| Maximum | \$145.60 | \$150.00 | 4.4% |
| <u>For summer session</u> | | | |
| Per Semester Credit Hour | \$9.10 | \$10.00 | 10.0% |
| Maximum | \$145.00 | \$150.00 | 3.4% |

THE UNIVERSITY OF TEXAS AT BROWNSVILLE
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FEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Ratification is recommended for the following designated tuition rates to be effective beginning with the Fall Semester of 2001. The proposed rate increases have been the subject of discussion at a public forum as required by statute and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|---------------------------------|--------------------------|---------------------------|-----------------------------|
| <u>Per Semester Credit Hour</u> | \$18 | \$25 | 38.9% |

THE UNIVERSITY OF TEXAS AT DALLAS
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THE UNIVERSITY OF TEXAS AT DALLAS
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AMENDMENTS TO THE 2000-01 BUDGET

The following Requests for Budget Changes (RBC's) 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>TRANSFERS OF FUNDS</u> | | <u>RBC #</u> |
|---|-----------|--------------|
| ADVANCED RESEARCH AND ADVANCED TECHNOLOGY PROGRAMS | | |
| 1. Amount of Transfer | \$121,361 | 9 |
| From: Texas Higher Education Coordinating Board | | |
| To: U. T. Dallas - Texas Advanced Research Program | | |
| Increase to the 2001 FY Budget to reflect actual amount of award. | | |
| 2. Amount of Transfer | \$29,207 | 10 |
| From: U. T. Dallas - Texas Advanced Technology Program | | |
| To: Texas Higher Education Coordinating Board | | |
| Decrease to the 2001 FY Budget to reflect actual amount of award. | | |
| EDUCATIONAL AND GENERAL | | |
| 3. Amount of Transfer | \$700,000 | 11 |
| From: Capital Equity | | |
| To: Library | | |
| To add additional Library funding from Capital Equity. | | |

THE UNIVERSITY OF TEXAS AT DALLAS
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OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

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

1. Item: Head Men's Basketball Coach
Funds: \$36,420 annually
Period: September 1, 2000 through August 31, 2001
Description: Agreement for employment of Head Basketball Coach, Terrence Butterfield, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.

2. Item: Head Women's Soccer Coach
Funds: \$34,000 annually
Period: September 1, 2000 through August 31, 2001
Description: Agreement for employment of Head Soccer Coach, John Antonisse, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.

THE UNIVERSITY OF TEXAS AT DALLAS
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OTHER FISCAL ITEMS (Continued)

EMPLOYMENT AGREEMENTS (Continued)

3. Item: Head Women's Basketball Coach
- Funds: \$36,420 annually
- Period: September 1, 2000 through August 31, 2001
- Description: Agreement for employment of Head Basketball Coach, Rachelle Leonard, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.
4. Item: Head Men's Soccer Coach
- Funds: \$34,000 annually
- Period: September 1, 2000 through August 31, 2001
- Description: Agreement for employment of Head Soccer Coach, Jack Peel, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.
5. Item: Head Men's and Women's Tennis Coach
- Funds: \$6,000 annually
- Period: September 1, 2000 through August 31, 2001
- Description: Agreement for employment of Head Tennis Coach, Sak Houssein, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.

THE UNIVERSITY OF TEXAS AT DALLAS
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES

OTHER FEES AND CHARGES

The following new charges recommended for approval by the U. T. Board of Regents and inclusion in institutional catalogs have been approved by the Executive Vice Chancellor for Academic Affairs. All recommended charges are consistent with applicable statutory requirements under Section 54.504 and Section 55.16 of the Texas Education Code.

| <u>Name/Description</u> | <u>Amount of Fee</u> |
|--|----------------------|
| LATE DIPLOMA PROCESSING FEE To partially defray increased cost of extra administrative and clerical efforts required to maintain and process late requests for graduation in exceptional circumstances. | \$100.00 |
| CHANGE OF MAJOR FEE To defray costs associated with increased volume of undergraduate students changing majors. | \$25.00 |

THE UNIVERSITY OF TEXAS AT DALLAS
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Ratification is recommended for the following designated tuition rates to be effective beginning with the Fall Semester of 2001. The proposed rate increases will be the subject of discussion at a public forum as required by statute and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|---------------------------------|----------------------|-----------------------|-------------------------|
| <u>Per Semester Credit Hour</u> | \$40 | \$42* | 5.0% |

*Estimated rate, which is subject to legislative action. The actual rate will be the rate allowed by statute.

THE UNIVERSITY OF TEXAS AT DALLAS
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

DIFFERENTIAL GRADUATE TUITION CHARGES

Ratification is recommended for the following differential graduate tuition charges for the 2001-02 academic year. The fee will be the subject of discussion with representative students and has been administratively approved by the Executive Vice Chancellor for Academic Affairs. A portion of the increase will be used for financial assistance for students impacted by the increase.

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

| <u>Academic Program</u> | <u>Current Fee</u> | | <u>Proposed Fee</u> | |
|--------------------------|--------------------|---------------------|---------------------|---------------------|
| | <u>Resident</u> | <u>Non-Resident</u> | <u>Resident</u> | <u>Non-Resident</u> |
| Per Semester Credit Hour | | | | |
| All Programs | \$40.00 | \$40.00 | \$42.00* | \$42.00* |

* These rates are estimates and are subject to legislative approval. The actual rates will not exceed the rates allowed by statute. The resident differential graduate tuition rate is set equal to the base resident rate. For all programs the non-resident differential graduate tuition rate is set equal to the resident rate.

THE UNIVERSITY OF TEXAS AT DALLAS
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

OTHER MATTERS

PERIODIC PERFORMANCE EVALUATION OF TENURED FACULTY POLICY

The following proposed amendments to the Periodic Performance Evaluation of Tenured Faculty Policy have been approved by the Executive Vice Chancellor for Academic Affairs and are recommended for ratification by the U. T. Board of Regents.

| <u>Page Number(s)</u> | <u>Summary of Proposed Amendments</u> |
|-----------------------|--|
| 1, 2, 4, 6, 7 | Program Head Title changed to Department Head in Section I.A.1, I.B. (fourth paragraph), II.A., III.B.-E. and I. |
| 2,4 | Reference to Program(s) changed to Department(s) in Section I.B. (fourth paragraph) and G. |
| 6, 7 | Title of Chief Academic Officer (CAO) to Executive Vice President and Provost (Provost) in Section III.E., F., and H,-J. |
| 6 | Section III.G.1., added apostrophe to Regents' <u>Rules and Regulations</u> . |
| 7 | Section III.H.3., added underline to Regents' <u>Rules</u> . |

THE UNIVERSITY OF TEXAS AT EL PASO
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THE UNIVERSITY OF TEXAS AT EL PASO
U. T. BOARD OF REGENTS' MEETING
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GIFTS

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

1. Donor Name: Mr. and Mrs. Larry K. Durham*
College/School/ Department: Intercollegiate Athletics
Purpose: For the Larry K. Durham Sports Center Project
construction Gift Fund.
Asset Type: Cash
Value: \$1,000,000

* No letter of transmittal from the donor

THE UNIVERSITY OF TEXAS AT EL PASO
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

AMENDMENTS TO THE 1999-00 BUDGET

The following Requests for Budget Changes (RBC's) 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>TRANSFERS OF FUNDS</u> | | <u>RBC #</u> |
|--|-----------|--------------|
| EDUCATIONAL AND GENERAL | | |
| Scholarships and Fellowships | | |
| Texas Grants Program | | |
| 1. Amount of Transfer | \$188,116 | 25 |
| From: State Appropriations-Texas Grants-Coordinating Board | | |
| To: Texas Grants Program | | |
| Additional funding approved by the Texas Higher Education Coordinating Board for fiscal year 2000. | | |

| | | |
|--|-------------|----|
| AUXILIARY ENTERPRISE FUNDS | | |
| Road Shows and Special Events | | |
| 2. Amount of Transfer | \$3,000,000 | 24 |
| From: Road Shows and Special Events Operating Income | | |
| To: Road Shows and Special Events All Expenses | | |
| Budget adjustment is necessary to reflect anticipated increase in revenues and expenses for road shows and special events. | | |

THE UNIVERSITY OF TEXAS AT EL PASO
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

PARKING AND TRAFFIC REGULATIONS

The following listing summarizes the substantive changes proposed to Parking and Traffic Regulations of The University of Texas at El Paso. They have been approved by the Executive Vice Chancellor for Academic Affairs and the Office of General Counsel and are incorporated in model regulations approved by the U. T. Board of Regents. These regulations supersede all prior Parking and Traffic Regulations and continue in effect until modified.

Parking and Traffic Regulations for 2001-02

| <u>Page Number(s)</u> | <u>Summary of Proposed Substantive Change</u> |
|-----------------------|--|
| 2 | Section 1, Item 8 revised to add the use of "Scooters" as a listed form of transportation that is not allowed on campus. |

THE UNIVERSITY OF TEXAS AT EL PASO
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

FEEES AND MISCELLANEOUS CHARGES

OTHER FEES AND CHARGES

The following new charges recommended for approval by the U. T. Board of Regents and inclusion in institutional catalogs have been approved by the Executive Vice Chancellor for Academic Affairs. All recommended charges are consistent with applicable statutory requirements under Section 54.504 and Section 55.16 of the Texas Education Code.

| <u>Name/Description</u> | <u>Amount of Fee</u> |
|---|-------------------------------|
| DANCE ACCOMPANIST FEE To augment course support dollars so that an accompanist can be hired for students to experience classroom performances. | \$25 per student per semester |
| ADVANCED APPRAISAL AND ASSESSMENT (EDPC 5336 – COLLEGE OF EDUCATION) To defray the costs of course materials and supplies that students need to gain experience in administering testing instruments. | \$20 per student per semester |

THE UNIVERSITY OF TEXAS AT EL PASO
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

HOUSING RATES
(Including Apartments, Dormitory Rooms, Residence Halls)

Ratification is recommended for the following rental rates to be effective beginning with the Fall Semester 2001. The rates have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

RENTAL RATES

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|--|----------------------|-----------------------|-------------------------|
| <u>Per month</u> | | | |
| <u>UNIVERSITY APARTMENTS</u> | | | |
| Efficiency Units (15 Units w/2 students per unit) | \$0.00 | \$280/mo./student | N/A |
| Efficiency Units (36 Units w/1 student per unit) | \$0.00 | \$425/mo. | N/A |
| Two Bedroom Units (150 units w/2 students per unit) | \$0.00 | \$398/mo./student | N/A |
| Four Bedroom Units (18 units w/4 students per unit) | \$0.00 | \$375/mo./student | N/A |

All apartment rates include water, electric and gas.

THE UNIVERSITY OF TEXAS AT EL PASO
U. T. BOARD OF REGENTS' MEETING
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FEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Ratification is recommended for the following designated tuition rates to be effective beginning with the Fall/Spring Semester of 2001. The proposed rate increases have been the subject of discussion at a public forum as required by statute and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|---------------------------------|--------------------------|---------------------------|-----------------------------|
| <u>Per Semester Credit Hour</u> | \$34 | \$38 | 11.8% |

THE UNIVERSITY OF TEXAS – PAN AMERICAN
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THE UNIVERSITY OF TEXAS – PAN AMERICAN
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FEES AND MISCELLANEOUS CHARGES

OTHER FEES AND CHARGES

The following new charge recommended for approval by the U. T. Board of Regents and inclusion in institutional catalogs has been approved by the Executive Vice Chancellor for Academic 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> |
|--|----------------------|
| TASP AFFECTED STUDENT ADVISEMENT FEE To defray the cost of TASP Affected Student advising. | \$20/Semester |

THE UNIVERSITY OF TEXAS – PAN AMERICAN
BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Ratification is recommended for the following designated tuition rates to be effective beginning with the Fall Semester of 2001. The proposed rate increases have been the subject of discussion at a public forum as required by statute and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|---------------------------------|--------------------------|---------------------------|-----------------------------|
| <u>Per Semester Credit Hour</u> | \$22 | \$26 | 18.2% |

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
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THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
BOARD OF REGENTS' MEETING
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FEES AND MISCELLANEOUS CHARGES

Ratification is recommended for the following new fees and miscellaneous charges for the 2001-02 academic year. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

LABORATORY FEES

| <u>Course Number</u> | <u>Course Title</u> | <u>Proposed Fee</u> |
|----------------------|----------------------------------|---------------------|
| ARTS 1311 | 2-D Design | \$ 15 |
| ARTS 2326 | Photography | 15 |
| ARTS 3389 | Selected Topics Studio | 15 |
| ARTS 4326 | Advanced Photography | 15 |
| ARTS 4354 | Computer Printmaking | 10 |
| MCOM2303 | Writing for Mass Media | 10 |
| MCOM3318 | Editing and Makeup | 10 |
| MCOM3319 | Advanced Reporting Topics | 10 |
| MCOM3341 | Digital Audio Techniques | 15 |
| MCOM3342 | Radio/TV Production | 15 |
| MCOM3344 | Television Production II | 15 |
| MCOM4310 | Advanced Broadcasting Techniques | 15 |
| MCOM4312 | Digital Audio Production | 15 |
| MCOM4329 | Small Publication | 10 |
| MCOM4361 | Communication Research | 10 |
| MCOM4390 | Seminar in Communication | 10 |
| PHYS 1401 | College Physics I | 15 |
| PHYS 1402 | College Physics II | 15 |

COURSE SPECIFIC INCIDENTAL FEES

| | | |
|-----------|--------------|----|
| KINE 1109 | Golf | 35 |
| KINE 1109 | Bowling | 40 |
| KINE 1109 | Lifeguarding | 30 |
| KINE 1109 | Water | 30 |

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
 BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

HOUSING RATES
(including Apartments, Dormitory Rooms, Residence Halls)

Ratification is recommended for the following housing rates to be effective beginning with the Fall Semester 2001. These rates have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

Following Regental approval, The University of Texas of the Permian Basin catalog will be amended to reflect these new rates.

| | | <u>Current</u> <u>Rates</u> | <u>Proposed</u> <u>Rates</u> | <u>Percent</u> <u>Increase</u> |
|-----------------------------------|-------------|--------------------------------|---------------------------------|-----------------------------------|
| <u>For each regular semester</u> | | | | |
| Falcon's Nest | (2 Bedroom) | \$ 930 | \$ 950 | 2.2% |
| | (4 Bedroom) | 1,080 | 1,100 | 1.9% |
| Manufactured Housing (Efficiency) | | 840 | 860 | 2.4% |
| | (1 Bedroom) | 1,425 | 1,450 | 1.8% |
| | (2 Bedroom) | 2,040 | 2,080 | 2.0% |
| <u>For summer session</u> | | | | |
| Falcon's Nest | (2 Bedroom) | \$ 615 | \$ 625 | 1.6% |
| | (4 Bedroom) | 705 | 715 | 1.4% |
| Manufactured Housing (Efficiency) | | 555 | 565 | 1.8% |
| | (1 Bedroom) | 945 | 955 | 1.1% |
| | (2 Bedroom) | 1,350 | 1,360 | 0.7% |

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

STUDENT SERVICES FEES

Ratification is recommended for the following student services fee to be effective beginning with the Fall Semester 2001. The statutory requirements for involvement of a student services fees committee have been met. This fee has been administratively approved by the Executive Vice Chancellor for Academic Affairs.

Following Regental approval, The University of Texas of the Permian Basin catalog will be amended to reflect these new fees.

COMPULSORY STUDENT SERVICES FEE

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|----------------------------------|----------------------|-----------------------|-------------------------|
| <u>For each regular semester</u> | | | |
| Per Semester Credit Hour | \$12.50 | \$10.50 | -16% |
| Maximum \$150 | | | |

STUDENT UNION FEES

Ratification is recommended for the following student union fee to be effective beginning with the Fall Semester of 2001. The statutory requirements for involvement of a student services fee committee have been met. This fee has been administratively approved by the Executive Vice Chancellor for Academic Affairs.

Following Regental approval, The University of Texas of the Permian Basin catalog will be amended to reflect this new rate.

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|----------------------------------|----------------------|-----------------------|-------------------------|
| <u>For each regular semester</u> | | | |
| Per student | \$0.00 | \$37.00 | n/a |

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
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FEES AND MISCELLANEOUS CHARGES (Continued)

ATHLETIC FEE

The following new special statutorily authorized fee is recommended for approval by the U. T. Board of Regents and inclusion in The University of Texas of the Permian Basin catalog has been administratively approved by the Executive Vice Chancellor for Academic Affairs. The fee will become effective if it is authorized by the 77th Legislature.

| <u>Name/Description</u> | <u>Amount of Fee</u> |
|--|--------------------------|
| ATHLETIC FEE To support intercollegiate athletics program | \$5/semester credit hour |

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
 BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Ratification is recommended for the following designated tuition rate to be effective beginning with the Fall Semester of 2001. The proposed rate increase has been the subject of discussion at a public forum as required by statute and has been administratively approved by the Executive Vice Chancellor for Academic Affairs.

Following Regental approval, The University of Texas of the Permian Basin catalog will be amended to reflect this new rate.

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|---------------------------------|----------------------|-----------------------|-------------------------|
| <u>Per Semester Credit Hour</u> | \$29 | \$35 | 20.7% |

DIFFERENTIAL GRADUATE TUITION CHARGES

Ratification is recommended for the following differential graduate tuition charges for the 2001-02 academic year. The fees have been the subject of discussion with representative students and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

Following Regental approval, The University of Texas of the Permian Basin catalog will be amended to reflect these new rates.

| <u>Academic Program</u> | <u>Current Fee</u> | | <u>Proposed Fee</u> | |
|-------------------------|--------------------|-----------------|---------------------|-----------------|
| | <u>Resident</u> | <u>Non-Res.</u> | <u>Resident</u> | <u>Non-Res.</u> |
| All Graduate | \$20 | \$6 | \$22 | \$8 |

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
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THE UNIVERSITY OF TEXAS AT SAN ANTONIO
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OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreements have been awarded, have been approved by the Executive Vice Chancellor for Academic Affairs, and are recommended for ratification by the U. T. Board of Regents. Such employment under these agreements are subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at San Antonio is a member, and the Rules and Regulations of the Board of Regents of The University of Texas System and The University of Texas at San Antonio. 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: \$44,000 annually
Period: July 10, 2000 through June 30, 2003
Description: Agreement for employment of Head Men's Baseball Coach, Sherman Corbett, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.

2. Item: Assistant Men's Baseball Coach
Funds: \$25,000
Period: August 28, 2000 through June 30, 2001
Description: Agreement for employment of Assistant Men's Baseball Coach, Andrew Scott Malone, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
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OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS (Continued)

3. Item: Assistant Men's Baseball Coach
Funds: \$35,000
Period: August 9, 2000 through June 30, 2001
Description: Agreement for employment of Assistant Men's Baseball Coach, David Jason Marshall, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.
4. Item: Assistant Women's Softball Coach
Funds: \$25,678
Period: August 28, 2000 through June 30, 2001
Description: Agreement for employment of Assistant Women's Softball Coach, Christie McCoy, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.
5. Item: Assistant Women's Basketball Coach
Funds: \$15,000
Period: September 1, 2000 through March 31, 2001
Description: Agreement for employment of Assistant Women's Basketball Coach, Phylesha Whaley, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
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OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS (Continued)

6. Item: Head Women's Softball Coach
- Funds: \$44,011
- Period: September 1, 2000 through August 31, 2001
- Description: Agreement for employment of Head Women's Softball Coach, Corrie Hill, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.
7. Item: Head Women's Tennis Coach
- Funds: \$32,136
- Period: September 1, 2000 through August 31, 2001
- Description: Agreement for employment of Head Women's Tennis Coach, Brenda Niemeyer, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.
8. Item: Head Men's Tennis Coach
- Funds: \$32,136
- Period: September 1, 2000 through August 31, 2001
- Description: Agreement for employment of Head Men's Tennis Coach, Oliver Trittenwein, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
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OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS (Continued)

9. Item: Assistant Men's and Women's Track Coach
Funds: \$21,836
Period: September 1, 2000 through August 31, 2001
Description: Agreement for employment of Assistant Men's and Women's Track Coach, James L. Blackwood, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.
10. Item: Assistant Women's Volleyball Coach
Funds: \$26,490
Period: September 1, 2000 through March 31, 2001
Description: Agreement for employment of Assistant Women's Volleyball Coach, Rhonda Rust, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.
11. Item: Assistant Men's and Women's Track Coach
Funds: \$10,000
Period: September 1, 2000 through May 31, 2001
Description: Agreement for employment of Assistant Men's and Women's Track Coach, Tameka Roberts, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
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OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS (Continued)

12. Item: Assistant Men's and Women's Track Coach
- Funds: \$9,000
- Period: September 1, 2000 through May 31, 2001
- Description: Agreement for employment of Assistant Men's and Women's Track Coach, Randolph Reina, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.
13. Item: Head Men's Golf Coach
- Funds: \$42,000
- Period: August 1, 2000 through July 31, 2003
- Description: Agreement for employment of Head Men's Golf Coach, Chris Donielson, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
U. T. BOARD OF REGENTS' MEETING
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FEES AND MISCELLANEOUS CHARGES

Ratification is recommended for the following new fees and miscellaneous charges for the 2001-02 academic year. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

LABORATORY FEES

| <u>Course Number</u> | <u>Course Title</u> | <u>Proposed Fee</u> |
|----------------------|----------------------------------|---------------------|
| BIO 3351 | Plant Sciences | \$30 |
| BIO 4221 | Plant Ecology | 30 |
| BIO 4462 | Endocrinology | 30 |
| BIO 4592 | Advanced Neurobiology | 30 |
| BIO 4611 | Plant Physiology | 30 |
| BIO 4732 | Virology | 30 |
| BIO 4772 | Parasitology | 30 |
| BIO 4063 | Ornithology | 30 |
| C&I 6303 | Adv Methods-Science | 25 |
| C&I 6303 | Adv Methods-Integrated | 25 |
| CE 1301 | Intro to Civil Engineering | 10 |
| CE 1403 | Engineering Communication | 10 |
| CE 2633 | Environmental Engineering | 10 |
| CE 3103 | Mechanics of Solids | 10 |
| CE 3603 | Fluid Mechanics | 30 |
| CE 3723 | Applied Hydrology | 10 |
| CE 4723 | Hydraulic Systems Design | 10 |
| CE 4803 | Engineering Practice | 30 |
| CE 5813 | Risk and Decision Analysis in CE | 20 |

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FEEES AND MISCELLANEOUS CHARGES (Continued)

LABORATORY FEES

| <u>Course Number</u> | <u>Course Title</u> | <u>Proposed Fee</u> |
|--------------------------|---------------------------------------|-------------------------|
| EGR 1303 | Exploring the Engineering Profession | 15 |
| EGR 2323 | Applied Engineering Analysis I | 10 |
| EGR 3323 | Applied Engineering Analysis II | 10 |
| EGR 5013 | Analytic Techniques in Engr Analysis | 10 |
| EGR 5023 | Numerical Techniques in Engr Analysis | 20 |
| EGR 5233 | Advanced Quality Control | 10 |
| EGR 5303 | Continuum Mechanics | 10 |
| EGR 5423 | Nonlinear systems | 10 |
| EGR 5543 | Foundations of Solid Mechanics | 10 |
| EGR 5553 | Advanced Strength of Materials | 10 |
| EGR 5563 | Elasticity | 10 |
| IDS 3201 | Physical Science | 25 |
| IDS 3211 | Earth & Life Sciences | 25 |
| ME 1403 | Engr Graphics and Design | 30 |
| ME 3103 | Kinenatics and Dynamics | 5 |
| ME 3173 | Numerical Methods in ME | 15 |
| ME 3312 | Electronics/Data Acquisition Lab | 30 |
| ME 3813 | Solid Mechanics | 5 |
| ME 3823 | Machine Element Design | 15 |
| ME 4113 | Engineering Fracture Mechanics | 5 |
| ME 4183 | Propulsion | 5 |
| ME 4213 | Finite Element Analysis | 10 |
| ME 4343 | Heating/AC & Refrig Design | 10 |

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
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FEES AND MISCELLANEOUS CHARGES (Continued)

LABORATORY FEES

| <u>Course Number</u> | <u>Course Title</u> | <u>Proposed Fee</u> |
|--------------------------|---|-------------------------|
| ME 4413 | Intermediate Mechanism Design | 15 |
| ME 4433 | Intermediate Machine Design | 15 |
| ME 4623 | Internal Combustion Engines | 15 |
| ME 4702 | Mechanical systems and Control Lab | 30 |
| ME 4802 | Thermal/Fluid Lab | 30 |
| ME 4811 | Mechanical Engr Design Project Planning | 15 |
| ME 4953 | Special Studies in ME | 15 |
| ME 5143 | Advanced Dynamics | 10 |
| ME 5153 | Structural Dynamics | 10 |
| ME 5163 | Dynamics of Rotating Machinery | 10 |
| ME 5173 | Nonlinear Systems and Chaos | 10 |
| ME 5243 | Advanced Thermodynamics | 10 |
| ME 5253 | Thermodynamics of Materials | 10 |
| ME 5303 | Advanced Heat & Mass Transfer | 10 |
| ME 5333 | Conduction | 10 |
| ME 5343 | Convection | 10 |
| ME 5353 | Radiation | 10 |
| ME 5363 | Mass Transfer | 10 |
| ME 5423 | Mechanical Vibrations | 10 |
| ME 5433 | Nonlinear Vibrations | 10 |
| ME 5443 | Random Vibrations | 10 |
| ME 5513 | Advanced Mechanism Design | 10 |
| ME 5533 | Advanced Machine Design | 10 |
| ME 5543 | Probabilistic Engr Design | 10 |
| ME 5553 | Adv Design of Cams & Gears | 10 |
| ME 5613 | Advanced Fluid Mechanics | 10 |

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
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FEES AND MISCELLANEOUS CHARGES (Continued)

LABORATORY FEES

| <u>Course Number</u> | <u>Course Title</u> | <u>Proposed Fee</u> |
|--------------------------|--------------------------------|-------------------------|
| ME 5623 | Two-Phase Flow | 15 |
| ME 5633 | Gas Dynamics | 10 |
| ME 5643 | Boundary Layer Theory | 10 |
| ME 5653 | Computational Fluid Dynamics | 20 |
| ME 5683 | Adv Design-Thermal & fluid Sys | 20 |
| ME 5713 | Mechanical Behavior-Materials | 10 |
| ME 5723 | Material Characterization | 10 |
| ME 5973 | Special Project | 20 |
| ME 6951 | Independent Study | 5 |
| ME 6952 | Independent Study | 10 |
| ME 6971 | Special Problems | 5 |
| ME 6972 | Special Problems | 10 |
| ME 6973 | Special Problems | 15 |

COURSE SPECIFIC INCIDENTAL FEES

| <u>Course Number</u> | <u>Course Title</u> | <u>Proposed Fee</u> |
|--------------------------|---|-------------------------|
| KIN 3323 | Biomechanics | 10 |
| KIN 3443 | Exercise Prescription | 10 |
| KIN 4233 | Advanced Topics-Exercise Physiology/Fitness | 10 |

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
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FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

OTHER FEES AND CHARGES

The following new charges recommended for approval by the U. T. Board of Regents and inclusion in institutional catalogs have been approved by the Executive Vice Chancellor for Academic Affairs. All recommended charges are consistent with applicable statutory requirements under Section 54.504 and Section 55.16 of the Texas Education Code.

| <u>Name/Description</u> | <u>Amount of Fee</u> |
|---|---|
| GRADUATE INTERNATIONAL APPLICATION FEE To cover costs associated with time spent evaluating complex and labor-intensive credentials and counseling in person, through the telephone, and e-mail. | \$50 |
| GRADUATE SERVICES FEE - College of Business Administration To provide additional advising, student orientation, and career placement services. | \$50 per semester credit hour |
| PROGRAM FEE - College of Education and Human Development To cover costs of running a criminal history check required by area school districts for students. | \$5 each Fall and Spring semester to all students enrolled in the College of Education and Human Development courses, except for MAS and ASL courses. |
| TESTING SERVICES FEES - Chemistry Placement Exam To defray costs of supplies, duplicating, and publication. | \$5 per test |

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
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FEES AND MISCELLANEOUS CHARGES (Continued)

MEDICAL SERVICES FEES

Ratification is recommended for the following medical services fee increases to be effective beginning with the Fall Semester 2001. The increases have been the subject of appropriate student input and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|---|----------------------|-----------------------|-------------------------|
| <u>For each regular semester</u> | | | |
| Per Student Maximum | \$15.00 | \$16.50 | 10% |
| <u>For summer session</u> | | | |
| Five-Week Session: Per Student Maximum | \$ 7.50 | \$ 8.25 | 10% |
| Ten-Week Session: Per Student Maximum | \$15.00 | \$16.50 | 10% |

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
U. T. BOARD OF REGENTS' MEETING
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FEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Ratification is recommended for the following designated tuition rates to be effective beginning with the Fall Semester of 2001. The proposed rate increases will be the subject of discussion at a public forum as required by statute and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|---------------------------------|--------------------------|---------------------------|-----------------------------|
| <u>Per Semester Credit Hour</u> | \$40 | \$42* | 5.0% |

*Estimated rate, which is subject to legislative action. The actual rate will be the rate allowed by statute.

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FEEES AND MISCELLANEOUS CHARGES (Continued)

DIFFERENTIAL GRADUATE TUITION CHARGES

Ratification is recommended for the following differential graduate tuition charges for the 2001-02 academic year. The fee will be the subject of discussion with representative students and has been administratively approved by the Executive Vice Chancellor for Academic Affairs. A portion of the increase will be used for financial assistance for students impacted by the increase.

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

| <u>Academic Program</u> | <u>Current Fee</u> | | <u>Proposed Fee</u> | |
|--------------------------|--------------------|---------------------|---------------------|---------------------|
| | <u>Resident</u> | <u>Non-Resident</u> | <u>Resident</u> | <u>Non-Resident</u> |
| Per Semester Credit Hour | | | | |
| All Programs | \$40.00 | \$40.00 | \$42.00* | \$42.00* |

* These rates are estimates and are subject to legislative approval. The actual rates will be the rates allowed by statute. The resident differential graduate tuition rate is set equal to the base resident rate. For all programs the non-resident differential graduate tuition rate is set equal to the resident rate.

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FEES AND MISCELLANEOUS CHARGES

Ratification is recommended for the following new fees and miscellaneous charges for the 2001-02 academic year. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

LABORATORY FEES

| <u>Course Number</u> | <u>Course Title</u> | <u>Proposed Fee</u> |
|----------------------|---------------------|---------------------|
| BIOL 5131 | Herpetology Lab | \$ 5.00 |
| BIOL 5132 | Entomology Lab | \$ 5.00 |

COURSE SPECIFIC INCIDENTAL FEES

| | | |
|-----------|-------------------------------------|---------|
| ALHS 1100 | Personal & Community Wellness Lab | \$20.00 |
| ALHS 1200 | Personal & Community Wellness | \$ 5.00 |
| ALHS 3352 | Consumer Health | \$15.00 |
| ALHS 4315 | Nutrition In Health & Performance | \$10.00 |
| ALHS 4317 | Theory & Clinical Aspects Of Weight | \$10.00 |
| ALHS 4324 | Drug Use, Misuse, And Abuse | \$10.00 |
| ALHS 4326 | Human Sexuality | \$10.00 |
| ALHS 4333 | Stress Management | \$ 5.00 |
| ALHS 5324 | Drug Use, Misuse, And Abuse | \$10.00 |
| ALHS 5326 | Human Sexuality | \$10.00 |
| ALHS 5328 | Sexually Transmitted Diseases | \$10.00 |
| ALHS 5333 | Stress Management | \$ 5.00 |
| ALHS 5354 | Program Management | \$15.00 |
| BIOL 1106 | General Biology I Lab | \$10.00 |
| BIOL 1107 | General Biology II Lab | \$10.00 |
| BIOL 2101 | Anatomy & Physiology Lab | \$10.00 |
| BIOL 2102 | Anatomy & Physiology | \$10.00 |
| BIOL 2121 | Microbiology Lab | \$10.00 |
| BIOL 3121 | Human Physiology Lab | \$10.00 |
| BIOL 3133 | Genetics Laboratory | \$10.00 |
| BIOL 3137 | Ecology Lab | \$10.00 |
| BIOL 3144 | Physiology Lab | \$10.00 |
| BIOL 3146 | Plant Morphology Laboratory | \$10.00 |
| BIOL 3348 | Plant Taxonomy Lab | \$10.00 |
| BIOL 4101 | Microbiology Laboratory | \$10.00 |
| BIOL 4132 | Entomology Lab | \$10.00 |

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FEES AND MISCELLANEOUS (Continued)

| Course Number | Course Title | Proposed Fee |
|------------------|---|-----------------|
| BIOL 4136 | Vertebrate Natural History | \$10.00 |
| BIOL 5131 | Herpetology Lab | \$10.00 |
| BIOL 5132 | Entomology Lab | \$10.00 |
| BIOL 5141 | Ornithology Lab | \$10.00 |
| BIOL 5181 | Topics In Advanced Biology Lab | \$10.00 |
| BIOL 5185 | Advanced Genetics Lab | \$10.00 |
| BIOL 5191 | Ethology Lab | \$10.00 |
| BIOL 5304 | Biogeography | \$10.00 |
| BIOL 5330 | Herpetology | \$10.00 |
| BIOL 5331 | Entomology | \$10.00 |
| BIOL 5355 | Immunology | \$10.00 |
| BIOL 5465 | Transmission Electron Microscopy | \$25.00 |
| BIOL 5661 | Field Biology | \$10.00 |
| BIOL 5699 | Independent Study | \$10.00 |
| CEPH 5121 | Neuromuscular Lab | \$ 5.00 |
| CEPH 5123 | Cardiorespiratory Lab | \$ 5.00 |
| CHEM 1111 | General Chemistry I Lab | \$10.00 |
| CHEM 1112 | General Chemistry II Lab | \$10.00 |
| CHEM 3105 | Chemical Principles | \$10.00 |
| CHEM 3111 | Analytical Chem Lab | \$10.00 |
| CHEM 3113 | Instrumental Analysis Lab | \$10.00 |
| CHEM 3132 | Environmental Chemistry Lab | \$10.00 |
| CHEM 3143 | Organic Chem I Lab | \$10.00 |
| CHEM 3145 | Organic Chem II Lab | \$10.00 |
| CHEM 3153 | Physical Chemistry I Lab | \$10.00 |
| CHEM 3155 | Physical Chemistry Lab II | \$10.00 |
| CHEM 3409 | Chemistry And Society | \$10.00 |
| CHEM 4131 | Inorganic Chemistry Lab | \$10.00 |
| CHEM 4135 | Biochemistry Laboratory | \$10.00 |
| CHEM 4395 | Undergraduate Research | \$10.00 |
| CHEM 4440 | Advanced Chemical Lab Techniques | \$10.00 |
| CHEM 5121 | Advanced Biochemistry | \$10.00 |
| CHEM 5380 | Topics In Physical Science For Teachers | \$10.00 |
| EDEC 5332 | Infants And Toddlers | \$ 5.00 |
| EDFB 4320 | Teaching Skills For Secondary Teachers | \$ 5.00 |
| EDFB 4338 | Middle & Secondary School Reading | \$ 5.00 |
| EDUC 5320 | Telecommunications Applications In Ed | \$ 5.00 |

THE UNIVERSITY OF TEXAS AT TYLER
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FEES AND MISCELLANEOUS (Continued)

| Course Number | Course Title | Proposed Fee |
|------------------|--|-----------------|
| EDUC 5354 | Curriculum Dev For Secondary Teachers | \$ 5.00 |
| EDUC 5356 | Education That Is Multicultural | \$ 5.00 |
| ENGL 5300 | Bibliography & Methodology Of Research | \$ 5.00 |
| ENGL 5305 | Chaucer & Middle English Literature | \$ 5.00 |
| ENGL 5310 | Masters Of English Literature | \$ 5.00 |
| ENGL 5315 | Studies In Eng Renaissance | \$ 5.00 |
| ENGL 5320 | Shakespeare | \$ 5.00 |
| ENGL 5321 | Neoclassical Literature | \$ 5.00 |
| ENGL 5323 | Studies In Romanticism | \$ 5.00 |
| ENGL 5325 | Studies In Victorian Literature | \$ 5.00 |
| ENGL 5330 | Twentieth-Century English Literature | \$ 5.00 |
| ENGL 5340 | Masters Of Am Literature | \$ 5.00 |
| ENGL 5346 | Studies In Am Lit Thru Romantic Period | \$ 5.00 |
| ENGL 5350 | Studies American Lit Realism | \$ 5.00 |
| ENGL 5355 | Studies In 20th Century American Lit | \$ 5.00 |
| ENGL 5368 | Literary Setting & Influences | \$ 5.00 |
| ENGL 5370 | Studies In World Lit | \$ 5.00 |
| ENGL 5379 | History Of English Lit | \$ 5.00 |
| ENGL 5380 | Advanced Grammar & Linguistics | \$ 5.00 |
| ENGL 5381 | Children's Literature | \$ 7.00 |
| ENGL 5383 | ESL Acquisition & Development | \$ 5.00 |
| ENGL 5386 | The Modern Novel | \$ 5.00 |
| ENGL 5390 | Studies In Rhetoric And Composition | \$ 5.00 |
| ENGL 5392 | Writing In The Disciplines | \$ 5.00 |
| GEOG 4330 | Geographic Information Systems | \$10.00 |
| HECC 4199 | Independent Study | \$10.00 |
| HECC 4299 | Independent Study | \$10.00 |
| HECC 4308 | Ethics In Health Professions | \$10.00 |
| HECC 4353 | Program Organization Administration | \$20.00 |
| HECC 4399 | Independent Study | \$10.00 |
| HECC 4499 | Independent Study | \$10.00 |
| HECC 4599 | Independent Study | \$10.00 |
| HECC 4699 | Independent Study | \$10.00 |
| HECC 5199 | Independent Study | \$10.00 |
| HECC 5299 | Independent Study | \$10.00 |
| HECC 5370 | Ethics In Health Professions | \$10.00 |
| HECC 5399 | Independent Study | \$10.00 |

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FEES AND MISCELLANEOUS (Continued)

| Course Number | Course Title | Proposed Fee |
|------------------|--|-----------------|
| HECC 5499 | Independent Study | \$10.00 |
| HECC 5599 | Independent Study | \$10.00 |
| HECC 5699 | Independent Study | \$10.00 |
| HIST 3354 | Medieval Europe | \$ 5.00 |
| HIST 4321 | The American West | \$ 5.00 |
| JOUR 2309 | Introduction To Technical Writing | \$ 5.00 |
| KINE 1101 | Health-Related Fitness Activities | \$20.00 |
| KINE 1102 | Sports Activities | \$20.00 |
| KINE 1201 | Health-Related Fitness Activities | \$20.00 |
| KINE 1202 | Sports Activities | \$20.00 |
| KINE 1301 | Health-Related Fitness Activities | \$20.00 |
| KINE 1302 | Sports Activities | \$20.00 |
| KINE 3101 | Motor Control Lab | \$ 5.00 |
| KINE 3107 | Motor Learning Laboratory | \$ 5.00 |
| KINE 3112 | Physiology Of Exercise Lab | \$10.00 |
| KINE 3233 | Biomechanics Of Human Motivation | \$10.00 |
| KINE 4337 | Care & Prevention Of Athletic Injuries | \$10.00 |
| KINE 5116 | Exercise Metabolism Lab | \$10.00 |
| KINE 5338 | Issues In Athletic Training & Sports Med | \$10.00 |
| MARK 5375 | Special Topics | \$10.00 |
| MATH 4336 | Abstract Algebra II | \$10.00 |
| MATH 4351 | Applied Statistics | \$10.00 |
| MATH 4390 | Selected Topics In Mathematics | \$10.00 |
| MATH 5301 | Theory Of Numbers | \$10.00 |
| MATH 5331 | Algebraic Structures | \$10.00 |
| MATH 5332 | Algebraic Structures II | \$10.00 |
| MATH 5341 | Real Analysis I | \$10.00 |
| MATH 5342 | Real Analysis II | \$10.00 |
| MATH 5351 | Mathematical Probability | \$10.00 |
| MATH 5352 | Mathematical Statist | \$10.00 |
| MATH 5381 | Applied Mathematics | \$10.00 |
| MATH 5382 | Applied Mathematics II | \$10.00 |
| MATH 5390 | Selected Topics In Math: | \$10.00 |
| MATH 5391 | Selected Topics In Math: | \$10.00 |
| MEDT 4188 | Hemostasis | \$10.00 |
| MEDT 4190 | Clinical Microscopy & Cytogenet | \$10.00 |
| MEDT 4192 | Clinical Immunology | \$10.00 |

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FEES AND MISCELLANEOUS (Continued)

| <u>Course Number</u> | <u>Course Title</u> | <u>Proposed Fee</u> |
|--------------------------|--------------------------------|-------------------------|
| MEDT 4194 | Clinical Parasitology | \$10.00 |
| MEDT 4280 | Hematology | \$10.00 |
| MEDT 4282 | Immunohematology | \$10.00 |
| MEDT 4284 | Clinical Chemistry | \$10.00 |
| MEDT 4286 | Clinical Microbiology | \$10.00 |
| MUEN 1145 | Choir | \$10.00 |
| MUEN 3145 | Choir | \$10.00 |
| MUEN 5145 | Choir | \$10.00 |
| PHYS 2125 | University Physics I Lab | \$10.00 |
| PHYS 2126 | University Physics II Lab | \$10.00 |
| POLS 2320 | The Study Of Law | \$ 5.00 |
| POLS 3321 | Jurisprudence | \$ 5.00 |
| SPAN 2311 | Interm. Spanish I | \$ 5.00 |
| SPAN 2312 | Interm. Spanish II | \$ 5.00 |
| SPAN 3301 | Conversation And Composition I | \$ 5.00 |
| SPAN 3302 | Conversation & Composition II | \$ 5.00 |

THE UNIVERSITY OF TEXAS AT TYLER
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FEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Ratification is recommended for the following designated tuition rates to be effective beginning with the Fall Semester of 2001. The proposed rate increases will be the subject of discussion at a public forum as required by statute and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|---------------------------------|----------------------|-----------------------|-------------------------|
| <u>Per Semester Credit Hour</u> | \$40 | \$42* | 5.0% |

*Estimated rate, which is subject to legislative action. The actual rate will be the rate allowed by statute.

THE UNIVERSITY OF TEXAS AT TYLER
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FEEES AND MISCELLANEOUS CHARGES (Continued)

DIFFERENTIAL GRADUATE TUITION CHARGES

Ratification is recommended for the following differential graduate tuition charges for the 2001-02 academic year. The fee will be the subject of discussion with representative students and has been administratively approved by the Executive Vice Chancellor for Academic Affairs. A portion of the increase will be used for financial assistance for students impacted by the increase.

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

| <u>Academic Program</u> | <u>Current Fee</u> | | <u>Proposed Fee</u> | |
|--------------------------|--------------------|---------------------|---------------------|---------------------|
| | <u>Resident</u> | <u>Non-Resident</u> | <u>Resident</u> | <u>Non-Resident</u> |
| Per Semester Credit Hour | | | | |
| On Line MBA | \$40.00 | \$40.00 | \$42.00* | \$42.00* |

* These rates are estimates and are subject to legislative approval. The actual rates will not exceed the rates allowed by statute. The resident differential graduate tuition rate is set equal to the base resident rate. For all programs the non-resident differential graduate tuition rate is set equal to the resident rate.

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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: Children's Cancer Fund of Dallas, Inc.
College/School/ Department: Institution
Purpose: Support of the Children's Cancer Fund Comprehensive Pediatric Oncology Center
Asset Type: Cash
Value: \$500,000

2. Donor Name: Eli Lilly and Company*
College/School/ Department: Institution
Purpose: Support of The Alliance for Cellular Signaling
Asset Type: Cash
Value: \$625,000

3. Donor Name: Harry S. Moss Heart Trust
College/School/ Department: Institution
Purpose: Support to expand programs in heart disease at Harry S. Moss Heart Center, to continue major long-term funding for the purchase of equipment, and to support research projects and new programs
Asset Type: Cash
Value: \$1,170,000

* No letter of transmittal from the donor

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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 ratification by the U. T. Board of Regents.

GENERAL CONTRACTS

1. Agency: Children's Medical Center of Dallas
Funds: \$5,589,102
Period: September 1, 1998 through August 31, 1999
Description: To provide professional services

SPACE LEASES

2. Agency: Bank One, Texas, National Association
Funds: \$1,092,000
Period: January 1, 2001 through December 31, 2008
Description: Lease 12,000 rentable square feet of office space for the offices and classrooms for the Emergency Medicine Training program

**NONINTELLECTUAL PROPERTY-RELATED
SPONSORED RESEARCH AGREEMENTS - FOREIGN**

(FUNDS COMING IN)

3. Country: Canada
Grantor: Axcan Pharma Inc.
No.: Clinical Trial Agreement PHO BAR 01
New Funds: \$4,514.06
Current Period: May 1, 2000 – July 31, 2000
Title/Description: Support for the study entitled, "A Multicenter, Partially Blinded, Randomized Phase 3 Study of the Efficacy and Safety of Photodynamic Therapy using PHOTOFRIN® (porfimer sodium) for Injection for the Ablation of High-grade Dysplasia in Barrett's Esophagus" under the direction of J. Steven Burdick, M.D., Department of Internal Medicine.

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CONTRACTS (Continued)
NONINTELLECTUAL PROPERTY-RELATED
SPONSORED RESEARCH AGREEMENTS - FOREIGN (Continued)

(FUNDS COMING IN)

4. Country: Canada
Grantor: Axcan Pharma Inc.
No.: Clinical Trial Agreement PHO BAR 01
New Funds: \$13,316.88
Current Period: August 1, 2000 – October 31, 2000
Title/Description: Support for the study entitled, "A Multicenter, Partially Blinded, Randomized Phase 3 Study of the Efficacy and Safety of Photodynamic Therapy using PHOTOFRIN® (porfimer sodium) for Injection for the Ablation of High-grade Dysplasia in Barrett's Esophagus" under the direction of J. Steven Burdick, M.D., Department of Internal Medicine.
5. Country: Switzerland
Grantor: Novartis Pharma AG
New Funds: \$500,000
Current Period: September 1, 2000 - August 31, 2001
Title/Description: Support for the study entitled, "Alliance for Cellular Signaling" under the direction of Alfred G. Gilman, M.D., Department of Pharmacology

INTELLECTUAL PROPERTY AGREEMENTS –
SPONSORED RESEARCH AGREEMENT - FOREIGN

(FUNDS COMING IN)

6. Country: Japan
Grantor: Daiichi Pharmaceutical Corporation
New Funds: \$100,000
Current Period: April 1, 2000 - March 31, 2001
Title/Description: In Vitro Impact of Ebselen, an anti-HIV compound, on Cellular Immunity Study

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CONTRACTS (Continued)
INTELLECTUAL PROPERTY AGREEMENTS –
SPONSORED RESEARCH AGREEMENT - FOREIGN

(FUNDS COMING IN)

7. Country: Switzerland
Grantor: Alcon Research, Ltd.
New Funds: \$22,323
Current Period: April 1, 2000 - March 31, 2001
Title/Description: Anti-inflammatory Efficacy of CiproHC: Evaluation of a New Formulation
8. Country: Germany
Grantor: Merck Genome Research Institute
New Funds: \$3,125,000 (\$500,000 per year for direct costs, plus indirect costs at the rate of 25%, for an annual total of \$625,000, for a period of five (5) years)
Current Period: September 1, 2000 - August 31, 2005.
Title/Description: Alliance for Cellular Signaling

INTELLECTUAL PROPERTY AGREEMENTS –
MATERIAL TRANSFER AGREEMENTS - FOREIGN

9. Agency: Aarhus Amtssygehus University Hospital
Denmark
Funds: Material Transfer Agreement
Period: Beginning November 21, 2000
Description: Transfer of INS-1 cell line (832/13), which was developed by Christopher B. Newgard, Ph.D., Department of Biochemistry, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to perform internal insulin secretion studies.
10. Agency: Austin Research Institute
Australia
Funds: Material Transfer Agreement
Period: Beginning October 18, 2000
Description: Transfer of Fc γ RII cDNA (HFc3.0) to Maria-Ana Ghetie, Ph.D., Cancer Immunobiology Center, to study the effects of antihuman B lymphoma marker antibodies on the transformed cells.

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CONTRACTS (Continued)
INTELLECTUAL PROPERTY AGREEMENTS –
MATERIAL TRANSFER AGREEMENTS – FOREIGN (Continued)

11. Agency: Australian National University
Australia
Funds: Material Transfer Agreement
Period: Beginning November 16, 2000
Description: Transfer of XS52 and NS47 stromal cell lines, which were developed by Akira Takashima, M.D., Department of Dermatology, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study the effects of various pathogens and vaccination agents on the immunoregulatory properties displayed by these cells.
12. Agency: Blaise Pascal University
France
Funds: Material Transfer Agreement
Period: Beginning November 9, 2000
Description: Transfer of LXR β $-/-$, LXR α $-/-$, and LXR α $-/-$ LXR β $-/-$ mice, which were developed by David Mangelsdorf, Ph.D., Department of Pharmacology, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to screen new target genes and to study the action of natural lipemic nutrients and the role of the LXRs in the placenta in order to better understand the functioning of the nuclear receptors for the oxysterols LXR α and LXR β in cholesterol physiology within some target organs such as adrenals, testis and placenta.
13. Agency: German Cancer Research Center
Germany
Funds: Material Transfer Agreement
Period: Beginning November 9, 2000
Description: Transfer of MRP2 (human) transfectants in Maudin-Darby canine kidney (MDCK) cells and 150 microliter EAG5 antiserum to Shmuel Muallem, Ph.D., Department of Physiology, for research.

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CONTRACTS (Continued)
INTELLECTUAL PROPERTY AGREEMENTS –
MATERIAL TRANSFER AGREEMENTS – FOREIGN (Continued)

14. Agency: Gunma University
Japan
Funds: Material Transfer Agreement
Period: Beginning October 2, 2000
Description: Transfer of INS-1 cell line (832/13), which were developed by Christopher B. Newgard, Ph.D., Department of Biochemistry, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to perform internal insulin secretion studies.
15. Agency: Institut Jacques Monod
France
Funds: Material Transfer Agreement
Period: Beginning December 5, 2000
Description: Transfer of drosophila (fruit fly) cDNA for the Reaper gene, which was developed by John Abrams, Ph.D., Department of Cell Biology, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study the effect of anticancer drugs on apoptosis (cell death).
16. Agency: Kazusa DNA Research Institute
Japan
Funds: Material Transfer Agreement
Period: Beginning November 21, 2000
Description: Transfer of KIAA1521 and KIAA1563 human cDNA clones to Bruce F. Horazdovsky, Ph.D., Department of Biochemistry, to PCR amplify the VPS9 domains contained in the clones, express the domains and determine if the encoded proteins are catalytically active.
17. Agency: Ludwig Institute for Cancer Research
United Kingdom
Funds: Material Transfer Agreement
Period: Beginning July 4, 2000
Description: Transfer of cDNA for tsA58 T antigen of SV40 to Rhonda Bassel-Duby, Ph.D., Department of Internal Medicine, for research.

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CONTRACTS (Continued)
INTELLECTUAL PROPERTY AGREEMENTS –
MATERIAL TRANSFER AGREEMENTS – FOREIGN (Continued)

18. Agency: Medical Research Council
United Kingdom
Funds: Material Transfer Agreement
Period: Beginning July 27, 2000
Description: Transfer of cDNA for Flag tagged-MSK1 (wild type and kinase dead mutant) in the pCMV5 vector to Melanie H. Cobb, Ph.D., Department of Pharmacology, to study the role of MSK1 in the serotonin response in pharynx using worms.
19. Agency: Quark Biotech, Inc.
Israel
Funds: Material Transfer Agreement
Period: Beginning October 27, 2000
Description: Transfer of TIE2 promoter/enhancer vector plasmid, which were developed by Narutoku Sato, Ph.D., Department of Internal Medicine, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study gene function in the vascular system.
20. Agency: Riken Brain Science Institute
Japan
Funds: Material Transfer Agreement
Period: Beginning October 13, 2000
Description: Transfer of 129sv/B57L-6 F1 mice, which were developed by Rolf Joho, Ph.D., Center for Basic Neuroscience, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study the electrophysiological and functional characterization of the mice.

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CONTRACTS (Continued)
INTELLECTUAL PROPERTY AGREEMENTS –
MATERIAL TRANSFER AGREEMENTS – FOREIGN (Continued)

21. Agency: Universidade de Sao Paulo
Brazil
Funds: Material Transfer Agreement
Period: Beginning October 3, 2000
Description: Transfer of monoclonal antibody 1G8 directed against the Haemophilus ducreyi CdtA protein, monoclonal antibody 20B2 directed against the Haemophilus ducreyi CdtB protein and the monoclonal antibody 8C9 directed against the Haemophilus ducreyi CdtC antibody, which were developed by Eric Hansen, Ph.D., Department of Microbiology, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to neutralize the effect of CDT from A. actinomycetem-comitans produced in E. coli on L 929 fibroblasts to assess cell viability (crystal violet assay), cell activation (MTT assay) and induction of nitric oxide synthesis (Griess assay).
22. Agency: Université de Caen
France
Funds: Material Transfer Agreement
Period: Beginning October 31, 2000
Description: Transfer of TIE2 promoter/enhancer vector plasmid, which was developed by Narutoku Sato, Ph.D., Department of Internal Medicine, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study the regulation of TIE2 promoter in nervous cells.

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CONTRACTS (Continued)
INTELLECTUAL PROPERTY AGREEMENTS –
MATERIAL TRANSFER AGREEMENTS – FOREIGN (Continued)

23. Agency: Universiteit Utrecht
The Netherlands
Funds: Material Transfer Agreement
Period: Beginning November 27, 2000
Description: Transfer of XS52 and NS47 stromal cell lines, which were developed by Akira Takashima, M.D., Department of Dermatology, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study the role of T-lymphocytes in a murine (BALB/c) model of allergic asthma, to generate Th-lymphocyte subsets, and for antigen-specific activation of these lymphocytes.
24. Agency: University of Basel
Switzerland
Funds: Material Transfer Agreement
Period: Beginning November 16, 2000
Description: Transfer of Smad3 knockout mice, which were developed by Luis Parada, Ph.D., Department of Developmental Biology, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study tumor angiogenesis and tumorigenesis with special reference on the Wnt-pathway using animal models with colorectal cancer.
25. Agency: University of Bern
Switzerland
Funds: Material Transfer Agreement
Period: Beginning November 2, 2000
Description: Transfer of 17C7, 24B5 and 33B5 monoclonal antibodies directed against the UspA1 and UspA2 proteins of *Moraxella catarrhalis*, which were developed by Eric Hansen, Ph.D., Department of Microbiology, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study the reactivity of 108 clinical isolates of *Moraxella catarrhalis* with three monoclonal antibodies.

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CONTRACTS (Continued)
INTELLECTUAL PROPERTY AGREEMENTS –
MATERIAL TRANSFER AGREEMENTS – FOREIGN (Continued)

26. Agency: University of Edinburgh
United Kingdom
Funds: Material Transfer Agreement
Period: Beginning October 31, 2000
Description: Transfer of HSF1 knock-out mice, which were developed by Ivor Benjamin, M.D., Department of Internal Medicine, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study the inter-relationship between the acute phase protein and stress protein responses in heat-treated hepatocytes, the effect of cytokines on HSF-1 priming and transactivation of stress protein genes, the dependency of stress protein induction in ischemia-reperfusion injury on HSF-1 and whether HSF-1 transcription is required for stress protein expression in this injury model.
27. Agency: University of Erlangen
Germany
Funds: Material Transfer Agreement
Period: Beginning September 22, 2000
Description: Transfer of rtTAS-M2 to Thomas C. Sudhof, M.D., Center for Basic Neuroscience, for research.
28. Agency: University of Goteborg
Sweden
Funds: Material Transfer Agreement
Period: Beginning October 13, 2000
Description: Transfer of monoclonal antibody 1G8 for the CdtA protein, monoclonal antibody 20B2 for the CdtB protein, and monoclonal antibody 8C9 for the CdtC protein, which were developed by Eric Hansen, Ph.D., Department of Microbiology, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study Haemophilus ducreyi cytolethal distending toxin (HdCdt) and the role of individual CdtA, CdtB and CdtC proteins in function of HdCdt on eukaryotic cells.

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CONTRACTS (Continued)
INTELLECTUAL PROPERTY AGREEMENTS –
MATERIAL TRANSFER AGREEMENTS – FOREIGN (Continued)

29. Agency: University of Lausanne
Switzerland
Funds: Material Transfer Agreement
Period: Beginning November 9, 2000
Description: Transfer of TrkB flox Type I mice, which were developed by Luis Parada, Ph.D., Department of Developmental Biology, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study target proteins of brain-derived neurotrophic factor (BDNF) and synaptogenesis.
30. Agency: University of Queensland
Australia
Funds: Material Transfer Agreement
Period: Beginning September 13, 2000
Description: Transfer of a cell line derived from INS-1 cells which have been transfected by BETAGENE with human insulin, which was developed by Christopher B. Newgard, Ph.D., Department of Biochemistry, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to perform internal insulin secretion studies.
31. Agency: Welfide Corporation
Japan
Funds: Material Transfer Agreement
Period: Beginning September 26, 2000
Description: Transfer of Y-27632 compound (rock inhibitor) to Robert Alpern, M.D., Department of Internal Medicine, to study the role of rho associated kinases in NHE3 activation, stress fiber formation, the formation of focal adhesions, and FAK and paxillin phosphorylation.

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PLANS TO MANAGE POTENTIAL CONFLICTS OF INTEREST

The following Plan To Manage Potential Conflicts of Interest has been reviewed by the Office of General Counsel and approved by the Executive Vice Chancellor for Health Affairs and is recommended for approval by the U. T. Board of Regents.

1. Plan to Manage Potential Conflict of Interest for Dr. Stephen A. Johnston

Stephen A. Johnston, Ph.D., Professor of Internal Medicine and Director of the Center for Biomedical Invention at U.T. Southwestern, Wayne C. Lai, D.V.M., Ph.D. Assistant Professor, Department of Pathology at U.T. Southwestern, and Michael A. Barry, Ph.D. have created the following inventions (collectively the "Inventions") in the field of antigen discovery: U.S. patent number 5,703,057, issued December 30, 1997, entitled "Expression Library Immunization," (UTSD 0411), U.S. patent number 5,989,553, issued November 23, 1999, entitled "Expression Library Immunization," (UTSD 0529), and U.S.. patent application serial number 09/448,330 filed November 22, 1999, entitled "Expression Library Immunization," (UTSD 0681).

Under a proposed patent license agreement with Eliance Biotechnology, Inc. ("Licensee") of, Dallas, Texas, Licensee is granted an exclusive worldwide license for the right to manufacture, have manufactured, import, use, sell, and/or offer to sell licensed products, identified products and diagnostic products covered by the inventions. The provisions of this exclusive license have been reviewed and approved by the President of U.T. Southwestern and the Office of General Counsel pursuant to the Regents' Rules and Regulations. As consideration for the exclusive license, Licensee will provide the following compensation to the U. T. Board of Regents: (1) a sublicense fee of 10% of the revenues received from the sublicensing of any of the licensed technologies; and (2) two million, nine hundred thousand (2,900,000) shares of common stock.

In addition, Licensee will sponsor research in Dr. Johnston's laboratory at U.T. Southwestern at \$100,000 per year for 3 years. The sponsored research agreement will specify particular research objectives different than Dr. Johnston's continued basic molecular biology research objectives (not supported by Licensee.)

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PLANS TO MANAGE POTENTIAL CONFLICTS OF INTEREST (Continued)

Also, Licensee will have an exclusive option to negotiate exclusive worldwide licenses for new inventions that are improvements of the inventions that may be developed by Dr. Johnston, though the inventions may not have been developed using funding from Licensee. Such licenses would each include, among other terms to be negotiated, compensation in the form of a one-time license fee in an amount not less than \$10,000 and not greater than \$100,000, and payment by Licensee of all expenses related to patenting.

Dr. Johnston will receive 1,142,600 shares of common stock in Licensee. In addition, Dr. Johnston will serve as chairman of the scientific advisory board to Licensee with an annual compensation of \$20,000. Dr. Wayne C. Lai will receive 71,413 shares of common stock but will have no other relationship with Licensee.

Dr. Barry's acquisition of equity in Licensee does not raise a conflict of interest issue because he is no longer an employee of The University of Texas.

Dr. Lai's acquisition of equity in Licensee does not raise a conflict of interest issue because Dr. Lai is not conducting research related to the Inventions and has no relationship to the Licensee and there is no anticipated relationship between Dr. Lai and Licensee. In the event that these circumstances should change such that any relationship should be contemplated between Dr. Lai and Licensee, Dr. Lai has agreed to notify U.T. Southwestern and cooperate in the development and implementation of a conflict of interest management plan.

The University of Texas Southwestern Medical Center at Dallas has developed the following measures to eliminate the likelihood that actual conflicts of interest will arise with regard to Dr. Johnston. As required by Texas Education Code, Section 51.912(b), and the Regents' Rules and Regulations, Part Two, Chapter XII, Subsections 6.2 and 7.1, Dr. Johnston has provided U.T. Southwestern with a written disclosure of all potential conflicts of interest (both financial and arising through his proposed role as a member of the Scientific Advisory Board) that might emanate from the terms of the proposed patent license agreement.

In view of this disclosure, U.T. Southwestern has determined that a license to a faculty-owned company is appropriate because the activities of Licensee involve applied research in the discovery and development of vaccines or other products related to antigens, whereas Dr. Johnston performs basic research at U.T. Southwestern.

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PLANS TO MANAGE POTENTIAL CONFLICTS OF INTEREST (Continued)

Additionally, U.T. Southwestern has implemented a management strategy to minimize the risk of a future conflict of interest. Under this plan Dr. Johnston will submit written descriptions of ongoing and planned research to be reviewed by Perrie M. Adams, Ph.D., Associate Dean for Research, and Dennis K. Stone, M.D., Vice President for Technology Development at U.T. Southwestern. These written descriptions will be in the form of required annual reports for all agencies currently providing research funding to U.T. Southwestern laboratory of Dr. Johnston, as well as any new research proposals soliciting funding from public and private agencies. All research projects described in these reports will be reviewed by Dr. Adams for any potential conflicts of interest, and all such projects shall require approval by Dr. Adams. If any such research project shall be found by Dr. Adams to result in a potential conflict of interest, Dr. Johnston will be required either to modify his research plan such that it is deemed by Dr. Adams to no longer create a conflict of interest, or transfer the portions of research that have been found to create a conflict of interest to an independent investigator, to be designated in the mutual consent of Dr. Adams and Dr. Johnston. Thus U.T. Southwestern has developed a diligent review procedure to prevent the development of a conflict of interest pertinent to the patent license agreement.

The proposed arrangement is consistent with Section 51.912 of the Texas Education Code and corresponding provisions of the U. T. System Intellectual Property Policy. Pursuant to Part Two, Chapter XII, Subsections 6.2 and 7.1 of the Regents' Rules and Regulations, approval by the U.T. Board of Regents is necessary for Dr. Smith to acquire equity in and serve on the Scientific Advisory Board of Licensee.

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
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AMENDMENTS TO THE 2000-01 BUDGET

The following Requests for Budget Changes (RBC's) have been administratively approved as required by the 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. Source of funds for payment of salaries, unless otherwise shown, is the departmental salaries account.

| <u>Item, Department, Title, Name</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary Rate</u> | <u>RBC #</u> |
|--|-----------------------|---------------|-----------------|------------------------------|--------------|
| <u>APPOINTMENTS AND PROMOTIONS</u> | | | | | |
| SOUTHWESTERN MEDICAL SCHOOL | | | | | |
| Internal Medicine | | | | | |
| 1. Robert Haley (T) | | | | | 1 |
| From: Associate Professor for Internal Medicine | | 100 | 12 | 162,000 | |
| To: Associate Professor for Internal Medicine and U.S. Armed Forces Veterans Distinguished Chair for Medical Research, Honoring Robert Haley, M.D. and America's Gulf War Veterans | 9/1 | 100 | 12 | 162,000 | |

Source of Funds:

| | |
|-------------------|--|
| \$ 59,114 | - State Funds – Epidemiology |
| 45,000 | - State Funds – Masters in Public Health Program Support |
| 12,000 | - HRSA - 5-D08-PE50028-06 |
| 24,000 | - HRSA - 5-D15-HP10414-03 |
| 6,250 | - American Heart Association |
| 15,636 | - MSRDP Parkland Memorial Fund |
| <u>\$ 162,000</u> | - Total Salary |

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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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> | |
| SOUTHWESTERN MEDICAL SCHOOL (Continued) | | | | | |
| Internal Medicine (Continued) | | | | | |
| 2. Robert S. Williams (T) | | | | | 2 |
| From: Professor for Internal Medicine, James T. Willerson, M.D. Distinguished Chair in Cardiovascular Diseases | | 100 | 12 | 241,300 | |
| To: Professor for Internal Medicine, James T. Willerson, M.D. Distinguished Chair in Cardiovascular Diseases and Frank M. Ryburn, Jr. Chair in Heart Research | 9/1 | 100 | 12 | 241,300 | |

Source of Funds:

| | |
|-------------------|---|
| \$ 6,596 | - State Funds - Internal Medicine |
| 1,112 | - NIH 5-T32-HL07360-23 |
| 15,000 | - NIH 5-R01-HL61624-03 |
| 28,260 | - NIH 5-P01-HL06296-40 |
| 7,065 | - NIH 5-P01-HL06296-40 |
| 15,877 | - NIH 5-R01-AR40849-09 |
| 51,100 | - Ralph B. Rogers Foundation |
| 75,000 | - Donald W. Reynold Foundation |
| 1,190 | - Harry S. Moss Estate |
| <u>16,800</u> | - Sweetheart Ball Foundation |
| \$ 218,000 | - Total Salary |
| 16,800 | - MSRDP Augmentation - Internal Medicine - Cardiology |
| 6,500 | - MSRDP Augmentation - Internal Medicine |
| <u>\$ 241,300</u> | - Total Compensation |

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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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> | |
| SOUTHWESTERN MEDICAL SCHOOL (Continued) | | | | | |
| Molecular Biology and Oncology | | | | | |
| 3. Eric N. Olson (T) | | | | | 3 |
| From: Professor and Chairman of Molecular Biology and Oncology. Director, Nancy B. and Jake L. Hamon Center for Basic Research in Cancer and Nancy B. and Jake L. Hamon Distinguished Chair in Basic Cancer Research | | 100 | 12 | 226,000 | |
| To: Professor and Chairman of Molecular Biology and Oncology, Director, Nancy B. and Jake L. Hamon Center for Basic Research in Cancer and Nancy B. and Jake L. Hamon Distinguished Chair in Basic Cancer Research and Robert A. Welch Distinguished Chair in Science | 9/1 | 100 | 12 | 226,000 | |

Source of Funds:

| | |
|-------------------|---|
| \$ 111,170 | - State Funds - Genetics and Development Graduate Program |
| 5,800 | - State Funds - Research Centers of Excellence - Molecular Biology and Oncology |
| 6,680 | - Baylor College of Medicine |
| 6,970 | - NIH 5P50-HL61033-02 |
| 6,250 | - NIH 5-R01-HL61624-03 |
| 14,130 | - NIH 1-U54-GM62114-01 |
| <u>75,000</u> | - Donald W. Reynolds Foundation |
| <u>\$ 226,000</u> | - Total Salary |

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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <u>Item, Department, Title, Name</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary Rate</u> | <u>RBC #</u> |
|--|-----------------------|---------------|-----------------|------------------------------|--------------|
| SOUTHWESTERN MEDICAL SCHOOL (Continued) | | | | | |
| Molecular Biology and Oncology (Continued) | | | | | |
| 4. Philip S. Perlman (T) | | | | | 4 |
| From: Professor of Molecular Biology and Oncology and Associate Dean of the Southwestern Graduate School of Biomedical Sciences | | 100 | 12 | 155,200 | |
| To: Professor of Molecular Biology and Oncology, Associate Dean of the Southwestern Graduate School of Biomedical Sciences and John P. Perkins, Ph.D. Distinguished Professorship in Biomedical Sciences | 9/1 | 100 | 12 | 155,200 | |

Source of Funds:

| | |
|-------------------|---|
| \$ 14,958 | - State Funds - Molecular Biology and Oncology |
| 20,600 | - State Funds - Office of the Dean of Southwestern Graduate School of Biomedical Sciences |
| 23,764 | - State Funds - Biological Chemistry Graduate Program |
| 44,398 | - State Funds - Genetics and Development Graduate Program |
| 10,000 | - State Funds - Research Centers of Excellence - Molecular Biology and Oncology |
| 4,000 | - NIH 2R01-GM35510-14 |
| 17,480 | - NIH 2R01-GM31480-18 |
| 20,000 | - Southwestern Medical Foundation |
| <u>\$ 155,200</u> | - Total Salary |

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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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> | |
| SOUTHWESTERN MEDICAL SCHOOL (Continued) | | | | | |
| Psychiatry | | | | | |
| 5. Kenneth Z. Altshuler (T) | | | | | 5 |
| From: Professor and Chairman of Psychiatry and Stanton Sharp Distinguished Chair in Psychiatry | | 100 | 12 | 340,000 | |
| To: Professor of Psychiatry and Stanton Sharp Distinguished Chair in Psychiatry | 9/1 | 100 | 12 | 340,000 | |

Source of Funds:

| | |
|-------------------|--|
| \$ 8,636 | - State Funds - Psychiatry |
| 131,724 | - Texas Department of Mental Health |
| 86,623 | - Stanton Sharp Distinguished Chair in Psychiatry - Various Donors |
| <u>21,902</u> | - Stanton Sharp Distinguished Chair in Psychiatry - TESP Match |
| \$ 248,885 | - Total Salary |
| <u>91,115</u> | - MSRDP Augmentation - Psychiatry Emergency |
| <u>\$ 340,000</u> | - Total Compensation |

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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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> | |
| SOUTHWESTERN MEDICAL SCHOOL (Continued) | | | | | |
| Surgery | | | | | |
| 6. Charles J. Carrico (T) | | | | | 6 |
| From: Professor and Chairman of Surgery and Hall and Mary Lucile Shannon Distinguished Chair in Surgery | | 100 | 12 | 340,000 | |
| To: Professor of Surgery and Doris and Bryan Wildenthal Distinguished Chair | 9/1 | 100 | 12 | 340,000 | |

Source of Funds:

| | |
|-------------------|--|
| \$ 14,047 | - State Funds - Surgery |
| 9,500 | - State Funds - Health Care Sciences - Physician Assistant - SMS |
| | Faculty Salaries |
| 2,626 | - State Funds - Burn Center |
| 157,227 | - MSRDP Parkland Memorial Hospital |
| <u>14,062</u> | - MSRDP Parkland Memorial Hospital |
| \$ 197,462 | - Total Salary |
| 10,000 | - MSRDP Augmentation - Parkland Memorial Hospital |
| 82,538 | - MSRDP Augmentation - Parkland Memorial Hospital |
| 50,000 | - MSRDP Augmentation - Veterans Affairs Medical Center |
| <u>\$ 340,000</u> | - Total Compensation |

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AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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> | |
| SOUTHWESTERN MEDICAL SCHOOL (Continued) | | | | | |
| Surgery (Continued) | | | | | |
| 7. Robert V. Rege (T) | | | | | 7 |
| From: Professor of Surgery and Frank H. Kidd, Jr., M.D. Distinguished Professorship in Surgery | | 100 | 12 | 262,100 | |
| To: Professor of Surgery, Frank H. Kidd, Jr., M.D. Distinguished Professorship in Surgery and Dr. Lee Hudson-Robert R. Penn Chair in Surgery | 9/1 | 100 | 12 | 262,100 | |

Source of Funds:

| | |
|-------------------|--|
| \$ 41,073 | - State Funds - Surgery |
| 15,347 | - Veterans Affairs Medical Center |
| 96,857 | - MSRDP Parkland Memorial Hospital |
| <u>6,723</u> | - Frank H. Kidd, Jr., M.D. Professorship in Surgery - TESP Match |
| \$ 160,000 | - Total Salary |
| <u>102,100</u> | - Augmentation - Veterans Affairs Medical Center |
| <u>\$ 262,100</u> | - Total Compensation |

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
 U. T. BOARD OF REGENTS' MEETING
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PARKING AND TRAFFIC REGULATIONS

PARKING ENFORCEMENT FEES

Ratification is recommended for the following parking enforcement fees to be effective beginning with the Fall Semester 2001. The fees have been administratively approved by Executive Vice Chancellor for Health Affairs.

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

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|--|--------------------------|---------------------------|-----------------------------|
| Late payment fee assessed after 10 days of issuance of citation | \$5 | \$10 | 100% |
| Altered temporary hang tag | \$10 | \$20 | 100% |
| Improperly displayed decal | \$10 | \$20 | 100% |
| Exceeded time limit | \$10 | \$20 | 100% |
| Invalid hang tag | \$10 | \$20 | 100% |
| No decal/permit/hang tag visible | \$10 | \$20 | 100% |
| All other violations | \$10 | \$20 | 100% |
| No parking zone | \$10 | \$25 | 150% |
| Unauthorized parking, miscellaneous | \$10 | \$25 | 150% |
| Unauthorized, official guest only | \$10 | \$25 | 150% |
| Wrong parking direction | \$10 | \$25 | 150% |
| Parking in visitor parking | \$10 | \$25 | 150% |
| Parking in patient parking | \$10 | \$25 | 150% |
| Parking in fire lane | \$25 | \$50 | 100% |
| Blocking loading docks/dumpsters | \$25 | \$50 | 100% |
| Parking in named reserved space | \$25 | \$50 | 100% |
| Illegally parked in handicap zone | \$50 | \$100 | 100% |

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FEES AND MISCELLANEOUS CHARGES

RENTAL RATES

Ratification is recommended for the following rental rates to be effective beginning with the Fall Semester 2001. The rates have been administratively approved by the Executive Vice Chancellor for Health Affairs.

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

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|--|----------------------|-----------------------|-------------------------|
| <u>Apartments at 6401 Maple Avenue</u> | | | |
| <u>For each month</u> | | | |
| 1 Bedroom (Floor Plans A-1 and A-2) | -0- | \$600-700 | n/a |
| 2 Bedroom (Floor Plan B-1) | -0- | \$900-1,000 | n/a |
| 2 Bedroom (Floor Plan B-2) | -0- | \$950-1,050 | n/a |

Residents are responsible for the water, electric, telephone and cable bills in all units. The rates in the apartments include gas.

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FEES AND MISCELLANEOUS CHARGES (Continued)

STUDENT SERVICES FEES

Ratification is recommended for the following student services fees to be effective beginning with the Fall Semester 2001. The statutory requirements for involvement of a student services fees committee have been met and an affirmative vote of the student government has been secured for increases of more than 10%. The fees have been administratively approved by the Executive Vice Chancellor for Health Affairs.

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

COMPULSORY STUDENT SERVICES FEE

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|----------------------------------|--------------------------|---------------------------|-----------------------------|
| <u>For each regular semester</u> | | | |
| Per Semester Credit Hour | \$9.00 | \$15.00 | 66.67% |
| Maximum | \$150.00 | \$150.00 | - 0 - |
| <u>For summer session</u> | | | |
| Per Semester Credit Hour | \$9.00 | \$15.00 | 66.67% |
| Maximum | \$150.00 | \$150.00 | - 0 - |

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
U. T. BOARD OF REGENTS' MEETING
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THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
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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: The Sealy & Smith Foundation
College/School/
Department: School of Medicine, Radiology Department
Purpose: Payment on grant for the Radiology Department renovation and equipment
Asset Type: Cash
Value: \$3,326,276

2. Donor Name: The Sealy & Smith Foundation
College/School/
Department: School of Medicine, Geriatric Acute Care for Elderly (ACE) Unit
Purpose: Payment on grant for the Geriatric Acute Care for Elderly (ACE) Unit
Asset Type: Cash
Value: \$1,800,000

3. Donor Name: The Sealy & Smith Foundation
College/School/
Department: School of Medicine, Surgery Department
Purpose: Payment on grant for robotic surgery equipment
Asset Type: Cash
Value: \$1,541,000

4. Donor Name: The Sealy & Smith Foundation
College/School/
Department: School of Medicine, Surgery Department
Purpose: Payment in full of grant for a portable CT Scanner
Asset Type: Cash
Value: \$650,000

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
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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 ratification by the U. T. Board of Regents.

GENERAL CONTRACTS

(FUNDS COMING IN)

1. Agency: Texas Dialysis Holdings, LLP
Funds: \$2,385,000
Period: March 1, 2000 through February 28, 2010
Description: The University of Texas Medical Branch will provide medical director and administrative services to Texas Dialysis Holdings, LLP facilities located in Galveston and LaMarque, Texas.

2. Agency: The Gulf Coast Center
Funds: \$1,824,900
Period: September 1, 2000 through August 31, 2001
Description: The University of Texas Medical Branch (UTMB) will provide hospital services to persons served by The Gulf Coast Center at the UTMB facility located in Galveston, Texas.

3. Agency: United States of America, Department of Justice/
Federal/ Bureau of Prisons - Beaumont, Texas
Funds: \$9,717,760
Period: September 16, 2000 through September 15, 2001
Description: Modification No. 11 to exercise the fourth option year. The University of Texas Medical Branch will provide health care services to inmates of the Federal Correction Complex in Beaumont, Texas.

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
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CONTRACTS (Continued)
GENERAL CONTRACTS (Continued)

(FUNDS GOING OUT)

4. Agency: Texas Department of Human Services
Funds: \$1,098,899
Period: September 1, 2000 through August 31, 2001
Description: Texas Department of Human Services will provide outstation workers at The University of Texas Medical Branch facilities for the purpose of providing Medicaid eligibility determination services.

MINOR CONSTRUCTION PROJECT

5. Contractor: R. L. H. Construction, Incorporated
Amount: \$3,000,000
Source of Funds: Institutional Project Funds
Date of Contract: October 1, 2000
Estimated Completion Date: September 30, 2002
Project Title: Job Order Contracting Services
Description: R. L. H. Construction, Incorporated will furnish all materials and perform all work associated with any statement of work provided by UTMB for a Job Order under this agreement.

**NONINTELLECTUAL PROPERTY-RELATED SPONSORED RESEARCH
AGREEMENTS - FOREIGN**

(FUNDS COMING IN)

6. Country: Switzerland
Grantor: Debiopharm S.A.
No.: DEB-98-VAP-06
New Funds: \$12,500
Current Period: February 1, 2000 through July 31, 2001
Title/Description: Study on vapreotide (a drug) to prevent post-surgical complications in patients undergoing elective pancreatic resection.

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 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET

The following Requests for Budget Changes (RBC's) have been administratively approved as required by the 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. Source of funds for payment of salaries, unless otherwise shown, is the departmental salaries account.

| <u>Item, Department, Title, Name</u> | <u>Effective</u> <u>Date</u> | <u>%</u> <u>Time</u> | <u>No.</u> <u>Mos.</u> | <u>Full-time</u> <u>Salary</u> <u>Rate</u> | <u>RBC#</u> |
|---|---------------------------------|-------------------------|---------------------------|--|-------------|
| <u>APPOINTMENTS AND PROMOTIONS</u> | | | | | |

SCHOOL OF MEDICINE

Pediatrics

Professor and Chair

| | | | | | | |
|----|---------------------------|-----------|-----|----|---------|----|
| 1. | Lawrence R. Stanberry (T) | 10/1-8/31 | 100 | 12 | 300,000 | 31 |
|----|---------------------------|-----------|-----|----|---------|----|

Source of Funds:

| | |
|------------------|----------------|
| \$ 20,000 | - State |
| <u>280,000</u> | - MSRDP Grant |
| <u>\$300,000</u> | - Total Salary |

Microbiology and Immunology; Pathology

Professor

| | | | | | | |
|----|------------------------|-----------|-----|----|---------|----|
| 2. | Clarence J. Peters (T) | 12/1-8/31 | 100 | 12 | 175,000 | 32 |
|----|------------------------|-----------|-----|----|---------|----|

Source of Funds:

| | |
|------------------|----------------|
| \$ 87,500 | - State |
| <u>87,500</u> | - MSRDP Grant |
| <u>\$175,000</u> | - Total Salary |

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

| <u>Item, Department, Title, Name</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary Rate</u> | <u>RBC#</u> |
|---|---------------------------|-------------------|---------------------|--------------------------------------|-------------|
| SCHOOL OF MEDICINE; GRADUATE SCHOOL OF BIOMEDICAL SCIENCES | | | | | |
| Family Medicine; Preventive Medicine and Community Health; Graduate School | | | | | |
| 3. Susan C. Weller (T) | | | | | 28 |
| From: Professor, Preventive Medicine and Community Health and Graduate School | | 100 | 12 | 81,691 | |
| To: Professor, Family Medicine, Preventive Medicine and Community Health and Graduate School | 10/01-8/31 | 100 | 12 | 95,307 | |

Source of Funds:

\$ 87,307 - State
8,000 - Contract and Grant
\$ 95,307 - Total Salary

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

Full-time
Salary

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

| <u>Item, Department, Title, Name</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Rate</u> | <u>RBC#</u> |
|--|-----------------------|---------------|-----------------|-------------|-------------|
| SCHOOL OF MEDICINE; RESEARCH ENHANCEMENT | | | | | |
| Office of the Dean of Medicine; Human Biological Chemistry and Genetics (WOS); Psychiatry and Behavioral Sciences; Pediatrics; Office of Primary Care Education (WOS); Research Support Programs | | | | | |
| 4. Walter J. Meyer III (T) | | | | | 29 |
| From: Vice Dean, Office of the Dean of Medicine and Research Support Programs; Professor, Human Biological Chemistry and Genetics, Gladys Kempner and R. Lee Kempner Professorship in Child Psychiatry and Professor, Psychiatry and Behavioral Sciences; Chair Ad-Interim and Professor, Pediatrics; Executive Director, Primary Care Education, Office of Primary Care Education | | | | | |
| | | 100 | 12 | 299,500 | |
| To: Vice Dean, Office of the Dean of Medicine and Research Support Programs; Professor, Human Biological Chemistry and Genetics and Pediatrics; Gladys Kempner and R. Lee Kempner Professorship in Child Psychiatry and Professor, Psychiatry and Behavioral Sciences; Executive Director, Primary Care Education, Office of Primary Care Education | | | | | |
| | 10/01-8/31 | 100 | 12 | 275,500 | |

Source of Funds:

| | |
|------------------|----------------------|
| \$104,133 | - State |
| 115,000 | - MSRDP Grant |
| <u>56,367</u> | - Contract and Grant |
| <u>\$275,500</u> | - Total Salary |

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

The following items have been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' Rules and Regulations, Part One, Chapter III, Section 13 and are submitted for ratification by the U. T. Board of Regents. It has been determined that the holding of these offices or positions is of benefit to the State of Texas and The University of Texas and there is no conflict between holding these positions and the employees' appointments with The University of Texas Medical Branch at Galveston.

1. Name: James Louis Lukefahr, M.D.
Title: Associate Professor, Division of General Pediatrics
Position: Appointment to the Children's Trust Fund of Texas Council
Period: January 16, 2000 through September 1, 2005
Compensation: None
Description: On January 16, 2000 Governor George W. Bush appointed Dr. James Louis Lukefahr to serve on the Children's Trust Fund of Texas Council. The Children's Trust Fund of Texas Council is a state agency whose purpose is to provide funding and support to community efforts to prevent child abuse and neglect.

2. Name: Linda R. Rounds, Ph.D.
Title: Professor in the UTMB School of Nursing and coordinator of the Gerontological Nurse Practitioner Online Program
Position: Appointment as President of the State Board of Nurse Examiners
Period: July 28, 2000 to serve at the pleasure of the Governor
Compensation: None
Description: On July 28, 2000 Governor George W. Bush appointed Dr. Linda R. Rounds as President of the State Board of Nurse Examiners. The State Board of Nurse Examiners regulates the practice of professional nursing and the accreditation of schools of nursing.

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
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AMENDMENTS TO THE 2000-01 BUDGET

The following Requests for Budget Changes (RBC's) have been administratively approved as required by the 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. Source of Funds for payment of salaries, unless otherwise shown, is the departmental salaries account.

| <u>Item, Department, Title, Name</u> | <u>Effective</u> <u>Date</u> | <u>%</u> <u>Time</u> | <u>No.</u> <u>Mos.</u> | <u>Full-time</u> <u>Salary</u> <u>Rate</u> | <u>RBC #</u> |
|--------------------------------------|---------------------------------|-------------------------|---------------------------|--|--------------|
|--------------------------------------|---------------------------------|-------------------------|---------------------------|--|--------------|

APPOINTMENTS AND PROMOTIONS

MEDICAL SCHOOL

Internal Medicine - Rheumatology

1. Frank C. Arnett, Jr. 024

| | | | | | |
|-------|----------------------------------|-------|----|---------|--|
| From: | Professor and Elizabeth Bidgood) | 100 | 12 | 178,534 | |
| | Chair In Rheumatology (T) | SUPLT | 12 | 20,000 | |

| | | | | | |
|-----|-----------------------------|-------|-------|----|---------|
| To: | Interim Chair/Professor and | | | | |
| | Elizabeth Bidgood Chair in | 10/16 | 100 | 12 | 178,534 |
| | Rheumatology (T) | 10/16 | SUPLT | 12 | 55,000 |

Source of Funds:

| |
|---------------------------------------|
| \$104,828 – State |
| 60,432 – Federal |
| 5,253 – MSRDP |
| <u>8,021</u> – Private Grant |
| \$178,534 – Total Salary |
| 11,465 – Augmentation |
| <u>55,000</u> – Supplement |
| <u>\$244,999</u> – Total Compensation |

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <u>Item, Department, Title, Name</u> | <u>Effective</u> | <u>%</u> | <u>Full-time</u> <u>Salary</u> | | <u>RBC #</u> |
|--|------------------|-------------|-----------------------------------|-------------|--------------|
| | <u>Date</u> | <u>Time</u> | <u>No.</u> <u>Mos.</u> | <u>Rate</u> | |
| MEDICAL SCHOOL (Continued) | | | | | |
| Neurology | | | | | |
| 2. James C. Grotta | | | | | 006 |
| From: Professor (T) | | 100 | 12 | 162,000 | |
| To: Professor and Roy M. & Phyllis Gough Huffington Distinguished Chair In Neurology (T) | 09/01 | 100 | 12 | 162,000 | |

Source of Funds:

\$ 39,600 – State
 31,034 – Federal
 47,777 – Private
30,889 – MSRDP
 \$149,300 – Total Salary
 18,000 – Supplement
12,700 – Augmentation
\$180,000 – Total Compensation

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <u>Item, Department, Title, Name</u> | <u>Effective</u> | <u>%</u> | <u>Full-time</u> <u>Salary</u> | | <u>RBC #</u> |
|---------------------------------------|------------------|-------------|-----------------------------------|-------------|--------------|
| | <u>Date</u> | <u>Time</u> | <u>No.</u> <u>Mos.</u> | <u>Rate</u> | |
| MEDICAL SCHOOL (Continued) | | | | | |
| Radiology | | | | | |
| 3. Carl M. Sandler | | | | | 026 |
| From: Professor and Vice Chairman (T) | | 100 | 12 | 248,000 | |
| | | SUPLT | 12 | 42,000 | |
| To: Professor and Interim | 10/01 | 100 | 12 | 308,000 | |
| Chairman (T) | 10/01 | SUPLT | 12 | 42,000 | |

Source of Funds:

\$ 22,560 – State
127,840 – MSRDP
 \$150,400 – Total Salary
 157,600 – Augmentation
42,000 – Supplement
\$350,000 – Total Compensation

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES

Ratification is recommended for the following new fees and miscellaneous charges for the 2001-2002 academic year. The fees have been administratively approved by the Executive Vice Chancellor for Health Affairs.

LABORATORY FEES

| <u>Course Number</u> | <u>Course Title</u> | <u>Proposed Fee</u> |
|--------------------------|--|-------------------------|
| HI 5340 | Introduction to learning Environments in the Health Sciences | \$ 10 |
| HI 5341 | Learning Environment Development in the Health Sciences | 10 |
| HI 6312 | Information Technology Survey | 10 |
| HI 6313 | Computational Methods in Health Informatics | 10 |
| NURS 5508 | Research Application II | 8 |

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

OTHER FEES AND CHARGES

The following new charge recommended for approval by the U. T. Board of Regents and inclusion in institutional catalogs has been approved by the Executive Vice Chancellor for Health Affairs. 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> |
|---|-----------------------------|
| MEDICAL SCHOOL PAGER FEE To cover the costs of upgraded pagers which are required for third- and fourth-year students. | \$120/year |

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Ratification is recommended for the following designated tuition rates to be effective beginning with Summer 2001. The proposed rate increases have been the subject of discussion at a public forum as required by statute and have been administratively approved by the Executive Vice Chancellor for Health Affairs.

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

| | <u>Current Rates</u> | <u>Proposed Rates</u> | <u>Percent Increase</u> |
|-------------------------|----------------------|-----------------------|-------------------------|
| Medical/Dental Students | \$900/Yr. | \$1,050/Yr. | 16.7% |
| All Other Students | \$24/sch | \$28/sch | 16.7% |

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
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THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

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.

**NONINTELLECTUAL PROPERTY-RELATED SPONSORED RESEARCH
AGREEMENTS - FOREIGN**

(FUNDS COMING IN)

1. Country: France
Grantor: Sub-award grant from Dr. Antony M. Carr, University of Sussex from the Human Frontier Science Program Organization
No. RG0178/2000-M
Grant letter dated March 28, 2000
Funding letter dated June 15, 2000
New Funds: \$50,000
Current Period: July 1, 2000 – June 30, 2002
Title/Description: International Collaborative Program on Crosstalk Between Recombination and Cell Cycle Checkpoints
2. Country: France
Grantor: Porsolt & Partners Pharmacology
No. Agreement dated September 10, 2000
New Funds: \$90,000
Current Period: September 10, 2000 – November 10, 2000
Title/Description: Development of Methods for Studying Reinforcing Effects of Drugs in Rats and Monkeys
3. Country: Japan
Grantor: Santen Pharmaceutical Co., LTD
No. Agreement dated September 1, 2000
New Funds: \$66,666
Current Period: September 1, 2000 – August 31, 2001
Title/Description: Development of In Vitro Culture Screening System for Adequate Therapeutics for Treatment of Posterior Ocular Neovascularization of Retinopathy in Diabetic Patients

CONTRACTS (Continued)

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

**NONINTELLECTUAL PROPERTY-RELATED SPONSORED RESEARCH
AGREEMENTS – FOREIGN**

(FUNDS COMING IN)

4. Country: Japan
Grantor: Teijin Limited
No. Agreement dated August 1, 2000
New Funds: \$21,000
Current Period: August 1, 2000 – January 31, 2001
Title/Description: In Vitro Assessment of Vitamin D Antagonists

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

PLAN TO MANAGE POTENTIAL CONFLICTS OF INTEREST

The following Plan to Manage Potential Conflicts of Interest has been reviewed by the Office of General Counsel and approved by the Executive Vice Chancellor for Health Affairs and is recommended for approval by the U. T. Board of Regents.

1. Plan to Manage Conflicts of Interest for Wen-Hwa Lee, Ph.D. - GeneTex, Inc.

The University of Texas Health Science Center of San Antonio ("UTHSCSA"), on behalf of the Board of Regents, has entered into a series of non-exclusive license agreements with GeneTex, Inc. ("Licensee"), a Texas Corporation, having a principal place of business in San Antonio, Texas. The license agreements cover the following hybridoma cell lines in the field of antibodies and related materials for use as research reagents: RAD50 - 13B3(2C6); RAD51 - 14B4(1E11); BRCA2 - p400 and BBA; TSG-101 and 4A10; and MRE11 (12D7) (collectively, the "Inventions"). The Inventions were developed, in part, by Wen-Hwa Lee, Ph.D., Professor and Chairman in the Department of Molecular Medicine at UTHSCSA.

The provisions of these non-exclusive license agreements have been reviewed and approved pursuant to the Regents' Rules and Regulations by the chief administrative officer or designee and the Office of General Counsel. Under the license agreements, Licensee was granted a royalty-bearing, non-exclusive worldwide license and right to manufacture, use, distribute, and/or sell antibody products derived from the Inventions solely for research reagent purposes. Additionally, for each license agreement, Licensee has paid The University of Texas Board of Regents (1) a non-refundable license issue fee; and (2) a five percent (5%) running royalty on net sales of antibody products derived from the Inventions. The license agreements include standard language indemnifying the Board of Regents.

Dr. Lee currently holds 125,885 of the 973,944 shares outstanding as of April 30, 2000 in Licensee and serves on the Board of Directors of Licensee. In view of this potential conflict of interest, UTHSCSA has developed the following measures to eliminate the likelihood that actual conflicts will arise:

- (1) As required by Texas Education Code, Section 51.912(b) and the Regents' Rules and Regulations, Part Two, Chapter XII, Sections 6 and 7, Dr. Lee has provided UTHSCSA with a written disclosure and will update it as required by law.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

PLAN TO MANAGE POTENTIAL CONFLICTS OF INTEREST (Continued)

- (2) In view of this disclosure, UTHSCSA has determined that a license to a company owned, in part, by Dr. Lee is appropriate because the activities of Licensee involve applied research in the development of antibody products for research and diagnostic uses and the sale of such antibody products for research purposes, whereas Dr. Lee performs basic research at UTHSCSA.
- (3) UTHSCSA has implemented a management strategy to minimize the risk of a future conflict of interest. Under this plan:
 - (a) Dr. Lee will submit a completed confidential invention report form to the Office of Intellectual Property Administration for UTHSCSA regarding the Inventions and any future inventions which may be of interest to GeneTex, if any. Dr. Lee further agrees to not transfer any materials or proprietary information regarding such future inventions to GeneTex prior to the consummation of a confidential disclosure agreement, sponsored research agreement, and/or a license agreement related thereto, if any. Dr. Lee also agrees to assist the Office of Intellectual Property Administration in obtaining such additional information as may be required to evaluate the non-exclusively licensing or entering into any agreements regarding such future inventions to GeneTex and/or other interested parties, if any. The invention report forms and related correspondence or agreements, as well as Dr. Lee's compliance with the terms agreed to above, shall be reviewed by Dr. Sanford A. Miller, Dean of the Graduate School of Biomedical Sciences, for any potential conflicts of interests between Dr. Lee's role as an employee of UTHSCSA and his financial interest in GeneTex. Should Dr. Miller determine that a potential conflict of interest exists, the terms of any license agreement with GeneTex will be modified accordingly or such other remedial action taken as would be in accordance with Section 51.912 of the Texas Education Code and corresponding provisions of The U.T. System Intellectual Property Policy.
 - (b) Dr. Lee will recuse himself from the process of negotiating the financial terms and/or intellectual property provisions of any agreement between UTHSCSA and GeneTex.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET

The following Requests for Budget Changes (RBC's) have been administratively approved as required by the 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. Source of funds for payment of salaries, unless otherwise shown, is the departmental salaries account.

| <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> | |
| <u>APPOINTMENTS AND PROMOTIONS</u> | | | | | |
| MEDICAL SCHOOL | | | | | |
| Office of the Dean | | | | | |
| 1. Steven Allan Wartman, M.D, Ph.D. (T) | | | | | 33 |
| From: Dean of the Medical School and Professor | | 100 | 12 | 318,000 | |
| To: Executive Vice President for Academic and Health Affairs, Dean of the Medical School and Professor | 11/01/00 | 100 | 12 | 318,000 | |

Source of Funds:
 \$196,953 State Funds
121,047 MSRDP Augmentation
\$318,000 Total Salary Rate

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <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> | |
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| ADMINISTRATION | | | | | |
| Department of Obstetrics and Gynecology | | | | | |
| 2. Rochelle N. Shain, Ph.D. (T) | | | | | 34 |
| From: Professor | | 100 | 12 | 106,558 | |
| To: Professor/ H. Frank Connally, Jr. Professorship | 9/01/00 | 100 | 12 | 106,558 | |
| Source of Funds: | | | | | |
| \$103,993 | State Funds | | | | |
| <u>2,565</u> | MSRDP Augmentation | | | | |
| <u>\$106,558</u> | Total Salary Rate | | | | |

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
U. T. BOARD OF REGENTS' MEETING
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OTHER FISCAL ITEMS

PURCHASE ORDERS - MORE THAN \$1,000,000

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

(FUNDS GOING OUT)

1. Agency: CTI PET Systems, Inc.
Funds: \$1,900,000
Title/Description: High resolution research tomograph A positron emission tomograph (PET) unit including camera, acquisition computer, reconstruction software, image viewing software, data-file transfer software for the Research Imaging Center. Must provide whole-brain coverage (<15 cm field-of-view), high spatial resolution (better than 4 mm, full-width-half-maximum in all planes), high sensitivity (3-D mode).

2. Agency Allied Consultants Inc.
Funds: \$1,512,462
Title/Description Provide staff and service for implementation of PeopleSoft Public Section, for Phase I - Implementation Support for Human Resources/Payroll System. Payment shall be made for actual hours incurred and upon invoices presented to the UTHSCSA Accounting Office at rates and total amount not exceeding fee schedule for Phase I attached to the purchase order for the above amount.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

FEES AND MISCELLANEOUS CHARGES

Ratification is recommended for the following new fees and miscellaneous charges for the 2001-02 academic year. The fees have been administratively approved by the Executive Vice Chancellor for Health Affairs.

LABORATORY FEES

| <u>Course Number</u> | <u>Course Title</u> | <u>Proposed Fee</u> |
|--------------------------|---|-------------------------|
| CLSC 3064 | Immunoematology Laboratory | \$30 |
| CLSC 3071 | Diagnostic Immunology | 30 |
| CLSC 3206 | Laboratory Medicine | 30 |
| EMSP 1256 | Airway Management and Patient Assessment | 30 |
| NURS 5631 | Pediatric Nurse Practitioner Roles and Management I: Developmental Assessment and Health Promotion of Infants, Children, and Adolescents | 30 |
| NURS 5632 | Pediatric Nurse Practitioner Roles and Management II: Health Management of Infants, Children, and Adolescents with Minor Acute and Chronic Illnesses | 30 |
| PHAS 3303 | Clinical Skills | 30 |

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
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THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

GIFTS

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

- 1. Donor Name: Mr. Oscar S. Wyatt, Jr.*
College/School/
Department: Institution
Purpose: Capital Improvement
Asset Type: Securities
Value: \$1,030,637.50

*No letter of transmittal from the donor

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

CONTRACTS

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

GENERAL CONTRACTS

(FUNDS COMING IN)

1. Agency: ForMost, Inc.
Funds: Amount received determined by contract fee schedule
Period: June 1, 2000 for an initial period of twelve (12) months
Description: Hospital Services Agreement to provide diagnosis, care, and treatment of cancer and other neoplastic diseases

2. Agency: ForMost, Inc.
Funds: Amount received determined by contract fee schedule
Period: June 1, 2000 for an initial period of twelve (12) months
Description: Physician Services Agreement to provide for the diagnosis, care, and treatment of cancer and other neoplastic diseases

(FUNDS GOING OUT)

3. Agency: The University of Texas Health Science Center at Houston
Funds: \$2,000,000
Period: September 1, 2000 through August 31, 2001
Description: Interagency Agreement for printing services, excluding certain types of printing

4. Agency: The University of Texas Health Science Center at Houston
Funds: \$2,000,000
Period: September 1, 2000 through August 31, 2001
Description: Interagency Agreement to provide copying services including, but not limited to: data entry of copy request, copying documents, binding, setting and hole drilling as needed, as well as additional copy center services as requested

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001
CONTRACTS (Continued)

**NONINTELLECTUAL PROPERTY-RELATED SPONSORED RESEARCH
AGREEMENTS – FOREIGN**

(FUNDS GOING OUT)

5. Country: The Netherlands
Grantor: University of Groningen
No: 000302
New Funds: None
Current Period: March 13, 2000 – July 31, 2000
Title/Description: Agreement to allow students to participate in a rotation through the Behavioral Science Department

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET

The following Requests for Budget Changes (RBC's) have been administratively approved as required by the 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. Source of funds for payment of salaries, unless otherwise shown, is the departmental salaries account.

| <u>Item, Department, Title, Name</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary Rate</u> | <u>RBC#</u> |
|--|-----------------------|---------------|-----------------|------------------------------|-------------|
| <u>APPOINTMENTS AND PROMOTIONS</u> | | | | | |
| THE TUMOR INSTITUTE – MEDICAL STAFF | | | | | |
| Clinical Operations & Programs and Breast Medical Oncology | | | | | |
| 1. Richard Theriault (T) | | | | | 49 |
| From: Professor | | 100 | 12 | 207,419 | |
| | | SUPLT | 12 | 6,000 | |
| To: Professor, Medical Director, Outreach | 9/1 9/1 | 100 SUPLT | 12 12 | 207,419 12,000 | |

Source of Funds:

\$ 12,000 – Clinical Operations & Programs
 107,049 – Breast Medical Oncology
100,370 – PRS – Medicine – Breast Medical Oncology
\$219,419 – Total Compensation

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <u>Item, Department, Title, Name</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary Rate</u> | <u>RBC#</u> |
|--|-----------------------|---------------|-----------------|------------------------------|-------------|
| <u>APPOINTMENTS AND PROMOTIONS</u> | | | | | |
| THE TUMOR INSTITUTE – MEDICAL STAFF (CONTINUED) | | | | | |
| Medical Supportive Care | | | | | |
| 2. Edward B. Rubenstein (T) | | | | | 20 |
| From: Associate Professor | | 100 | 12 | 173,500 | |
| To: Professor | 9/1 | 100 | 12 | 189,500 | |
| Source of Funds: | | | | | |
| \$ 90,903 – Medical Supportive Care | | | | | |
| <u>98,597</u> – PRS – Anesthesiology & Critical Care | | | | | |
| <u>\$189,500</u> – Total Compensation | | | | | |
| Clinical Operations & Programs & Thoracic & Head & Neck Medical Oncology | | | | | |
| 3. Frank V. Fossella (T) | | | | | 19 |
| From: Associate Professor | | 100 | 12 | 177,383 | |
| | | SUPLT | | 6,000 | |
| To: Professor | 9/1 | 100 | 12 | 193,383 | |
| | 9/1 | SUPLT | 12 | 6,000 | |
| Source of Funds: | | | | | |
| \$ 6,000 – Clinical Operations & Programs | | | | | |
| 100,223 – Thoracic & Head & Neck Med Oncology | | | | | |
| <u>93,160</u> – PRS – Medicine – Head/Neck/Thoracic Onc | | | | | |
| <u>\$199,383</u> – Total Compensation | | | | | |

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

| <u>Item, Department, Title, Name</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary Rate</u> | <u>RBC#</u> |
|---|---------------------------|-------------------|---------------------|--------------------------------------|-------------|
| <u>APPOINTMENTS AND PROMOTIONS</u> | | | | | |
| THE TUMOR INSTITUTE – MEDICAL STAFF (CONTINUED) | | | | | |
| Melanoma/Sarcoma Med Oncology | | | | | |
| 4. Shreyaskumar Patel | | | | | 21 |
| From: Associate Professor (N/T) | | 100 | 12 | 160,582 | |
| To: Associate Professor (T) | 9/1 | 100 | 12 | 160,582 | |
| Source of Funds: | | | | | |
| <u>\$160,582</u> – PRS – Medicine - Sarcoma | | | | | |
| Internal Medicine Specialties | | | | | |
| 5. Robert F. Gagel (T) | | | | | 22 |
| From: Chairman, Professor | | 100 | 12 | 265,225 | |
| To: Division Head (ad interim), Professor | 9/1 9/1 | 100 SUPLT | 12 12 | 265,225 15,000 | |
| Source of Funds: | | | | | |
| \$ 15,000 – Clinic Operations & Programs | | | | | |
| 141,960 – Internal Medicine Specialties | | | | | |
| <u>123,265</u> – PRS – Endocrinology | | | | | |
| <u>\$280,225</u> – Total Compensation | | | | | |

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

| Item, Department, Title, Name | Effective Date | % Time | No. Mos. | Full-time Salary Rate | RBC# |
|-------------------------------|-------------------|-----------|-------------|-----------------------------|------|
|-------------------------------|-------------------|-----------|-------------|-----------------------------|------|

APPOINTMENTS AND PROMOTIONS

THE TUMOR INSTITUTE – MEDICAL STAFF (CONTINUED)

Internal Medicine Specialties (Continued)

6. Estella E. Whimbey 23

From: Associate Professor 100 12 156,423

To: Associate Professor (T) 9/1 100 12 156,423

Source of Funds:

\$ 1,266 – Internal Medicine Specialties
155,157 – PRS – Medicine – Infectious Diseases
\$156,423 – Total Compensation

Neuro-Oncology

7. Sadhan Majumder 24

From: Assistant Professor 100 12 76,320

To: Associate Professor (T) 9/1 100 12 92,000

Source of Funds:

\$64,400 – Neuro-Oncology
27,600 – Grant – CA81255-01
\$92,000 – Total Compensation

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

Full-time

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
 U. T. BOARD OF REGENTS' MEETING
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| <u>Item, Department, Title, Name</u> | <u>Effective Date</u> | <u>% Time</u> | <u>Salary</u> | | <u>RBC#</u> |
|--------------------------------------|-----------------------|---------------|-----------------|-------------|-------------|
| | | | <u>No. Mos.</u> | <u>Rate</u> | |

APPOINTMENTS AND PROMOTIONS

THE TUMOR INSTITUTE – MEDICAL STAFF (CONTINUED)

Gynecologic Oncology

8. David M. Gershenson (T) 26

From: Chairman, Professor & Anderson
 Clinical Faculty Chair 100 12 400,000

To: Chairman, Professor & Ann Rife Cox
 Chair 9/1 100 12 400,000

Source of Funds:

\$ 6,000 – Cox Chair
 4,838 – Grant – Gershenson Core
 192,122 – Gynecologic Oncology
197,040 – PRS – Surgery – Gynecology
\$400,000 – Total Compensation

Radiation Oncology

9. Thomas A. Buchholz 27

From: Assistant Professor 100 12 220,480

To: Associate Professor (T) 9/1 100 12 230,480

Source of Funds:

\$115,240 – Radiation Oncology
115,240 – PRS – Radiation Oncology
\$230,480 – Total Compensation

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

Full-time
 Salary

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

| <u>Item, Department, Title, Name</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Rate</u> | <u>RBC#</u> |
|--------------------------------------|---------------------------|-------------------|---------------------|-------------|-------------|
|--------------------------------------|---------------------------|-------------------|---------------------|-------------|-------------|

APPOINTMENTS AND PROMOTIONS

Diagnostic Radiology

Professor

| | | | | | |
|--------------------------|-----|-----|----|---------|----|
| 10. John E. Madewell (T) | 9/1 | 100 | 12 | 250,000 | 14 |
|--------------------------|-----|-----|----|---------|----|

Source of Funds:

\$125,000 – Diagnostic Radiology

125,000 – PRS – Diagnostic Radiology

\$250,000 – Total Compensation

| | | | | | |
|-------------|--|--|--|--|----|
| 11. Chun Li | | | | | 33 |
|-------------|--|--|--|--|----|

| | | | | | |
|---------------------------|--|-----|----|--------|--|
| From: Assistant Professor | | 100 | 12 | 72,000 | |
|---------------------------|--|-----|----|--------|--|

| | | | | | |
|-----------------------------|-----|-----|----|--------|--|
| To: Associate Professor (T) | 9/1 | 100 | 12 | 92,000 | |
|-----------------------------|-----|-----|----|--------|--|

Source of Funds:

\$64,400 – Diagnostic Radiology

8,998 – Grant – CA74819-01

8,988 – Grant – CA80589-1

9,614 – John S. Dunn Foundation

\$92,000 – Total Compensation

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <u>Item, Department, Title, Name</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary Rate</u> | <u>RBC#</u> |
|---|---------------------------|-------------------|---------------------|--------------------------------------|-------------|
| <u>APPOINTMENTS AND PROMOTIONS</u> | | | | | |
| THE TUMOR INSTITUTE – MEDICAL STAFF (CONTINUED) | | | | | |
| Diagnostic Radiology | | | | | |
| 12. Gary J. Whitman | | | | | 32 |
| From: Assistant Professor | | 100 | 12 | 186,872 | |
| To: Associate Professor (T) | 9/1 | 100 | 12 | 198,000 | |
| Source of Funds: | | | | | |
| \$ 99,000 – Diagnostic Radiology | | | | | |
| <u>99,000</u> – PRS – Diagnostic Imaging - Radiology | | | | | |
| <u>\$198,000</u> – Total Compensation | | | | | |
| 13. Kevin W. McEnery | | | | | 31 |
| From: Assistant Professor | | 100 | 12 | 219,820 | |
| To: Associate Professor (T) | 9/1 | 100 | 12 | 229,820 | |
| Source of Funds: | | | | | |
| \$114,910 – Diagnostic Radiology | | | | | |
| <u>114,910</u> – PRS – Diagnostic Radiology – Radiology | | | | | |
| <u>\$229,820</u> – Total Compensation | | | | | |

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <u>Item, Department, Title, Name</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary Rate</u> | <u>RBC#</u> |
|--|-----------------------|---------------|-----------------|------------------------------|-------------|
| <u>APPOINTMENTS AND PROMOTIONS</u> | | | | | |
| THE TUMOR INSTITUTE – MEDICAL STAFF (CONTINUED) | | | | | |
| Diagnostic Radiology (Continued) | | | | | |
| 14. Donald F. Schomer | | | | | 30 |
| From: Assistant Professor | | 100 | 12 | 224,320 | |
| To: Associate Professor (T) | 9/1 | 100 | 12 | 234,320 | |
| Source of Funds: | | | | | |
| \$113,172 – Diagnostic Radiology | | | | | |
| <u>121,148</u> – PRS – Diagnostic Imaging – Radiology | | | | | |
| <u>\$234,320</u> – Total Compensation | | | | | |
| Clinical Operations & Programs & Diagnostic Radiology | | | | | |
| 15. Paul M. Silverman (T) | | | | | 29 |
| From: Chairman (ad interim), Professor & Gerald Dewey Dodd, Jr., Chair in Diagnostic Imaging | | 100 SUPLT | 12 | 292,864 12,000 | |
| To: Professor & Gerald Dewey Dodd, Jr., Chair in Diagnostic Imaging | 9/1 | 100 | 12 | 292,864 | |
| Source of Funds: | | | | | |
| \$ 6,000 – Gerald Dodd, Jr., Chair | | | | | |
| 143,432 – Diagnostic Imaging | | | | | |
| <u>143,432</u> – PRS – Diagnostic Imaging – Radiology | | | | | |
| <u>\$292,864</u> – Total Compensation | | | | | |

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

| <u>Item, Department, Title, Name</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary</u> | | |
|--|-----------------------|---------------|-----------------|-------------------------|-------------|--|
| | | | | <u>Rate</u> | <u>RBC#</u> | |
| <u>APPOINTMENTS AND PROMOTIONS</u> | | | | | | |
| THE TUMOR INSTITUTE – CANCER PREVENTION | | | | | | |
| Behavioral Science | | | | | | |
| Associate Professor | | | | | | |
| 16. David Wetter (T) | 9/1 | 100 | 12 | 95,000 | 15 | |
| THE TUMOR INSTITUTE – RESEARCH | | | | | | |
| VP Office and Molecular & Cellular Oncology | | | | | | |
| 17. Mien-Chie Hung (T) | | | | | 37 | |
| From: Chairman (ad interim), Professor & Ruth Legett Jones Chair | | 100 SUPLT | 12 | 148,536 10,000 | | |
| To: Chairman, Professor & Ruth Legett Jones Chair | 9/1 | 100 | 12 | 204,000 | | |
| Source of Funds: | | | | | | |
| \$ 6,000 – Ruth Legett Jones Chair | | | | | | |
| 138,600 – Molecular & Cellular Oncology | | | | | | |
| 19,800 – A/C Allotment for Faculty Achievement Award Sub-Allocation-Hung | | | | | | |
| 19,800 – National Cancer Institute – CA58880 | | | | | | |
| <u>19,800</u> – Grant – SR97-003 | | | | | | |
| <u>\$204,000</u> – Total Compensation | | | | | | |

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

| Item, Department, Title, Name | Effective Date | % Time | No. Mos. | Full-time Salary Rate | RBC# |
|-------------------------------|-------------------|-----------|-------------|-----------------------------|------|
|-------------------------------|-------------------|-----------|-------------|-----------------------------|------|

APPOINTMENTS AND PROMOTIONS

THE TUMOR INSTITUTE – RESEARCH (CONTINUED)

Experimental Pathology

| | | | | | |
|---------------------------|--|--|--|--|----|
| 18. Peter R. Gascoyne (T) | | | | | 38 |
|---------------------------|--|--|--|--|----|

| | | | | | |
|---------------------------|--|-----|----|---------|--|
| From: Associate Professor | | 100 | 12 | 101,992 | |
|---------------------------|--|-----|----|---------|--|

| | | | | | |
|---------------|-----|-----|----|---------|--|
| To: Professor | 9/1 | 100 | 12 | 127,000 | |
|---------------|-----|-----|----|---------|--|

Source of Funds:

\$ 76,200 – Experimental Pathology
50,800 – Grant – N660001-97-C-8608
\$127,000 – Total Compensation

Biomathematics

| | | | | | |
|------------------------|--|--|--|--|----|
| 19. Dennis A. Johnston | | | | | 39 |
|------------------------|--|--|--|--|----|

| | | | | | |
|-----------------------|--|-----|----|---------|--|
| From: Professor (N/T) | | 100 | 12 | 120,000 | |
|-----------------------|--|-----|----|---------|--|

| | | | | | |
|-------------------|-----|-----|----|---------|--|
| To: Professor (T) | 9/1 | 100 | 12 | 132,000 | |
|-------------------|-----|-----|----|---------|--|

Source of Funds:

\$ 40,828 – Biomathematics
 25,370 – Grant – CA85078-02
 33,000 – Grant – ES07784-03
 19,602 – Grant – CN85184
13,200 – Grant – S/W.T.S.U (PC-A)
\$132,000 – Total Compensation

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <u>Item, Department, Title, Name</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary Rate</u> | <u>RBC#</u> |
|--|---------------------------|-------------------|---------------------|--------------------------------------|-------------|
| <u>APPOINTMENTS AND PROMOTIONS</u> | | | | | |
| THE TUMOR INSTITUTE – RESEARCH (CONTINUED) | | | | | |
| Biostatistics (Continued) | | | | | |
| 20. Yu Shen | | | | | 40 |
| From: Associate Professor | | 100 | 12 | 92,000 | |
| To: Associate Professor (T) | 9/1 | 100 | 12 | 92,000 | |
| Source of Funds: | | | | | |
| \$ 9,200 – Biostatistics | | | | | |
| 36,800 – Grant – CA79466-1A1 | | | | | |
| 27,600 – Cancer Research Foundation of America | | | | | |
| <u>18,400</u> – Zimmerman Core | | | | | |
| <u>\$92,000</u> – Total Compensation | | | | | |
| Molecular Genetics | | | | | |
| 21. Stevan Marcus | | | | | 41 |
| From: Assistant Professor | | 100 | 12 | 80,880 | |
| To: Associate Professor (T) | 9/1 | 100 | 12 | 92,000 | |
| Source of Funds: | | | | | |
| \$64,400 – Molecular Genetics | | | | | |
| 13,800 – Grant – GM53239-03 | | | | | |
| <u>13,800</u> – Grant – SR99-263 | | | | | |
| <u>\$92,000</u> – Total Compensation | | | | | |

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 15, 2001

AMENDMENTS TO THE 2000-01 BUDGET (Continued)

| <u>Item, Department, Title, Name</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary Rate</u> | <u>RBC#</u> |
|--|-----------------------|---------------|-----------------|------------------------------|-------------|
| <u>APPOINTMENTS AND PROMOTIONS</u> | | | | | |
| THE TUMOR INSTITUTE – RESEARCH (CONTINUED) | | | | | |
| Molecular Pathology | | | | | |
| 22. Sue-Hwa Lin (T) | | | | | 42 |
| From: Associate Professor | | 100 | 12 | 95,680 | |
| To: Professor | 9/1 | 100 | 12 | 127,000 | |
| Source of Funds: | | | | | |
| \$ 88,938 – Molecular Pathology | | | | | |
| 12,700 – Grant-CA64856-2 | | | | | |
| <u>25,362</u> – Grant – DAMD17-98-1-8465-1 | | | | | |
| <u>\$127,000</u> – Total Compensation | | | | | |
| Experimental Pediatrics | | | | | |
| 23. Craig A. Mullen | | | | | 43 |
| From: Assistant Professor | | 100 | 12 | 114,996 | |
| To: Associate Professor (T) | 9/1 | 100 | 12 | 121,996 | |
| Source of Funds: | | | | | |
| \$ 30,496 – Experimental Pediatrics | | | | | |
| 67,100 – PRS – Pediatrics – Bone Marrow Transplant | | | | | |
| <u>24,400</u> – Grant – RPG – 98-035-01-CIM | | | | | |
| <u>\$121,996</u> – Total Compensation | | | | | |

THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER
BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

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THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER
BOARD OF REGENTS' MEETING
FEBRUARY 15, 2001

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

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

- | | |
|---------------|---|
| Name: | Elaine L. Wells |
| Title: | Director of Library Services |
| Position: | Appointment as a public member to The Texas Radiation Advisory Board |
| Period: | July 2000 through April 16, 2005 |
| Compensation: | None |
| Description: | In July 2000 Governor George W. Bush appointed Elaine L. Wells to the Texas Radiation Advisory Board. The 17-member board is responsible for the review and evaluation of radiation-related policies and programs and also makes recommendations to the Texas State Radiation Control Agency on development, utilization and regulation of radiation sources. |