

Meeting No. 962

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

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February 12-13, 2003

Austin, Texas

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OF
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AUSTIN, TEXAS

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MEETING NO. 962

WEDNESDAY, FEBRUARY 12, 2003.--The members of the Board of Regents of The University of Texas System convened at 1:10 p.m. on Wednesday, February 12, 2003, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, Austin, Texas, with the following in attendance:

ATTENDANCE.--

Present

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

Absent

Counsel and Secretary Frederick

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

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

PARTICIPANTS

Chair: Mr. Walter Tenery, The University of Texas at Arlington

Vice Chair: Ms. Shirley Zwinggi, The University of Texas Southwestern Medical Center at Dallas

Historian: Ms. Sherill Boline, The University of Texas System Administration

Benefits Committee Chair: Ms. Terri Reynolds, The University of Texas at San Antonio

Policy Committee Chair: Mr. Robert Vasquez, The University of Texas of the Permian Basin

Communications Committee Chair: Mr. John Poindexter, U. T. San Antonio

[Not in attendance:

Secretary: Ms. Lorraine Etkin, The University of Texas M. D. Anderson Cancer Center

Compensation Committee Chair: Ms. Paula Berkley, The University of Texas – Pan American]

Chair Tenery spoke of the current goals of the EAC including the Web historical records repository, production of a best practices document, and educational access for employees. He said the focus for next year will include ongoing maintenance of the best practices document, improving effective communication with members, and use of identification numbers.

Committee Chairs reported on past and future activities. Historian Boline spoke of expanding the document imaging program, and Vice Chair Zwinggi said the best practices document was presented to human resources directors of component institutions. Two examples of best practices mentioned were a 90-day satisfaction survey of the applicant feedback program at The University of Texas Health Center at Tyler and the Go the Extra Mile (GEM) program, which is a retention strategy to recognize professionalism at The University of Texas Medical Branch at Galveston.

Benefits Committee Chair Reynolds proposed a program that would provide educational opportunities for U. T. System employees and retain good employees by providing added value to their services. She spoke of a formula funding analysis for the cost of such a program to component institutions and said the EAC believes the cost would be offset by increased student enrollments resulting in increased formula funding.

Regent Estrada questioned how this EAC proposal compares to other programs at other university systems both in and out of state. Chair Tenery said the EAC has plans to research this in the future. Regent Krier said she hears requests for educational access for employees when she travels to the U. T. System component campuses and requested the EAC share their formula funding analysis concerning educational access for employees with the U. T. System staff. Executive Vice Chancellor Sullivan commented that current regulation on tuition prevents the U. T. System from offering free or discounted courses to employees but that local control

of tuition would make this more possible. She said other universities have found this to be a valuable resource to retain employees. Chairman Miller asked the EAC to pursue sending the message to policymakers and reiterated that the cost of tuition is already being subsidized.

Chairman Miller and the other members of the Board commended the EAC for their presentation, focus, and hard work. Vice-Chairman Hunt commented that the EAC structure has led to more effective communication with the Board, and Chairman Miller asked the EAC to follow up to ensure their recommendations receive a full and adequate response.

RECESS TO EXECUTIVE SESSION.--At 2:00 p.m., Chairman Miller announced that the Board would recess to convene in Executive Session pursuant to Texas Government Code Sections 551.071, 551.072, and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE.--At 3:55 p.m., the Board reconvened in open session for action on matters considered in Executive Session.

EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Miller reported that the Board met in Executive Session to discuss matters in accordance with Texas Government Code Sections 551.071, 551.072, and 551.074. In response to an inquiry from Chairman Miller regarding the wishes of the Board, the following actions were taken:

1. U. T. El Paso: Acceptance of Findings and Recommendations of Hearing Tribunal Regarding Termination of Tenured Faculty Member, Dr. James Eastman, and Termination of Dr. Eastman Effective at 5:00 p.m. Mountain Standard Time on February 12, 2003

Based upon the record from the hearing of charges to terminate Dr. James Eastman for good cause as a tenured faculty member at The University of Texas at El Paso, Vice-Chairman Hunt moved that the Board accept the findings and recommendations of the faculty tribunal and that Dr. James Eastman be terminated from the faculty effective at 5:00 p.m. Mountain Standard Time on February 12, 2003.

The motion was seconded and carried unanimously.

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

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

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

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

4. U. T. Pan American: Authorization to Purchase Approximately 30 Acres of Land with Improvements Out of Lot 6, Section 270, Texas-Mexican Railway Survey, City of Edinburg, Hidalgo County, Texas; Authorization to Submit the Purchase to the Coordinating Board for Approval; and Authorization for the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to Execute All Documents Related Thereto

[Note: This item was added after the Agenda Book had been mailed and was posted with the Secretary of State.]

Regent Krier moved that the Board authorize the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate, on behalf of The University of Texas - Pan American, to take all steps required to purchase, pursuant to a negotiated contract, approximately 30 acres of land with improvements out of Lot 6, Section 270, Texas-Mexican Railway Survey in the City of Edinburg, Hidalgo County, Texas, and to further authorize the purchase be submitted to the Texas Higher Education Coordinating Board for approval.

Regent Krier further moved, conditioned upon the understanding that the exercise of eminent domain is not authorized for this transaction, that the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate be authorized to execute all documents, instruments, and other agreements deemed necessary or advisable to carry out the purchase transaction according to the parameters outlined in Executive Session with the understanding that the purchase price will be supported by both appraisals obtained by The University of Texas System.

The motion was seconded and carried by unanimous vote.

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

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

6. U. T. Board of Regents: Consideration of Legal Matters Relating to the Contractual Relationship with The University of Texas Investment Management Company (UTIMCO)

There was no action taken regarding consideration of legal matters related to the contractual relationship with The University of Texas Investment Management Company (UTIMCO).

RECESS.--At 4:05 p.m., Chairman Miller announced that the Board would recess to reconvene at 8:30 a.m. in Open Session on Thursday, February 13, 2003, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, Austin, Texas.

THURSDAY, February 13, 2003.--The members of the Board of Regents of The University of Texas System reconvened at 8:35 a.m. on Thursday, February 13, 2003, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, Austin, Texas, with the following in attendance and absent:

ATTENDANCE.--

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

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

WELCOME TO MR. JOHN DE LA GARZA, VICE CHANCELLOR FOR COMMUNITY RELATIONS, THE UNIVERSITY OF TEXAS SYSTEM.--Chairman Miller welcomed Mr. John De La Garza, Vice Chancellor for Community Relations, to The University of Texas System.

U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING HELD NOVEMBER 12-13, 2002, AND SPECIAL MEETINGS HELD DECEMBER 13 AND 20, 2002.--The Minutes of the regular meeting of the Board of Regents of The University of Texas System held on November 12-13, 2002, in Richardson, Texas, were approved as prepared by the Counsel and Secretary to the Board. The official copy of these Minutes is recorded in the Permanent Minutes, Volume L, Pages 8 - 171.

The Board also approved the Minutes of the special meetings of the Board of Regents of the U. T. System held on December 13 and 20, 2002, in Austin, Texas, as prepared by the Counsel and Secretary to the Board. The official copy of these Minutes is recorded in the Permanent Minutes, Volume L, Pages 172 - 186.

SPECIAL ITEMS

1. U. T. System: Discussion of Texas Compact (Proposed Tuition Assistance Program)

Based on a draft of the Texas Compact, a Proposed Tuition Assistance Program for The University of Texas System as set forth in the Agenda Book and set out on Pages 10 - 16, Chancellor Yudof began a discussion of the Texas Compact.

Referencing Governor Perry's State of the State address delivered on February 11, 2003, Chancellor Yudof said he is encouraged by the growing support for deregulation. He said that while he is not interested in autonomy, he is interested in putting the authority firmly with the Board of Regents, whether for tuition flexibility or to conduct the affairs of the University in general. He said that local control of the component institutions with differentiating prices and the ability to have different solutions for different campuses would allow the University to be more efficient, create incentives on the campuses, and do a better job of serving the people of Texas.

Chancellor Yudof spoke about three issues related to the Texas Compact:

- a) Ensure that Texans will not be precluded from attending U. T. System component institutions for lack of financial means. He said the proposal provides for free tuition and fees for both current and future undergraduate students who meet certain conditions such as those who come from families who earn less than the median household income of Texas.
- b) Lieutenant Governor Dewhurst's proposal for a loan forgiveness program for middle income families is tied to performance, as is the Texas Compact. The program would help to increase graduation rates without being oppressive towards students who have to be part-time students and who have income issues. Chancellor Yudof said these incentives will help people to achieve their dreams, get better jobs, earn better incomes, and go to graduate or professional school. Chancellor Yudof said the University is also talking to the State Comptroller's Office about the Texas Tomorrow Fund, a contract that will provide adequate funds for a college education for children and grandchildren.
- c) Chancellor Yudof said he has the mechanisms and people in place to put together a far-reaching accountability plan that will serve an overarching effort for deregulation, tuition flexibility, and a guarantee for low- and middle- income students.

Executive Vice Chancellor Sullivan said the Texas Compact is the practical way to achieve the goals of the “Closing the Gaps” program of the Texas Higher Education Coordinating Board, those goals being: (1) to increase the number of Texans who go to college, and (2) to increase the number of students who graduate.

Dr. Sullivan said the Texas Compact would reduce the uncertainty that tuition and fees would be covered by guaranteeing that every family below the median income would have tuition and fees covered, thus meeting the first goal of getting into college. She stated the program would not eliminate need-based aid for families above the median income. She said this is a program for Texans and is distinct from admission. Students would have to be regularly admitted following standard admission criteria. Executive Vice Chancellor Sullivan said she does not know how many more families would attend if they knew about the guarantee of tuition and fees.

Dr. Sullivan said the Texas Compact requires students to attend college on a full-time basis and there is a set of requirements for continuing eligibility. She said the cost to the University for the first year of operations of the Texas Compact would be about \$10-11 million, with higher costs of approximately \$15-25 million expected in subsequent years as more freshmen enter the program.

Regent Krier pointed out that different student populations have different needs and asked that the Texas Compact or other programs accommodate the nontraditional student as well as the traditional student.

Chairman Miller noted The University of Texas at Brownsville gives more in financial aid than is collected in tuition and fees. He said many of the component institutions likewise give a high percentage (i.e., 50%) of tuition and fees income in financial aid and that the University has probably raised financial aid faster than tuition and fees. He stated that by optimizing sources of income such as federal and private support and tuition and fees and managing course schedules or increasing course loads (students taking 13.5 semester credit hours versus 12.3 hours), the University could increase the capacity of the U. T. System dramatically without additional cost. Chairman Miller said the University needs tuition deregulation to be able to better manage the whole process and to give the component institutions more freedom on financial aid.

Regent Estrada commented on the distinct earning differential for someone who earns a bachelor degree and spends a lifetime working to what someone without a degree can earn and give back to the system. In this time of limited resources, he encourages additional incentives to attract students to higher

education. Chairman Miller stated the economic payoff is increasing dramatically for people with advanced degrees and said there is no other public effort in the State of Texas or anywhere that has a higher economic multiplier than higher education, including public education. He said since the majority of that money comes from sources other than tax revenue, it has an even more dramatic multiplier effect as far as public good, or public spending.

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Texas Compact Proposed Tuition Assistance Program

It is in both the short-term and the long-term interest of the State of **Texas** to ensure that a relatively large number of young people receive a college education, and that they receive it during their young adult years. A well-educated citizenry is important for the state's economy and for the well-being and health of families. For this reason, the state has made an important investment of tax money in higher education. The state's subsidy to higher education means that Texas students in public institutions pay tuition and required fees that are relatively lower than their counterparts in private institutions or in the public institutions of many other states.

Despite this large subsidy, which is enjoyed by all public college students, whether affluent or poor, there are nevertheless costs that are borne by the individual students and their families. A college education involves three kinds of expenses: the cost of tuition and fees, the cost of living expenses while pursuing a college education, and the opportunity costs of lost earnings while a student. Of these costs, only tuition and required fees are within the control of either the state legislature or the Board of Regents.,

Students may try to limit the costs of tuition and fees by working part-time and then attending college through part-time or part-year enrollment. This tactic inevitably increases the other two types of costs and it also lengthens the time to earn a degree. The University of Texas System seeks a partnership with the state, with families, and with funding agencies to keep college affordable, to make the costs of college known to the public, and to shorten the time necessary to earn a degree.

Therefore, in return for legislative delegation of authority to set tuition to the Board of Regents, the UT System will guarantee a package of grants and scholarships equal to tuition and required fees for all qualified undergraduate students who come from a family earning equal to or less than the median household income of Texas.' The median household income figure will be adjusted annually in accordance with data published by the U.S. Census Bureau. This program will be called the UT Compact.

For the most recent date available, which is 2001, the U.S. Census Bureau reported a median household income of \$40,860 for Texas.²

Because the median is the point that divides an income distribution into two halves, those earning below the median are by definition one-half of the households in the state. Setting the median income as the criterion also ensures that, by definition, middle-income families receive much of the benefit of this initiative.

We believe that we can achieve this tuition Compact by carefully deploying the resources we have available from federal, state, and private sources, and we believe that advertising this Compact will give hope to many families and encourage more of them to apply to and attend college.

A recent study by the Texas Higher Education Coordinating Board suggests that apprehensions about affordability constitute the major barrier to college attendance among Texas residents. Most parents think that it is important for their children to attend college, but they are not confident that they will have the resources to pay for college.' Texas parents are similar to other

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Americans in this belief. A 2002 national survey conducted by the American Council on Education showed that although the respondents valued college and considered it important, they overestimated its cost by a factor of three.⁴ A tuition Compact, widely communicated to the public, may help remove this barrier, thereby helping the state to achieve the first goal of the "Closing the Gaps" program, which is to enroll more Texans in college.

How This Plan Differs from Existing Programs

The UT Compact differs from other programs in four basic ways. First, the Compact places more emphasis on full-time status and on degree seeking than the existing programs, because its objective is to produce more college graduates. For that reason, it is more stringent than the existing grant programs in terms of time and workload. Second, the Compact is based on income, not need. The need-based programs are important, but it is nearly impossible for a student or parents to know in advance how much need-based aid for which they will qualify. The advantage of an income-based system is that families can determine eligibility for themselves. Thus, this plan considerably reduces the uncertainty families feel about college affordability. Moreover, some families who have significant assets but low income (e.g., family farmers) will qualify for assistance under this program although they might not qualify under a program based solely on FAFSA (Free Application for Federal Student Aid). Third, this plan ensures full payment of tuition and required fees. Pell grants frequently provide only part of the tuition bill, and TEXAS grants pay a set amount even if tuition is higher. At the moment, the institutions are already required to make up the difference between their tuition and the TEXAS grant without charging the student. Fourth, the Compact guarantee will be honored irrespective of future changes in the other financial aid programs.

Qualifications

Unless otherwise noted, required qualifications are consistent with the TEXAS Grant program.

To qualify for the tuition and mandatory fees Compact a student must:

- Be a Texas resident, as defined by statute
- Be admitted as a student to a University of Texas institution, using the regular application and admission procedures. Applications must be complete and on time. Applicants must apply no later than sixteen months after high school graduation, or no later than twelve months after completion of an associate or arts degree.
- Be seeking a first bachelor's degree in any field. Graduate and professional degree seekers are not eligible. Seeking a degree is not currently a requirement of other programs.
- Come from a family earning an income equal to or less than the state median income. Using median income is unique to this program, simplifies determination of qualification, facilitates the marketing of the program, and potentially offers assistance to more students than programs that use need alone.
- Graduated from a public or accredited private high school in Texas, or earned a GED, and completed the recommended high school curriculum or the equivalent.
- Apply for federal, state, and institutional financial assistance and complete the FAFSA on time. The FAFSA is used by both national and state grant programs to estimate need. FAFSA allows financial aid administrators to take account of income (as measured by federal income tax returns), assets, family size, and other factors.

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- . Be enrolled as an undergraduate on a full-time basis (minimum of 12 semester credit hours). This is a difference from the TEXAS grant program, which allows **three-quarters** time registration, and it is also different from the **Pell** grant.
- . Not have been convicted of a felony or crime involving a controlled substance.

Continued Eligibility Requirements

Once enrolled, to continue to be eligible a student must meet the following criteria. Unless otherwise noted, these requirements are consistent with the TEXAS Grant program.

- . Maintain full-time enrollment (minimum 12 semester credit hours). The TEXAS Grant program allows three-quarter time enrollment.
- Complete at least 12 semester credit hours in the prior long semester (with some institutional discretion for dropped courses with appropriate justification). This is different from the Pell grants and the TEXAS grant, which allow students to drop to part-time status after the semester begins. It has also been a criticism of Georgia's HOPE scholarships that students take relatively light loads, thus lengthening the time to the degree.
- . Maintain an overall college Grade Point Average of 2.5 or higher on a 4.0 scale.
- Make normal progress toward a degree. This provision ensures that students take required courses in a timely fashion and complete the prerequisite courses for their majors on time. The TEXAS Grant program does not have this requirement.
- Maintain good academic standing. Good academic standing includes not only grades; but also disciplinary status.
- Reapply annually to determine continued financial eligibility.

Financial assistance will be provided to eligible students for ten long semesters, six calendar years, or until the student receives a Bachelor's degree, whichever comes first.

Assembling the Tuition and Fees Package

A variety of funds are currently available to undergraduate students, but students are not always aware of the available funds and some students do not seek the advice of the financial aid officers located on each campus. Because students subject to the tuition Compact must apply for financial aid, they will necessarily come *into contact* with a financial aid **officer** who can help them assemble a financial aid package.

Available federal and state funds will be accessed first to build a financial aid package. Several federal programs are available that help low-income students attend college. The best-known program is the Pell grant, but other assistance may be available to students through Social Security Survivors benefits, Veterans benefits, or other federal programs.

It should be noted, however, that neither the UT System nor the state has control over the level of funding nor the qualification requirements of federal programs. Changes to federal programs could require adjustments to the mix of funding available to cover the proposed tuition program.

Next, available state funds will be accessed in building the financial aid package. The most important of these funds is the TEXAS Grant, which provides a **lump** sum payment to each grantee with the local institution required to supply additional funds if necessary for tuition. The

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University of Texas at Austin already supplies some \$10.5 million annually to TEXAS grant recipients. Another example of a state program is the Texas Public Education Grant program (TPEG); a fund into which, by state law, 15% of tuition payments are paid to provide financial aid.

Any private scholarships would also be counted against the Compact

The UT System staff is currently examining the relationship between the Texas Compact and the Texas Tomorrow Fund. While it is not anticipated that the Compact will have an impact on beneficiaries of Texas Tomorrow Fund contracts, efforts are being made to insure seamless compatibility between the two programs.

Finally, the institution's own resources would be brought to bear to complete the Compact, including locally endowed or funded scholarships and other financial aid. The expectation is that the system and components would seek to increase fundraising for scholarships, maintain the TEXAS Grant program, and rarely rely on tuition revenue.

What Happens to Students with Higher Family Incomes?

Many students from families with higher incomes, such as those between \$40,000 and \$60,000, would nevertheless qualify, using FAFSA, for need-based aid. Nothing in this plan would prohibit the continuation of such aid to those students and their families. Moreover, attractive federal tax credits are available for these families, and these tax credits will also reduce the effective expense of the college degree.

Local Control of Tuition

While tuition increases will be the last resort to fund student financial aid, the Board of Regents needs to have tuition flexibility to anticipate the likelihood that greater tuition revenue might be required in some localities rather than others. Universities are complex operations in themselves, and within the System the component institutions vary from one another considerably in size, mission, and focus. The legislature sets undergraduate tuition once every two years for all institutions in the state, with no ability to adjust to local conditions nor to take advantage of local opportunities.

Because the Board of Regents meets several times a year and is familiar with the conditions at each of the institution's fifteen components, the Board is better equipped than the legislature to respond to local needs. Moreover, the control of tuition, and especially the differentiation of tuition, would allow the UT System to pursue strategic goals such as improved graduation rates, better facilities usage, and the improvement of nationally ranked programs.

It is sometimes argued that the Regents, because they are not elected officials, are therefore not accountable and should not be allowed to set tuition. In most of the United States, however, appointed governing boards routinely set tuition. Board members, who are appointed by the Governor and confirmed by the Senate, are hardly immune to public opinion. Indeed, the Regents may be more accountable because many constituencies—including the state legislature itself — can target their concerns about tuition directly to the Board. Moreover, because of the competitive nature of higher education, the Regents would have no interest in pricing their schools out of the academic marketplace.

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For all of the reasons, a binge of unrestrained tuition increases is unlikely. The proposed Compact provides an example of a way in which the Regents could voluntarily restrain their own ability to set tuition. Because of the nature of the Compact, any increase in tuition is simultaneously an increase in the funding that must be provided. There is thus an incentive for the Regents to consider carefully the timing and the size of any increase.

Several recent experiments in local control have indicated the ability of the Regents to assess circumstances and respond to local needs. The Regents already have the authority to set designated tuition up to a specified financial cap. The Board of Regents has raised designated tuition to the cap only at two institutions, The University of Texas at Austin and The University of Texas at Dallas, and then only following public hearings. There is no reason to believe that the Regents would **act differently** if they had control over all tuition.

In a second experiment, the recent success of the flat-rate tuition plan at two colleges at U. T. Austin shows that the Regents could successfully deploy financial incentives and that students respond to such incentives. Under this plan, full-time students pay a single full-time tuition rate, but then may take as many semester credit hours of coursework as they can handle at no additional charge.

Other types of flexibility would also be possible with Board control of tuition. The Board of Regents would be able to offer discounted tuition at unpopular times (e.g., the late afternoon) and to charge lower tuition for summer courses. Deregulated tuition would also allow the Regents to innovate with courses that are not taught on the regular semester system, such as intersession courses and asynchronous online courses. The current levels of tuition regulation make such innovations difficult. Nor are the Regents able to make decisions at the local level that might produce efficiencies.

Leaders from other industries recognize that pricing mechanisms produce efficiency. The leaders of the higher education industry in Texas have never been able to use this tool. The flat-rate tuition experiment has shown that pricing can alter the behavior of students. If colleges or schools could retain some tuition an innovation that now requires statutory authority-then there would be an incentive to faculty and administrators to change the mix of programs and courses to better respond to student and employer demand.

Given the current financial situation in Texas, it seems likely that the Regents would need to carefully consider some increases in tuition, at least for some fields of study and at some component institutions. The proportion of UT component institutions' funding that comes from the state is declining, and yet the Regents are unable to raise funding from other sources because of limitations on those sources (e.g., return of indirect costs, limits on the number of non-resident students and the tuition level they are charged). The combination of low state funding and low tuition will jeopardize the ability of the UT System to provide a high-quality education.

In the long run, the *greatest gain from regental control* over tuition will be the maintenance and enhancement of educational quality. This is a benefit that will **accrue** to all of the students enrolled in our institutions, regardless of their current income status. If the current system of tuition regulation remains in place, it is foreseeable that the quality of Texas higher education will gradually erode, diminishing the value of the diplomas that students **earn** today.

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The Cost of Maintaining and Balancing Access

The state has already decided as a matter of public policy that an investment in higher education is warranted, and taxpayer dollars have been used to create and maintain the system of public higher education. Current students benefit from this subsidy, regardless of their family's income. In addition, federal and state elected officials have decided, through grants and tax credits, that supporting higher education is important. Legislators in Texas have already decided that 15% of the current resident tuition payments will be redistributed as financial aid.

By making use of these existing resources, the liability represented by the tuition Compact is limited. There will be additional expenditures for financial aid. Nevertheless, the additional investment in student financial aid that is represented by the Compact is reasonable and consistent with stated public policy.

Financial Impact on UT Components

It is anticipated, assuming the current median household income of approximately \$41,000, that during the first full year of implementation of the Compact an additional \$10.3 million in financial assistance will be required to fulfill the new obligation. If the median income figure were adjusted upward to \$42,000, the first year costs would increase to approximately \$11.3 million. These funds will come from institutional sources. UT System component institutions have made a commitment to raise scholarship money rather than increase tuition to cover the cost of additional financial assistance to students.

While it is difficult to estimate the number of additional students who will choose to attend a UT component institution as a result of the Compact, the commitment to full financial support for tuition and fees to qualified students should result in increased participation from students who might not have otherwise decided that they could afford to go to college. Of course, most of these students will qualify for financial assistance under existing federal and state programs. Nonetheless, these additional students coupled with anticipated success in retaining current financial aid recipients, will put the second and subsequent-year costs of the Compact in the estimated range of \$15 to \$25 million per year.

**Estimated Costs Associated with Texas Compact-Year One
(Assuming Median Income of \$41,000 or less)**

UT Arlington	5626,006
UT Austin	\$3,650,000
UT Brownsville	\$200,000
UT Dallas	\$3,136,000
UT El Paso	\$832,022
UT Pan American	\$6 18,482
UT Permian Basin	\$255,000
UT San Antonio	\$147,926
UT Tyler	\$0
UT Health Components	\$1,000,000
Total	\$10,265,436

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¹ Median income is taken from the Current Population Survey, which is conducted by the U.S. Census Bureau and the U.S. Bureau of Labor Statistics. Because of its detailed questionnaire and its experienced interviewing staff trained to explain concepts and answer questions, the Current Population Survey is a high quality survey and is the source of official national estimates of the levels of income and poverty. The Current Population Survey asks questions on the amount of money income received in the preceding calendar year for each person 15 years old **and over**. Money income is the sum of money received from each of the following sources: Earnings, unemployment compensation, workers' compensation, Social Security, supplemental security income, public assistance, veterans' payments, survivor benefits, disability benefits, pension or retirement income, interest, dividends, rents, royalties, and estates and trusts, educational assistance, alimony, child support, financial assistance from (outside of the household, and other income. This measure reflects money income before taxes and does not include the value of noncash benefits such as employer-provided health insurance, food stamps, or medicaid.

² From <http://www.census.gov/hhes/income/income01/statemhi.html>

³ Texas Higher Education Coordinating Board, Student Services Division. 2002. "Publicizing Student Financial Aid Opportunities." Austin: THECB, October, p.2.

⁴ American Council on Education. 2002. "Americans Give High Marks to Colleges and Universities, but Continue to Overestimate Price, ACE Survey Reveals," Press release, February 6. Available at http://www.acenet.edu/new/press_release/2002/02february/national.release.html

2. U. T. System: Discussion of Legislative Issues Including Budget Matters

Chairman Miller turned the discussion over to Chancellor Yudof who referenced his testimony to the House Appropriations Education Subcommittee on February 12, 2003, concerning proposed budget cuts for the U. T. System as required by Governor Perry to help with the state's projected budget shortfall. He said he presented some System-wide savings on tuition revenue bonds and group health insurance. He said that in these times of extraordinary budget constraints, indications were to reduce Fiscal Year 2003 spending by an amount equal to at least 7% of Fiscal Year 2003 general revenue appropriations in all programs, amounting to \$104 million that had to be cut from the U. T. System budget. Chancellor Yudof identified \$30 million in cuts to push the overall cut down to \$74 million. He said he took a little more than 7% at System Administration to lead the way, and then cuts averaged about 5% at the component institutions. He said no campus was hit harder than another and he left it to each component president to determine where to cut, depending on what was least destructive on the individual campuses. Chancellor Yudof said reductions to instructional budgets were less than 1.5% but cuts to maintenance and operations were in the 8% range.

Chancellor Yudof said the Legislative Budget Board published a 12.5% cut in general revenue appropriations for Fiscal Year 2004, which would amount to \$340 million for the U. T. System, and he is waiting for further instruction on the budget cuts and will comply.

Chancellor Yudof then addressed the relationship between tuition deregulation and the budget cuts, saying tuition deregulation is good public policy in terms of having a more efficient system and creating incentives internally for the University to better serve its students.

Regent Oxford said that future Boards of Regents have the job of explaining the importance of higher education and how the cuts will hurt the State of Texas in the long term. Chancellor Yudof agreed with this assessment and said a consistent message needs to be better communicated to the Legislature and the people of Texas.

Vice-Chairman Hunt said there is a message from the State in "Closing the Gaps" not only in participation but in success and excellence and research. He said there are proposals on tuition, deregulation, indirect cost recovery in terms of research, and some other special items that are not as aligned as they could be to close the gaps. Vice-Chairman Hunt said there is an opportunity in this fiscal crisis to look at those policies in an integrative way to try to close the gaps. Chairman Miller agreed and said the University and

policymakers can benefit from looking at the whole system strategically. He said the University would continue to look at those broader legislative issues such as deregulation and research tax.

In stating the need for freedom to manage the U. T. System, Chairman Miller said national, state, and University leaders have stated the need to increase research income, particularly from the federal government. He said there are opportunities to capture federal dollars if the U. T. System does its job right because it has the finest medical and academic medical institutions in the country. He said the U. T. academic institutions have the ability to draw more income through the academic excellence centers, particularly when done strategically with extensive collaboration.

In addition to teaching, research is an important element of the higher educational system as it provides a significant amount of the total system income. Mr. Miller said that research brings more of the best students and the best teachers, thus more of the revenue, so it has a very virtuous cycle. Chairman Miller explained that one of the penalties in Texas is a tax on federal research money, which is basically a tax on the most productive income. If this tax is eliminated in the next five to seven years, the amount of research money could be tripled, retained, and reinvested as is common in other states. Without that money to reinvest, to provide incentives to researchers, to give rewards to the people who are doing the work to attract the money, or to attract people from other places to do the work, the University cannot be as competitive.

Chairman Miller said that The University of Texas System is going to be the leader in higher education and accountability. He predicted that over the next five to 10 years, U. T. is going to develop the best system in the world for being accountable to all its different constituencies. He said with an accountability program, the University will develop better ways to operate, to be more efficient, and to be more productive. His message is: "Give us more freedom, help us to optimize other sources of income, and we will be held accountable."

3. U. T. Board of Regents: Discussion of a Revised Board Meeting Schedule

As a continuation of the discussion held at the January 7, 2003 meeting of the Board of Regents to improve meeting formats and enhance operations, Chairman Miller opened a discussion on changes being considered related to Board meeting formats and governing policies and welcomed suggestions. He noted ongoing in-house reviews of the Regents' Rules and Regulations and policies of The University of Texas System. He mentioned possible webcasting of meetings in the future and use of computers at the meeting table.

Counsel and Secretary Frederick distributed sample meeting schedules for 2004 and 2005 that reflect scenarios to reduce the current eight Board and Committee meetings a year to five or six meetings per year for either years the Legislature is in session or not in session. Chairman Miller said the proposals tried to accommodate meeting schedules for the Texas Higher Education Coordinating Board and special fiscal year constraints, such as consideration of the six-year/biennial Capital Improvement Program and other budgetary issues.

Vice-Chairman Clements said she prefers a schedule with six meetings a year rather than five. She said to have a meeting in December when there is legislative material to prepare would be too late to receive input from the Board members. She reiterated her assessment that the annual retreats scheduled for the Board to interact informally with the presidents of the component institutions were of best value. She suggested the academic and health-related retreats could possibly be combined.

Regent Oxford endorsed the value of the annual retreats with the component presidents and asked these be scheduled as close to appointment of new Regents as possible. He asked that a periodic report be distributed of the latest and best information available on the U. T. System. Regent Oxford also wanted to ensure the process to bring unscheduled items before the Board for consideration was efficient.

Vice-Chairman Hunt suggested that six meetings a year, starting in January, one month apart, with the flexibility for a meeting to be a retreat and Board meeting or committee and Board meeting would mean one meeting in the summer and no meeting in December. He suggested the election of officers in the middle of a legislative session may be awkward and this could take place in January before the legislative session (however, new members would not be on board at that time), or to elect officers after the legislative session (however, the outgoing member might be the Chairman). He wanted to explore the options.

Chairman Miller said the Board would continue to discuss this topic and, with a proposal before them, might be ready to make a decision at the May 2003 Board meeting.

4. U. T. Board of Regents: Amendments to the Regents' Rules and Regulations, Part One, Chapter II to Add New Sections 10 (Vice Chancellor for Educational System Alignment) and 15 (Vice Chancellor for Research and Technology Transfer) and to Amend Section 12 Related to the Vice Chancellor for Governmental Relations and Policy

The Board amended the Regents' Rules and Regulations, Part One, Chapter II as set forth below and ordered that sections in the chapter be renumbered as appropriate to display Vice Chancellor titles in alphabetical order:

- a. A new Section 10, related to the Vice Chancellor for Educational System Alignment, was added to read as follows:

Sec. 10. Vice Chancellor for Educational System Alignment

The Vice Chancellor for Educational System Alignment reports to and is responsible to the Executive Vice Chancellor for Academic Affairs. The Vice Chancellor for Educational System Alignment provides staff responsibility to the Executive Vice Chancellor for Academic Affairs for the coordination of effective representation of the U. T. System with the public education system of Texas. The Vice Chancellor for Educational System Alignment shall have direct access, as needed, to consult with the Chancellor on issues related to public education.

10.1 Appointment and Termination

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

10.2 Duties and Responsibilities

The primary responsibilities of the Vice Chancellor for Educational System Alignment include:

- 10.21 Providing assistance to the Executive Vice Chancellor for Academic Affairs, the Chancellor, and other U. T. System officials in the execution of their responsibilities.
- 10.22 Representing the Board of Regents and other officials of The University of Texas System in its relations with all organizations and agencies involved with public education.

- 10.23 Making recommendations to the Executive Vice Chancellor for Academic Affairs and the Chancellor in the area of public policy as it affects the relationship of the public education system.
- 10.24 Informing appropriate administrative officers of current operations and long-range developments in public education that may affect the System.
- 10.25 Maintaining and distributing information to and advising appropriate System Administration and component institution officials in order to assure proper action by the System with respect to public education programs and activities.
- 10.26 Interacting with educational officials at all levels regarding the mission, needs, and issues of the U. T. System.
- 10.27 Directing the administration of the U. T. System Office of Educational System Alignment and defining the job responsibilities, the assignment of duties, and supervising staff members employed in or assigned to work in the Educational System Alignment area.
- 10.28 Supervising and directing the operations of the UT TeleCampus, including coordination of all activities related to a virtual campus and assessment of distance education effectiveness in the U. T. System.
- 10.29 Performing such other duties as may be assigned by the Executive Vice Chancellor for Academic Affairs and the Chancellor.

- b. Section 12, related to the Vice Chancellor for Governmental Relations, was amended to add “and Policy” to the position title as follows:

Sec. 12. Vice Chancellor for Governmental Relations and Policy

The Vice Chancellor for Governmental Relations and Policy 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 12.2 of this Chapter. The Vice Chancellor for Governmental Relations and Policy 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

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

12.2 Duties and Responsibilities

The primary responsibilities of the Vice Chancellor for Governmental Relations and Policy 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 University of Texas System in its relations with State of Texas and local 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 State of Texas and local governments.
- 12.24 Informing appropriate administrative officers of current operations and long-range developments on the State 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 of Texas and local governmental 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 governmental affairs area.
- 12.27 Performing such other duties as may be assigned by the Chancellor.

- c. New Section 15, related to the Vice Chancellor for Research and Technology Transfer, was added to read as follows:

Sec. 15. Vice Chancellor for Research and Technology Transfer

The Vice Chancellor for Research and Technology Transfer reports to the Chancellor and is responsible for efforts to enhance and coordinate research and technology development and transfer matters related to The University of Texas System.

15.1 Appointment

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

15.2 Duties and Responsibilities

The primary responsibilities of the Vice Chancellor for Research and Technology Transfer include:

- 15.21 Developing and implementing strategies to expand and enhance research funding to U. T. System institutions.
- 15.22 Facilitating collaboration among U. T. System institutions to develop joint proposals to increase grants and contracts from external sources.
- 15.23 Assisting U. T. System institutions with compliance and accountability issues related to research and technology development and transfer.
- 15.24 Fostering effective relationships among the university community, governmental entities, foundations and institutes, and the private sector, to promote research and technology development activities.
- 15.25 Enhancing efforts to improve technology management and development activities.
- 15.26 Reviewing and assessing the performance of technology management and development activities.
- 15.27 Performing such other duties as may be assigned by the Chancellor.

5. U. T. Board of Regents: Designated Tuition/Proposed Amendments to the Regents' Rules and Regulations, Part One, Chapter I, Section 9 (Delegation to Act on Behalf of the Board) and Chapter VI, Section 9 (Assessment, Collection, and Waiver of Tuition and Fees) (Withdrawn)

The item related to proposed amendments of the Regents' Rules and Regulations, Part One, Chapter I, Section 9 and Chapter VI, Section 9, relating to designated tuition, was withdrawn.

INFORMATIONAL REPORTS

1. U. T. System: Report of Summary of Gift Acceptance Conforming to Board Policy for September 1, 2002 through November 30, 2002

The Summary of Gift Acceptance for The University of Texas System for the period September 1, 2002 through November 30, 2002, is set forth below. The report includes 84 items conforming to Board policy including the acceptance of \$24,228,311 in gifts and other transfers of funds totaling \$1,897,577.99. The report includes only those funds that relate to endowments, estates, and other funds managed by the U. T. System Office of Development and External Relations.

<u># ALL</u>	<u>ITEMS</u>	<u>COMPONENT INSTITUTION</u>	<u>TOTAL VALUE</u>
3		U. T. System Administration	\$ 111,800
3		U. T. Arlington	33,611
28		U. T. Austin	7,869,597 *
4		U. T. Brownsville	181,995
2		U. T. Dallas	1,100,000
3		U. T. El Paso	298,207
---		U. T. Pan American	---
2		U. T. Permian Basin	115,000
2		U. T. San Antonio	20,000
3		U. T. Tyler	25,000
5		U. T. Southwestern Medical Center - Dallas	4,523,510
3		U. T. Medical Branch - Galveston	233,822
12		U. T. Health Science Center - Houston	7,121,363 *
3		U. T. Health Science Center - San Antonio	48,684
10		U. T. M. D. Anderson Cancer Center	2,540,723
<u>1</u>		U. T. Health Center - Tyler	<u>5,000</u>
84		TOTAL	\$ 24,228,311

* Not included in total:

U. T. Austin: \$197,577.99 transfers of endowment funds; and

U. T. Health Science Center - Houston: \$1,700,000 transfer of previously accepted funds.

2. U. T. System: Annual Presentation on Private Sector Support

With the aid of a PowerPoint presentation, Vice Chancellor for Development and External Relations Perry presented the annual report on Private Sector Support for The University of Texas System for the 2001-2002 academic year. Mrs. Perry highlighted giving over the past 16 years, and said that this year's giving is appropriately conservative but expressed pleasure that despite the market conditions, giving is up by 1.74% to \$488.7 million. She recognized the presidents of the component institutions for their hard work in fundraising and applauded the volunteers across the state (development boards, foundations, advisory councils, and boards of visitors). She recognized each Regent for his/her contribution to the U. T. System Administration endowments to support the Chancellor.

Chairman Miller said that 225,515 gift transactions is a big show of support.

RECOGNITION OF THREE RETIRING REGENTS.--Chairman Miller recognized Vice-Chairman Riter, Regent Oxford, and Regent Sanchez for their six-year terms of service to The University of Texas System and to the State of Texas. He said that many people have benefited from their significant contributions and have learned from their commitment and leadership. The three retiring Regents received a long round of applause.

For the record, the certificates of appreciation shown below were presented to Vice-Chairman Riter, Regent Oxford, and Regent Sanchez at the retiring Regents' dinner on January 6, 2003.

CERTIFICATE OF APPRECIATION

to

A. W. "DUB" RITER, JR.

Upon the occasion of his retirement from the

Board of Regents
of
The University of Texas System

In appreciation for his six years of wise counsel,
conscientious stewardship and dedicated service
in "the maintenance, support and direction of a
University of the first class . . . styled 'The
University of Texas' . . ."
(Constitution of Texas, Article VII, Section 10)

Regent, 1997 - 2003

Vice-Chairman, 2001 - 2003

Chairman, Business Affairs and Audit Committee, 1997 - 2001

Chairman, The University of Texas Investment Management Company
Board of Directors, 2001 - 2003

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CERTIFICATE OF APPRECIATION

to

PATRICK C. OXFORD

Upon the occasion of his retirement from the

Board of Regents
of
The University of Texas System

In appreciation for his six years of wise counsel,
conscientious stewardship and dedicated service
in "the maintenance, support and direction of a
University of the first class . . . styled 'The
University of Texas' . . ."
(Constitution of Texas, Article VII, Section 10)

Regent, 1997 - 2003

Chairman, Health Affairs Committee, 2001 - 2003

* * * * *

CERTIFICATE OF APPRECIATION

to

A. R. (TONY) SANCHEZ, JR.

Upon the occasion of his retirement from the

Board of Regents
of
The University of Texas System

In appreciation for his six years of wise counsel,
conscientious stewardship and dedicated service
in "the maintenance, support and direction of a
University of the first class . . . styled 'The
University of Texas' . . ."
(Constitution of Texas, Article VII, Section 10)

Regent, 1997 - 2003

Chairman, Special Committee on
Telecommunications and Technology Transfer, 1999 - 2001

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 10:11 a.m., the Board recessed for meetings of the Standing Committees, and Chairman Miller announced that at the conclusion of each committee meeting the Board would reconvene to approve the report and recommendations of that committee.

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

REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

REPORT OF EXECUTIVE COMMITTEE (Page 28).--Chairman Miller reported that there were no items referred from the Executive Committee to the Board pursuant to Section 7, Subsection 7.1, Subdivision 7.14 of Chapter I of Part One of the Regents' Rules and Regulations.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 29 - 57).--Committee Chairman Hunt reported that the Finance and Planning Committee met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Finance and Planning Committee and approved in open session by the U. T. Board of Regents:

1. U. T. System: Approval of Docket No. 112 (Catalog Change)

The Board approved Docket No. 112 in the form distributed by the Counsel and Secretary to the Board. It is attached following Page 82 in the official copies of the Minutes and is made a part of the record of this meeting.

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

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

2. U. T. Board of Regents: Amendment of the Regents' Rules and Regulations, Part Two, Chapter VI, Section 3 (University of Texas Governmental Retirement Arrangement)

The Board amended the Regents' Rules and Regulations, Part Two, Chapter VI, Section 3, regarding The University of Texas Governmental Retirement Arrangement (UTGRA), as follows:

Sec. 3. University of Texas Governmental Retirement Arrangement

3.1 Governmental Excess Benefits Plan

The Board of Regents of The University of Texas System has authorized the establishment of a "governmental excess benefits plan" for the Optional Retirement Program, authorized under Internal Revenue Code Section 415(m) and Texas Government Code Section 830.004 and designated as The University of Texas Governmental Retirement Arrangement (UTGRA).

3.2 Eligibility for Participation

Eligibility for participation shall be based on an employee's date of initial participation in the Optional Retirement Program and the employee's level of earnings. Participation in the program and all subsequent distributions shall be in accordance with the plan documents.

3.3 Administration and Operation

The Board delegates to the Executive Vice Chancellor for Business Affairs the power and authority to amend the plan documents consistent with applicable law and to take all actions and make all decisions and interpretations necessary or appropriate to administer and operate UTGRA consistent with the plan documents.

3.4 Funds are Property of the Board of Regents Until Authorized Distribution

All funds participating in UTGRA including the monthly State contribution, amounts reduced from each participant's salary, and any subsequent investment earnings are the property of the Board of Regents until such time as an authorized distribution is executed in accordance with the plan documents.

3.5 External Organization as Trustee

The University of Texas M. D. Anderson Cancer Center Physicians Referral Service Retirement Board (PRS Retirement Board) shall serve as trustee and record keeper for UTGRA.

The revisions to the Regents' Rules and Regulations, Part Two, Chapter VI, Section 3 include minor editorial changes and authorize the Executive Vice Chancellor for Business Affairs to amend the plan documents and take actions necessary to administer and operate UTGRA.

3. U. T. System: Approval of Amendments to the Regental Policy Entitled U. T. System Environmental Review Policy for Acquisitions of Real Property Assets

The Board amended the Regental Policy entitled U. T. System Environmental Review Policy for Acquisitions of Real Property Assets to include examination of improvements for the presence of mold as part of the inspection process for assets to be leased or acquired by The University of Texas System as set forth on Pages 31 - 35. This Policy was first approved in 1991 and last amended on November 11, 1999.

U. T. SYSTEM ENVIRONMENTAL REVIEW POLICY FOR ACQUISITIONS OF REAL PROPERTY ASSETS

Statement of Policy

It is the policy of The University of Texas System to minimize its potential for exposure to claims made under the applicable laws governing the environment and hazardous substances by making all appropriate inquiry with regard to the environmental condition of real property assets, including leaseholds, prior to acquisition.

Scope of the Policy

To reduce the risk of liability, the U. T. System will complete an environmental site assessment (ESA) prior to acquisition of any real property asset, except as specifically provided in this policy. For purposes of this policy, the term "real property asset" means any interest in real property except a mineral interest severed from the surface estate, a leasehold in improvements only, or a leasehold less than five years in duration that does not contemplate any improvements to be constructed by U. T. System or other activities that would result in disturbance of the soil. The term specifically includes without limitation any acquisition in fee simple of real property, any leasehold on which U. T. System will construct improvements, and any leasehold where an underground storage tank, water wells, or monitoring wells exist. Federal and State statutes impose certain liabilities on owners of real property, including public institutions of higher education, when hazardous or other regulated substances have been deposited, stored, or released on the property. Hazardous and other regulated substances include not only the most dangerous or toxic substances, but also a wide array of chemicals and compounds, many of which are components of household trash or are found in raw materials and wastes. Environmental hazards may also include the presence of molds in or on improvements. Liabilities related to hazardous and other regulated substances may include costs associated with removal of these substances from the property, including overhead and enforcement expenses. If environmental hazards are identified, the U. T. System should then weigh the risks that may arise with respect to such hazards in determining whether the acquisition is beneficial and appropriate. If no risks are identified, the U. T. System may, under certain circumstances, be able to assert a defense to liability if contamination that was unknown at the time of acquisition is later discovered.

The Environmental Review Process

1. At a minimum, prior to acquisition of any real estate asset, the benefited component, with respect to purchases of land or leaseholds to be used for campus purposes, or the Real Estate Office with respect to all other real property assets, will conduct an initial ESA using the American Society for Testing and Materials (ASTM) transaction screen process E1528. For purposes of the policy, "benefited component" means the component that will use and have control over land acquired by purchase, gift or bequest, or lease. The benefited component will determine the scope of further assessment based on the property's location and history, and findings of the transaction screen.
2. The chief business officer of the benefited component or the chief business officer's delegate will coordinate the review process for purchase of real property assets to be used for campus purposes.
 - a. No component of the U. T. System will add property to the inventory of campus real property assets until a qualified university employee or a qualified outside professional retained by the component performs an ESA in accordance with this policy.
 - b. The benefited component will pay all costs of the ESA that are not paid by a donor or an external entity whether the acquisition is by purchase, gift, bequest, or other means.
 - c. Any office or component of the U. T. System will notify the Real Estate Office immediately upon identification of a real property asset, which may be donated or bequeathed to the U. T. System or any component institution.
 - d. No component will make a commitment to accept a donation or bequest of a real property asset until the appropriate office has complied with this policy with respect to such asset.
3. All ESAs will comply with the appropriate standards established by ASTM, unless otherwise specifically provided for in this policy.
4. The Real Estate Office may require, when appropriate, an investigation of other environmental issues or conditions beyond the scope of the ASTM guidelines, such as mold, lead, biological, radiation contamination, endangered species, or wetlands.

5. If the initial transaction screen indicates areas of concern, the "Responsible Officer" (Real Estate Office or Chief Business Officer of the benefited component with respect to real property assets to be used for campus purposes, as appropriate) may (i) reject the real property asset, (ii) accept the real property asset with the identified risks, or (iii) require further investigation in the form of a Phase I, II, or III ESA.
6. If the Responsible Officer requests a Phase I ESA, a qualified outside professional will perform the ESA unless the component or the U. T. System has a qualified employee to complete the review.
 - a. All contracts for Phase I ESAs must be in a form acceptable to the Office of General Counsel.
 - b. The Office of General Counsel and the Responsible Officer shall review the Phase I ESA report.
 - c. If the Phase I ESA indicates areas of concern, the Responsible Officer may (i) reject the real property asset, (ii) accept the real property asset with the identified risks, or (iii) require additional investigation in the form of a Phase II or III ESA.
7. A qualified outside professional must conduct any Phase II ESA, unless the component receives express written permission from the Executive Director, Real Estate Office to conduct all or part of the Phase II ESA in-house based on the institution's expertise. The Phase II ESA should include an extensive review of prior uses of the land and records pertaining to those uses, an examination and sampling of the property, and testing of all samples collected.
 - a. All contracts for Phase II ESAs must be in a form acceptable to the Office of General Counsel.
 - b. The Office of General Counsel and the Responsible Officer will review the Phase II ESA report.
 - c. If the Phase II ESA indicates areas of concern, the Responsible Officer may (i) reject the real property asset, (ii) accept the real property asset with identified risks, or (iii) require additional investigation in the form of a supplemental Phase II or a Phase III ESA.

8. A qualified outside professional must conduct any Phase III ESA. The ESA should include extensive physical sampling of the site, testing of all samples, estimates of the extent of contamination, and estimates of the total cost to clean up the site.
 - a. All contracts for Phase III ESAs must be in a form acceptable to the Office of General Counsel.
 - b. The Office of General Counsel and the Responsible Officer will review the Phase III ESA report.
 - c. If the Phase III ESA identifies unacceptable contamination or cleanup estimates, the real property asset will be rejected and will not be acquired.
9. The Real Estate Office will maintain complete ASTM guidelines for the ESA transaction screen process, as revised from time to time. The Real Estate Office will distribute the guidelines at cost to any component business and development offices upon request.
10. When the U. T. System or a benefited component conducts an ESA either in-house or using a qualified outside professional and elects, based on the results of the ESA, not to acquire the real property asset under review, it is the System's policy to provide a copy of the ESA, with an appropriate disclaimer to the seller/current landowner or landlord, if requested.

Recommended Environmental Review by Property Type

The level of screening will vary according to type of real property asset, history and location.

1. Residential:
 - a. Have a qualified in-house individual or outside professional conduct an inspection.
 - b. Conduct a site visit and a review of aerial photos for the past 50 years if such photos are readily available from libraries or archives. If there is concern about past land uses (i.e., the property was vacant and in a remote or formerly industrial/commercial area, the site visit indicates distressed vegetation, or there is other evidence of contamination), then a 50-year title search may be warranted.

2. Vacant/Unoccupied Lands: Step 1.b above. The site visit should include (a) asking neighbors about prior uses such as dumping, and (b) inspecting along on-site roadways or fence lines where historical dumping would be more likely to have occurred. Aerial photos may be particularly useful in evaluating historical dumping on vacant lands.

In geographical areas where endangered species might be present, a review of U. S. Fish and Wildlife Service maps might be appropriate in determining if further investigation on this issue is warranted.

Visual inspection of the site for topographical, hydrological, and vegetative indicators of wetlands may also be appropriate, depending on the geographical location of the property.

3. Commercial Sites: Steps 1.a and 1.b above. A 50-year title search will be useful in evaluating former uses of commercial property. Every attempt should be made to obtain from the current or past owners, operators and/or tenants the nature of business conducted at the site including a review of copies of any permits, licenses, notices of violation or consent agreements issued to owners, operators or tenants of the site.
4. Industrial Sites: Engage a qualified outside professional to conduct a Phase I ESA in accordance with ASTM Phase I Standard E1527, including a review of copies of any permits, licenses, notices of violation or consent agreements issued to current or past owners, operators or tenants of the site.

4. U. T. System: Adoption of a New Regental Policy Entitled U. T. System Interest Rate Swap Policy

The Board adopted a new Regental Policy as follows entitled U. T. System Interest Rate Swap Policy to govern the use by The University of Texas System of interest rate swap transactions:

U. T. SYSTEM INTEREST RATE SWAP POLICY

- I. Authority

State law authorizes the U. T. System ("System") to enter into interest rate swap transactions and related agreements (Chapter 55 of the Texas Education Code and Chapter 1371 of the Texas Government Code). Pursuant to this authority, the U. T. Board of Regents ("Board") approved the Eighth Supplemental Resolution to the Master Resolution, authorizing the System to enter into Master Swap Agreements with certain counterparties, in 1999.

II. Purpose

This policy will govern the use by the System of interest rate swap transactions for the purpose of either reducing the cost of existing or planned Revenue Financing System debt, or to hedge the interest rate of existing or planned Revenue Financing System debt. By using swaps in a prudent manner, the System can take advantage of market opportunities to reduce costs and reduce interest rate risk. The use of swaps must be tied directly to System debt instruments. The System shall not enter into swap transactions for speculative purposes.

III. Legality/Approval

To enter into a Master Swap Agreement (which governs each swap transaction), the System must receive: 1) approval from the Board; 2) approval by the Texas Attorney General, 3) approval from the Texas Bond Review Board, and 4) an opinion acceptable to the Authorized Representative from bond counsel that the agreement relating to the swap transaction is a legal, valid, and binding obligation of the System and that entering into the transaction complies with applicable State and federal laws.

IV. Form of Swap Agreements

Each new Master Swap Agreement shall contain terms and conditions as set forth in the International Swaps and Derivatives Association, Inc. ("ISDA") Master Agreement, as amended, and such other terms and conditions including schedules and confirmations as deemed necessary by an Authorized Representative.

V. Methods of Soliciting and Procuring Swaps

Swaps can be procured via competitive bids or on a negotiated basis. The competitive bid should include a minimum of three firms with counterparty credit ratings of 'A' or 'A2' or better from Standard & Poor's or Moody's, respectively. An Authorized Representative may allow a firm or firms not submitting the bid that produces the lowest cost to match the lowest bid and be awarded up to 40% of the notional amount of the swap transaction.

An Authorized Representative may procure swaps by negotiated methods in the following situations:

1. A determination is made by an Authorized Representative that due to the complexity of a particular transaction, a negotiated bid would result in the most favorable pricing.

2. An Authorized Representative makes a determination that, in light of the facts and circumstances, doing so will promote the System's interests by encouraging and rewarding innovation.

VI. Management of Swap Transaction Risk

Certain risks are created when the System enters into any swap transaction. In order to manage the associated risks, guidelines and parameters for each risk category are as follows:

Counterparty Credit Risk

To limit and diversify the System's counterparty risk and to monitor credit exposure to each counterparty, the System may not enter into a swap transaction with an otherwise qualified counterparty unless the cumulative mark-to-market value owed by the counterparty (and its unconditional guarantor, if applicable) to the System shall be less than or equal to \$30 million.

The \$30 million limitation shall be the sum of all mark-to-market values between the subject counterparty and the System regardless of the type of swap transaction, net of collateral posted by the counterparty. Collateral will consist of cash, U. S. Treasury securities, and Federal Agency securities guaranteed unconditionally by the full faith and credit of the U. S. Government. Collateral shall be deposited with a third party trustee acceptable to System, or as mutually agreed upon between System and each counterparty.

Specific limits by counterparty are based on the cumulative mark-to-market value of the swap(s) and the credit rating of the counterparty. The limits are as follows:

Counterparty Long-Term Debt Rating (lowest prevailing rating from Standard & Poor's / Moody's)	Maximum Cumulative Mark-to-Market Value of Swaps Owed to System by Counterparty (net of collateral posted)
AAA / Aaa	\$30 million
AA+ / Aa1	\$25 million
AA / Aa2	\$20 million
AA- / Aa3	\$15 million
A+ / A1	\$10 million
A / A2	\$5 million

If a counterparty's credit rating is downgraded such that the cumulative mark-to-market value of all swaps between a counterparty and the System exceeds the maximum permitted by this policy, the counterparty must either terminate a portion of the swap, post collateral, or provide other credit enhancement that is satisfactory to the System and ensures compliance with this policy.

Termination Risk

The System shall consider the merits of including a provision that permits it to optionally terminate a swap agreement at any time over the term of the agreement (elective termination right). In general, exercising the right to optionally terminate an agreement should produce a benefit to the System, either through receipt of a payment from a termination, or if a termination payment is made by the System, a conversion to a more beneficial debt instrument or credit relationship. If no other remedies are available, it is possible that a termination payment by the System may be required in the event of termination of a swap agreement due to a counterparty default or following a decrease in credit rating.

Amortization Risk

The amortization schedules of the debt and associated swap transaction should be closely matched for the duration of the swap. Mismatched amortization schedules can result in a less than satisfactory hedge and create unnecessary risk. In no circumstance may the term of a swap transaction extend beyond the final maturity date of the affected debt instrument, or in the case of a refunding transaction, beyond the final maturity date of the refunding bonds.

Basis (Index) Risk

Basis risk arises as a result of movement in the underlying variable rate indices that may not be in tandem, creating a cost differential that could result in a net cash outflow from the System. Basis risk can also result from the use of floating, but different, indices. To mitigate basis risk, any index used as part of an interest rate swap agreement shall be a recognized market index, including but not limited to the Bond Market Association Municipal Swap Index ("BMA") or the London Interbank Offered Rate ("LIBOR").

Tax Risk

Tax risk is the risk that tax laws will change, resulting in a change in the marginal tax rates on swaps and their underlying assets. Tax risk is also present in all tax-exempt debt issuances. The Office of Finance will need to understand and document tax risk for a contemplated swap transaction as part of the approval process.

VII. Reporting Requirements

The Annual Financial Report prepared by the System and presented to the Board will discuss the status of all interest rate swaps. The report shall include a list of all swaps with notional value and interest rates, a list of counterparties and their respective credit ratings, and other key terms.

VIII. Definitions

Authorized Representative: For purposes of this policy, an Authorized Representative includes the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, the Assistant Vice Chancellor for Finance, and the Director of Finance.

BMA Index: The Bond Market Association Municipal Swap Index, the principal benchmark for the floating rate payments for tax-exempt issuers. The index is a national rate based on a market basket of high-grade, seven-day, tax-exempt variable rate bond issues.

Counterparty: A participant in a swap or other derivatives agreement who exchanges payments based on interest rates or other criteria with another counterparty.

Hedge: A transaction entered into to reduce exposure to market fluctuations.

Interest Rate Swap (or "Swap"): A transaction in which two parties agree to exchange future net cash flows based on predetermined interest rate indices calculated on an agreed notional amount. The swap is not a debt instrument and there is no exchange of principal.

ISDA Master Agreement: The International Swaps and Derivatives Association, Inc., is the global trade association for the derivatives industry. The ISDA Master Agreement is the basic governing document that serves as a framework for all interest rate swap, swap enhancement, and derivative transactions between two counterparties. It is a standard form used throughout the industry. It is typically negotiated once, prior to the first transaction, and remains in force for all subsequent transactions.

LIBOR: The London Interbank Offered Rate. The rate of interest at which banks borrow funds from other banks in the London interbank market. It is a commonly used benchmark for interest rate transactions ranging from one month to one year.

Mark-to-Market: Calculation of the value of a financial instrument (like an interest rate swap) based on the current market rates or prices of the underlying indices.

Master Resolution: The Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted on February 14, 1991, amended on October 8, 1993 and August 14, 1997, and each supplemental resolution thereto authorizing parity debt.

Notional Amount: The size of the interest rate swap and the dollar amount used to calculate interest payments.

5. U. T. System: Authorization for an Amendment to the Aggregate Amount of Equipment Financing for Fiscal Year 2003 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 2003 under the Revenue Financing System Equipment Financing Program from \$49,368,000 to \$50,066,000, an increase of \$698,000 to be allocated to the following University of Texas System institutions:

U. T. El Paso	\$198,000
U. T. Health Center - Tyler	<u>\$500,000</u>
TOTAL	\$698,000

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

- a. Parity Debt shall be issued to pay the cost of equipment including 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 and U. T. System Administration, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$698,000 for the purchase of equipment
 - d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Relations.
6. U. T. System: Appointment of CNA Group Benefits, a Division of CNA Financial Corporation, Chicago, Illinois, as Carrier for Long Term Disability and Short Term Disability Plans and Approval of Monthly Rates to be Effective September 1, 2003

The Board approved the appointment of CNA Group Benefits, a division of CNA Financial Corporation, Chicago, Illinois, to serve as the long term disability (LTD) and short term disability (STD) plan carrier for the employees of The University of Texas System effective September 1, 2003. The contract was awarded to CNA based on acceptance of all requirements set forth in the Request for Proposals, for offering the lowest premium rates, and for providing excellent customer service during the six-year history of providing LTD benefits to the U. T. System.

Further, the Board approved the rate of \$.41 per \$100 of covered monthly earnings for the LTD insurance plan. This rate remains unchanged since 1997. Benefits for the LTD plan are as follows:

<u>Summary of LTD Insurance Benefits</u>		
Monthly Benefit	60% of monthly earnings up to a maximum benefit of \$12,025 per month.	
Elimination Period	Ninety (90) days	
Maximum Period Payable	Age at Disability	Maximum Period Payable
	Less than age 60	To age 65, but not less than 5 years
	Age 60 through 64	5 years
	Age 65 through 69	To age 70, but not less than 1 year
	Age 70 and over	1 year
Sick Leave	Employee must exhaust sick leave before benefits are payable.	
Guaranteed Issue	All new benefits-eligible employees have the option to enroll on a guaranteed-issue basis without evidence of insurability as long as they enroll within the first 31 days of employment.	
Evidence of Insurability	<p>1) An employee who was previously eligible for long term disability coverage but did not enroll as a new employee will be required to provide evidence of insurability to obtain long term disability coverage.</p> <p>2) A benefits-eligible employee who experiences a qualified change in status may add or drop long term disability coverage during the plan year only if the enrollment change is consistent with the status change. Long term disability coverage added due to a change in status will require evidence of insurability.</p>	
Preexisting Condition Exclusion	A condition for which medical treatment or advice was rendered, prescribed, or recommended within three (3) months prior to the employee's effective date of LTD insurance. A condition will no longer be considered preexisting if it causes disability which begins after the employee has been insured under the long term disability policy for a period of twelve (12) months.	

Additionally, the Board approved the rate of \$.51 per \$100 of covered monthly earnings for the STD insurance plan. Benefits for the STD plan are as follows:

<u>Summary of STD Insurance Benefits</u>	
Monthly Benefit	60% of monthly earnings up to a maximum benefit of \$3,000 per month.
Elimination Period	Accident: Thirty (30) days Sickness: Thirty (30) days
Maximum Period Payable	Five (5) months
Sick Leave	Employee must exhaust sick leave before benefits are payable.
Guaranteed Issue	1) All new benefits-eligible employees have the option to enroll on a guaranteed-issue basis without evidence of insurability as long as they enroll within the first 31 days of employment. 2) During annual enrollment in July 2003, all benefits-eligible employees will have the option to enroll in short term disability on a guaranteed-issue basis without evidence of insurability for the 2003-2004 plan year.
Evidence of Insurability	1) For each plan year after 2003-2004, evidence of insurability will be required from any benefits-eligible employee enrolling in short term disability if the employee is not a new employee. All new benefits-eligible employees will have the option to enroll on a guaranteed-issue basis during the first 31 days of employment. 2) A benefits-eligible employee who experiences a qualified change in status may add or drop short term disability coverage during the plan year only if the enrollment change is consistent with the status change. Short term disability coverage added due to a change in status will require evidence of insurability.
Preexisting Condition Exclusion	A condition for which medical treatment or advice was rendered, prescribed, or recommended within three (3) months prior to the employee's effective date of STD insurance. A condition will no longer be considered preexisting if it causes disability which begins after the employee has been insured under the short term disability policy for a period of twelve (12) months.

7. U. T. System: Approval to Appoint Superior Vision Services, Inc., Rancho Cordova, California, as Carrier for Vision Plan and Approval of Rates to be Effective September 1, 2003

The Board approved the appointment of Superior Vision Services, Inc., Rancho Cordova, California, as the vision plan carrier for employees and retirees of The University of Texas System effective September 1, 2003.

The Board further approved the monthly premium rates as shown in the following table. These rates remain the same as FY 2002-2003.

<u>Superior Vision Services, Inc., Monthly Premium Rates</u>	
Coverage Level	FY 2003-2004 Rates
Subscriber Only	\$7.22
Subscriber and Spouse	\$11.20
Subscriber and Children	\$11.46
Subscriber and Family	\$18.48
Spouse Only*	\$7.22
Children Only*	\$7.22
Family Only*	\$11.46
*These categories represent monthly premiums for families of employees who have either been called to active military duty or who are survivors of an employee who at the time of death had five or more years of service.	

Benefits for the vision plan are as follows:

Summary of Vision Plan Benefits		
Benefit	In-Network Provider	Out-of-Network Provider
Exam MD	100% after \$35 copayment	Up to \$42 after \$35 copayment
Exam OD	100% after \$35 copayment	Up to \$37 after \$35 copayment
Lenses		
Single Vision	100%	Up to \$32
Bifocal	100%	Up to \$46
Trifocal	100%	Up to \$61
Lenticular	100%	Up to \$84
Contacts		
Medically Necessary	100%	Up to \$210
Elective	Up to \$130	Up to \$95
Frames	Up to \$140	Up to \$53
Materials Discounts		
Lens Upgrades	10% off Retail	Not Available
Contact Cost (over Allowance)	10% off Retail	Not Available
Additional Contact Purchase or Pair of Lens/Frames	20% off Retail	Not Available
Non-Rx Sunglasses	20% off Retail	Not Available
Miscellaneous Items	20% off Retail	Not Available
Refractive Surgery	10% off Usual and Customary	Not Available
<u>Blepharoplasty</u>	10% off Usual and Customary	Not Available

The U. T. System vision plan contract was awarded to Superior Vision Services, Inc., on the basis of its proven customer service and the excellent six-year history of providing vision benefits to the U. T. System. Superior Vision Services, Inc., has an extensive provider network, which meets and/or exceeds the needs for members residing both in and outside of Texas and includes participation of the U. T. System component institution Departments of Ophthalmology which provide employees and retirees access to U. T. System ophthalmologists.

8. U. T. System: Report on Investments for the Two Months Ended October 31, 2002

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

Report by Regent Hunt on Behalf of UTIMCO

Pages 47 - 55 contain the Summary Reports on Investments for the two months ended October 31, 2002.

Item I on Pages 47 - 49 reports summary activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the two months was negative 1.79%. The PUF's net investment return for marketable securities for the two months was negative 2.45% versus its composite benchmark return of negative 2.14%. The PUF's net asset value decreased by \$465.7 million since the beginning of the year to \$6,272.6 million. This decrease reflects the annual distribution to the Available University Fund made in September 2002 of \$363.0 million.

Item II on Pages 50 - 53 reports summary activity for the General Endowment Fund (GEF), the Permanent Health Fund (PHF), and Long Term Fund (LTF). The GEF's net investment return for the two months was negative 1.97%. The GEF's net investment return for marketable securities for the two months was negative 2.48% versus its composite benchmark return of negative 2.14%. The GEF's net asset value decreased \$33.7 million since the beginning of the year to \$3,259.5 million.

Item III on Page 54 reports summary activity for the Short Intermediate Term Fund (SITF). Total net investment return on the SITF was 0.36% for the two months versus the SITF's performance benchmark of 1.06%. The SITF's net asset value increased by \$40.4 million since the beginning of the year to \$1,476.3 million.

Item IV on Page 55 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 \$79,585 thousand to \$1,278,130 thousand during the two months. Market values for the remaining asset types were fixed income securities: \$283,452 thousand versus \$317,209 thousand at the beginning of the year; equities: \$131,845 thousand versus \$136,650 thousand at the beginning of the year; and other investments: \$21 thousand versus \$13,020 thousand at the beginning of the year.

I. PERMANENT UNIVERSITY FUND (1)

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

(5 millions)

	FY01-02	FY02-03
	Full Year	Two Months Ending October 31, 2002
Beginning Net Assets	7,540.1	6,738.3
PUF Lands Receipts (3)	80.5	14.2
Investment Return	(522.9)	(113.6)
Expenses	(21.0)	(3.1)
Distributions to AUF	(338.4)	(X3.0)
Ending Net Assets	6,736.3	6,272.6
AUF Distribution:		
From PUF Investments	336.4	363.0
From Surface Income	8.1	0.6
Total	346.5	363.6
Total Net Investment Return	-7.35%	-1.79%

- (1) Report prepared in accordance with Texas Education Code Sec. 51.0032.
- (2) General -The Investment Summary Report excludes PVF Lands mineral and surface interests with estimated August 31, 2002 values of \$639.6 million and \$161.1 million, respectively.
- (3) PUF Land Receipts . As of October 31, 2002: 1,170,817 acres under lease; 521.217 producing acres: 3,150 active leases; and 2,067 producing leases.

I. PERMANENT UNIVERSITY FUND (continued)

b.) Comparison of Asset Allocation Versus Endowment Neutral Policy Portfolio and Net Investment Return for the two months ended October 31, 2002 (Asset Allocation Approved by the UTIMCO Board)

	Asset Allocation	Endowment Neutral Policy Portfolio	Actual Net Investment Return	Endowment Neutral Policy Portfolio Return (1)	Benchmark
Cash and Cash Equivalents	0.7%	0.0%	0.30%	0.31%	90 Day T-Bills Average Yield
Domestic Public Equities					Wilshire 5000 U.S. Equities Index
Passive Long	15.8%	11.0%	-3.84%	-3.15%	
Active Long	10.9%	10.0%	-2.81%	-3.15%	
Hedge and Alpha Transport	4.7%	10.0%	1.25%	-3.15%	
Total Domestic Public Equities	31.4%	31.0%	-2.77%	-3.15%	
International Public Equities					Morgan Stanley Capital International - All Country World Free ex U.S.
Passive Long	6.6%	6.5%	-5.72%	-5.80%	
Active Long	8.5%	7.5%	-5.51%	-5.80%	
Hedge and Alpha Transport	0.6%	5.0%	0.05%	-5.80%	
Total International Public Equities	15.7%	19.0%	-5.41%	-5.80%	
Absolute Return	7.6%	10.0%	0.89%	0.98%	90 Day T-Bills Average Yield plus 4%
Inflation Hedging	8.9%	10.0%	-5.25%	-2.22%	(25% Goldman Sachs Commodity Index minus 100 basis points) plus (25% Treasury Inflation Protected Securities) plus (25% National Commercial Real Estate Index Fund) plus (25% Wilshire Associates Real Estate Securities Index)
Fixed Income	20.5%	15.0%	0.49%	1.34%	(33% Lehman Brothers Aggregate Bond Index ex U.S. Governments) plus (67% Lehman Brothers Government Bond Index)
Total Marketable Securities	84.8%	85.0%	-2.45%	-2.14%	
Private Capital	15.2%	15.0%	2.14%	-2.49%	Wilshire 5000 U.S. Equities Index plus 4% (2)
Total	100.0%	100.0%	-1.79%	-2.17%	

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

(2) Due to valuation and liquidity characteristics associated with Private Capital, short-term benchmark comparisons are not appropriate.

I. PERMANENT UNIVERSITY FUND (continued)

c.) Comparison of Asset Allocation Versus Endowment Neutral Policy Portfolio and Net Investment Return for the two months ended October 31, 2002 (Prior Asset Allocation)

	Asset Allocation	Endowment Neutral Policy Portfolio	Endowment Neutral Policy Portfolio Return (1)	Benchmark
Cash	0.7%	0.0%	0.31%	90 Day T-Bills Average Yield
Domestic Common Stocks:				
Large/Medium Capitalization Equities	19.1%	25.0%	-3.02%	Standard and Poor's 500 Index
Small Capitalization Equities	7.6%	7.5%	-4.21%	Russell 2000 Index
Total Domestic Common Stocks	26.7%	32.5%		
International Common Stocks:				
Established Markets	10.9%	12.0%	-5.94%	Morgan Stanley Capital International Europe, Asia, Far East Index (net)
Emerging Markets	4.2%	3.0%	-5.26%	Morgan Stanley Capital International Emerging Markets Free
Total International Common Stocks	15.1%	15.0%		
Inflation Hedging	6.9%	7.5%	0.63%	33% (Goldman Sachs Commodity Index minus 100 basis points) plus 67% (National Commercial Real Estate Index Fund)
Fixed Income:				
Domestic	16.5%	15.0%	1.16%	Lehman Brothers Aggregate Bond Index
International	4.0%	5.0%	0.43%	Salomon Non-U.S. World Government Bond Index. Unhedged
Total Fixed Income	20.5%	20.0%		
Marketable Alternative Equities	12.9%	10.0%	1.48%	90 Day T-Bills Average Yield plus 7%
Total Marketable Securities	84.8%	85.0%	-1.32%	
Non-Marketable Alternative Equities	15.2%	15.0%	-2.49%	Wilshire 5000 U.S. Equities Index plus 4%
Total	100.0%	100.0%	-1.72%	

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

II. GENERAL ENDOWMENT FUND (1)

a.) Summary Investment Report at October 31, 2002

(\$ millions)

	FY01-02		FY02-03	
	Full Year		Two Months Ending October 31, 2002	
Beginning Net Assets	3,723.9		3,293.2	
Net Contributions	(230.7)		(7.9)	
Investment Return	(245.3)		(65.4)	
Expenses	(7.2)		(0.7)	
Allocations (2)	52.5		40.3	
Ending Net Assets	3,293.2		3,259.5	
Net Asset Value per Unit	90.932		69.124	
Units and Percentage Ownership (End of Period):				
PHF	7,676,762	21.2%	7,676,762	21.0%
LTF	28,539,389	78.8%	28,895,452	79.0%
Total	36,216,151	100.0%	36,572,214	100.0%
Total Net Investment Return	-6.96%		-1.97%	

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

(2) The GEF allocates its net investment income and realized gain or loss to its unitholders at month end. The allocated investment income and realized gain amounts are considered reinvested as GEF contributions. Any allocated realized losses reduce the cost basis of the units in the GEF. Since the **allocation is proportional** to the percentage **of ownership** by the **unitholders**, no additional units are purchased.

II. GENERAL ENDOWMENT FUND (continued)

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

(\$ millions)

	FY01-02	FY02-03
	Full Year	Two Months Ending October 31, 2002
PERMANENT HEALTH FUND		
Beginning Net Assets	681.4	698.2
Withdrawals	(88.2)	
Investment Return	(52.6)	(13.9)
Expenses	(0.6)	(0.1)
Distributions (Payout) (2)	(41.8)	(6.4)
Ending Net Assets	698.2	677.6
Net Asset Value per Unit (3)	0.651524	0.626627
No. of Units (End of Period)	820,000,000	620,000,000
Distribution Rate per Unit	0.04700	0.00783
Total Net Investment Return	-7.05%	-2.01%
LONG TERM FUND		
Beginning Net Assets	2,843.3	2,595.1
Net Contributions	69.3	34.9
Investment Return	499.71	(52.2)
Expenses	(3.0)	(2.6)
Distributions (Payout) (2)	(134.6)	(23.61)
Ending Net Assets	2,595.1	2,551.6
Net Asset Value per Unit (3)	4.766	4.645
No. of Units (End of Period)	542,049,359	549,346,011
Distribution Rate per Unit	0.25100	0.04300
Total Net Investment Return	-6.97%	-1.96%

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

(2) The PHF and LTF accrue for their respective quarterly distributions on a monthly basis. In order to generate the **cash** for the distributions, the PHF and LTF sell units at quarter end. Therefore, the total PHF and LTF net **assets** will be less **than** the GEF net assets on month ends other than fiscal quarter ends.

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

II. GENERAL ENDOWMENT FUND (continued)

c.) Comparison of Asset Allocation Versus Endowment Neutral Policy Portfolio and Net Investment Return for the two months ended October 31, 2002 (Asset Allocation Approved by the UTMCO Board)

	<u>Asset Allocation</u>	<u>Endowment Neutral Policy Portfolio</u>	<u>Actual Net Investment Return</u>	<u>Endowment Neutral Policy Portfolio Return (1)</u>	<u>Benchmark</u>
Cash and Cash Equivalents	0.6%	0.0%	0.30%	0.31%	90 Day T-Bills Average Yield
Domestic Public Equities					Wilshire 5000 U.S. Equities Index
Passive Long	16.8%	11.0%	-3.65%	-3.15%	
Active Long	11.6%	10.0%	-3.49%	-3.15%	
Hedge and Alpha Transport	5.1%	10.0%	1.25%	-3.15%	
Total Domestic Public Equities	<u>33.5%</u>	<u>31.0%</u>	<u>-2.86%</u>	<u>-3.15%</u>	
International Public Equities					Morgan Stanley Capital International - All Country World Free ex U.S.
Passive Long	7.2%	6.5%	-5.70%	-5.80%	
Active Long	8.4%	7.5%	-5.59%	-5.80%	
Hedge and Alpha Transport	0.6%	5.0%	0.05%	-5.80%	
Total International Public Equities	<u>16.2%</u>	<u>19.0%</u>	<u>-5.45%</u>	<u>-5.80%</u>	
Absolute Return	<u>8.2%</u>	<u>10.0%</u>	<u>0.88%</u>	<u>0.98%</u>	90 Day T-Bills Average Yield plus 4%
Inflation Hedging	<u>9.0%</u>	<u>10.0%</u>	<u>-5.20%</u>	<u>-2.22%</u>	(25% Goldman Sachs Commodity Index minus 100 basis points) plus (25% Treasury Inflation Protected Securities) plus (25% National Commercial Real Estate Index Fund) plus (25% Wilshire Associates Real Estate Securities Index)
Fixed Income	<u>20.6%</u>	<u>15.0%</u>	<u>0.46%</u>	<u>1.34%</u>	(33% Lehman Brothers Aggregate Bond Index ex U.S. Governments) plus (67% Lehman Brothers Government Bond Index)
Total Marketable Securities	<u>88.1%</u>	<u>85.0%</u>	<u>-2.48%</u>	<u>-2.14%</u>	
Private Capital	<u>11.9%</u>	<u>15.0%</u>	<u>2.08%</u>	<u>-2.49%</u>	Wilshire 5000 U.S. Equities Index plus 4% (2)
Total	<u>100.0%</u>	<u>100.0%</u>	<u>-1.97%</u>	<u>-2.17%</u>	

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

(2) Due to valuation and liquidity characteristics associated with Private Capital, short-term benchmark comparisons are not appropriate.

II. GENERAL ENDOWMENT FUND (continued)

d.) Comparison of Asset Allocation Versus Endowment Neutral Policy Portfolio and Net Investment Return for the two months ended October 31, 2002 (Prior Asset Allocation)

	Allocation	Endowment Neutral Policy Portfolio	Endowment Neutral Policy Portfolio Return (1)	Benchmark
Cash	0.6%	0.0%	0.31%	90 Day T-Bills Average Yield
Domestic Common Stocks:				
Large/Medium Capitalization Equities	20.3%	25.0%	-3.02%	Standard and Pool's 500 Index
Small Capitalization Equities	8.2%	7.5%	-4.21%	Russell 2000 Index
Total Domestic Common Stocks	28.5%	32.5%		
International Common Stocks:				
Established Markets	11.1%	12.0%	-5.94%	Morgan Stanley Capital International Europe, Asia, Far East Index ("et)
Emerging Markets	4.5%	3.0%	-5.26%	Morgan Stanley Capital International Emerging Markets Free
Total International Common Stocks	15.6%	15.0%		
Inflation Hedging		7.5%	0.63%	33% (Goldman Sachs Commodity Index minus 100 basis points) plus 67% (National Commercial Real Estate Index Fund)
Fixed Income:				
Domestic	16.2%	15.0%	1.16%	Lehman Brothers Aggregate Bond Index
International	4.4%	5.0%	0.43%	Salomon Non-U.S. World Government Bond Index, Inhedged
Total Fixed Income	20.6%	20.0%		
Marketable Alternative Equities	13.6%	10.0%	1.46%	90 Day T-Bills Average Yield + 7%
Total Marketable Securities	88.1%	85.0%	-1.32%	
Nan-Marketable Alternative Equities	11.9%	15.0%	-2.49%	Wilshire 5000 U.S. Equities index + 4%
Total	100.0%	100.0%	-1.72%	

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

III. SHORT INTERMEDIATE TERM FUND (1)

Summary Investment Report at October 31, 2002

(\$ millions)

	<u>FY01-02</u> Full Year	<u>FYOZ-03</u> Two Months Ended October 31, 2002
Beginning Net Assets	1,704.6	1,435.9
Net Contributions	(261.0)	45.1
Investment Return	60.3	5.4
Expenses	(0.7)	(0.1)
Distributions of Income	<u>(67.3)</u>	<u>(10.0)</u>
Ending Net Assets	1,435.9	1,476.3
Net Asset Value per Unit	10.099	10.066
No. of Units (End of Period)	142,184,975	146,653,309
Total Net Investment Return	3.75%	0.36%

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

IV. SEPARATELY INVESTED ASSETS

Summary Investment Report at October 31, 2002

(\$ thousands)

ASSET TYPES	FUND TYPE													
	CURRENT PURPOSE				ENDOWMENT &		ANNUITY & LIFE		AGENCY FUNDS		OPERATING FUNDS		TOTAL	
	DESIGNATED		RESTRICTED		SIMILAR FUNDS		INCOME FUNDS							
	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
Cash & Equivalents:														
Beginning value 9/1/02	4,064	4,064	2,353	2,353	35,612	35,612	525	525	79	79	1,315,082	1,315,082	1,357,715	1,357,715
Increase/(Decrease)	(2,299)	(2,299)	(1,047)	(1,047)	(20,068)	(20,068)	(453)	(453)	3	3	(55,721)	(55,721)	(79,585)	(79,585)
Ending value 10/31/02	1,765	1,765	1,306	1,306	15,544	15,544	72	72	82	82	1,259,361	1,259,361	1,278,130	1,278,130
Debt Securities:														
Beginning value 9/1/02	-	-	263	184	48,713	47,578	14,575	15,248	-	-	236,896	254,199	300,247	317,209
Increase/(Decrease)	-	-	-	5	(8,399)	(4,764)	(93)	(21)	-	-	14,765	(28,977)	6,273	(33,757)
Ending value 10/31/02	-	-	263	189	40,314	42,814	14,482	15,227	-	-	251,461	225,222	306,520	283,452
Equity Securities:														
Beginning value 9/1/02	40	3,750	1,970	1,632	32,701	32,844	23,277	17,131	-	-	136,062	81,293	194,050	136,650
Increase/(Decrease)	-	(172)	1	-	(534)	(1,540)	99	(835)	-	-	557	(2,458)	123	(4,805)
Ending value 10/31/02	40	3,578	1,971	1,632	32,167	31,304	23,376	16,496	-	-	136,619	78,835	194,173	131,845
Other:														
Beginning value 9/1/02	11,000	11,000	1,215	1,215	784	784	125	21	-	-	-	-	13,124	13,020
Increase/(Decrease)	(11,000)	(11,000)	(1,215)	(1,215)	(784)	(784)	-	-	-	-	-	-	(12,999)	(12,999)
Ending value 10/31/02	-	-	-	-	-	-	125	21	-	-	-	-	125	21

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

9. U. T. System Administration and U. T. Austin: Approval to Amend Resolution Regarding the List of Individuals Authorized to Negotiate, Execute, and Administer Classified Government Contracts (Key Management Personnel)

To comply with Department of Defense National Industrial Security Program Operating Manual requirements, approval was given to amend the resolution adopted by the Board in May 2002 to read as set out below to update the roster of administrative officials of The University of Texas System authorized to negotiate, execute, and administer classified government contracts as shown in item a.:

BE IT RESOLVED:

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

Mark G. Yudof, Chancellor, Chief Executive Officer, U. T. System
Larry R. Faulkner, President, U. T. Austin
Juan M. Sanchez, Vice President for Research, U. T. Austin
Kevin P. Hegarty, Senior Vice President and Chief Financial Officer,
U. T. Austin
Wayne K. Kuenstler, Director, Office of Sponsored Projects,
U. T. Austin; U. T. System a.k.a. U. T. Austin Security Supervisor
Bobby C. McQuiston, Associate Director, Office of Sponsored
Projects, U. T. Austin

- b. That the said Key Management Personnel have been processed or will be processed for a personnel clearance for access to classified information, to the level of the facility clearance granted to the institution, as provided for in the aforementioned National Industrial Security Program Operating Manual, and all replacements for such positions will be similarly processed for security clearance
- c. That the said Key Management Personnel are hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified contracts of the Department of Defense, or User Agencies of its Industrial Security Program, awarded to the institutions of The University of Texas System Administration or U. T. Austin
- d. That the following named members of the U. T. Board of Regents shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of The University of Texas System and do not occupy positions that would enable them

to affect adversely the policies and practices of the institutions of The University of Texas System in the performance of classified contracts for the Department of Defense, or User Agencies of its Industrial Security Program, and need not be processed for a personnel clearance:

Members of the U. T. Board of Regents:

Charles Miller, Chairman
Rita C. Clements, Vice-Chairman
Woody L. Hunt, Vice-Chairman
A. W. "Dub" Riter, Jr., Vice-Chairman
Judith L. Craven, M.D.
Robert A. Estrada
Cyndi Taylor Krier
Patrick C. Oxford
A. R. (Tony) Sanchez, Jr.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 58 - 60).--Committee Chairman Krier reported that the Academic Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Academic Affairs Committee and approved in open session by the U. T. Board of Regents:

1. U. T. Arlington: Request for Determination of Necessity and Authorization to Acquire Real Property Located at 1108 South Oak Street, Arlington, Tarrant County, Texas; Authorization to Take All Necessary Actions Needed to Acquire the Above Property Through Purchase or Condemnation; and Authorization to Execute All Documents Related Thereto (Withdrawn)

The item related to proposed acquisition of real property located at 1108 South Oak Street, Arlington, Tarrant County, Texas, for The University of Texas at Arlington was withdrawn.

2. U. T. Austin - Applied Computational Engineering and Sciences Building (ACES) - Fourth Floor Finish Out: Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project

The Board amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Applied Computational Engineering and Sciences Building (ACES) - Fourth Floor Finish Out at The University of Texas at Austin at a preliminary project cost of \$3,600,000 with funding from Designated Tuition. This will complete the interior finish-out and mechanical systems on the fourth floor of the ACES Building.

3. U. T. Austin - Jack S. Blanton Museum of Art - Phase II: Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project

The Board amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Jack S. Blanton Museum of Art – Phase II at The University of Texas at Austin at a preliminary project cost of \$25,000,000 with funding from Gifts and Grants.

The Phase II project will include administrative offices, education space, and visitor amenities to support the Phase I project, which is under construction.

4. U. T. Austin: Archer M. Huntington Museum Fund - Authorization to Sell Approximately 1,490 Acres of Land Located in Galveston County, Texas, to Scenic Galveston, Inc., and Authorization for the Executive Director of Real Estate to Execute All Documents Related Thereto

Authorization was given for The University of Texas System Real Estate Office, on behalf of The University of Texas at Austin, to sell approximately 1,490 acres of land in the H.B. Littlefield Survey, S.C. Bundick League, Galveston County, Texas, to Scenic Galveston, Inc., for \$1,900,000.

Further, 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 advisable to carry out the purpose and intent of the sale.

The property, which originally contained approximately 4,500 acres, was received from Archer M. Huntington in 1927. This last remnant of the subject property is located near Texas City, Texas, at the southern tip of the mainland. Proceeds from the sale will be used to benefit the Jack S. Blanton Museum of Art, within the terms of the original Archer M. Huntington gift.

Approximately 78% of the property is wetlands subject to federal regulation under Section 404 of the Clean Water Act. Scenic Galveston, Inc., intends to encumber the property with a conservation easement to permanently preserve the wildlife habitat in the area.

5. U. T. Tyler - Student Dormitory and Academic Excellence Center: Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project

The Board amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Student Dormitory and Academic Excellence Center project at The University of Texas at Tyler at a preliminary project cost of \$11,000,000 with funding of \$8,000,000 from Revenue Financing System Bond Proceeds and \$3,000,000 from Gifts and Grants.

As the first dormitory-type building to be constructed on campus, the building will consist of approximately 73,200 gross square feet and will include dormitory rooms to accommodate approximately 200 beds, lounge areas, centralized laundry facilities and kitchen, and offices for dormitory staff.

6. U. T. Tyler - Student Resident Home II: Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project

The Board amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Student Resident Home II project at The University of Texas at Tyler at a preliminary project cost of \$1,900,000 with funding from Revenue Financing System Bond Proceeds.

This facility will be the second residence-type home to be constructed on campus and will include 16 bedrooms housing two students each and two bedrooms housing one student each for American with Disabilities Act (ADA) purposes. In addition, the residence will provide living quarters for an advisor, three lounge/parlor/study areas, a kitchen, and laundry facilities.

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 61 - 66).--Committee Chairman Oxford reported that the Health Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Health Affairs Committee and approved in open session by the U. T. Board of Regents:

1. U. T. System: Amendment of the Regental Policy Entitled The University of Texas System Professional Medical Liability Benefit Plan, Article II, Section A. (Definitions) and Approval of Premium Rates for Faculty and Resident Dentists Effective March 1, 2003

The Board amended Article II, Section A. regarding definitions of the Regental Policy entitled The University of Texas System Professional Medical Liability Benefit Plan to provide coverage for U. T. System faculty and resident dentists to read as set forth below:

ARTICLE II DEFINITIONS

This Plan shall be known as the Professional Medical Liability Benefit Plan ("Plan"). Unless otherwise required by the context, the following terms shall control:

A. *Medical Members* shall mean:

1. Medical doctors, oral surgeons, oral pathologists, dentists, doctors of osteopathy, and podiatrists appointed to the full-time faculty of a medical school or hospital of the System, medical doctors employed full-time in health services at and by a general academic institution of the System, residents of such disciplines participating in a patient-care program in the System, and fellows whose salaries are paid by a System health component, who are duly licensed, credentialed, and registered to practice their profession;
2. Medical doctors, oral surgeons, oral pathologists, dentists, doctors of osteopathy, and podiatrists appointed to the faculty of a medical school or hospital of the System on a part-time or volunteer basis, and who either devote their total professional service to such appointments or provide services to patients by assignment from the department chairman. For purposes of the Plan, such persons are "Medical Members" only when providing services to patients in

conjunction with supervision of medical students or resident physicians by assignment from the department chairman and shall become participants in the Plan only as provided in Article IV, Section 2; and

. . . .

Further, the Board approved initial premium rates for faculty and resident dentists at each component effective March 1, 2003 as listed below:

**The University of Texas System Self Insurance Plan
Dental Rates by Health Component**

<u>Health Component</u>	<u>Rates as of 3/1/2003</u>	
	<u>Faculty</u>	<u>Resident</u>
<u>Dentist - General</u>		
UT Cancer Center	\$ 695	\$ 349
UT SMC Dallas	\$ 641	\$ 322
UTMB Galveston	\$ 947	\$ 475
UT HSC Houston	\$ 854	\$ 429
UT HSC San Antonio	\$ 770	\$ 388
UT HC Tyler	\$ 854	\$ 429
<u>Dentist - Oral Surgery</u>		
UT Cancer Center	\$3,107	\$1,561
UT SMC Dallas	\$2,868	\$1,440
UTMB Galveston	\$4,234	\$2,123
UT HSC Houston	\$3,819	\$1,918
UT HSC San Antonio	\$3,445	\$1,733
UT HC Tyler	\$3,820	\$1,919

Note: Dentist - General Rates = Physician Class 1 Rates Effective 3/1/2003 x 0.35
Dentist - Oral Surgery Rates = Physician Class 2 Rates Effective 3/1/2003

Pursuant to the authority of Chapter 59 of the Texas Education Code, the U. T. Board of Regents adopted The University of Texas System Professional Medical Liability Benefit Plan to provide coverage for certain medical staff and medical students of the U. T. System. The Plan went into effect April 1, 1977, and is funded by the payment of premiums from the practice plans of the component health institutions of the U. T. System. At the time of its inception until present, the Plan did not provide coverage to the U. T. System dentists. The current commercial insurance climate in Texas has prompted the U. T. System health component institutions to seek more cost-effective coverage for their dentists.

2. U. T. M. D. Anderson Cancer Center: Authorization for Execution of Certain Documents to Complete Transaction for the Construction and Operation of a Proton Therapy Center; Approval of an Additional Direct Investment in Proton Therapy Center - Houston, Ltd., L.L.L.P.; Approval of U. T. M. D. Anderson Cancer Center as a Member of PTC - Houston Investors L.L.C.; Approval to Execute Related Agreements; Finding of Fact and Determination of Public Purpose; and Authorization for the Institutional President to Take All Actions Related Thereto

Committee Chairman Oxford briefly discussed the transactions related to the construction and operation of a proton therapy center at The University of Texas M. D. Anderson Cancer Center included in the Agenda Item and Executive Summary before the Board on yellow paper. The Board approved and gave final authorization to U. T. M. D. Anderson Cancer Center for the execution of certain documents as previously authorized by the Board on August 9, 2001, which have now been reviewed in final form and approved as to form:

- a. A Ground Lease of land on Old Spanish Trail in Houston, Harris County, Texas, between the U. T. Board of Regents, on behalf of U. T. M. D. Anderson Cancer Center, and the Proton Therapy Center - Houston, Ltd., L.L.L.P.
- b. A Limited Partnership Agreement between PTC Houston Management, L.P., PTC - Houston Investors, L.L.C., and U. T. M. D. Anderson Cancer Center, and the contribution of \$2.5 million to such partnership by U. T. M. D. Anderson Cancer Center
- c. Related agreements with Proton Therapy Center - Houston, Ltd., L.L.L.P. as follows:
 1. Medical Direction Agreement which provides that the Division Head for Radiation Oncology will be appointed as the Medical Director for the Proton Therapy Center;
 2. Professional Services Agreement under which the Cancer Center provides the doctors, dosimetrists, and physicists for the delivery of proton therapy and bills and collects the professional fees generated;

3. Staffing and Operations Agreement which provides for other services that will be purchased by the Limited Liability Limited Partnership (LLLP) from the Cancer Center for support services (such as triage nurses and other support personnel);
4. Utilization Agreement which provides certain obligations of the LLLP to provide facilities and resources to Cancer Center researchers; and
5. Sublicense Agreement for the use of the Cancer Center name for the promotion of proton therapy services.

Further, the following additional refinements of the transaction were approved by the Board:

- a. Approval of an additional direct investment of up to, but not to exceed, \$3 million of unrestricted gift funds in Proton Therapy Center - Houston, Ltd., L.L.L.P. by U. T. M. D. Anderson Cancer Center as additional capitalization in such limited partnership for the purpose of securing any licenses or final disposition of intellectual property rights for operation of the facility
- b. The entry of U. T. M. D. Anderson Cancer Center as a member of PTC - Houston Investors L.L.C., a limited liability company (PTC), by contribution of the originally authorized investment amount of \$2.5 million to PTC for the single purpose of PTC investing as a limited partner in Proton Therapy Center - Houston, Ltd., L.L.L.P.
- c. Execution of the Limited Liability Company Agreement of PTC and the Investment Agreement with respect to such Limited Liability Company Agreement of PTC

- d. Determination by the Board that leasing 4.2 acres of land to Proton Therapy Center - Houston, Ltd., L.L.L.P. for the purpose of construction and operation of a proton therapy center is for the public purpose of providing cancer therapy to the citizens of the State of Texas and others and that the \$2.5 million rental payable under the Ground Lease described above is adequate consideration for such lease.

Further, the Board authorized the institutional president to take any and all actions necessary or desirable to carry out the purpose and intent of the foregoing agreements including, without limitation, the authority to sublicense trademarks owned by the U. T. Board of Regents for the specific purposes set forth in the Sublicense Agreement and the authority to take any and all such actions necessary to fulfill the rights and obligations and receive the benefits provided in each of the above listed agreements.

On August 9, 2001, the Board of Regents approved U. T. M. D. Anderson Cancer Center's participation in a transaction to enter into a limited liability limited partnership with Sanders, Morris, Harris of Houston, Texas, and other investors for the purpose of securing the equity and debt sufficient to construct and commence operations of a proton therapy center. Sanders, Morris, Harris, as the investment banker and general partner, has now secured debt and equity totaling \$126 million including transaction costs, construction interest and a budgeted amount for securing all necessary intellectual property agreements for operation of the facility.

The Board of Regents in August 2001 also granted broad authority to the President of U. T. M. D. Anderson Cancer Center to take appropriate and necessary actions to close the transaction.

Since approval of the transaction in August 2001, Sanders, Morris, Harris, the general partner and investment bankers for the project, have successfully raised an additional \$28 million in equity from a variety of private investors and secured approximately \$95 million in real estate, equipment, and construction loans to fully fund the project.

In order to close the transaction, U. T. M. D. Anderson Cancer Center agreed to invest an additional amount in the limited partnership of up to, but not to exceed, \$3 million of unrestricted gift funds that had been previously reserved for any reasonable contingencies that might arise in order to secure the project. These funds will only be called upon to secure any intellectual property licenses, agreements, or resolutions, if needed, to operate the facility.

As a second item, U. T. M. D. Anderson Cancer Center negotiated for a portion of its 15% interest in the limited partnership to have preferential status for distributions of cash with other investors that had provided cash equity for the project. The preferred interest for U. T. M. D. Anderson Cancer Center was a result of the contribution of the value of The University of Texas System land lease to the partnership's capital. This preferential status, a benefit to U. T. M. D. Anderson Cancer Center, was accomplished by entering into a single-purpose limited liability corporation with other cash investors. The limited liability corporation's single purpose is to invest as a limited partner in the partnership and have preferential status when cash is distributed to the partners. U. T. M. D. Anderson Cancer Center's total interest in the partnership remains the same as it was when approved by the Board of Regents in August 2001. However, its 15% interest is split between a 6.5% preferred interest plus an 8.5% non-preferred interest. Further, as it was in the August 2001 transaction, depending on the return received by the other investors, U. T. M. D. Anderson Cancer Center's total interest may grow to as much as 25% (6.5% preferred plus 18.5% non-preferred).

The third item concerned a determination by the Board of Regents that the leasing of land for the construction and operation of a proton therapy center would serve a public purpose of providing cancer therapy to the citizens of the State of Texas and others. Although no recent determination has been made as to the value of the particular parcel of land leased to the partnership, recent appraisals of land in the area indicate that the value of this parcel may exceed the \$2.5 million appraised value that existed in August 2001. To ensure clarity of the record in the unlikely event that the validity of the lease were ever challenged, the Board of Regents determined for the record that this land is being leased for a public purpose: providing cancer therapy to the citizens of the State of Texas.

In response to a question from Chairman Miller, Dr. John Mendelsohn, President of U. T. M. D. Anderson Cancer Center, briefly described the concept of radiation therapy and how the proton beam process works to target tumors directly while reducing radiation damage to other parts of the body. President Mendelsohn also stated that for the U. T. funds invested, U. T. M. D. Anderson Cancer Center will have access to the entire \$126 million operation and that U. T. M. D. Anderson Cancer Center will provide the Medical Director of the Center, provide all staff, collect the fees, and have rights to conduct research.

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 67 - 80).--Committee Chairman Clements reported that the Facilities Planning and Construction Committee met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Facilities Planning and Construction Committee and approved in open session by the U. T. Board of Regents.

1. U. T. Arlington - Allan Saxe Field: Approval to Name Facility as Clay Gould Ballpark (Regents' Rules and Regulations, Part Two, Chapter VIII, Section 1, Subsection 1.3, Honorific Namings)

To recognize Mr. Clay Gould's significant contributions and commitment to The University of Texas at Arlington, the Arlington community, and the young men who played baseball for U. T. Arlington under his leadership from 1999 through 2001, the Board renamed the existing baseball stadium, Allan Saxe Field, as the Clay Gould Ballpark.

On June 10, 1993, the stadium was named after Dr. Allan Saxe, an Associate Professor of Political Science at U. T. Arlington, who donated funds for the renovation of the baseball facilities in the early-to-mid 1990s. Dr. Saxe supports changing the name to the Clay Gould Ballpark.

Coach Gould is the only U. T. Arlington player to be named Southland Conference Player of the Year in 1993, Male Athlete of the Year in 1993, and was the only player to be nominated for USA Baseball's Golden Spikes Award, college baseball's equivalent of the Heisman Trophy.

Stadium improvements currently planned or underway include increased stadium seating, improved locker rooms, lighting, a new outfield wall, and a revamped entrance.

2. U. T. Arlington - Chemistry and Physics Building (Project No. 301-117): Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval to Increase Total Project Cost; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board heard a presentation on the design development plans and the economic impact for the Chemistry and Physics Building at The University of Texas at Arlington by Mr. Sidney J. Sanders, Assistant Vice Chancellor for Facilities Planning and Construction for The University of Texas System.

Based on this presentation, the Board:

- a. Approved design development plans
- b. Approved the evaluation of alternative energy economic feasibility
- c. Approved an increase in the total project cost from \$34,635,945 to \$39,875,945 with additional funding of \$5,240,000 from Revenue Financing System Bond Proceeds
- d. Appropriated funds and authorized expenditure of \$16,635,945 from Tuition Revenue Bond Proceeds, \$13,000,000 from Permanent University Fund Bond Proceeds, and \$10,240,000 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 based in part upon the delivery of the Certificate of an Authorized Representative as required by Section 5 of the Master Resolution, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Arlington, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$10,240,000

- d. U. T. System components, which are “Members” as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$16,635,945
- e. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

The Chemistry and Physics Building is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$34,635,945 with funding of \$16,635,945 from Tuition Revenue Bond Proceeds, \$13,000,000 from Permanent University Fund Bond Proceeds, and \$5,000,000 from Revenue Financing System Bond Proceeds. U. T. Arlington requested that the total project cost be increased by \$5,240,000 with funding from Revenue Financing System Bond Proceeds to fully meet the additional construction costs for the project identified after completing an evaluation of programming requirements for the building.

The new building will comprise 123,667 gross square feet, and will provide undergraduate and graduate teaching and research spaces in the College of Science. Fixed equipment, hood systems, laboratory tables, and other laboratory accessories will be state-of-the-art. The mechanical, electrical, and plumbing systems will be designed for maximum energy efficiency to support the new facility.

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

3. U. T. Austin - East Central Towers/East Festival Court of Darrell K Royal - Texas Memorial Stadium: Approval to Name Facility as the Reese M. Rowling Center (Regents' Rules and Regulations, Part Two, Chapter VIII, Section 1, Subsection 1.3, Honorific Namings)

To recognize the significant contribution of \$5,000,000 from his son, Mr. Robert B. Rowling, Dallas, Texas, the Board named the East Central Towers/East Festival Court of Darrell K Royal - Texas Memorial Stadium at The University of Texas at Austin as the Reese M. Rowling Center.

The Rowling family has strong connections to the University of Texas. Mr. Reese Rowling graduated from The University of Texas at El Paso and with his wife, Jackie, was a strong supporter of athletics at U. T. Austin. Mr. Robert B. Rowling is a graduate of U. T. Austin and has been a member of the Longhorn Foundation, McCombs School of Business Advisory Council, President's Associates and he and his wife, Terry, are current members of the Littlefield Society.

4. U. T. Austin - Ransom Center Renovation (Project No. 102-987): Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Revise the Source of Funds; Rescind Appropriations of Funds; and Appropriation of Funds and Authorization of Expenditure

The Board:

- a. Amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to revise the source of funds for the Ransom Center Renovation at The University of Texas at Austin as follows:

	<u>From</u>	<u>To</u>
Unexpended Plant Funds	\$1,676,000	-
Designated Tuition	\$7,879,200	\$6,555,200
Gifts and Grants	<u>\$5,000,000</u>	<u>\$8,000,000</u>
Total Project Cost	\$14,555,200	\$14,555,200

- b. Rescinded appropriation of \$1,324,000 from Designated Tuition
- c. Rescinded appropriation of \$1,676,000 from Unexpended Plant Funds
- d. Appropriated funds and authorized expenditure of \$3,000,000 from Gifts and Grants.

The Ransom Center Renovation project is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a total project cost of \$14,555,200 with funding of \$1,676,000 from Unexpended Plant Funds, \$7,879,200 from Designated Tuition, and \$5,000,000 from Gifts and Grants. The Chancellor approved design development, and funds were appropriated and authorized for expenditure on June 20, 2001.

Approval of this item revises the source of funds and changes the appropriation and expenditure to \$6,555,200 from Designated Tuition and \$8,000,000 from Gifts and Grants, thus reimbursing a portion of the Designated Tuition funds from Gifts and Grants.

5. U. T. Austin: Approval in Concept of a Tower Memorial Garden

To establish a permanent memorial to the victims of the August 1, 1966, shootings at The University of Texas at Austin Tower, and to all those whose lives were affected by that event, approval was granted for the concept of a Tower Memorial Garden located in the existing Tower Garden around the biology ponds, immediately north of the Main Building. U. T. Austin is evaluating the option of proceeding with a multiphase project versus a single-phase project estimated at \$1,020,000 with funding from Gifts and Grants.

While under the review threshold for approval of Capital Improvement Program repair and rehabilitation projects, approval of the concept is consistent with the Board's practice of review of significant outdoor projects including statues or other artwork.

6. U. T. Tyler: Acceptance of Gift of Outdoor Work of Art

The Board accepted a gift of an outdoor sculpture titled "Spring Dance" to be displayed in the front flower bed of the Administration Building on The University of Texas at Tyler campus.

The gift from Mrs. Louise H. Ornelas depicts a spring dance made from bronze by the artist Karl Jensen. The four-foot sculpture will be secured to a concrete base on a raised platform. The cost of installation of a pedestal for the sculpture is negligible and there will be no ongoing maintenance costs.

7. U. T. Southwestern Medical Center - Dallas - Day Care Center (Project No. 303-124): Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Increase Total Project Cost; Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Revise the Source of Funds; and Appropriation of Funds and Authorization of Expenditure

Following a presentation of the design development plans and the economic impact for the Day Care Center at the U. T. Medical Center - Dallas by Mr. Sidney J. Sanders, Assistant Vice Chancellor for Facilities Planning and Construction for The University of Texas System, the Board:

- a. Amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to increase the total project cost for the Day Care Center from \$1,900,000 to \$3,000,000
- b. Approved design development plans
- c. Approved the evaluation of alternative energy economic feasibility
- d. Revised the source of funds from \$1,700,000 from Interest on Local Funds and \$200,000 from Gifts and Grants to \$3,000,000 from Interest on Local Funds
- e. Appropriated funds and authorized expenditure of \$3,000,000 from Interest on Local Funds.

The Day Care Center is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$1,900,000 with funding of \$1,700,000 from Interest on Local Funds and \$200,000 from Gifts and Grants. U. T. Southwestern Medical Center - Dallas requested a change in the source of funds and an increase in the total project cost to \$3,000,000 from Interest on Local Funds to construct a larger facility.

The facility, originally planned for 10,000 gross square feet to accommodate 80 children, will consist of approximately 13,450 gross square feet to provide space for 120 children. There will be areas for education, play, meals, counseling, and administration and an exterior playground and associated site improvements. The new addition will house the infant/toddler/two-year-old program, which will be operated by, and also serve faculty and staff of, The University of Texas at Dallas Callier Center. A covered walk will connect the new addition with the existing facility that houses the preschool age program. Construction will begin in July 2003 and end by May 2004 for occupancy in June 2004.

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

8. U. T. Southwestern Medical Center - Dallas - Southwestern Medical Park Apartments (Project No. 303-013): Authorization to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Reduce the Total Project Cost; Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board heard a presentation on the design development plans and the economic impact for the Southwestern Medical Park Apartments at The University of Texas Southwestern Medical Center at Dallas by Mr. Sidney J. Sanders, Assistant Vice Chancellor for Facilities Planning and Construction for The University of Texas System.

Based on this presentation, the Board:

- a. Amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to reduce the total project cost for the Southwestern Medical Park Apartments from \$19,250,000 to \$17,500,000
- b. Approved design development plans
- c. Approved the evaluation of alternative energy economic feasibility
- d. Appropriated funds and authorized expenditure of \$7,000,000 from Revenue Financing System Bond Proceeds.

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

amended on October 8, 1993 and August 14, 1997, and based in part upon the delivery of the Certificate of an Authorized Representative as required by Section 5 of the Master Resolution, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Southwestern Medical Center - Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$7,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

On August 8, 2002, the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget were amended to combine the Southwestern Medical Park Apartments project with the Student Housing project for a total project cost of \$19,250,000 with funding from Revenue Financing System Bond Proceeds.

The building area for the next phase of the apartments has been decreased, reducing the total project cost for the new construction from \$8,750,000 to \$7,000,000. The complex, which will be available for occupancy in 2004, is designed with two-story to three-story, low-density, garden-type apartments for use by medical and graduate students.

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

9. U. T. Medical Branch - Galveston - Research Facilities Expansion (Project No. 601-036): 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

Following a presentation of the design development plans and the economic impact for the Research Facilities Expansion at The University of Texas Medical Branch at Galveston 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
- b. Approved the evaluation of alternative energy economic feasibility
- c. Approved the total project cost of \$48,000,000
- d. Appropriated funds and authorized expenditure of \$20,000,000 from Tuition Revenue Bond Proceeds, \$18,000,000 from Permanent University Fund Bond Proceeds, and \$10,000,000 from Gifts and Grants.

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 based in part upon the delivery of the Certificate of an Authorized Representative as required by Section 5 of the Master Resolution, the Board resolved that:

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

- c. U. T. System components, which are “Members” as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$20,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

The Research Facilities Expansion project is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$48,000,000 with funding of \$20,000,000 from Tuition Revenue Bond Proceeds, \$18,000,000 from Permanent University Fund Bond Proceeds, and \$10,000,000 from Gifts and Grants.

This project will renovate and expand approximately 200,000 gross square feet in three major buildings on campus to provide laboratory, office, and support space and resources necessary for important research activities including the BSL-4 Laboratory Facility project.

The existing Physical Plant Building will be vacated, a new four-story wing will be added to the south of the building, and a fourth story will be added. This building will house large animals, laboratory research, and support spaces on floors two through four.

Existing patient care in the Children’s Hospital will be relocated from the fourth floor to the sixth floor to allow the fourth floor to be renovated and reconstructed to support laboratory research and a vivarium for small animals.

A new five-story research laboratory will be constructed between 1108 Strand Street and the Animal Research Center Complex, connecting the two research buildings.

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

10. U. T. Medical Branch - Galveston - University Plaza Development (Project No. 601-131): 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

The Board heard a presentation on the design development plans and the economic impact for the University Plaza Development at The University of Texas Medical Branch at Galveston by Mr. Sidney J. Sanders, Assistant Vice Chancellor for Facilities Planning and Construction for The University of Texas System.

Based on this presentation, the Board:

- a. Approved design development plans
- b. Approved the evaluation of alternative energy economic feasibility
- c. Approved a total project cost of \$25,000,000
- d. Appropriated funds and authorized expenditure of 15,000,000 from Revenue Financing System Bond Proceeds and \$10,000,000 from Hospital Revenues.

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 based in part upon the delivery of the Certificate of an Authorized Representative as required by Section 5 of the Master Resolution, the Board resolved that:

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

- c. U. T. Medical Branch - Galveston, 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 \$15,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

The University Plaza Development project is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$25,000,000 with funding of \$15,000,000 from Revenue Financing System Bond Proceeds and \$10,000,000 from Hospital Revenues.

Designed as a “non-building,” this project is a new entry plaza with a two-level parking structure including utility infrastructure and a loop road to support an assumed 2.5 to 3 million square feet of new research and clinic space projected for the build-out of the east portion of the campus. Working with the City of Galveston, Sixth Street will be realigned with the City grid and a loop road will be built around a new patient and visitor parking structure to provide direct drop-off access to the existing and future facilities of the east campus that will include the Jennie Sealy Replacement Hospital, a new Diagnostic Services Building, and future outpatient and research facilities. Coordinated with various, ongoing campus improvement projects, the University Plaza Development project will provide the roadway and utility infrastructure for future construction and a new destination hub for campus visitors and patients.

The estimated square footage of the overall project is 500,000 square feet. The cast-in-place foundation and building structure, placed utility networks, and landscaping that span the old seawall will allow the project to blend in with the existing environment of Galveston to create a new campus entry and a Tranquility Park for the U. T. Medical Branch - Galveston. The roadway realignment and the new loop road will control traffic, enhance wayfinding, augment security options, and establish the conduit for clear, easy access to existing facilities and to the future buildings of the east campus.

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

11. U. T. Health Science Center - Houston - Research Expansion Project (Institute of Molecular Medicine) (Project No. 701-059): 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

Following a presentation of the design development plans and the economic impact for the Research Expansion Project at The University of Texas Health Science Center at Houston 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
- b. Approved the evaluation of alternative energy economic feasibility
- c. Approved the total project cost of \$120,000,000
- d. Appropriated funds and authorized expenditure of \$70,000,000 from Gifts and Grants and \$50,000,000 from Permanent University Fund Bond Proceeds.

The Research Expansion Project is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$120,000,000 with funding of \$70,000,000 from Gifts and Grants and \$50,000,000 from Permanent University Fund Bond Proceeds.

This new building will be a comprehensive basic research facility of 206,000 gross square feet, designed to support research and collaboration in the area of molecular medicine. The facility will house dry and wet laboratories, offices, conferencing areas, and a 200-seat assembly facility. A vivarium to support a transgenic rodent colony and office and conference room support for Principal Investigators and researchers will be provided.

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

INFORMATIONAL REPORT

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

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

The total expenditures for Building Construction and Other Facilities by the Office of Facilities Planning and Construction through the first quarter of Fiscal Year 2003 were approximately \$114,357,726. Of that amount, 13.79% was paid to Certified Historically Underutilized Businesses, 1.04% was paid to Graduated Historically Underutilized Businesses, and Noncertified Historically Underutilized Businesses received 10.33% for a total of 25.16% or approximately \$28,771,093.

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

RECONVENE.--At 10:11 a.m., the Board reconvened as a committee of the whole to consider those items remaining on the agenda.

OTHER MATTER

U. T. Board of Regents: Presentation of Certificate of Appreciation to Dr. Robert E. Witt, President of The University of Texas at Arlington, for His Service to The University of Texas System

Chairman Miller stated that Dr. Robert E. Witt, President of The University of Texas at Arlington, has accepted the position of President of the University of Alabama and could not attend this meeting. Chairman Miller expressed appreciation for the fine leadership Dr. Witt has displayed as a key member of The University of Texas System family over the past 30 years.

The following certificate of appreciation will be sent to Dr. Witt as an expression of the Board's gratitude:

CERTIFICATE OF APPRECIATION

The Board of Regents

Expresses to

ROBERT E. WITT, PH.D.

Its Sincere Appreciation for His

Distinguished Service and Outstanding Contributions

to

The University of Texas System

as

Department Chair
The University of Texas at Austin
1973 - 1983

Associate Dean
The University of Texas at Austin
1983 - 1985

Dean
The University of Texas at Austin
1985 - 1995

Interim President
The University of Texas at Arlington
1995 - 1996

President
The University of Texas at Arlington
1996 - 2003

Adopted by unanimous vote this 13th day of February, 2003

(signed by all members of the Board)

Chairman Miller announced that Vice Chancellor Charles A. Sorber will become President ad interim of U. T. Arlington effective March 1, 2003. He said Dr. Sorber's leadership skills and experience will be of great value during the interim period and he is delighted that Dr. Sorber has agreed to serve in this critically important role.

SCHEDULED MEETING.--Chairman Miller announced that the next regularly scheduled meeting would be held on May 7-8, 2003, in Austin.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 10:50 a.m.

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

April 23, 2003

**THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
DOCKET NO. 112**

January 22, 2003

TO MEMBERS OF THE FINANCE AND PLANNING COMMITTEE:

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

The Docket for The University of Texas System Administration and the Dockets recommended by the Presidents concerned and prepared by the component institutions listed below are submitted for approval as appropriate at the meeting of the U. T. System Board of Regents on February 13, 2003. The Acting Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and I concur in these recommendations.

<u>Institutions</u>	<u>Pages</u>
The University of Texas System Administration	System 1 - 25
The University of Texas at Arlington	Arlington 1 - 16
The University of Texas at Austin	Austin 1 - 26
The University of Texas at Brownsville	Brownsville 1 - 9
The University of Texas at Dallas	Dallas 1 - 2
The University of Texas at El Paso	El Paso 1 - 13
The University of Texas - Pan American	Pan American 1 - 4
The University of Texas of the Permian Basin	Permian Basin 1 - 7
The University of Texas at San Antonio	San Antonio 1 - 14
The University of Texas at Tyler	Tyler 1 - 13
The University of Texas Southwestern Medical Center at Dallas	SWMC - Dallas 1 - 10
The University of Texas Medical Branch at Galveston	MB - Galveston 1 - 9
The University of Texas Health Science Center at Houston	HSC - Houston 1 - 6
The University of Texas Health Science Center at San Antonio	HSC - San Antonio 1 - 4
The University of Texas M. D. Anderson Cancer Center	M. D. Anderson CC 1 - 10

/s/ Mark G. Yudof
Chancellor

xc: Other Members of
the Board

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 13, 2003

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CONTRACTS

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

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Medical Business Management Services, Inc. (MBMS)
Funds: The total maximum fee under this agreement will be \$500,000. Services and obligations provided under this contract will be billed based on the fee schedule in the contract and paid after receipt of electronic billing.
Period: September 1, 2002 – August 31, 2003, with U. T. System having the right, at its option, to extend the term of the agreement for up to two subsequent one-year terms, upon the same terms and conditions and at the rates of compensation stated in this agreement. Prior approval by the U. T. System Board of Regents was not obtained because staff considered the contract to be under the \$1 million limit at which contracts are required to be approved by the Board. However, it has been determined that the total possible value of the contract is \$1.5 million.
Description: MBMS agrees to review and audit health care provider bills to ensure that medical fees are in compliance with reimbursement schedules, or usual, customary and reasonable payment levels, as established or allowed by the Texas Workers' Compensation Commission, or the appropriate state workers' compensation agency where claims occur. The contract covers medical fee audit services, pre-authorization services, utilization review, and medical case management. MBMS may also screen claims to identify inappropriate medical codes, charges, or service patterns related to Workers' Compensation Insurance claims and provide final recommendations for payment or referral for advanced utilization review or case management.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
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AMENDMENTS TO THE 2002-03 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.

TRANSFERS OF FUNDS

Description	\$ Amount	RBC #
E&G FUNDS		
U. T. System Unallocated Account		
DESIGNATED FUNDS		
Directors & Officers/Employment Practices Liability Self-Insurance Plan		
1. Amount of Transfer:	1,000,000	T53/T54
From: U. T. System Administration Unallocated Account		
To: Directors & Officers/Employment Practices Liability Self-Insurance Plan		

To transfer funds from the U. T. System Unallocated Account to fund a Directors & Officers and Employment Practices Liability (D&O/EPL) Self-Insurance plan created September 21, 2002 by a resolution adopted by the U. T. System Board of Regents. Until approval and adoption of a permanent plan, the Board authorized an interim D&O/EPL self-insurance plan under terms consistent with the National Union insurance policy that expired in September 2002. A consultant will conduct a risk assessment of U. T. System's D&O/EPL exposure, assist with plan design, and recommend an appropriate funded reserve for the permanent self-insurance plan.

DESIGNATED FUNDS

Comprehensive Property Protection Program (CPPP)		
2. Amount of Transfer:	30,060,000	T52
From: U. T. System Administration CPPP		
To: U. T. Health Science Center - Houston		

To distribute funds from the receipt of insurance proceeds from Industrial Risk Insurers to U. T. Health Science Center - Houston for damage caused by Tropical Storm Allison.

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OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

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

1. Item: Vice Chancellor for Health Affairs
Funds: \$375,000 annual salary rate
Period: beginning December 1, 2002
Description: Agreement for employment of Vice Chancellor for Health Affairs, Michael D. McKinney, M.D. The Vice Chancellor for Health Affairs reports to the Executive Vice Chancellor for Health Affairs and is responsible to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor. Compensation also includes \$8,400 annual automobile allowance to be paid monthly. System Administration will reimburse professional memberships and continuing education allowances, including reasonable travel.

2. Item: Vice Chancellor for Governmental Relations and Policy
Funds: \$284,000 annual salary rate
Period: beginning January 6, 2003
Description: Agreement for employment of Vice Chancellor for Governmental Relations and Policy, E. Ashley Smith. The Vice Chancellor for Governmental Relations and Policy reports to and is responsible to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor. Compensation also includes \$8,400 annual automobile allowance to be paid monthly. System Administration will reimburse some club memberships and monthly dues, professional memberships and continuing education allowances, including reasonable travel.

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OTHER FISCAL ITEMS (Continued)

EMPLOYMENT AGREEMENTS (Continued)

3. Item: Vice Chancellor for Community Relations
Funds: \$160,000 annual salary rate
Period: beginning January 15, 2003
Description: Agreement for employment of Vice Chancellor for Community Relations, John De La Garza, Jr. The Vice Chancellor for Community Relations reports to and is responsible to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor. Compensation also includes \$8,400 annual automobile allowance to be paid monthly. System Administration will reimburse some club memberships and monthly dues, professional memberships and continuing education allowances, including reasonable travel.

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OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

In accordance with the Regents' Rules and Regulations, Part One, Chapter III, Section 13, it has been determined by the Vice Chancellor and General Counsel and the Counsel and Secretary to the Board that the holding of the following 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 Chancellor Yudof's appointment with The University of Texas System Administration. By approval of this item, the Board is also asked to find that holding the position is of benefit to the State of Texas and The University of Texas and there is no conflict between the position and the University appointment.

1. Name: Mark G. Yudof
Title: Chancellor
Position: Member, Department of Education Advisory Board of the National Institute for Literacy
Period: November 19, 2002 – November 18, 2004
Compensation: None
Description: President George Bush appointed Chancellor Yudof to The National Institute for Literacy Advisory Board. The Senate confirmed this appointment on November 19, 2002. The National Institute for Literacy disseminates information about literacy and supports the development of high quality literacy programs and services so all Americans can develop essential basic skills.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
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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 13, 2002. 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>
Tony R. Allen	U. T. Health Science Center - Houston
Salvador A. Beltran	U. T. Health Science Center - Houston
James T. Bray	U. T. Health Science Center - Houston
Francisco J. Chaires	U. T. Pan American
Alejandro Coronado	U. T. Pan American
Anthony J. Curry	U. T. Medical Branch - Galveston
Daniel A. David	U. T. Medical Branch - Galveston
David A. Falin	U. T. El Paso
Jason P. Forsman	U. T. Health Science Center - Houston
Manuel H. Gallegos	U. T. San Antonio
David M. Garcia	U. T. Arlington
Glen W. Goodier	U. T. Arlington
Henry R. Guevara	U. T. San Antonio
Kenneth D. Horton, III	U. T. Health Science Center - Houston
David M. Howell	U. T. Arlington
Dedrick R. Miller	U. T. Arlington
Jose N. Morales	U. T. Pan American
James D. Price	U. T. San Antonio

THE UNIVERSITY OF TEXAS SYSTEM
 U. T. BOARD OF REGENTS MEETING
 FEBRUARY 13, 2003
 REAL ESTATE ASSETS

Managed by U.T. System Real Estate Office

Summary Report at November 30, 2002

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 08/31/02	6,935,619	24,274,684	23,268,399	115,190,537	1,314,109	909,960	31,516,327	140,375,201
Increase or Decrease	0	0	9,399	(4,079)	(64,465)	(64,465)	(55,066)	(68,544)
Ending Value 11/30/02	6,935,619	24,274,684	23,277,798	115,186,458	1,249,644	645,515	31,463,261	140,306,657
Other Real Estate:								
Ending Value 08/31/02	166,759	166,759	312,276	312,276			461,035	461,035
Increase or Decrease	(1,625)	(1,625)	(3,210)	(3,210)	0	0	(4,635)	(4,835)
Ending Value 11/30/02	167,134	167,134	309,066	309,066			476,200	476,200

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

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
U. T. BOARD OF REGENTS' MEETING
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The University of Texas System
PHYSICIAN/DENTAL PRACTICE PLANS
Quarterly Financial Report
(Unaudited)

For the Three Months Ending November 30, 2002

The University of Texas System
Physician/Dental Practice Plans Year-to-Date Summary of Operations
For the Three Months Ending November 30, 2002

	Cumulative Year-to-Date FY 2003	Cumulative Year-to-Date FY 2002 (Restated)	Increase/ (Decrease)	Percent Increase/ (Decrease)
Operating Revenues:				
Gross Charges	\$ 476,174,416	-	-	-
Less:				
Un-sponsored Charity Care	137,758,010	-	-	-
Contractual Adjustments	157,767,643	-	-	-
Other Unreimbursed Medical Costs	12,022,057	-	-	-
Bad Debt Expense	14,566,983	-	-	-
Net Patient Revenue	154,059,723	-	-	-
Contractual Revenues	48,939,235	-	-	-
Other Operating Revenues	7,796,568	-	-	-
Total Operating Revenues Included in Monthly Financial Report	210,795,526	192,572,700	18,222,826	9.46%
Operating Expenses:				
Faculty Salaries	76,666,728	68,958,593	7,708,135	11.18%
Staff Salaries	38,190,074	36,013,679	2,176,395	6.04%
Resident Salaries	866,555	895,705	(29,150)	-3.25%
Fringe Benefits	44,634,624	41,083,280	3,551,344	8.64%
Maintenance and Operations	36,711,883	34,815,633	1,896,250	5.45%
Professional Liability Insurance	5,074,544	4,604,973	469,571	10.20%
Travel	2,402,736	2,158,188	244,548	11.33%
Official Functions	358,602	286,129	72,473	25.33%
Other Operating Expenses	6,242,000	6,256,000	(14,000)	-0.22%
Total Operating Expenses Included in Monthly Financial Report	211,147,746	195,072,180	16,075,566	8.24%
Operating Income (Loss)	(352,220)	(2,499,480)	2,147,260	85.91%
Investment Income	1,435,638	1,950,333	(514,695)	-26.39%
Interest Expense on Debt Service	(351,518)	(348,884)	(2,634)	-0.75%
Adjusted Income (Loss)	731,900	(898,031)	1,629,931	181.50%
Adjusted Income (Loss) - as a percentage	0.34%	-0.46%		
Other Nonoperating Revenues (Expenses)	(1,039,909)	(182,089)	(857,820)	-471.10%
Income (Loss) Before Other Items	(308,009)	(1,080,120)	772,111	71.48%
Transfers In	2,834,610	1,062,145	1,772,465	166.88%
Transfers Out	(6,058,678)	(4,934,794)	(1,123,884)	-22.77%
Debt Service	(676,265)	(555,477)	(120,788)	-21.74%
Capital Outlay	(1,322,656)	(3,521,085)	2,198,429	62.44%
Change in Net Assets	(5,530,998)	(9,029,331)	3,498,333	38.74%
Net Assets - September 1 - As Previously Reported	374,591,980	387,655,165	(13,063,185)	-3.37%
Restatements	(7,159,000)	(7,970,502)	811,502	10.18%
Net Assets - September 1 - As Restated	367,432,980	379,684,663	(12,251,683)	-3.23%
Net Assets - November 30	\$ 361,901,982	370,655,332	(8,753,350)	-2.36%

**The University of Texas System
Physician/Dental Practice Plans
Comparison of FY 2003 Year-to-Date Adjusted Income (Loss)
to FY 2002 Year-to-Date Adjusted Income (Loss)
For the Three Months Ending November 30, 2002**

	<u>November 2002 Year-to-Date Adjusted Income (Loss)</u>	<u>November 2001 Year-to-Date Adjusted Income (Loss) (Restated)</u>	<u>Variance of Current Year-to-Date to Prior Year-to-Date</u>	<u>Fluctuation Percentage</u>
U.T.S.M.C. at Dallas	\$ (2,421,428)	1,737,848	(4,159,276)	-239.33% (1)
U.T.S.M.C. at Dallas - Allied Health	77,578	(81,454)	159,032	195.24%
U.T.M.B. at Galveston	(1,527,354)	1,100,503	(2,627,857)	-238.79% (2)
U.T.H.S.C. at Houston	(826,442) (3)	(1,574,369)	747,927	47.51%
U.T.H.S.C. at San Antonio - Physician	106,820	(2,865,963)	2,972,783	103.73% (4)
U.T.H.S.C. at San Antonio - Dental	327,175	(3,971)	331,146	8339.11%
U.T.M.D. Anderson Cancer Center	5,518,396	1,387,246	4,131,150	297.80% (5)
U.T.H.C. at Tyler	<u>(522,845) (6)</u>	<u>(597,871)</u>	<u>75,026</u>	<u>12.55%</u>
Total Adjusted Income (Loss)	<u>\$ 731,900</u>	<u>(898,031)</u>	<u>1,629,931</u>	<u>181.50%</u>

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
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Explanations of Variances on the
Practice Plans Summary of Operations
For the Three Months Ending November 30, 2002

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

- (1) U.T.S.M.C. at Dallas – The \$4.2 million (239.3%) decrease in adjusted income as compared to the same period last year was due to an increase in total operating expenses of \$9.3 million, partially offset by an increase in total operating revenues of \$5.1 million. Total operating expenses increased largely due to increases in both faculty and staff salaries resulting from the creation of new positions in OB-GYN, Dermatology, Internal Medicine and Cardio Thoracic Surgery, as well as annual salary increases. Fringe benefits increased not only due to the creation of the new positions, but also as a result of increases in faculty incentives and insurance premiums. Maintenance and operations expenses increased due to the additional expenses incurred by the new employees, as well as increased expenses associated with higher patient volumes, including significant increases in expenses for medications. A large portion of the offsetting increase in operating revenues was attributable to an increase in contractual revenue resulting from a \$3 million increase in the contract with Parkland Hospital. Additionally, net patient revenues increased \$1.5 million primarily due to an increase in gross charges for managed care and Medicare largely due to higher patient volumes.

U.T.S.M.C. at Dallas has a year-to-date adjusted loss of \$2.4 million. Historically *U.T.S.M.C. at Dallas* has collected the majority of clinical revenues during the second half of the year. Practice plan revenues are expected to accelerate in future months. Last year only 23.5% of practice plan and faculty service plan revenue was reported in the first quarter.

- (2) U.T.M.B. at Galveston – The \$2.6 million (238.8%) decrease in adjusted income as compared to the same period last year was due to an increase in total operating expenses of \$1.3 million, as well as decreases in total operating revenues of \$703,000 and investment income of \$586,000. Total operating expenses increased \$1.3 million as a result of an increase in faculty full-time equivalents (FTEs) and annual salary increases. Total operating revenues decreased primarily due to contracts with Conroe Medical Education Foundation (Conroe Regional Medical Center) and Christus St. Elizabeth's Hospital that were not renewed in FY 2003. Investment income declined as a result of the Texas Department of Insurance

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Explanations of Variances on the
Practice Plans Summary of Operations
For the Three Months Ending November 30, 2002 (Continued)

lowering the interest rate on the surplus debenture between the non-profit healthcare corporation, U.T.M.B. Healthcare Systems, Inc., and the physician practice plan retroactive to January 1, 2002. Current year investment income was adjusted to reflect this change since the amount was considered immaterial to overall operations of the physician practice plan.

U.T.M.B. at Galveston has a year-to-date adjusted loss of \$1.5 million. Seasonal trends impact the timing of revenues and expenses. Additionally, *U.T.M.B. at Galveston* has been adversely impacted by Medicare rate reductions, which have resulted in revenue reductions on numerous managed care contracts. However, other revenue enhancements and cost reductions are expected to offset this variance. *U.T.M.B. at Galveston* does not expect the practice plan to have a material loss at year-end.

- (3) *U.T.H.S.C. at Houston* – The \$826,000 year-to-date adjusted loss is due to the fact that typically more professional fees are received in the second half of the year as a result of more clinical days, whereas expenses are more evenly distributed throughout the year. Additionally, all vacant positions are not generally filled by the beginning of the new fiscal year and not all new personnel are licensed and credentialed until several months after the beginning of the year. The physician practice plan is projected to generate a margin of \$1 million for FY 2003.
- (4) *U.T.H.S.C. at San Antonio (Physician Practice Plan)* – The \$3 million (103.7%) increase in adjusted income as compared to the same period last year was due to an increase in total operating revenues primarily resulting from increases in contractual revenue and other operating revenues. Contractual revenue increased as a result of negotiated base care (physician support) contract increases with the teaching hospital. Other operating revenues increased due to an increase in revenues from Pathology related to lab service agreements with the teaching hospital and an increase in revenues from Radiology contracts with the Veterans' Administration (VA) hospital. The VA encountered voucher payment processing problems and the revenue increase was due to prior period payments outstanding. These payments were included in current year revenue since the amount was considered immaterial to the overall operations of the physician practice plan.
- (5) *U.T.M.D. Anderson Cancer Center* – The \$4.1 million (297.8%) increase in adjusted income as compared to the same period last year was due to a \$6.7 million increase in total operating revenues, which was partially offset by an increase in

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Explanations of Variances on the
Practice Plans Summary of Operations
For the Three Months Ending November 30, 2002 (Continued)

total operating expenses of \$2.5 million. Total operating revenues increased due to higher patient volumes, as well as price increases. Following the events of September 11, 2001, *U.T.M.D. Anderson Cancer Center* experienced a decline in the number of clinical visits which, combined with a decrease in the number of international patients, caused revenues to be reduced in the first part of 2002. Total operating expenses increased primarily due to increases in faculty salaries and fringe benefits related to salary increases and new positions. Fringe benefits also increased as a result of increases in insurance premiums.

- (6) *U.T.H.C. at Tyler* – The \$523,000 year-to-date adjusted loss is due to a continued high level of contractual write-offs and increased bad debt expense. An increase in the length of stay from 7.3 to 8.3 days, as well as a shift in the payor mix away from commercial insurance to Medicare and Medicaid have contributed to the increase in contractual adjustments. Additionally, the bad debt reserve percentage was increased in FY 2003 as a result of an audit by U.T. System Administration audit staff.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
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GLOSSARY OF TERMS

OPERATING REVENUES:

GROSS CHARGES - *Posted charges for patient care services at scheduled rates.*

UNSPONSORED CHARITY CARE - *Unreimbursed charges to financially or medically indigent patients, including contractual adjustments and other unreimbursed charges to Medicaid, SCHIP, and other governmental programs indexed to the federal poverty. Contractual adjustments include fee-for-service and capitation.*

CONTRACTUAL ADJUSTMENTS - *The difference between the gross charge and the discounted amount agreed to by a third party contract, such as PPOs, HMOs and Medicare, including the difference between gross charges and the related capitated payments.*

OTHER UNREIMBURSED MEDICAL COSTS - *All other write-offs (i.e., unbilled charges, discounts for personal courtesy and employees, unreimbursed research expenses, denied charges, missed billing deadlines).*

BAD DEBT EXPENSE - *Charges that were at one time the responsibility of a private pay patient that are deemed uncollectible.*

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

CONTRACTUAL REVENUES - *Lump sum income for contracted physician services related to affiliated hospitals and organizations, jails, medical director services, and clinical oversight.*

OTHER OPERATING REVENUES - *Other operating-related revenue items not listed elsewhere.*

OPERATING EXPENSES:

FACULTY SALARIES - *All faculty salary payments including salary augmentation. Does not include incentive payments or supplemental retirement annuities.*

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

RESIDENT SALARIES - *Salaries paid to resident physicians.*

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GLOSSARY OF TERMS (Continued)

FRINGE BENEFITS - *Group insurance premiums (net of premium sharing) paid by the plan, supplemental retirement payments, incentive payments, and parking fees as authorized by the MSRDP/PRS Bylaws, and mandatory state benefits (retirement, OASI, WCI, premium sharing, etc.).*

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

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

TRAVEL - *All costs associated with travel.*

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

OPERATING INCOME (LOSS) – *Total operating revenues less total operating expenses before other nonoperating adjustments like investment income and interest expense.*

OTHER NONOPERATING ADJUSTMENTS:

INVESTMENT INCOME - *Income earned from investments.*

INTEREST EXPENSE ON DEBT SERVICE – *Interest expense only on debt service.*

ADJUSTED INCOME (LOSS) – *Operating income (loss) adjusted for investment income and interest expense on debt service.*

ADJUSTED INCOME (LOSS) AS A PERCENTAGE – *Adjusted income (loss) divided by total operating revenues plus investment income.*

OTHER NONOPERATING REVENUES (EXPENSES) - *Other nonoperating revenue or expense items not identified elsewhere.*

INCOME (LOSS) BEFORE OTHER ITEMS – *Adjusted income (loss) net of other nonoperating revenues (expenses).*

TRANSFERS IN - *Transfers from non-practice plan funds.*

TRANSFERS OUT - *Transfers to non-practice plan funds.*

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GLOSSARY OF TERMS (Continued)

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

CAPITAL OUTLAY – *Cost of capital acquisitions funded from plan resources.*

The University of Texas Southwestern Medical Center at Dallas
Physician Practice Plan Year-to-Date Summary of Operations*
For the Three Months Ending November 30, 2002

	Cumulative Year-to-Date FY 2003	Cumulative Year-to-Date FY 2002 (Restated)	Increase/ (Decrease)	Percent Increase/ (Decrease)
Operating Revenues:				
Gross Charges	\$ 147,087,356			
Less:				
Un-sponsored charity Care	63,600,28X			
Contractual Adjustments	35,028,561			
Other Unreimbursed Medical Costs	4,327,330			
Bad Debt Expense	2,152,62X			
Net Patient Revenues	<u>41,978,549</u>			
Contractual Revenues	21,004,382			
Other Operating Revenues	2,320,59x			
Total Operating Revenues Included in Monthly Financial Report	<u>65,303,529</u>	<u>60,235,347</u>	<u>5,068,182</u>	<u>8.41%</u>
Operating Expenses:				
Faculty Salaries	22,908,521	19,419,192	3,4X9,329	17.97%
Staff Salaries	17,172,984	15,010,821	2,162,163	14.40%
Fringe Benefits	14,004,377	11,983,723	2,020,651	16.86%
Maintenance and Operations	11,733,871	10,431,533	1,302,33X	12.48%
Professional Liability Insurance	1,274,316	1,131,280	143,036	12.64%
Travel	671,125	504,158	166,967	33.12%
Total Operating Expenses Included in Monthly Financial Report	<u>67,765,194</u>	<u>58,480,707</u>	<u>9,284,487</u>	<u>15.88%</u>
Operating Income (Loss)	(2,461,665)	1,754,640	(4216,305)	-24029%
Investment Income	390,691	326,113	64,578	19.80%
Interest Expense on Debt Service	(350,454)	(342,905)	(7,549)	-210%
Adjusted Income (Loss)	(2,421,428)	1,737,84X	(4,159,276)	-239.33%
Adjusted Income (Loss) as a percentage	-3.69%	2.87%		
Other Nonoperating Revenues (Expenses)	52,524	(312,722)	365,246	116.80%
Income (Loss) Before Other Items	(2,368,904)	1,425,126	(3,794,030)	-26622%
Transfers In	2,799,12X	1,062,145	1,736,983	163.54%
Transfers Out	(2,618,044)	(1,743,18X)	(874,856)	-50.19%
Debt Service	(676,265)	(555,477)	(120,788)	-21.74%
Capital Outlay	(580,335)	(1,827,272)	1,246,937	68.24%
Change in Net Assets	(3,444,420)	(1,638,666)	(1,805,754)	-11020%
Net Assets - September 1 - As Previously Reported	<u>141,810,647</u>	<u>151,295,372</u>	<u>(9,484,725)</u>	<u>-6.27%</u>
Net Assets -November 30	<u>\$ 138,366,227</u>	<u>149,656,706</u>	<u>(11,290,479)</u>	<u>-7.54%</u>

*Includes the operations of the non-profit healthcare corporation. FY 2002 was restated as appropriate.

The University of Texas Southwestern Medical Center at **Dallas**
Allied Health Faculty Services Plan Year-to-Date Summary of Operations
Far the Three Months Ending November 30, 2002

	Cumulative Year-to-Date FY 2003	Cumulative Year-to-Date FY 2002	Increase/ (Decrease)	Percent Increase/ (Decrease)
Operating Revenues:				
Gross Charges	\$ 456,990			
Less:				
Un-sponsored Charity Care	1,819			
Contractual Adjustments	75,251			
Other Unreimbursed Medical Costs	13,543			
Bad Debt Expense	14,549			
Net Patient Revenues	341,828			
Contractual Revenues	118,387			
Other Operating Revenues	11,395			
Total Operating Revenues Included in Monthly Financial Report	471,610	315,223	156,387	49.61%
operating Expenses:				
Faculty Salaries	57,832	58,033	(201)	-0.35%
staff Salaries	149,641	149,340	301	020%
Fringe Benefits	65,876	60,506	5,370	8.88%
Maintenance and Operations	116,520	122,201	(5,681)	-4.65%
Professional Liability Insurance	1,758		1,758	100.00%
Travel	6,681	13,097	(6,416)	-48.99%
Total Operating Expenses Included in Monthly Financial Report	398,308	403,177	(4,869)	-121%
Operating Income (Loss)	73,302	(87,954)	161,256	183.34%
Investment Income	4,276	6,500	(2,224)	-34.22%
Adjusted Income (Loss)	77,578	(81,454)	159,032	195.24%
Adjusted Income (Loss) - as a percentage	16.30%	-25.32%		
Transfers In	2,364		1,364	100.00%
Transfers Out	(31,319)	(25,984)	(5,335)	-20.53%
Capital Outlay		(3,824)	3,824	100.00%
Change in Net Assets	48,623	(111,262)	159,885	143.70%
Net Assets - September 1 -As Previously Reported	2,776,476	2,756,656	19,820	0.72%
Net Assets -November 30	\$ 2,825,099	2,645,394	179,705	6.79%

The University of Terns Medical Branch at Galveston
Physician Practice Plan Year-to-Date Summary of Operations
For the Three Months Ending November 30, 2002

	Cumulative Year-to-Date FY 2003	Cumulative Year-to-Date FY 2002	Increase/ (Decrease)	Percent Increase/ (Decrease)
operating Revenues:				
Gross Charges	\$ 73,148,202		-	-
Less:				
Un-sponsored Charity Care	21,020,132		-	-
Contractual Adjustments	22,423,047		-	-
Other Unreimbursed Medical Costs	3,529,985		-	-
Bad Debt Expense	3,383,440		-	-
Net Patient Revenues	22,791,598			
Contractual Revenues	8,635,500			
other operating Revenues	16,005			
Total Operating Revenues Included in Monthly Financial Report	31,443,103	32,146,239	(703,136)	-2.19%
Operating Expenses:				
Faculty Salaries	12,143,976	10,612,100	1,531,876	14.44%
Staff Salaries	8,406,644	8,458,231	(51,587)	-0.61%
Resident Salaries	866,555	895,705	(29,150)	-3.25%
Fringe Benefits	5,294,868	5,734,576	(439,708)	-7.67%
Maintenance and Operations	4,012,779	3,958,963	53,816	1.36%
Professional Liability Insurance	1,567,464	1,427,219	140,245	9.83%
Travel	440,307	306,507	133,800	43.65%
Official Functions	19,078	20,028	(950)	-4.74%
Total Operating Expenses Included in Monthly Financial Report	32,751,671	31,413,329	1,338,342	4.26%
Operating Income (Loss)	(1,308,568)	732,910	(2,041,478)	-278.54%
Investment Income	(218,786)	367,593	(586,379)	-159.52%
Adjusted Income (Loss)	(1,527,354)	1,100,503	(2,627,857)	-238.79%
Adjusted Income (Loss) • as a percentage	-4.89%	3.38%		
Transfers Out	(3,000)		(3,000)	-100.00%
Capital Outlay	(444,779)	(1,075,933)	631,154	58.66%
Change in Net Assets	(1,975,133)	24,570	(1,999,703)	-8138.80%
Net Assets -September 1 -As Previously Reported	45,932,815	43,424,899	2,507,916	5.78%
Net Assets -November 30	\$ 43,957,682	43,449,469	508,213	1.17%

The University of Texas Health Science Center at Houston
Physician Practice Plan Year-to-Date Summary of Operations'
For the Three Months Ending November 30,2002

	Cumulative Year-to-Date FY 2003	Cumulative Year-to-Date FY 2002 (Restated)	Increase/ (Decrease)	Percent Increase/ (Decrease)
Operating Revenues:				
Gross Charges	\$ 73,159,431			
Less:				
Un-sponsored Charity Care	24,888,838			
Contractual Adjustments	20,118,844			
Other Unreimbursed Medical Costs	1,828,986			
Bad Debt Expense	4,007,108			
Net Patient Revenues	<u>22,315,655</u>			
Contractual Revenues	12,354,767			
Other Operating Revenues	1,614,740			
Total Operating Revenues Included in Monthly Financial Report	<u>36,285,162</u>	<u>31,673,581</u>	<u>4,611,581</u>	<u>14.56%</u>
Operating Expenses:				
Faculty Salaries	15,453,194	13,473,369	1,979,825	14.69%
Staff Salaries	5,156,526	4,672,599	483,927	10.36%
Fringe Benefits	5,022,201	4,618,199	404,002	8.75%
Maintenance and Operations	4,373,854	3,471,240	902,614	26.00%
Professional Liability Insurance	790,493	613,783	176,710	28.79%
Travel	203,011	188,719	14,292	7.57%
Official Functions	239,361	160,534	78,827	49.10%
Other Operating Expenses	6,242,000	6,256,000	(14,000~)	-0.22%
Total Operating Expenses Included in Monthly Financial Report	<u>37,480,640</u>	<u>33,454,443</u>	<u>4,026,197</u>	<u>12.03%</u>
Operating Income (Loss)	(1,195,478)	(1,780,862)	585,384	32.87%
Investment Income	370,100	212,472	157,628	74.19%
Interest Expense on Debt Service	(1,064)	(5,979)	4,915	82.20%
Adjusted Income (Loss)	(826,442)	(1,574,369)	747,927	47.51%
Adjusted Income (Loss) - as a percentage	-2.25%	-4.94%		
Transfers Out	(406,315)	(156,599)	(249,716)	-159.46%
Capital Outlay	(157,126)	(238,306)	81,180	34.07%
Change in Net Assets	<u>(1,389,883)</u>	<u>(1,969,274)</u>	<u>579,391</u>	<u>29.42%</u>
Net Assets - September 1 - As Previously Reported	47,906,025	52,127,688	(4,221,663)	-8.10%
Restatements	(7,159,000)	(9,096,000)	1,937,000	21.30%
Net Assets -September 1 - As Restated	<u>40,747,025</u>	<u>43,031,688</u>	<u>(2,284,663)</u>	<u>-5.31%</u>
Net Assets -November 30	<u>\$ 39,357,142</u>	<u>41,062,414</u>	<u>(1,705,272)</u>	<u>-4.15%</u>

*Includes the operations of the non-profit healthcare corporation. FY 2002 was restated as appropriate.

**The University of Texas Health Science Center at San Antonio
Physician Practice Plan Year-to-Date Summary of Operations"
For the Three Months Ending November 30, 2002**

	Cumulative Yea-to-Date FY 2003	Cumulative Year-to-Date FY 2002	Increase/ (Decrease)	Percent Increase/ (Decrease)
Operating Revenues:				
Gross Charges	\$ 46,999,703	-	-	-
Less:				
Un-sponsored Charity Care	18,299,774	-	-	-
Contractual Adjustments	9,318,061	-	-	-
Other Unreimbursed Medical Costs	113,713	-	-	-
Bad Debt Expense	1,328,793	-	-	-
Net Patient Revenues	17,939,362			
Contractual Revenues	6,400,195			
Other Operating Revenues	3,240,302			
Total Operating Revenues Included in Monthly Financial Report	<u>27,579,859</u>	<u>24,665,908</u>	<u>2,913,951</u>	<u>11.81%</u>
Operating Expenses:				
Faculty Salaries	8,243,738	8,303,742	(60,004)	-0.72%
Staff Salaries	1,681,665	1,901,824	(220,159)	-11.58%
Fringe Benefits	5,049,168	4,923,517	125,651	2.55%
Maintenance and Operations	11,902,735	11,737,729	165,006	1.41%
Professional Liability Insurance	453,708	569,197	(115,489)	-20.29%
Travel	171,912	173,302	(1,390)	-0.80%
Official Functions	48,164	64,886	(16,722)	-25.77%
Total Operating Expenses Included in Monthly Financial Report	<u>27,551,090</u>	<u>27,674,197</u>	<u>(123,107)</u>	<u>-0.44%</u>
Operating Income (Loss)	28,769	(3,008,289)	3,037,058	100.96%
Investment Income	78,051	142,326	(64,275)	-45.16%
Adjusted Income (Loss)	106,820	(2,865,963)	2,972,783	103.73%
Adjusted Income (Loss) - as a percentage	0.39%	-11.55%		
Transfers In	32,478		32,478	100.00%
Transfers Out		19,023)	9,023	100.00%
Capital Outlay	(312,934)	(331,752)	18,818	5.67%
Change in Net Assets	(173,636)	(3,206,738)	3,033,102	94.59%
Net Assets - September 1 - As Previously Reported	<u>35,934,204</u>	<u>30,534,090</u>	<u>5,400,114</u>	<u>17.69%</u>
Net Assets-November 30	<u>\$ 35,760,568</u>	<u>27,327,352</u>	<u>8,433,216</u>	<u>30.86%</u>

*Includes the operations of the non-profit healthcare corporation.

The University of Texas Health Science Center at San Antonio
Dental Practice Plan Year-to-Date Summary of Operations
For the Three Months Ending November 30, 2002

	Cumulative Year-to-Date FY 2003	Cumulative Year-to-Date FY 2002	Increase/ (Decrease)	Percent Increase/ (Decrease)
Operating Revenues:				
Gross Charges	\$ 1,625,434			
Less:				
Un-sponsored Charity Care	14,213			
Contractual Adjustments	171,298			
Other Unreimbursed Medical Costs	50,829			
Bad Debt Expense	178,739			
Net Patient Revenues	<u>1,210,355</u>			
Contractual Revenues	262,250			
Total Operating Revenues Included in Monthly Financial Report	<u>1,472,605</u>	<u>1,430,811</u>	41,794	2.92%
Operating Expenses:				
Faculty Salaries	113,298	124,433	(11,135)	-8.95%
staff Salaries	370,781	337,678	33,103	9.80%
Fringe Benefits	249,297	234,720	14,577	6.21%
Maintenance and Operations	346,766	663,397	(316,631)	-47.73%
Professional Liability Insurance	22,991	53,978	(30,987)	-57.41%
Travel	36,576	39,475	(2,899)	-7.34%
Official Functions	5,721	2,899	2,822	97.34%
Total Operating Expenses Included in Monthly Financial Report	<u>1,145,430</u>	<u>1,456,580</u>	(311,150)	-21.36%
Operating Income (Loss)	327,175	(25,769)	352,944	1369.65%
Investment Income		21,798	(21,798)	-100.00%
Adjusted Income (Loss)	327,175	(3,971)	331,146	8339.11%
Adjusted Income (Loss) • as a percentage	22.22%	-0.27%		
Other Nonoperating Revenues (Expenses)		155	(155)	-100.00%
Income (Loss) Before Other Items	327,175	(3,816)	330,991	8,673.77%
Transfers In	640		640	100.00%
Capital Outlay	(47,784)	(42,000)	(5,784)	-13.77%
Change in Net Assets	280,031	(45,816)	325,847	711.21%
Net Assets -September 1 -As Previously Reported	<u>8,037,871</u>	<u>7,322,127</u>	715,744	9.78%
Net Assets • November 30	<u>\$ 8,317,902</u>	<u>7,276,311</u>	<u>1,041,591</u>	<u>14.31%</u>

The University of Texas M.D. Anderson Cancer Center
Physician Practice Plan Year-to-Date Summary of Operations
For the Three Months Ending November 30, 2002

	Cumulative Year-to-Date FY 2003	Cumulative Year-to-Date FY 2002	Increase/ (Decrease)	Percent Increase/ (Decrease)
Operating Revenues:				
Gross Charges	\$ 124,947,218			
Less:				
Un-sponsored Charity Care	9,263,983			
Contractual Adjustments	66,174,500			
Other Unreimbursed Medical Costs	1,972,292			
Bad Debt Expense	2,568,230			
Net Patient Revenues	44,968,213			
Other Operating Revenues	495,179			
Total Operating Revenues Included in Monthly Financial Report	45,463,392	38,755,309	6,708,083	17.31%
Operating Expenses:				
Faculty Salaries	15,792,604	14,718,044	1,074,560	7.30%
Staff Salaries	4,743,936	4,785,988	(42,052)	-0.88%
Fringe Benefits	14,453,062	13,063,859	1,389,203	10.63%
Maintenance and Operations	4,046,863	4,067,300	(20,437)	-0.50%
Professional Liability Insurance	828,132	669,146	158,986	23.76%
Travel	839,295	893,055	(53,760)	-6.02%
Official Functions	46,278	37,782	8,496	22.49%
Total Operating Expenses Included in Monthly Financial Report	40,750,170	38,235,174	2,514,996	6.58%
operating Income (Loss)	4,713,222	520,135	4,193,087	806.15%
Investment Income	805,174	867,111	(61,937)	-7.14%
Adjusted Income (Loss)	5,518,396	1,387,246	4,131,150	297.80%
Adjusted Income (Loss) • as a percentage	11.93%	3.50%		
Other Nonoperating Revenues (Expenses)	(1,078,172)	130,478	(1,208,650)	-926.32%
Income (Loss) Before Other Items	4,440,224	1,517,724	2,922,500	192.56%
Transfers out	(3,000,000)	(3,000,000)		0.00%
Capital Outlay	220,302		220,302	100.00%
Change in Net Assets	1,660,526	(1,482,276)	3,142,802	212.03%
Net Assets • September 1 • As Previously Reported	92,760,304	99,828,964	(7,068,660)	-7.08%
Net Assets - November 30	\$ 94,420,830	98,346,688	(3,925,858)	-3.99%

The University of Texas Health Center at Tyler
Physician Practice Plan Year-to-Date Summary of **Operations***
For the **Three Months Ending November 30, 2002**

	Cumulative Year-to-Date FY 2003	Cumulative Year-to-Date FY 2002 (Restated)	Increase/ (Decrease)	Percent Increase/ (Decrease)
Operating Revenues:				
Gross Charges	\$ 8,750,082			
Less:				
Un-sponsored Charity Care	668,963			
Contractual Adjustments	4,458,081			
Other Unreimbursed Medical Costs	175,379			
Bad Debt Expense	933,496			
Net Patient Revenues	2,514,163			
Contractual Revenues	163,754			
Other operating Revenues	98,349			
Total Operating Revenues Included in Monthly Financial Report	2,776,266	3,350,282	(574,016)	-17.13%
Operating Expenses:				
Faculty Salaries	1,953,565	2,249,680	(296,115)	-13.16%
Staff Salaries	507,897	697,198	(189,301)	-27.15%
Fringe Benefits	495,775	464,180	31,595	6.81%
Maintenance and Operations	178,495	363,270	(184,775)	-50.86%
Professional Liability Insurance	135,682	140,370	(4,688)	-3.34%
Travel	33,829	39,875	(6,046)	-15.16%
Total Operating Expenses Included in Monthly Financial Report	3,305,243	3,954,573	(649,330)	-16.42%
Operating Income (Loss)	(528,977)	(604,291)	75,314	12.46%
Investment Income	6,132	6,420	(288)	-4.49%
Adjusted Income (Loss)	(522,845)	(597,871)	75,026	12.55%
Adjusted Income (Loss) as a percentage	-18.79%	-17.81%		
Other Nonoperating Revenues (Expenses)	(14,261)		(14,261)	-100.00%
Income (Loss) Before Other Items	(537,106)	(597,871)	60,765	10.16%
Capital Outlay		(1,998)	1,998	100.00%
Change in Net Assets	(537,106)	(599,869)	62,763	10.46%
Net Assets - September 1 - As Previously Reported	(566,362)	365,369	(931,731)	-255.01%
Restatements		1,125,498	(1,125,498)	-100.00%
Net Assets -September 1 - As Restated	(566,362)	1,490,867	(2,057,229)	-137.99%
Net Assets-November 30	\$ (1,103,468)	890,998	(1,994,466)	-223.85%

*Includes the operations of the non-profit healthcare corporation. FY 2002 was restated as appropriate

THE UNIVERSITY OF TEXAS AT ARLINGTON
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 13, 2003

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THE UNIVERSITY OF TEXAS AT ARLINGTON
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CHANGES TO CRITERIA FOR THE AWARD OF SCHOLARSHIPS/FELLOWSHIPS

The following listing summarizes the changes proposed to criteria for the award of institutional scholarships or fellowships to be included in the Catalog of The University of Texas at Arlington. The following changes have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for ratification by the U. T. Board of Regents.

Summary of Changes to Criteria for the Award of Scholarships/Fellowships

Addition: President's Charter Scholarship

The President's Charter Scholarship is a new scholarship category for students scoring 1400 or higher on the SAT or 31 or higher on the ACT with a class rank in the top 10% or 3.5 cumulative high school grade point average (gpa). Scholarship amount is \$4,000.

Revision: Criteria and amounts for Outstanding Freshman award and Freshman Achievement award.

The Outstanding Freshman award adds a requirement of a 3.2 cumulative high school gpa.

The Freshman Achievement award adds a minimum test score requirement of 1050 for the SAT and 22 for the ACT. The award amount changes from \$1,000 to \$500.

THE UNIVERSITY OF TEXAS AT ARLINGTON
 U. T. BOARD OF REGENTS' MEETING
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AMENDMENTS TO THE 2002-03 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF ARCHITECTURE					
1. George T. Gintole (T)					019
From: Associate Professor and Director of Architecture Arts and Humanities		100 SUPLT	09 09	58,458 5,000	
To: Associate Professor	9/1-5/31	100	09	58,458	
2. Pat D. Taylor (T)					055
From: Associate Professor		100	09	63,252	
To: Associate Professor and Director of Landscape Architecture	9/1-5/31	100	09	63,252	
	9/1-5/31	SUPLT	02	1,112	
3. Martha E. Lagess (T)					030
From: Dean and Professor		100 0	12 09	118,450 88,838	
To: Professor	9/1-5/31	100	09	86,250	

THE UNIVERSITY OF TEXAS AT ARLINGTON
U. T. BOARD OF REGENTS' MEETING
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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF BUSINESS ADMINISTRATION					
Finance and Real Estate					
4. Vincent P. Apilado (T)					003
From: Professor and Chair		100	09	96,393	
		SUPLT	09	6,722	
To: Professor	9/1-5/31	100	09	96,393	
5. John Diltz (T)					015
From: Professor		100	09	111,555	
To: Professor and Chair	9/1-5/31	100	09	111,555	
	9/1-5/31	SUPLT	09	8,179	
SCHOOL OF EDUCATION					
Curriculum and Instruction					
6. R. J. Leffingwell (T)					032
From: Associate Professor and Chair		100	09	49,789	
		SUPLT	09	5,000	
To: Associate Professor	9/1-5/31	100	09	49,789	
7. Carol Sue Marshall (T)					035
From: Associate Professor		100	09	50,377	
To: Associate Professor and Assistant Dean	9/1- 5/31	0	09	50,377	
	9/1- 8/31	100	12	80,000	

THE UNIVERSITY OF TEXAS AT ARLINGTON
U. T. BOARD OF REGENTS' MEETING
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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF EDUCATION (Continued)					
Kinesiology					
8. Ruth A. Davis (T)					014
From: Associate Professor		100	09	49,200	
To: Associate Professor and Acting Chair	9/1-5/31 9/1-1/15	100 SUPLT	09 4.5	49,200 3,050	
9. Ada L. Fincher (T)					018, 021
From: Associate Professor		100 SUPLT	09 09	52,287 6,000	
To: Associate Professor, Acting Chair, and Academic Athletic Training Director	9/1-5/31 9/1-1/15	100 SUPLT	09 4.5	58,287 2,500	
COLLEGE OF ENGINEERING					
Electrical Engineering					
10. Saiun Tjvatja (T)					058
From: Associate Professor and Associate Chair		100 SUPLT	09 09	78,700 3,600	
To: Associate Professor	9/1-5/31	100	09	78,700	

THE UNIVERSITY OF TEXAS AT ARLINGTON
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 13, 2003

AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF ENGINEERING (Continued)					
Electrical Engineering (Continued)					
11. Kai S. Yeung (T)					029
From: Professor		100	09	74,500	
To: Professor and Associate Chair	9/1-5/31 9/1-5/31	100 SUPLT	09 09	74,500 3,600	
Mechanical and Aerospace					
12. Donald D. Seath (T)					050
From: Professor		100	09	76,800	
To: Professor and Associate Chair	9/1-5/31 9/1-5/31	100 SUPLT	09 09	76,800 3,600	
DEAN OF GRADUATE STUDY					
Office of the Dean					
College of Liberal Arts					
English					
13. Philip Cohen (T)					009
From: Professor and Dean		0 100	09 12	64,457 114,476	
To: Professor and Dean/Vice Provost	9/1-5/31 9/1-8/31	0 100	09 12	64,457 114,476	

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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF LIBERAL ARTS					
Sociology and Anthropology					
14. Joseph W. Bastien (T)					006
From: Professor		100	09	68,796	
To: Professor and Associate Chair	9/1-5/31 9/1-5/31	100 SUPLT	09 09	68,796 2,500	
Sociology and Anthropology Honors College					
15. Karl M. Petruso (T)					044
From: Associate Professor		100	09	60,526	
To: Associate Professor and Associate Dean	9/1-5/31 9/13-5/31	100 SUPLT	09 8.5	60,526 3,500	
Office of the Dean of Liberal Arts					
16. Deborah Reed-Danahay (T)					046
From: Associate Professor and Associate Chair		100 SUPLT	09 09	49,810 2,500	
To: Associate Professor and Associate Dean	9/1-5/31 9/1-8/31 9/1-8/31	0 100 SUPLT	09 12 12	49,810 66,414 8,000	

THE UNIVERSITY OF TEXAS AT ARLINGTON
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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF SCIENCE					
Biology					
17. John D. Bacon (T)					004
From: Professor and Chair		100 SUPLT	09 09	65,540 7,000	
To: Professor	9/1-8/31	100	09	66,540	
18. Jonathan A. Campbell (T)					008
From: Professor		100	09	83,415	
To: Professor and Acting Chair	9/1-5/31 9/1-5/31	100 SUPLT	09 09	83,415 7,000	
Chemistry					
Material Science					
19. Ronald L. Elsenbaumer (T)					017
From: Professor and Chair		100 SUPLT SUPLT	09 09 09	106,275 7,500 3,000	
To: Professor and Chair	9/1-5/31	100	09	106,275	
Interim Director of NanoFab Lab	9/1-5/31 9/1-5/31 9/1-8/31	SUPLT SUPLT SUPLT	09 09 12	7,500 3,000 12,000	

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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF SOCIAL WORK					
Office of the Dean					
20. Donald K. Granvold (T)					020
From: Professor		100	09	60,374	
To: Professor and	9/1-5/31	0	09	60,374	
Associate Dean	9/1-8/31	100	12	89,499	
SCHOOL OF URBAN AND PUBLIC AFFAIRS					
21. Rod Hissong (T)					024
From: Associate Professor		100	09	61,387	
To: Associate Professor and	9/1-5/31	100	09	61,387	
Associate Dean	9/1-8/31	SUPLT	12	9,000	
22. Delbert Taebel (T)					053
From: Professor and		100	09	74,024	
Associate Dean		SUPLT	12	7,500	
To: Professor	9/1-5/31	100	09	74,024	

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FEES AND MISCELLANEOUS CHARGES

Approval is recommended for the following new fees and miscellaneous charges for the 2003-04 academic year. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

COURSE SPECIFIC FEES AND CHARGES

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
ECED 4318	Early Childhood Ed Foundations	25
ECED 4687	Early Childhood-4 Residency	25
ECED 5318	EC Programs & Practices	25
EDML 4370	Social Studies & Diversity	25
EDML 4677	Mid Level Prep Residency	25
BEEP 4687	Early Childhood-4 Residency	25
EDUC 4347	Secondary Internship	25
EDUC 4647	Secondary Teacher Prep	25
EDUC 5300	Contemporary Concerns	25
EDAD 5389	Administrative Internship	25
HEED 3301	Applied Nutrition	15
HEED 4330	Sexuality Education	15
HEED 4340	Health Applications	15
KINE 1230	First Aid/CPR/ AED	50
KINE 2130	Clinical Practicum I	50
KINE 3130	Clinical Practicum II	25
KINE 3131	Clinical Practicum III	25
KINE 4130	Clinical Practicum IV	25
KINE 4131	Clinical Practicum V	25
CSE 4326	Software Design I	30
CSE 4327	Software Design II	30
EE 1245	Intro to EE	10
EE 1347	Computer Solutions	10
EE 3310	Microprocessors	10
EE 5313	Microprocessor Systems	20
EE 5331	Microwave Systems	20
EE 5332	Antenna System Analysis	20
EE 6375	Power System Distribution	20
NURS 3647	RN First Assist	250
NURS 5690	RN First Assist	250

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FEES AND MISCELLANEOUS CHARGES(Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

Course Number	Course Title	Proposed Fee \$
NURS 5433	Emergency Nurse Practitioner I	65
NURS 5434	Emergency Nurse Practitioner II	65
RT 3305	Early Christian/Byzantine	15
ART 4303	Roman Art	15
ART 4304	Etruscan Art	15
ADVT 2337	Intro to Advertising	5
ADVT 3304	Advertising Strategy	5
ADVT 3305	Advertising Media	5
ADVT 3306	Advertising Copywriting	5
ADVT 3307	Advertising Case Studies	5
ADVT 4301	Advertising Campaigns	5
ADVT 4393	Special Topics	5
BCM N 2347	Broadcast Writing	30
BCM N 1355	Broadcast Diction	30
BCM N 2360	Intro to Broadcasting	30
BCM N 3341	Public Affairs	30
BCM N 4319	Broadcast Promotion	30
BCM N 3357	Radio Production II	30
BCM N 4191	Media Workshop	30
BCM N 3358	Television Production II	30
BCM N 4350	Television Reporting II	30
BCM N 4391	Conference Course	30
BCM N 4393	Special Topics	30
JOUR 1345	Writing for Mass Media	5
JOUR 2346	Reporting	5
JOUR 3345	News Editing	5
JOUR 3346	Advanced Writing	5
JOUR 4326	Feature Writing	5
JOUR 4346	Public Affairs Reporting	5
JOUR 2340	Photojournalism I	5
JOUR 3341	Photojournalism II	5
JOUR 4341	Photojournalism III	5
SPCH 1301	Fundamentals of Speech	5

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FEEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

Course Number	Course Title	Proposed Fee \$
SPCH 2305	Business & Prof Comm	5
SPCH 3302	Prof & Tech Comm	5
SPCH 3320	Interview Principles	5
SPCH 4315	Business Presentations	5
SPCH 4322	Comm Training & Development	5
POLS 2311	Gov of the US	3
POLS 2312	State and Local Gov	3
SPCH 4315	Business Presentations	5
SPCH 4322	Comm Training & Development	5
THEA 4344	Advanced Design	50
BIOL 2300	Biostatics	15
BIOL 3301	Cell Physiology	15
BIOL 3315	Genetics	15
BIOL 3353	Pathogenic Bacteriology	15
BIOL 3444	General Microbiology	15
BIOL 3452	Vertebrate Anatomy	15
BIOL 4302	Microbial Genetics	15
BIOL 4313	Molecular Genetics	15
CHEM 1300	Intro Chem Principles	15
CHEM 1441	General Chemistry	15
CHEM 1442	General Chemistry	15
CHEM 1301	General Chemistry	15
CHEM 1302	General Chemistry	15
CHEM 2321	Organic Chemistry	15
CHEM 2322	Organic Chemistry	15
GEOL 5304	Geological Structures	15
PHYS 1402	Physics for Non-Specialists	17
PHYS 1402	Physics for Non-Specialists - Clinic	10
PHYS 2311	Physics for Non-Specialists	15
PHYS 2321	Physics for Non-Specialists	17
PHYS 3313	Physics for Non-Specialists	15
PSYC 3351	Practicum in Applied Behavior	15

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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>
COUNSELING AND ADVISING CHARGE College of Business Administration To defray costs of operating the Advising Center in the College of Business Administration.	\$12 per student/fall and spring semester \$ 6 per student/summer
PLOTTING FACILITY USE CHARGE School of Architecture To defray costs of supplies and materials needed for vector plotting and raster plotting projects in the Architecture plotting facility. This is a voluntary fee paid by students desiring to use plotting facilities.	\$30 per semester
MULTI-MEDIA CHARGE Department of Communication To defray costs of purchasing, replacement, maintenance and expendables for instructional multimedia equipment. Will be charged on all Department of Communication courses.	\$3/course

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FEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Approval is recommended for the following designated tuition rates to be effective beginning with the Fall Semester of 2003. The proposed rate increases have been the subject of discussion at a public forum as required by Section 55.16 of the Texas Education Code and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current</u> <u>Rates \$</u>	<u>Proposed</u> <u>Rates \$</u>	<u>Percent</u> <u>Increase</u>
<u>Per Semester Credit Hour</u>	44	46	5.0%

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FEEES AND MISCELLANEOUS CHARGES (Continued)

DIFFERENTIAL GRADUATE TUITION CHARGES

Approval is recommended for the following differential graduate tuition charges for the 2003-04 academic year. The charges have been the subject of discussion with representative students and has been administratively approved by the Executive Vice Chancellor for Academic Affairs. A portion of the increase will be used for financial assistance for students impacted by the increase.

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

Academic Program	Current Fee \$		Proposed Fee \$		Percent Increase	
	Resident	Nonresident	Resident	Nonresident	Resident	Nonresident
Per Semester Credit Hour All Programs	44	55	46	57	4.5%	3.6%

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FEES AND MISCELLANEOUS CHARGES (Continued)

TUITION CHARGES FOR STUDENTS WITH EXCESS HOURS

Approval is recommended for the following tuition charges to students enrolled with excess hours for the 2003-04 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>Percent Increase</u>
Certain resident doctoral students with in excess of 99 doctoral hours	\$350 per semester credit hour (nonresident tuition of \$262 plus \$44 graduate student differential plus \$44 designated) or \$88 per semester credit hour plus the nonresident rate set by the Coordinating Board	\$354 per semester credit hour (nonresident tuition of \$262 plus \$46 graduate student differential plus \$46 designated) or \$92 per semester credit hour plus the nonresident rate set by the Coordinating Board*	1.1%

* The base nonresident tuition rate is set annually by the Texas Higher Education Coordinating Board. If the base nonresident tuition rate changes from \$262, the total tuition rate will change accordingly. The total tuition rate will be the nonresident rate set by the Coordinating Board plus \$46 per hour graduate student differential plus \$46 per hour designated tuition.

NOTE: The Texas Higher Education Coordinating Board approved a base nonresident rate of \$282 on February 24, 2003.

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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 approval by the U. T. Board of Regents.

1. Donor Name: Mary H. Cain
College/School/ Department: Nursing School
Purpose: Complete a pledge to the Dolores V. Sands Chair in Nursing Research
Asset Type: Stock
Value: \$2,706,512.50

2. Donor Name: TRT Holdings, Inc.
College/School/ Department: Athletics
Purpose: Indoor Practice Facility construction and Erwin Center renovation
Asset Type: Cash
Value: \$1,000,000

3. Donor Name: Robert A. Welch Foundation
College/School/ Department: Natural Science
Purpose: New contribution to the existing Marvin K. Collie-Welch Chair in Chemistry (\$300,000) and the Robert A. Welch Chair in Science (\$500,000)
Asset Type: Cash
Value: \$800,000

THE UNIVERSITY OF TEXAS AT AUSTIN
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CONTRACTS

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

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Stokely-Van Camp, Inc.
Funds: \$1,400,000
Period: July 1, 2002 through June 30, 2007
Description: Stokely-Van Camp, Inc. becomes the official supplier of sports beverage/sports drink/thirst quencher/energy drink/sports nutritional products to U. T. Austin Men's and Women's Departments of Intercollegiate Athletics.

2. Agency: SEMATECH, Inc. d/b/a International SEMATECH
Funds: No new funds
Period: November 26, 2002 through January 31, 2008
Description: Amend the current lease regarding Permitted Uses as follows: The permitted uses to be allowed under the amendment include conducting research and development including related ancillary or supporting activities in the areas of semiconductor, microelectronics, computer technology, production research (including, without limitation, the productions and sale of "test wafers") and such additional areas of research and development that naturally derive from these basic purposes.

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AMENDMENTS TO THE 2002-03 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
INSTRUCTION					
RED McCOMBS SCHOOL OF BUSINESS					
Accounting					
1. Stephen T. Limberg (T)					023
From: Professor and Price Waterhouse		100	09	145,150	
Coopers Centennial		SUPLT	09	15,000	
Professorship in Accounting					
To: Professor, Price	9/1-5/31	100	09	145,150	
Waterhouse Coopers	9/1-5/31	SUPLT	09	15,000	
Centennial	9/1-5/31	SUPLT	09	12,000	
Professor in Accounting and Department Chair					

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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (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>	
RED McCOMBS SCHOOL OF BUSINESS (Continued)					
Finance					
2. Laura T. Starks (T)					024
From: Professor,		100	09	177,200	
Charles and Sarah M. Seay		SUPLT	09	18,000	
Regents Chair in Finance and		0	12	260,267	
Hicks, Muse, Tate & Furst					
Center for Private Equity					
Finance/Director					
To: Professor,	9/1-5/31	100	09	177,200	
Charles and Sarah M.	9/1-5/31	SUPLT	09	18,000	
Seay Regents Chair in	9/1-8/31	0	12	260,267	
Finance, Hicks, Muse,	9/1-8/31	SUPLT	12	12,000	
Tate & Furst Center for					
Private Equity, Finance/Director					
and Department Chair					
Management					
3. Alison Davis-Blake (T)					026
From: Professor and Eleanor T.		100	09	137,000	
Mosle Fellowship		SUPLT	09	5,500	
To: Professor, Eleanor T.	9/1-5/31	100	09	137,000	
Mosle Fellowship and	9/1-5/31	SUPLT	09	5,500	
Department Chair	9/1-5/31	SUPLT	09	12,000	

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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (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>	
RED McCOMBS SCHOOL OF BUSINESS (Continued)					
Management Science and Information Systems					
4. Anantaram Balakrishnan (T)					040
From: Professor		100	09	155,000	
To: Professor and Red	9/1-5/31	100	09	155,000	
McCombs Endowed Chair in Business No. 1	9/1-5/31	SUPLT	09	25,000	
5. Steven R. Salbu (T)					027
From: Professor,		50	09	121,950	
Associate Dean and		50	12	162,600	
Bobbie and Coulter R. Sublett Centennial Professorship		SUPLT	09	8,000	
To: Professor,	9/1-5/31	50	09	121,950	
Associate Dean,	9/1-8/31	50	12	162,600	
Bobbie and Coulter R.	9/1-5/31	SUPLT	09	8,000	
Sublett Centennial Professorship and Department Chair	9/1-8/31	SUPLT	12	12,000	

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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (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>
RED McCOMBS SCHOOL OF BUSINESS (Continued)					
Management Science and Information Systems (Continued)					
6. Thomas S. Shively (T)					028
From: Professor and Chevron Centennial Fellowship in Business #2		100 SUPLT	09 09	107,300 3,000	
To: Professor, Chevron Centennial Fellowship in Business #2, and Department Chair	9/1-5/31 9/1-5/31 9/1-8/31	100 SUPLT SUPLT	09 09 12	112,000 3,000 12,000	
Marketing					
7. Wayne D. Hoyer (T)					029
From: Professor, James L. Bayless/ W.S. Farish Fund Chair for Free Enterprise, Director of Center for Customer Insight	9/1-5/31 9/1-5/31 8/16-8/31	100 SUPLT 100	09 09 12	143,000 20,000 217,333	
To: Professor, James L. Bayless/ W.S. Farish Fund Chair for Free Enterprise, Director of Center for Customer Insight and Department Chair	9/1-5/31 9/1-5/31 8/16-8/31 9/1-8/31	100 SUPLT 100 SUPLT	09 09 12 12	143,000 20,000 217,333 12,000	

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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (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>	
RED McCOMBS SCHOOL OF BUSINESS (Continued)					
Marketing (Continued)					
8. Robert A. Peterson (T)					030
From: Professor,		100	09	139,185	
John T. Stuart III Centennial		SUPLT	09	24,500	
Chair in Business					
To: Professor,	9/1-5/31	75	09	139,185	
John T. Stuart III	9/1-5/31	SUPLT	09	24,500	
Centennial Chair in	9/1-8/31	25	12	185,580	
Business, Associate	9/1-8/31	SUPLT	12	12,000	
Dean for Research					
COLLEGE OF COMMUNICATION					
Journalism					
G.B. Dealey Regents Professor					
in Journalism and Professor					
9. Lorraine E. Branham (T)	9/1-5/31	100	09	97,000	043
	9/1-5/31	SUPLT	09	12,000	

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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (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 COMMUNICATION (Continued)					
Radio-TV-Film, Liberal Arts/Center for Asian Studies					
10. Nikhil Sinha (T)					033
From: Associate Professor		100	09	69,750	
To: Associate Professor	9/1-5/31	50	09	69,750	
and Associate Dean	9/1-5/31	50	12	93,000	
	6/1-8/31	100	12	93,000	
COLLEGE OF EDUCATION					
Curriculum & Instruction					
Associate Professor					
11. Sofia A. Villenas (T)	1/16-5/31	100	09	58,500	063
COLLEGE OF ENGINEERING					
Biomedical Engineering and Chemical Engineering					
Professor					
12. Nikolaos A. Peppas (T)	1/16-5/31	100	09	150,000	044
COLLEGE OF FINE ARTS					
Theatre and Dance					
13. Robert N. Schmidt (T)					055
From: Professor and		100	09	72,635	
E.W. Doty Fellow in Fine Arts		SUPLT	09	6,000	
To: Professor and	9/1-5/31	100	09	72,635	
Frank C. Erwin, Jr.	10/1-5/31	SUPLT	09	4,500	
Centennial					
Professor in Drama					

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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (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 LAW					
Ernest E. Smith Professor in Law					
14. Barbara J. Stapleton (T)	1/16-5/31	67	09	162,000	050
	1/16-5/31	SUPLT	09	8,000	
COLLEGE OF LIBERAL ARTS					
Classics					
15. Michael L. White (T)					041
From: Professor		100	09	98,015	
To: Professor and	9/1-5/31	100	09	98,015	
Ronald Nelson Smith	9/1-5/31	SUPLT	09	16,000	
Chair in Classics and					
Christian Origins and					
Louise Farmer Boyer					
Chair in Biblical Studies					
Economics					
Leroy G. Denman Jr. Regents					
Professor Emeritus in Economics					
16. Niles M. Hansen	9/1-5/31				051
Philosophy					
Professor Emeritus					
17. Louis M. Mackey	9/1-5/31				045

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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (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)					
Spanish and Portuguese					
18. Leopoldo M. Bernucci (T)					042
From: Professor		100	09	97,000	
To: Professor and Peter T. Flawn Centennial Professor in Spanish Language and Literature	9/1-5/31	100	09	97,000	

THE UNIVERSITY OF TEXAS AT AUSTIN
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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

TRANSFERS OF FUNDS

Description	\$ Amount	RBC #
DESIGNATED FUNDS		
19. Amount of Transfer:	\$ 693,000	057
From: Library Fee – Operating Income		
To: Library Materials Revolving Fund – Purchase of Library Materials		
Transfer 2001-02 balance forward income to the Library Materials expenditure account for purchase of library materials.		
PLANT FUNDS		
20. Amount of Transfer:	\$ 6,500,000	058
From: Renewals and Replacements Fund		
To: Renewals and Replacements Projects		
To transfer funding for 2002-03 maintenance projects.		
21. Amount of Transfer:	\$ 1,973,000	059
From: Vice President and Chief Financial Officer - Designated Tuition Holding		
To: Academic Space Improvements		
To transfer funding for 2002-03 Academic Space Remodeling projects.		

THE UNIVERSITY OF TEXAS AT AUSTIN
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FEES AND MISCELLANEOUS CHARGES

Ratification is recommended for the following new fees and miscellaneous charges for the 2003-04 academic year. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

SUPPLEMENTAL FEES

Course Number	Course Title	Proposed Fee \$
COLLEGE OF FINE ARTS		
MUS 420J	Jazz Junior Recital	50
MUS 460J	Jazz Junior Recital	50
PRF 212J	Lower-Division Music Performance Improvisation	50
PRF 412J	Lower-Division Music Performance Improvisation	50
PRF 412J	Lower-Division Music Performance Improvisation	50

COURSE SPECIFIC FEES AND CHARGES

RED McCOMBS SCHOOL OF BUSINESS

FIN 377	Advanced Portfolio Management and Investment Analysis Topic 2: Futures Markets	50
MIS 373	Topics in Management Information Systems Topic 17: Data Mining	40
MIS 382N	Topics in Information Impact Management Topic 9: Data Mining	40
MKT 460	Information and Analysis	25

COLLEGE OF COMMUNICATION

RTF 319	Introduction to Digital Media	50
RTF 333	Broadcast & Film Writing, Topic 1	120

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FEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
COLLEGE OF EDUCATION		
KIN 382	Conference-Laboratory Topic 7: Laboratory Techniques for Clinical Exercise Physiology	25
KIN 382	Conference-Laboratory Topic 8: Laboratory Techniques in Sport Sciences	25
COLLEGE OF ENGINEERING		
ARE 397	Design of Energy Efficient and Healthy Buildings	21
C E 397	Engineering Geology	30
C E 397	Special Studies In Civil Engineering Topic: Design of Energy Efficient and Healthy Buildings	21
COLLEGE OF FINE ARTS		
ARH 304	Issues in Visual Culture	15
ART 303K	Drawing Foundations	50
ART 303L	Time-Based Art Foundations	50
ART 304K	Two Dimensional Foundations	11
ART 304L	Three Dimensional Foundations	36
ART 354C	Computer Art Media Topic 1: Digital Photography	50
ART 361K	Advanced Figure Painting	50

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FEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
LIBERAL ARTS		
GRG 366C	Comparative Ecosystems	28
GRG 392	Seminar in Biodiversity Conservation	25
SCHOOL OF INFORMATION		
INF 382F	Materials for Young Adults	20
INF 388D	Planning and Management for Programs for Children and Young Adults	20
COLLEGE OF NATURAL SCIENCES		
C S 305J	Introduction to Computing	30
SCHOOL OF NURSING		
N 347	Specialized Topics in Nursing Topic 18: Disaster Nursing	13
COLLEGE OF PHARMACY		
PHR 281U	Case Studies in Diabetes Management	20
LBJ SCHOOL OF PUBLIC AFFAIRS		
P A 388D	Seminar of Topics in Public Policy	50
SCHOOL OF SOCIAL WORK		
S W 393U	Topics in Social Work with Specific Populations Topic 15: Social Work Practice in Mexican Culture	150

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FEBRUARY 13, 2003

FEES AND MISCELLANEOUS CHARGES (Continued)

**HOUSING RATES
(including Apartments, Dormitory Rooms, Residence Halls)**

Approval is recommended for the following housing, board and rental rates to be effective beginning with the Fall Semester 2003. 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			
Older Residence Halls	\$3,301	\$3,433	4.00%
San Jacinto Residence Hall	\$3,926	\$4,291	9.30%

The rate for single rooms will continue to be 1.6 times the double room rate, and the rate for double rooms rented as singles will continue to be two times the double rate.

There will continue to be a \$400 premium for a room with a connecting or private bath. The private accommodations warrant the higher rate.

Residential Freshman Interest Group Program (FIGs)

The rate for the Residential Freshman Interest Group facility will continue to be \$100 more than the rate for older residence halls because of the recent renovation of the facilities.

For each summer session

Summer session rates will continue to be based on the per diem rate for the long session and the number of days in the summer session, adjusted to meet market demand.

THE UNIVERSITY OF TEXAS AT AUSTIN
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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>			
Meal Plan	n/a	\$2,500	n/a
600 meals	\$2,667	not offered	n/a
500 meals	\$2,470	not offered	n/a
400 meals	\$2,328	not offered	n/a
330 meals	\$2,239	not offered	n/a

Meals are required as part of the contract for all residence halls. Beginning with the Fall 2003 semester, only one meal plan will be offered. The cost of the new meal plan is a \$4.00 decrease from an average of the four meal plans offered during 2002-03. The \$25.00 meal plan change fee will no longer be charged.

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.

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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> – Gateway and Brackenridge			
1 bedroom	438	440	0.45%
2 bedroom	505	508	0.59%
3 bedroom	645	651	0.93%

Per month – Colorado Apartments

1 bedroom	438	465	6.16%
2 bedroom	505	533	5.55%

All apartment rates include water; the residents are responsible for the electric bills in all units. Gateway is all electric. Residents of Brackenridge are responsible for natural gas. Colorado Apartments include natural gas.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>UNIVERSITY COOPERATIVES</u>			
<u>Monthly Rental Per Co-op</u>			
<u>Resident Paid to the University</u>			

Air conditioned double rooms	187	not offered	n/a
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U. T. Austin will no longer offer the University Cooperatives. Residents of the former co-op buildings will be students in the Residential Freshman Interest Group Program, with rates as noted on Page Austin - 16.

THE UNIVERSITY OF TEXAS AT AUSTIN
 U. T. BOARD OF REGENTS' MEETING
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FEES AND MISCELLANEOUS CHARGES (Continued)

PARKING PERMIT FEES

Approval is recommended for the following parking permit fees to be effective beginning with the Fall Semester 2003. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Annual fees:</u>			
<u>Student Permit Classifications</u>			
C Parking Permit	80.00	89.00	11.25%
M Parking Permit	40.00	50.00	25.00%
 <u>For spring semester</u>			
C Parking Permit	56.00	60.00	7.14%
M Parking Permit	32.00	34.00	6.25%
 <u>For summer session</u>			
C Parking Permit	21.00	23.00	9.52%
M Parking Permit	12.00	13.00	8.33%

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FEES AND MISCELLANEOUS CHARGES (Continued)

STUDENT SERVICES FEES

Approval is recommended for the following student services fees to be effective beginning with the Fall Semester 2003. 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	11.72	12.00	2.39%
Maximum	140.64	144.00	2.39%
Per Student (headcount fee)	9.04	9.60	6.19%
Total (12 or more semester credit hours)	149.68	153.60	2.62%
<u>For summer session</u>			
Per Semester Credit Hour	11.72	12.00	2.39%
Maximum	140.64	144.00	2.39%
Per Student (headcount fee)			
Six Week Session	4.52	4.80	6.19%
Nine Week Session	6.78	7.20	6.19%
Twelve Week Session	9.04	9.60	6.19%

Note: The headcount fee is prorated for the six and nine week summer sessions.

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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>
<u>For fall and spring semesters</u>			
Theatre and Dance Fee	15.00	30.00	100.00%
<u>For spring semester</u>			
Theatre and Dance Fee	7.50	15.00	100.00%

Note: The fees have not increased in 9 years.

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FEES AND MISCELLANEOUS CHARGES (Continued)

STUDENT UNION FEES

Approval is recommended for the following student union fees to be effective beginning with the Fall Semester of 2003. 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)	41.48	42.72	2.99%
Maximum	41.48	42.72	2.99%
<u>For summer session</u>			
Per student (headcount fee)			
Six Week	20.74	21.36	2.99%
Nine Week	31.11	32.04	2.99%
Twelve Week	41.48	42.72	2.99%

Note: The student union fee is prorated for the six and nine week summer sessions.

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FEES AND MISCELLANEOUS CHARGES (Continued)

MEDICAL SERVICES FEES

Approval is recommended for the following medical services fee increases to be effective beginning with the Fall Semester 2003. 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	61.92	62.48	0.90%
Maximum	61.92	62.48	0.90%
<u>For summer session</u>			
Per Student (headcount fee)			
Six-Week Session	30.96	31.24	0.90%
Nine-Week Session	46.44	46.86	0.90%
Twelve-Week Session	61.92	62.48	0.90%

Note: The medical services fee is prorated for the six and nine week summer sessions.

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FEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Approval is recommended for the following designated tuition rates to be effective beginning with the Fall Semester of 2003. The proposed rate increases have been the subject of discussion at a public forum as required by Section 55.16 of the Texas Education Code and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current</u> <u>Rates \$</u>	<u>Proposed</u> <u>Rates \$</u>	<u>Percent</u> <u>Increase</u>
<u>Per Semester Credit Hour</u>	44	46	4.5%

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FEES AND MISCELLANEOUS CHARGES (Continued)

DIFFERENTIAL GRADUATE TUITION CHARGES

Approval is recommended for the following differential graduate tuition charges for the 2003-04 academic year. The proposed rates have been the subject of discussion with representative students and have been administratively approved by the Executive Vice Chancellor for Academic Affairs. A portion of the increase will be used for financial assistance for students impacted by the increase.

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

Academic Program	Current Fee \$		Proposed Fee \$		Percent Increase	
	Resident	Nonresident	Resident	Nonresident	Resident	Nonresident
Per Semester Credit Hour						
All Programs (except those listed below)	44	44	46	46	4.5%	4.5%
College of Pharmacy (Professional Pharmacy)	88	306	92	308*	4.5%	0.7%
McCombs School of Business (MBA, MPA, PPA)	44	262	46	262*	4.5%	N/A
School of Law	160	250	160	300	N/A	20.0%

* The base nonresident tuition rate is set annually by the Texas Higher Education Coordinating Board. If the base nonresident tuition rate changes from \$262, the differential tuition rates will change accordingly to equal the base nonresident rate for Business and \$46 plus the base nonresident rate for Pharmacy.

NOTE: The Texas Higher Education Coordinating Board approved a base nonresident rate of \$282 on February 24, 2003.

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FEES AND MISCELLANEOUS CHARGES (Continued)

TUITION CHARGES FOR STUDENTS WITH EXCESS HOURS

Approval is recommended for the following tuition charges to students enrolled with excess hours for the 2003-04 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>Percent Increase</u>
Certain resident doctoral students with in excess of 99 doctoral hours	\$350 per semester credit hour (nonresident tuition of \$262 plus \$44 graduate student differential plus \$44 designated) or \$88 per semester credit hour plus the nonresident rate set by the Coordinating Board	\$354 per semester credit hour (nonresident tuition of \$262 plus \$46 graduate student differential plus \$46 designated) or \$92 per semester credit hour plus the nonresident rate set by the Coordinating Board*	1.1%

* The base nonresident tuition rate is set annually by the Texas Higher Education Coordinating Board. If the base nonresident tuition rate changes from \$262, the total tuition rate will change accordingly. The total tuition rate will be the nonresident rate set by the Coordinating Board plus \$46 per hour graduate student differential plus \$46 per hour designated tuition.

NOTE: The Texas Higher Education Coordinating Board approved a base nonresident rate of \$282 on February 24, 2003.

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AMENDMENTS TO THE 2002 - 03 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF BUSINESS, GRADUATE STUDIES					
Business Administration					
1. Charles Lackey (T)					6
From: Associate Professor		100	09	62,390	
To: Associate Professor	09/01-05/31	100	09	62,390	
Interim Dean for Graduate Studies	09/01-01/31	SUPLT	09	22,000	
SCHOOL OF EDUCATION					
School Specialties					
2. Peter B. Gawenda (T)					7
From: Professor		100	09	71,519	
To: Professor	09/01-08/31	100	09	71,519	
Special Assistant to the Provost	09/01-07/31	SUPLT	09	15,893	

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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF EDUCATION (Continued)					
School Specialties					
3. Olivia Rivas (T)					8
From: Associate Professor		100	09	74,607	
To: Special Assistant to the	09/01-12/31	100	09	74,607	
President and Associate Professor	01/01-05/31	100	09	74,607	

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FEES AND MISCELLANEOUS CHARGES

Ratification is recommended for the following new fees and miscellaneous charges for the 2003-04 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 2234	Printmaking II	45
ARTS 3326	Advanced Sculpture	95
MUSI 4211	Computer Applications in Music	20
MUSI 1188	Percussion Class I	8
MUSI 1188	Percussion Class II	8

COURSE SPECIFIC FEES AND CHARGES

ACNT 1229	Payroll & Business Tax Accounting	65
ACNT 1391	Special Topics of Accounting	65
ACNT 1403	Introduction to Accounting I	65
ACNT 1404	Introduction to Accounting II	65
ACNT 1411	Introduction to Computerized Accounting	65
ACNT 1413	Computerized Accounting Applications	65
ACNT 2366	Practicum-Accounting	65
BUSG 2317	Business Law/Commercial	65
BMGT 1301	Supervision	65
IBUS 1301	Principles of Imports-Exports I	65
IBUS 2331	International Human Resource Management	65
IBUS 2339	International Banking and Finance	65
IBUS 2341	International Comparative Management	65
IBUS 2345	Import Customs Regulations	65
IBUS 2366	Practicum – International Business	65
ITSW 1301	Introduction to Word Processing	65
ITSW 1304	Introduction to Spreadsheets	65
ITSW 1310	Presentation Media Software	65
ITSW 2331	Advanced Word Processing	65
POFI 2331	Desktop Publishing for the Office	65

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FEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
POFT 1192	Special Topics in Admin. Asst./Secretarial Science	65
POFT 1302	Business Communications I	65
POFT 1309	Administrative Office Procedures I	65
POFT 1313	Professional Development for Office Personnel	65
POFT 1319	Records and Information Management I	65
POFT 1329	Keyboarding & Document Formatting	65
POFT 1331	Introduction to Accounting II	65
POFT 1345	Shorthand/Notetaking I	65
POFT 2301	Document Formatting and Skillbuilding	65
POFT 2303	Speed and Accuracy Building	65
POFT 2312	Business Communications II	65
POFT 2321	Machine Transcription	65
POFT 2380	Coop Education-Administrative Asst/Sec. Science	65
POFT 2381	Coop Education-Administrative Asst/Sec. Science	65
MRKG 1311	Principles of Marketing	65
MRMT 1003	Medical Office Procedures	65
MRMT 1303	Medical Office Procedures	65
MRMT 1382	Coop. Education Medical Transcript	65
MRMT 1407	Medical Transcription Fundamental	65
MDCA 1000	Basic Medical Asst. Tech	65
MDCA 1002	Human Disease Y Pathophysiology	65
MDCA 1044	Electrocardiography	65
MDCA 1060	Clinicals	65
MDCA 1443	Medical Insurance	65
MDCA 2031	Advanced Medical Assistance Tech	65
POFM 1009	Medical Office Procedures	65
POFM 1017	Medical Administrative Procedures	65
POFM 1453	Medical Coding	65
SRGT 1301	Medical Terminology	65
LGLA 1303	Legal Research	40
LGLA 1305	Legal Writing	40

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FEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
LGLA 1313	Intro to Paralegal Studies	40
LGLA 1345	Civil Litigation	40
LGLA 1353	Wills, Trusts and Probate Administration	40
LGLA 1355	Family Law	40
LGLA 2303	Torts & Personal Injury Law	40
LGLA 2307	Law Office Management	40
LGLA 2333	Advanced Legal Document Preparation	40
LGLA 2380	Cooperative Education-Paralegal/Legal Asst	40
POFL 1305	Legal Terminology	40
POFL 2301	Legal Document Processing	40
RNSG 2213	Mental Health Nursing	17
RNSG 1251	Care of the Childbearing Family	17
RNSG 2201	Care of the Children and Family	17
RNSG 2307	Transition to Nursing Practice	59
RNSG 2414	Care of the Client with Complex Health Care Needs	30
RNSG 1247	Concepts Decision Making II	17
RNSG 1413	Foundations for Nursing Practicum	43
VNSG 1502	Applied Nursing Skills I	60

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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 changes 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>
COMPREHENSIVE EXAM FEE To defray costs of preparing and administering exam and compiling results	\$50 per exam
GRADUATE APPLICATION FEE To defray costs incurred in processing applications for graduate admissions	\$30
ORIENTATION STUDY SKILLS WORKSHOP FEE – LVN PROGRAM To defray costs of course materials and supplies	\$30
EDUCATION FEES: General Fee for Education Majors To defray costs of advising, recruitment and travel related to the teacher preparation programs	\$10
Alternative Certification Program Extension Fee To defray costs associated with managing student files and providing the necessary ExCET(Examination for the Certification of Educators in Texas)/TExES(Texas Examination of Educator Standards) Review sessions to prepare students for state required certification exams and final certification	\$500 per semester

THE UNIVERSITY OF TEXAS AT BROWNSVILLE
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FEEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Ratification is recommended for the following designated tuition rates to be effective beginning with the Fall Semester of 2003. The proposed rate increases have been the subject of discussion at a public forum as required by Section 55.16 of the Texas Education Code and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current</u> <u>Rates \$</u>	<u>Proposed</u> <u>Rates \$</u>	<u>Percent</u> <u>Increase</u>
<u>Per Semester Credit Hour</u>	25	27	8%

THE UNIVERSITY OF TEXAS AT BROWNSVILLE
 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 2003-04 academic year. The fee has been the subject of discussion with representative students and has been administratively approved by the Executive Vice Chancellor for Academic Affairs. A portion of the increase will be used for financial assistance for students impacted by the increase.

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

Academic Program	Current Fee \$		Proposed Fee \$		Percent Increase	
	Resident	Nonresident	Resident	Nonresident	Resident	Nonresident
Per Semester						
Credit Hour						
All Programs	58	274	60	276	3.5%	0.7%

THE UNIVERSITY OF TEXAS AT DALLAS
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AMENDMENTS TO THE 2002-03 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MANAGEMENT					
Associate Professor					
1. Christopher M. Kirby (T)	9/1-5/31	100	09	126,000	7
2. Srinivasan Raghunathan					9
From: Assistant Professor		100	09	113,400	
To: Associate Professor (T)	9/1-5/31	100	09	113,400	
SCHOOL OF SOCIAL SCIENCES					
3. Bobby C. Alexandar					6
From: Assistant Professor		100	09	62,000	
To: Associate Professor (T)	9/1-5/31	100	09	62,000	

THE UNIVERSITY OF TEXAS AT EL PASO
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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: Larry Durham – Durham Family Foundation
College/School/ Department Intercollegiate Athletics
Purpose: Construction of Athletic Facility
Asset Type: Cash
Value: \$1,000,000

THE UNIVERSITY OF TEXAS AT EL PASO
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AMENDMENTS TO THE 2002-03 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>% Mos.</u>	<u>No. Rate \$</u>	
COLLEGE OF BUSINESS ADMINISTRATION					
Accounting					
1. Frank A. Mayne (T)					005
From: Assistant Professor		100	09	55,600	
To: Associate Dean and Assistant Professor	9/1-8/31	50	12	77,840	
	9/1-5/31	50	09	55,600	
English, Theatre Arts, Women's Studies					
2. Mimi R. Gladstein (T)					012
From: Professor and Associate Dean in College of Liberal Arts		50	09	78,000	
		50	12	110,007	
To: Professor and Chair in Theatre Arts	9/1-5/31	50	09	78,000	
	9/1-5/31	SUPLT	09	2,000	
COLLEGE OF LIBERAL ARTS					
Music					
3. Lowell E. Graham (T)					011
From: Professor and Chair		100	09	72,000	
		SUPLT	09	2,000	
To: Professor, Chair and Abraham Chavez Jr. Professorship in Music	9/1-5/31	100	09	72,000	
	9/1-5/31	SUPLT	09	2,000	
	9/1-5/31	SUPLT	09	9,000	

THE UNIVERSITY OF TEXAS AT EL PASO
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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>% Mos.</u>	<u>No. Rate \$</u>	
COLLEGE OF LIBERAL ARTS (Continued)					
Psychology					
4. Lawrence D. Cohn (T)					015
From: Associate Professor		100	09	60,300	
To: Associate Professor and Chair	9/1-5/31 9/1-5/31	100 SUPLT	09 09	60,300 2,000	
Sociology and Anthropology					
Professor and Chair					
5. Josiah M. Heyman (T)	9/1-5/31 9/1-5/31	100 SUPLT	09 09	70,000 2,000	003
COLLEGE OF SCIENCE					
Mathematical Sciences					
6. Joe A. Guthrie (T)					006
From: Professor and Chair		100 SUPLT SUPLT	09 09 09	82,800 2,000 2,000	
To: Professor, Chair and Shigeko K. Chan Distinguished Professorship in Mathematical Sciences	9/1-5/31 9/1-5/31 9/1-5/31	100 SUPLT SUPLT	09 09 09	82,800 2,000 4,500	
SCHOOL OF ALLIED HEALTH					
Border Health Research					
7. Karen B. Schmaling (T)					016
From: Associate Dean for Research and Professor		66.67 33.33	12 09	113,705 84,460	
To: Associate Vice President for Academic Affairs and Professor	9/1-8/31 9/1-5/31	100 WOS	12 09	113,705 84,460	

THE UNIVERSITY OF TEXAS AT EL PASO
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OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

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

1. Item: Head Basketball Coach
Funds: \$145,000 annually
Period: November 1, 2002 through August 31, 2003
Description: Agreement for employment of Head Basketball Coach, Billy C. Gillispie, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

THE UNIVERSITY OF TEXAS AT EL PASO
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FEES AND MISCELLANEOUS CHARGES

Approval is recommended for the following new fees and miscellaneous charges for the 2003-04 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 5351	Introduction to Bioinformatics I	30
BIOL 5352	Introduction to Bioinformatics II	30
BIOL 5354	Post-genomic Analysis	30
BIOL 5355	Genomic Analysis and Assembly	30
CHEM 5341	Analysis and Modeling of Biological Structures	30

COURSE SPECIFIC FEES AND CHARGES

ARTG 1306	Computer Graphics	25
ARTG 2326	Graphic Design II	25
ARTG 3306	Graphic Design III	25
ARTG 3317	Graphic Design IV	25
ARTG 4306	Graphic Design V Special Problems	25
ARTG 4316	Graphic Design VI Portfolio Design	25
ARTG 4325	Illustration	25
MUSA 1137	Jazz Band	5
MUSA 1139	Wind Ensemble	5
MUSA 1143	Symphonic Band	5
MUSA 1150	Percussion Ensemble	5
MUSA 1162	Orchestra – Winds and Percussion	5
MUSA 1236	Jazz Ensemble	5
MUSA 1241	Marching Band	5
MUSA 1244	Symphonic Winds	5
MUSA 1261	Orchestra – Strings	5
MUSA 3137	Jazz Band	5
MUSA 3139	Wind Ensemble	5
MUSA 3143	Symphonic Band	5
MUSA 3150	Percussion Ensemble	5
MUSA 3162	Orchestra – Winds and Percussion	5

THE UNIVERSITY OF TEXAS AT EL PASO
 U. T. BOARD OF REGENTS' MEETING
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FEEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

Course Number	Course Title	Proposed Fee \$
MUSA 3236	Jazz Ensemble	5
MUSA 3241	Marching Band	5
MUSA 3244	Symphonic Winds	5
MUSA 3261	Orchestra – Strings	5
KIN 4201	PE for Elementary School Teachers	8
KIN 4312	Exercise Physiology	19
KIN 4313	Biomechanics	19
KIN 4330	Fitness Programs and Appraisal	10
ANTH 3347	Archeological Field Studies	50
ANTH 3647	Archeological Field Studies	50

OTHER FEES AND CHARGES

Name/ Description	Amount of Fee
LOST EQUIPMENT FINE/FEE To defray replacement costs of equipment loaned to students for extended off campus use and not returned	Depreciated value of lost article
QUICK TASP FEE The fee will be associated with developmental courses each semester, at the end of which the students will be administered the TASP (Texas Academic Skills Program)	\$50 per semester
TRANSLATION CERTIFICATION EXAM FEE To cover the cost of the test, associated materials, and administration of the tests	\$20

THE UNIVERSITY OF TEXAS AT EL PASO
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FEBRUARY 13, 2003

FEEES AND MISCELLANEOUS CHARGES (Continued)

OTHER FEES AND CHARGES (Continued)

<u>Name/ Description</u>	<u>Amount of Fee</u>
ACCELERATED MBA PROGRAMS GRADUATE SERVICE FEE To defray costs related to various expenses including student parking, refreshments, field trip expenses, certain course materials, speaker fees and, in certain cases, nominal facility fees associated with programs offered off campus in downtown El Paso, on evenings and weekends, and tailored to meet the needs of working professionals	\$40 per credit hour
COLLEGE OF BUSINESS GRADUATE MAJOR FEE To enhance and expand graduate support to include advising services, student orientation, career and placement services and publications	\$25 per semester

THE UNIVERSITY OF TEXAS AT EL PASO
 U. T. BOARD OF REGENTS' MEETING
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FEEES AND MISCELLANEOUS CHARGES (Continued)

PARKING PERMIT FEES

Approval is recommended for the following parking permit fees to be effective beginning with the Fall Semester 2003. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
Annual fees:			
<u>Student Permit Classifications</u>			
Student Perimeter (Class A-P)	25	40	60%
<u>Faculty/Staff Classifications</u>			
Faculty Inner (Class F-I)	50	100	100%
Faculty Perimeter (Class F-P)	35	50	43%
Staff Inner (Class S-I)	50	100	100%
Staff Perimeter (Class S-P)	35	50	43%
Reserved (Class R)	100	250	150%
Motorcycle (Class M)	10	12	20%
Temporary Inner (Temp Permits)	5	8	60%
Temporary Perimeter (Temp Permits)	3	5	67%
<u>Faculty/Staff/Student Replacement Decals</u>			
Replacement with Sticker	1	5	400%
Replacement without Sticker	5	6	20%

Note: Annual parking permit fees may be prorated for permits purchased for spring semester/summer sessions or summer sessions only.

THE UNIVERSITY OF TEXAS AT EL PASO
 U. T. BOARD OF REGENTS' MEETING
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FEEES AND MISCELLANEOUS CHARGES (Continued)

PARKING AND TRAFFIC ENFORCEMENT FEES

Approval is recommended for the following parking enforcement fees to be effective beginning with the Fall Semester 2003. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
Parallel parking in which one or both wheels on the curb side are more than eighteen inches away from the curb	5	10	100%
Vehicles not within the designated boundaries of the parking space	5	15	200%
Vehicles parked in a direction inconsistent with the flow of traffic	5	15	200%
Vehicles backed into a parking space adjacent to a sidewalk	5	15	200%
Displaying expired decal	5	15	200%
Expired parking meter	5	10	100%
Yellow/Fire Zone	10	40	300%
Parking permit not properly affixed to windshield	10	15	50%
Vehicle obstructing pedestrian or vehicular traffic (IMPOUND VIOLATION)	10	20	100%
Double or multiple parking	10	20	100%
Parking on any of the following areas: lawn, curb, disabled access area, ramp or curb-cut area, sidewalk, crosswalk, unauthorized or restricted area, and an area not specifically designated as a parking space (IMPOUND VIOLATION)	10	20	100%
Parking trailers or boats on campus	10	20	100%
Failure to display a current parking permit	10	25	150%

THE UNIVERSITY OF TEXAS AT EL PASO
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FEEES AND MISCELLANEOUS CHARGES (Continued)

PARKING AND TRAFFIC ENFORCEMENT FEES (Continued)

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
Unauthorized parking in reserved spaces (IMPOUND VIOLATION)	10	30	200%
Mutilating or improperly or fraudulently using a permit	25	30	20%
Willfully attempting to circumvent responsibility or transferring responsibility to another, after receiving a citation or violation; reuse of a citation by leaving citation on windshield; transferring citation to another vehicle	25	50	100%
Possession, counterfeiting, altering of parking permit and/or possession of lost or stolen permit	0	100	N/A
Late charge for violations (after 12 working days)	5	15	200%
Impound Violation for parking in disabled parking or use of a disabled permit placard and/or disabled plate without entitlement to the privileges (1 st Offense)	50	75	50%
Booting fee	0	50	N/A

THE UNIVERSITY OF TEXAS AT EL PASO
 U. T. BOARD OF REGENTS' MEETING
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FEEES AND MISCELLANEOUS CHARGES (Continued)

MEDICAL SERVICES FEE

Approval is recommended for the following medical services fee, authorized by Texas Education Code Section 54.50891, to be effective for the Summer Semester 2004. The fee has been the subject of appropriate student input and has been administratively approved by the Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate component catalog will be amended to reflect this new fee.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each summer session</u>			
Student Health Service Charge for students who are not registered during the summer, were registered during the prior spring semester, and want to use the Student Health Center during the summer	0	12	N/A

RECREATIONAL FACILITY FEE

Approval is recommended for the following recreational facility fee, authorized by Texas Education Code Section 54.541, to be effective for the Summer Semester 2004. The fee has been the subject of appropriate student input and has been administratively approved by the Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate component catalog will be amended to reflect this new fee.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each summer session</u>			
Recreational Facility Fee charge for students who are not registered during the summer, were registered during the prior spring semester, and want to use the recreational facilities during the summer	0	12	N/A

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

DESIGNATED TUITION

Approval is recommended for the following designated tuition rate to be effective beginning with the Fall Semester of 2003. The proposed rate increase has been the subject of discussion at a public forum as required by Section 55.16 of the Texas Education Code and has been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current</u> <u>Rates \$</u>	<u>Proposed</u> <u>Rates \$</u>	<u>Percent</u> <u>Increase</u>
<u>Per semester credit hour</u>	42	46	10%

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 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 13, 2003

AMENDMENTS TO THE 2002-03 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>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 AND ENGINEERING					
Dean and Professor					
1. Michael Eastman (T)	1/1- 8/31	100	12	120,000	001
	1/1- 8/31	0	09	87,000	
COLLEGE OF EDUCATION					
Department of Curriculum & Instruction					
2. Jose Ruiz-Escalante (T)					003
From: Professor		100	09	60,000	
To: Professor	9/1-5/31	100	09	60,000	
Department Chair	9/1-5/31	SUPLT	09	2,000	
3. John W. McBride (T)					004
From: Professor		100	09	76,373	
Department Chair		SUPLT	09	2,000	
To: Professor	9/1-5/31	100	09	76,373	

THE UNIVERSITY OF TEXAS – PAN AMERICAN
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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (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 (Continued)					
Department of Curriculum & Instruction (Continued)					
Professor					
4. David Edward Freeman (T)	9/1-5/31	100	09	65,000	010
COLLEGE OF BUSINESS ADMINISTRATION					
Department of Economics & Finance					
Associate Professor					
5. Marie Theresa Mora (T)	9/1-5/31	100	09	75,000	011

THE UNIVERSITY OF TEXAS – PAN AMERICAN
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 13, 2003

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>
OPTICAL MIXED-MEDIA FEE To defray the cost associated with producing CDs, DVDs, or other Optical Media used to supplement course instruction	\$10 per course
GRADUATE ADMISSION APPLICATION FEE To defray the cost associated with recruitment and retention at the graduate level and the processing of the application	\$35
LATE PAYMENT FEE To defray the cost associated with the processing of late tuition and fee payments	\$50
STUDY ABROAD & INTERNATIONAL EXCHANGE APPLICATION FEE To defray the cost of application process	\$125
STUDY ABROAD & INTERNATIONAL EXCHANGE PROGRAM FEE To cover the actual costs of the programs offered	Actual Cost

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
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THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 13, 2003

FEEES AND MISCELLANEOUS CHARGES

Approval is recommended for the following new fees and miscellaneous charges for the 2003-04 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 2370	Visual Communication I	15
BIOL 4389	Selected Topics: Field Biology	15
COMM2321	Visual Communication	15
ENSC 4395	Research in Environmental Issues	15
SPAN 1411	A Beginning Course in Spanish I	10
SPAN 1412	A Beginning Course in Spanish II	10

COURSE SPECIFIC FEES AND CHARGES

EDUC 6320	Advanced Problems in Reading	25
EDUC 6333	Clinical and Remedial Reading	25
KINE 1159	Lifeguarding	30
KINE 1301	Concepts in Health and Fitness	20

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
U. T. BOARD OF REGENTS' MEETING
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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>
ORIENTATION FEE	
To cover costs associated with providing new student orientation	
Freshman	\$35
Transfer	\$15

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
U. T. BOARD OF REGENTS' MEETING
FEBRUARY 13, 2003

FEEES AND MISCELLANEOUS CHARGES (Continued)

HOUSING RATES
(including Apartments, Dormitory Rooms, Residence Halls)

Approval is recommended for the following housing rates to be effective beginning with the Fall Semester 2003. The proposed 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</u> <u>Rates \$</u>	<u>Proposed</u> <u>Rates \$</u>	<u>Percent</u> <u>Increase</u>
Student Housing Deposit		75	100	33.3%
<u>For each regular semester</u>				
Falcon's Nest	(2 Bedroom)	995	1,055	6.0%
	(4 Bedroom)	1,150	1,263	9.8%
Manufactured Housing (Efficiency)		900	955	6.1%
	(1 Bedroom/unit)	1,520	1,610	5.9%
	(2 Bedroom/unit)	2,180	2,310	6.0%
	(3 Bedroom -			
	Single	0	1,145	N/A
	Shared Master)	0	980	N/A
<u>For summer session</u>				
Falcon's Nest	(2 Bedroom)	650	700	7.7%
	(4 Bedroom)	745	840	12.8%
Manufactured Housing (Efficiency)		590	635	7.6%
	(1 Bedroom)	1,000	1,070	7.0%
	(2 Bedroom)	1,400	1,540	10.0%
	(3 Bedroom -			
	Single	0	760	N/A
	Shared Master)	0	650	N/A

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
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FEEES AND MISCELLANEOUS CHARGES (Continued)

PARKING AND TRAFFIC ENFORCEMENT FEES

Ratification is recommended for the following enforcement fee increase to be effective beginning with the Summer Semester 2003. This increase has been administratively approved by the Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate component catalog will be amended to reflect this increase.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
Code 1007 Faculty/staff or student parked in a visitor parking area	10	35	250%

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
 U. T. BOARD OF REGENTS' MEETING
 FEBRUARY 13, 2003

FEEES AND MISCELLANEOUS CHARGES (Continued)

STUDENT SERVICES FEES

Approval is recommended for the following student services fee maximum to be effective beginning with the Fall Semester 2003. The statutory requirements for involvement of a student services fees committee have been met. The fee has been administratively approved by the Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate component catalog will be amended to reflect this fee maximum.

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	10.50	10.50	N/A
Maximum	150.00	250.00	66.7%

ATHLETIC FEE

Approval is recommended for the following fee increase to be effective beginning with the Fall Semester 2003. The increase has been administratively approved by the Executive Vice Chancellor for Academic Affairs. The proposed increase is consistent with applicable statutory requirements under Texas Education Code Section 54.5331 and statutory requirements for majority approval of the increase in a general student election will be met before the fee is imposed.

Following Regental approval, the appropriate component catalog will be amended to reflect this new fee.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each regular semester</u>			
Per Semester Credit Hour	5	7	40%

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FEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Approval is recommended for the following designated tuition rate to be effective beginning with the Fall Semester of 2003. The proposed rate increase has been the subject of discussion at a public forum as required by Section 55.16 of the Texas Education Code and has been administratively approved by the Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate component catalog will be amended to reflect this new rate.

	<u>Current</u> <u>Rates \$</u>	<u>Proposed</u> <u>Rates \$</u>	<u>Percent</u> <u>Increase</u>
<u>Per Semester Credit Hour</u>	36	40	11.1%

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CHANGES TO ADMISSION CRITERIA

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

Summary of Changes to the U. T. San Antonio Provisional Admission Program

The U.T. System General Provisional Admission Program Policy allows component institutions to enroll any Texas resident who has graduated from an accredited high school with the required curriculum prescribed by the institution to enroll in that component's Provisional Admission Program. Provisional students may enroll initially in the summer session or the spring semester following the student's graduation from high school provided the student has not previously enrolled in credit courses in any other institution of higher education following high school graduation. The U. T. System policy delineates specific criteria regarding coursework provisional students must take and grade point average they must maintain to then be admitted to the institution as a regular University student.

The University of Texas at San Antonio would like to amend its current policy on provisional admission to also admit students into the program in the fall semester. U. T. Arlington and U. T. El Paso have received previous Board of Regents Approval to admit students in the fall semester and have successful fall provisional programs.

Students admitted provisionally in the fall will be required to participate in U. T. San Antonio's Academic Development Program, a student success program that includes completion of courses required under the U.T. System Provisional Admission Program Policy, as well as a two hour elective credit college success seminar. All other criteria delineated in the U.T. System Provisional Admissions Policy are met by U. T. San Antonio's current Provisional Program and will also be in place for those admitted in the fall semester.

Rationale for Proposed Changes

As part of its commitment to the Texas Higher Education Coordinating Board's Closing the Gaps effort, U. T. San Antonio is focusing on multiple ways to increase access to higher education for Texas students. Many students who cannot now be admitted to college in the fall cannot afford to begin their college education in the summer and do not want to wait until the following spring. Thus, many of those students attend other institutions or do not go to college at all. Those students who do participate in

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CHANGES TO ADMISSION CRITERIA (Continued)

U. T. San Antonio's summer provisional program find that it is fast-paced because of the six week time period of the summer session; however, U. T. San Antonio does not feel that its students can afford economically to spend two summer sessions in this program. Starting in the fall semester would give students the same initial start time as other students, which would help them in fitting in to campus life, developing support systems and interacting with students in addition to those in the provisional program.

The retention rates of cohorts of students admitted provisionally to U. T. San Antonio who participate in the Academic Development Program are the same as or higher than those U. T. San Antonio students admitted through regular admission. It is anticipated that a fall provisional program at U. T. San Antonio would increase opportunities for Texans to participate successfully in a college experience.

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FEES AND MISCELLANEOUS CHARGES

Approval is recommended for the following new fees and miscellaneous charges for the 2003-04 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 4952	Special Studies: Molecular Biology	30
EE 4643	Digital Signal Processing	27
EE 4673	Data Communications & Networks	20
EE 4743	Embedded Control Systems	20
ES 4063	Global Positioning System Mapping	25
ES 4093	Remote Sensing	25
ES 4193	Field-Based Inquiry	15
ES 6013	Instructional Environment Methods	30
ES 6543	Internet Served GIS	20
GEO 3211	Intro to Rocks & Minerals	30
GEO 3331	Global Tectonism & Geo Proc	25
GEO 4193	Field-Based Inquiry	20
GEO 5304	Advanced Geomorphology	25
GEO 5504	Advanced Stratigraphy	30
GEO 5853	Mapping of Complex Geological	30
GEO 5894	Advanced Structural Geology	30
GEO 6304	Isotope Geology	30
GEO 6803	Electron Microscopy	30
PSY 3413	Experimental Psychology	30

COURSE SPECIFIC FEES AND CHARGES

MAT 1153	Essential Elements in Math I	30
MAT 1203	Calculus Concepts and Applications	30
MAT 3123	Fundamentals of Geometry	30
MAT 4013	Graphing Calculator Topics	30

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FEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES

Course Number	Course Title	Proposed Fee \$
MAT 4113	Computer Mathematical Topics	30
MAT 4123	History of Mathematics	30
MAT 5003	Modern Mathematics for Teachers	35
MAT 5013	Computers for Mathematics Teachers	35
MAT 5023	Problem Solving Seminar	35
MAT 5033	Foundations/Fundamental Concepts	35
MAT 5043	Euclidean & Non-Euclidean Geometry	35
MAT 5103	Introduction to Mathematical Analysis	35
MAT 6963	Topics in Mathematics Education	35

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
ADVISING CHARGE	
School of Architecture	\$50 per semester
To defray costs associated with providing academic advising services to sophomores, juniors, and seniors	
GRADUATE SERVICES CHARGE	
Department of Public Administration	\$50 per semester
To defray costs associated with services to graduate students including advising, recruitment, orientation and placement	\$25 per summer semester

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FEES AND MISCELLANEOUS CHARGES (Continued)

OTHER FEES AND CHARGES (Continued)

<u>Name/Description</u>	<u>Amount of Fee</u>
GRADUATE SERVICES CHARGE	
College of Sciences To defray costs associated with graduate advising, professional scientific meetings, and seminar programs	\$30 per semester credit hour
LEARNING RESOURCES FEE	
College of Sciences To defray costs associated with purchasing of materials to provide instructional support for students in the classroom laboratory and in small groups	\$5 per semester credit hour
MANIPULATIVES FEE	
Department of Science and Mathematics Education To defray costs associated with the purchase of science and mathematics manipulatives to be used in courses for pre-service and in-service mathematics and science teachers and to pay for an educational specialist technician for storing, handling, cataloging and replacing manipulatives	\$30 per undergraduate course \$35 per graduate course
PROFESSIONAL DEVELOPMENT CHARGE	
College of Business To defray costs associated with providing support for professional development programs benefiting undergraduate business students	\$35 per semester \$15 per summer semester

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FEES AND MISCELLANEOUS CHARGES (Continued)

OTHER FEES AND CHARGES (Continued)

<u>Name/Description</u>	<u>Amount of Fee</u>
TEACHING AND LEARNING CENTER SUPPORT CHARGE To defray costs associated with support of center operations and learning needs of students	\$5 per student
TECHNOLOGY SERVICES AND INSTRUCTIONAL SUPPORT CHARGE College of Sciences To defray costs associated with technical support for Web design and maintenance and support for academic reporting and distance learning	\$2 per semester credit hour
TESTING CHARGE - CORRESPONDENCE COURSES To defray costs associated with administering, grading and submitting exams and scores for students enrolled in non-UTSA correspondence courses	\$10 per UTSA student \$20 per non-student

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FEES AND MISCELLANEOUS CHARGES (Continued)

PARKING PERMIT FEES

Ratification is recommended for the following parking permit fees and enforcement fees to be effective beginning with the Fall Semester 2003. The fees have been administratively approved by Executive Vice Chancellor for Academic Affairs.

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

Parking Permit Fees (Annual)

<u>Student Permit Classifications</u>	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
Garage/Fall & Spring	240	260	8.3%
Garage/Spring	120	130	8.3%
Garage/Summer	120	130	8.3%
General/Fall & Spring	57	61	7%
General/Spring	29	31	6.9%
General/Summer	24	26	8.3%
Disabled/Fall & Spring	57	0	N/A
Disabled/Spring	29	0	N/A
Disabled/Summer	24	0	N/A
Motorcycle, Motor Scooter, Motor Bike, Moped/Fall & Spring	24	26	8.3%
Motorcycle, Motor Scooter, Motor Bike, Moped/Spring	12	13	8.3%
Motorcycle, Motor Scooter, Motor Bike, Moped/Summer	9	10	11%
 <u>Faculty/Staff Classifications</u>			
Garage -Business	396	432	9.1%
Garage-Faculty/Staff	360	390	8.3%
Reserved	288	312	8.3%
Faculty/Staff A	162	174	7.4%
Faculty/Staff B	81	87	7.4%

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FEES AND MISCELLANEOUS CHARGES (Continued)

PARKING PERMIT FEES (Continued)

<u>Faculty/Staff Classifications</u>	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
Disabled	81	0	N/A
Motorcycle, Motor Scooter, Motor Bike, Moped	33	36	9.1%
<u>Alumni</u>	14	16	14.3%
<u>Non-benefited Temporary Faculty and Staff Employees, Vendors, Salespersons, Technical Representatives, Other Servicing Personnel, and Persons Regularly Using University Facilities</u>	33	37	12.1%

NOTE: Annual parking permit fees may be prorated for permits purchased for spring semester/summer session or for summer session only and refunds may be made for fall semester enrollment/employment only.

PARKING AND TRAFFIC ENFORCEMENT FEES

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
Code 1000 (Moving Traffic Violations)			
Code 1023 – Exceeding posted speed limit by 15 or more miles per hour	50	90	80%

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FEEES AND MISCELLANEOUS CHARGES (Continued)

STUDENT SERVICES FEES

Approval is recommended for the following student services fees to be effective beginning with the Fall Semester 2003. 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</u> <u>Rates \$</u>	<u>Proposed</u> <u>Rates \$</u>	<u>Percent</u> <u>Increase</u>
<u>For each regular or summer semester</u>			
Per Semester Credit Hour	17	18.70	10%
Maximum	180	198.00	10%

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FEES AND MISCELLANEOUS CHARGES (Continued)

UNIVERSITY CENTER FEE

Approval is recommended for the following University Center fee to be effective beginning with the Fall Semester of 2003. The fee increase has been administratively approved by the Executive Vice Chancellor for Academic Affairs. The proposed rates are consistent with applicable statutory requirements under Texas Education Code Section 54.532.

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 or summer semester</u>			
Per Semester Credit Hour	4	4.40	10%
Maximum	48	52.80	10%

RECREATION CENTER FEE

Approval is recommended for the following recreational facility fee to be effective beginning with the Fall Semester 2003. The fee increase has been administratively approved by the Executive Vice Chancellor for Academic Affairs. The proposed rates are consistent with applicable statutory requirements under Texas Education Code Section 54.543.

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 or summer semester</u>			
Per Semester Credit Hour	5	9	80%
Maximum	30	54	80%

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FEES AND MISCELLANEOUS CHARGES (Continued)

MEDICAL SERVICES FEE

Approval is recommended for the following medical services fee increases to be effective beginning with the Fall Semester 2003. The fee increases have been the subject of appropriate student input and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each regular semester</u>			
Per Student	18	19.50	8.3%
<u>For summer session</u>			
Five-Week Session: Per Student	9	9.75	8.3 %
Ten-Week Session: Per Student	18	19.50	8.3%

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FEEES AND MISCELLANEOUS CHARGES (Continued)

ATHLETIC FEE

Approval is recommended for the following new fee to be effective beginning with the Fall Semester 2003. Any statutory requirements for involvement of a student services fees committee will be met. The fee has been administratively approved by the Executive Vice Chancellor for Academic Affairs. The fee will become effective only if it is authorized by the 78th Texas Legislature.

Following Regental approval, the appropriate component catalog will be amended to reflect this new fee.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>For each regular semester</u>			
Per Semester Credit Hour	0	7	N/A
Maximum	0	84	N/A
<u>For summer session</u>			
Per Semester Credit Hour	0	7	N/A
Maximum for 10 week session	0	84	N/A
Maximum for 5 week session	0	42	N/A

TRANSPORTATION FEE

Approval is recommended for the following new fee to be effective beginning with the Fall Semester 2003. Any statutory requirements for involvement of a student services fees committee will be met. The fee has been administratively approved by the Executive Vice Chancellor for Academic Affairs. The fee will become effective only if it is authorized by the 78th Texas Legislature.

Following Regental approval, the appropriate component catalog will be amended to reflect this new fee.

<u>Name/Description</u>	<u>Amount of Fee</u>
TRANSPORTATION FEE	\$15.00 per semester
To support and expand the shuttle service on campus and add limited shuttle service off campus	\$ 7.50 per summer semester

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FEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Approval is recommended for the following designated tuition rates to be effective beginning with the Fall Semester of 2003. The proposed rate increases have been the subject of discussion at a public forum as required by Section 55.16 of the Texas Education Code and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Per Semester Credit Hour</u>	44	46	4.5%

DIFFERENTIAL GRADUATE TUITION CHARGES

Approval is recommended for the following differential graduate tuition charges for the 2003-04 academic year. The fee has been the subject of discussion with representative students and has been administratively approved by the Executive Vice Chancellor for Academic Affairs. A portion of the increase will be used for financial assistance for students impacted by the increase.

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

<u>Academic Program</u>	<u>Current Fee \$</u>		<u>Proposed Fee \$</u>		<u>Percent Increase</u>	
	<u>Resident</u>	<u>Nonresident</u>	<u>Resident</u>	<u>Nonresident</u>	<u>Resident</u>	<u>Nonresident</u>
All Programs	44	44	46	262	4.5%	495.5%
College of Business	44	94	N/A	N/A	N/A	N/A

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GIFTS

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

1. Donor Name: Dr. Ben R. Fisch
College/School/
Department: Department of Health and Kinesiology
Purpose: Maytee Fisch Convocation Center
Asset Type: Common Stock
\$1,563,463.08

2. Donor Name: Anonymous
College/School/
Department: Department of Health and Kinesiology
Purpose: Patriot Center
Asset Type: Cash
\$1,384,441.32

THE UNIVERSITY OF TEXAS AT TYLER
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FEES AND MISCELLANEOUS CHARGES

Ratification is recommended for the following new fees and miscellaneous charges for the 2003-04 academic year. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

LABORATORY FEES

Course Number	Course Title	Proposed Fee \$
BIOL 4131	Herpetology Laboratory	10.00
ENGR 5350	Engineering Project	5.00
MENG 3219	Introduction To Manufacturing	5.00

COURSE SPECIFIC FEES AND CHARGES

ACCT 4199	Independent Study	15.00
ACCT 4299	Independent Study	15.00
ACCT 4370	Special Topics In Accounting	15.00
ACCT 4399	Independent Study	15.00
ACCT 4499	Independent Study	15.00
ACCT 4599	Independent Study	15.00
ACCT 4699	Independent Study	15.00
ACCT 5199	Independent Study	25.00
ACCT 5299	Independent Study	25.00
ACCT 5399	Independent Study	25.00
ACCT 5499	Independent Study	25.00
ACCT 5599	Independent Study	25.00
ACCT 5699	Independent Study	25.00
ART 5315	Graduate Studio Problems In Small Metals	30.00
ART 5316	Graduate Studio Problems In Intermedia	20.00
ART 5320	Graduate Figure Drawing & Modeling	30.00
ART 5326	Arts Management & Marketing	10.00
ART 5336	Aesthetics & Criticism	10.00
ART 5394	Contemporary Issues	15.00
ART 5397	Graduate Exhibition	30.00
BIOL 4131	Herpetology Lab	10.00
BIOL 4330	Herpetology	10.00
BIOL 5156	Immunology Lab	10.00
BIOL 5192	Experimental Methods	10.00
BIOL 5394	Biological Research	10.00

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FEEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

Course Number	Course Title	Proposed Fee \$
CRIJ 2300	Criminal Justice System	5.00
CRIJ 5309	Seminar In Criminal Justice Administration	5.00
ECON 2305	Comparative Economic Systems	5.00
EDFB 3348	Curriculum In Early Childhood	5.00
EDUC 5115	Practicum In Classroom Teaching	5.00
ENGL 2310	Literary Appreciation	5.00
ENGL 2350	American Literature Survey	5.00
ENGL 2362	World Literature Through The Renaissance	5.00
ENGL 2363	World Literature Since The Renaissance	5.00
ENGL 3301	Advanced Writing	5.00
ENGL 3308	Writing Literature Analysis & Interpretation	5.00
ENGL 3314	Creative Writing	5.00
ENGL 3332	Adolescent Literature (Grades 4-8)	5.00
ENGL 4360	Studies In World Literature	5.00
ENGR 4325	Digital Control Of Mechanical Systems	10.00
ENGR 5306	Modern Control Systems Design	10.00
ENGR 5315	Advanced Thermal/Fluid Systems	10.00
ENGR 5350	Engineering Project	5.00
FINA 4170	Special Topics	15.00
FINA 4199	Independent Study	15.00
FINA 4299	Independent Study	15.00
FINA 4399	Independent Study	15.00
FINA 4499	Independent Study	15.00
FINA 4599	Independent Study	15.00
FINA 4699	Independent Study	15.00
FINA 5199	Independent Study	25.00
FINA 5299	Independent Study	25.00
FINA 5399	Independent Study	25.00
FINA 5499	Independent Study	25.00
FINA 5599	Independent Study	25.00
FINA 5699	Independent Study	25.00
GEOG 1313	World Regional Geography	5.00

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FEEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

Course Number	Course Title	Proposed Fee \$
GERM 1401	Elementary German I	5.00
GERM 1402	Elementary German II	5.00
JOUR 3355	Writing For Public Relations	5.00
LATN 1301	Beginning Latin I	5.00
LATN 1302	Beginning Latin II	5.00
LATN 2301	Intermediate Latin I	5.00
LATN 2302	Intermediate Latin II	5.00
MANA 4199	Independent Study	15.00
MANA 4299	Independent Study	15.00
MANA 4399	Independent Study	15.00
MANA 4499	Independent Study	15.00
MANA 4599	Independent Study	15.00
MANA 4699	Independent Study	15.00
MANA 5199	Independent Study	25.00
MANA 5299	Independent Study	25.00
MANA 5399	Independent Study	25.00
MANA 5499	Independent Study	25.00
MANA 5599	Independent Study	25.00
MANA 5699	Independent Study	25.00
MARK 4199	Independent Study	15.00
MARK 4299	Independent Study	15.00
MARK 4399	Independent Study	15.00
MARK 4499	Independent Study	15.00
MARK 4599	Independent Study	15.00
MARK 4699	Independent Study	15.00
MARK 5199	Independent Study	25.00
MARK 5299	Independent Study	25.00
MARK 5399	Independent Study	25.00
MARK 5499	Independent Study	25.00
MARK 5599	Independent Study	25.00
MARK 5699	Independent Study	25.00
MATH 1316	Trigonometry	10.00
MATH 1325	Math For Business & Economics II	10.00
MATH 1340	Statistical Methods In Research	10.00
MATH 1342	Statistics	10.00

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FEEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

Course Number	Course Title	Proposed Fee \$
MATH 1350	Concepts Of Modern Math I	10.00
MATH 1351	Concepts Of Modern Math II	10.00
MATH 3365	Geometric Systems	10.00
MENG 3219	Introduction To Manufacturing	15.00
MENG 4115	Senior Design I	10.00
MENG 4325	Digital Control Of Mechanical Systems	5.00
MENG 4326	Finite Element Methods In Mechanical Engineering	5.00
MENG 4327	Introduction To Turbomachinery	5.00
MUAP 1101	Violin	37.50
MUAP 1105	Viola	37.50
MUAP 1109	Violoncello	37.50
MUAP 1113	Contrabass	37.50
MUAP 1121	Oboe	37.50
MUAP 1126	Bassoon	37.50
MUAP 1129	Clarinet	37.50
MUAP 1133	Saxophone	37.50
MUAP 1137	Trumpet	37.50
MUAP 1141	French Horn	37.50
MUAP 1146	Trombone	37.50
MUAP 1150	Euphonium	37.50
MUAP 1153	Tuba	37.50
MUAP 1157	Percussion	37.50
MUAP 1161	Guitar	37.50
MUAP 1166	Organ	37.50
MUAP 1169	Piano	37.50
MUAP 1170	Harpsichord	37.50
MUAP 1181	Voice	37.50
MUAP 1201	Violin	75.00
MUAP 1205	Viola	75.00
MUAP 1209	Violoncello	75.00
MUAP 1213	Contrabass	75.00
MUAP 1220	Flute	75.00
MUAP 1221	Oboe	75.00
MUAP 1226	Bassoon	75.00

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FEEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

Course Number	Course Title	Proposed Fee \$
MUAP 1229	Clarinet	75.00
MUAP 1233	Saxophone	75.00
MUAP 1237	Trumpet	75.00
MUAP 1241	French Horn	75.00
MUAP 1246	Trombone	75.00
MUAP 1250	Euphonium	75.00
MUAP 1253	Tuba	75.00
MUAP 1257	Percussion	75.00
MUAP 1261	Guitar	75.00
MUAP 1266	Organ	75.00
MUAP 1269	Piano	75.00
MUAP 1270	Harpsichord	75.00
MUAP 1272	Group Piano	75.00
MUAP 1277	Harp	75.00
MUAP 1281	Voice	75.00
MUAP 1282	Class Voice	75.00
MUAP 1287	Composition	75.00
MUAP 2101	Violin	37.50
MUAP 2105	Viola	37.50
MUAP 2109	Violoncello	37.50
MUAP 2113	Contrabass	37.50
MUAP 2120	Flute	37.50
MUAP 2121	Oboe	37.50
MUAP 2126	Bassoon	37.50
MUAP 2129	Clarinet	37.50
MUAP 2133	Saxophone	37.50
MUAP 2137	Trumpet	37.50
MUAP 2141	French Horn	37.50
MUAP2146	Trombone	37.50
MUAP 2150	Euphonium	37.50
MUAP 2153	Tuba	37.50
MUAP 2157	Percussion	37.50
MUAP 2161	Guitar	37.50
MUAP 2166	Organ	37.50
MUAP 2169	Piano	37.50

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FEEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
MUAP 2170	Harpsichord	37.50
MUAP 2181	Voice	37.50
MUAP 2201	Violin	75.00
MUAP 2209	Violoncello	75.00
MUAP 2213	Contrabass	75.00
MUAP 2220	Flute	75.00
MUAP 2221	Oboe	75.00
MUAP 2226	Bassoon	75.00
MUAP 2229	Clarinet	75.00
MUAP 2233	Saxophone	75.00
MUAP 2237	Trumpet	75.00
MUAP 2241	French Horn	75.00
MUAP 2246	Trombone	75.00
MUAP 2250	Euphonium	75.00
MUAP 2253	Tuba	75.00
MUAP 2257	Percussion	75.00
MUAP 2261	Guitar	75.00
MUAP 2266	Organ	75.00
MUAP 2269	Piano	75.00
MUAP 2272	Class Piano	75.00
MUAP 2281	Voice	75.00
MUAP 3201	Violin	75.00
MUAP 3205	Viola	75.00
MUAP 3209	Violoncello	75.00
MUAP 3213	Contrabass	75.00
MUAP 3220	Flute	75.00
MUAP 3221	Oboe	75.00
MUAP 3226	Bassoon	75.00
MUAP 3229	Clarinet	75.00
MUAP 3233	Saxophone	75.00
MUAP 3237	Trumpet	75.00
MUAP 3241	French Horn	75.00
MUAP 3246	Trombone	75.00
MUAP 3250	Euphonium	75.00
MUAP 3253	Tuba	75.00

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FEEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
MUAP 3257	Percussion	75.00
MUAP 3261	Guitar	75.00
MUAP 3266	Organ	75.00
MUAP3269	Piano	75.00
MUAP 3270	Harpsichord	75.00
MUAP 3272	Class Piano	75.00
MUAP 3277	Harp	75.00
MUAP 3281	Voice	75.00
MUAP 3282	Class Voice	75.00
MUAP 3287	Composition	75.00
MUAP 3301	Violin	75.00
MUAP 3305	Viola	75.00
MUAP 3309	Violoncello	75.00
MUAP 3313	Contrabass	75.00
MUAP 3320	Flute	75.00
MUAP 3321	Oboe	75.00
MUAP 3326	Bassoon	75.00
MUAP 3329	Clarinet	75.00
MUAP 3333	Saxophone	75.00
MUAP 3337	Trumpet	75.00
MUAP 3341	French Horn	75.00
MUAP 3346	Trombone	75.00
MUAP 3350	Euphonium	75.00
MUAP 3353	Tuba	75.00
MUAP 3357	Percussion	75.00
MUAP 3361	Guitar	75.00
MUAP 3366	Organ	75.00
MUAP 3369	Piano	75.00
MUAP 3370	Harpsichord	75.00
MUAP 3381	Voice	75.00
MUAP 3387	Composition	75.00
MUAP 4201	Violin	75.00
MUAP 4205	Viola	75.00
MUAP 4209	Violoncello	75.00
MUAP 4213	Contrabass	75.00

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FEEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
MUAP 4220	Flute	75.00
MUAP 4221	Oboe	75.00
MUAP 4226	Bassoon	75.00
MUAP 4229	Clarinet	75.00
MUAP 4233	Saxophone	75.00
MUAP 4237	Trumpet	75.00
MUAP 4241	French Horn	75.00
MUAP 4246	Trombone	75.00
MUAP 4250	Euphonium	75.00
MUAP 4253	Tuba	75.00
MUAP 4257	Percussion	75.00
MUAP 4261	Guitar	75.00
MUAP 4266	Organ	75.00
MUAP 4269	Piano	75.00
MUAP 4270	Harpsichord	75.00
MUAP 4272	Class Piano	75.00
MUAP 4281	Voice	75.00
MUAP 4287	Composition	75.00
MUAP 4301	Violin	75.00
MUAP 4305	Viola	75.00
MUAP 4309	Violoncello	75.00
MUAP 4313	Contrabass	75.00
MUAP 4320	Flute	75.00
MUAP 4321	Oboe	75.00
MUAP 4326	Bassoon	75.00
MUAP 4329	Clarinet	75.00
MUAP 4333	Saxophone	75.00
MUAP 4337	Trumpet	75.00
MUAP 4341	French Horn	75.00
MUAP 4346	Trombone	75.00
MUAP 4350	Euphonium	75.00
MUAP 4353	Tuba	75.00
MUAP 4357	Percussion	75.00
MUAP 4361	Guitar	75.00
MUAP 4366	Organ	75.00

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FEEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
MUAP 4369	Piano	75.00
MUAP 4370	Harpsichord	75.00
MUAP 4381	Voice	75.00
MUAP 4387	Composition	75.00
MUAP 5201	Violin	75.00
MUAP 5205	Viola	75.00
MUAP 5209	Violoncello	75.00
MUAP 5213	Contrabass	75.00
MUAP 5220	Flute	75.00
MUAP 5221	Oboe	75.00
MUAP 5226	Bassoon	75.00
MUAP 5229	Clarinet	75.00
MUAP 5233	Saxophone	75.00
MUAP 5237	Trumpet	75.00
MUAP 5241	French Horn	75.00
MUAP 5246	Trombone	75.00
MUAP 5250	Euphonium	75.00
MUAP 5253	Tuba	75.00
MUAP 5257	Percussion	75.00
MUAP 5261	Guitar	75.00
MUAP 5266	Organ	75.00
MUAP 5269	Piano	75.00
MUAP 5270	Harpsichord	75.00
MUAP 5272	Class Piano	75.00
MUAP 5277	Harp	75.00
MUAP 5281	Voice	75.00
MUAP 5282	Class Voice	75.00
MUAP 5287	Composition	75.00
MUAP 5301	Violin	75.00
MUAP 5305	Viola	75.00
MUAP 5309	Violoncello	75.00
MUAP 5313	Contrabass	75.00
MUAP 5320	Flute	75.00
MUAP 5321	Oboe	75.00
MUAP 5326	Bassoon	75.00

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FEEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

Course Number	Course Title	Proposed Fee \$
MUAP 5329	Clarinet	75.00
MUAP 5333	Saxophone	75.00
MUAP 5337	Trumpet	75.00
MUAP 5341	French Horn	75.00
MUAP 5346	Trombone	75.00
MUAP 5350	Euphonium	75.00
MUAP 5353	Tuba	75.00
MUAP 5357	Percussion	75.00
MUAP 5361	Guitar	75.00
MUAP 5366	Organ	75.00
MUAP 5369	Piano	75.00
MUAP 5370	Harpsichord	75.00
MUAP 5381	Voice	75.00
MUAP 5387	Composition	75.00
MUSI 1116	Aural Skills I	10.00
MUSI 1117	Aural Skills II	10.00
MUSI 1311	Music Theory I	10.00
MUSI 1312	Music Theory II	10.00
MUSI 2116	Aural Skills III	10.00
MUSI 2117	Aural Skills IV	10.00
MUSI 2308	Music Literature	5.00
MUSI 2311	Music Theory III	10.00
MUSI 2312	Music Theory IV	10.00
MUSI 3119	Woodwinds Class I	20.00
MUSI 3228	Instrumental Seminar For Vocal Majors	20.00
MUSI 4100	Chamber Music	10.00
MUSI 4320	Piano Literature	10.00
MUSI 4343	Topics In Music	5.00
MUSI 4350	Guitar & Other Instruments	10.00
POLS 4350	International Diplomacy, Law & Organization	5.00
SOCI 5388	Applied Research I	5.00
SOCI 5389	Applied Research II	5.00
SPAN 1413	Introduction To Spanish I	10.00
SPAN 1414	Introduction To Spanish II	10.00

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FEEES AND MISCELLANEOUS CHARGES (Continued)

COURSE SPECIFIC FEES AND CHARGES (Continued)

Course Number	Course Title	Proposed Fee \$
SPAN 4352	Cervantes	5.00
SPAN 4370	Spanish American Short Story	5.00
TECH 4199	Independent Study	10.00
TECH 4299	Independent Study	10.00
TECH 4399	Independent Study	10.00
TECH 4499	Independent Study	10.00
TECH 4599	Independent Study	10.00
TECH 4699	Independent Study	10.00
TECH 5199	Independent Study	20.00
TECH 5299	Independent Study	20.00
TECH 5399	Independent Study	20.00
TECH 5499	Independent Study	20.00
TECH 5599	Independent Study	20.00
TECH 5699	Independent Study	20.00
TNDV 4199	Independent Study	10.00
TNDV 4299	Independent Study	10.00
TNDV 4399	Independent Study	10.00
TNDV 4499	Independent Study	10.00
TNDV 4599	Independent Study	10.00
TNDV 4699	Independent Study	10.00
TNDV 5325	Accident Prevention In Technical Laboratories	20.00
TNDV 5384	Change Theory	20.00
TNDV 5385	Diversity In The Workplace	20.00
UNIV 1300	Freshman Seminar	5.00

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
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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 approval by the U. T. Board of Regents.

1. Donor Name: Anonymous
College/School/ Department: Center for Human Nutrition
Purpose: The contribution will be used to fund metabolic syndrome research and nutrition education
Asset Type: Cash
Value: \$600,000

2. Donor Name: Anonymous
College/School/ Department: Center for Human Nutrition
Purpose: The contribution will be used to upgrade the C. Vincent Prothro Chair in Human Nutrition Research and the Diana K. and Richard S. Strauss Professorship in Diet, Nutrition and Women's Health, as well as to establish the Scott Grundy Distinguished Professorship in Human Nutrition
Asset Type: Cash
Value: \$800,000

3. Donor Name: Anonymous
College/School/ Department: Pharmacology
Purpose: The contribution will be used for The Alliance for Cellular Signaling for the fiscal year beginning September 1, 2002
Asset Type: Cash
Value: \$1,250,000 (funds remaining two units, at \$625,000 each, for a total commitment of \$3,125,000)

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
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GIFTS (Continued)

4. Donor Name: Aventis Pharmaceuticals Inc.
College/School/
Department: Pharmacology
Purpose: The contribution will be used for The Alliance for Cellular Signaling for the fiscal year beginning September 1, 2002
Asset Type: Cash
Value: \$625,000
5. Donor Name: Eli Lilly and Company
College/School/
Department: Pharmacology
Purpose: The contribution will be used for The Alliance for Cellular Signaling for the fiscal year beginning September 1, 2002
Asset Type: Cash
Value: \$625,000
6. Donor Name: The Merck Genome Research Institute, Inc.
College/School/
Department: Pharmacology
Purpose: The contribution will be used for The Alliance for Cellular Signaling for the fiscal year beginning September 1, 2002
Asset Type: Cash
Value: \$625,000

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GIFTS (Continued)

7. Donor Name: William A. and Elizabeth B. Moncrief Foundation
College/School/ Department: Radiation Oncology
Purpose: The contribution will be used for the construction of the new Moncrief Radiation Oncology Center
Asset Type: Cash
Value: \$1,250,000 (represents the initial installment on a commitment of \$7,500,000)
8. Donor Name: Southwestern Medical Foundation
Purpose: The Foundation's grant to The University of Texas Southwestern Medical Center at Dallas for the 2002-03 academic year
Asset Type: Cash
Value: \$777,500 (represents the initial payment on a \$1,555,000 commitment)

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
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AMENDMENTS TO THE 2002-03 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SOUTHWESTERN MEDICAL SCHOOL					
Internal Medicine					
1. David R. Karp (T)					01
From: Associate Professor		100	12	165,000	
To: Associate Professor and Harold C. Simmons Chair in Arthritis Research	9/1	100	12	165,000	
Pediatrics					
2. Deepak Srivastava (T)					04
From: Associate Professor and Joel B. Steinberg, M.D. Chair in Pediatrics		100	12	144,000	
To: Associate Professor, Joel B. Steinberg, M.D. Chair in Pediatrics, and Pogue Distinguished Chair in Research on Cardiac Birth Defects	9/1	100	12	144,000	

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SOUTHWESTERN MEDICAL SCHOOL					
Pediatrics (Continued)					
3. Brett P. Giroir (T)					14
From: Professor, Thomas Fariss Marsh, Jr. Professorship in Pediatrics, Acting Chairman, and Associates First Capital Corporation Distinguished Chair in Pediatrics		100	12	225,000	
To: Professor, Thomas Fariss Marsh, Jr. Professorship in Pediatrics, Acting Chairman, Associates First Capital Corporation Distinguished Chair in Pediatric Care, and Kathryne and Gene Bishop Distinguished Chair in Pediatric Care at Children's Medical Center	9/1	100	12	225,000	
Pharmacology					
4. David J. Mangelsdorf (T)					10
From: Professor		100	12	150,000	
To: Professor and Doris and Bryan Wildenthal Distinguished Chair	10/1	100	12	150,000	

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SOUTHWESTERN MEDICAL SCHOOL					
Internal Medicine					
5. Joseph A. Hill (T)					11
From: Associate Professor		100	12	290,000	
To: Associate Professor, James T. Willerson, M.D. Distinguished Chair in Cardiovascular Diseases, and the Frank M. Ryburn, Jr. Chair in Heart Research	10/16	100	12	290,000	
Biochemistry					
Associate Professor					
6. Marie-Alda Gilles-Gonzalez (T)	10/3	100	12	95,000	12
SOUTHWESTERN ALLIED HEALTH SCIENCES SCHOOL					
Clinical Nutrition					
7. Gloria L. Vega (T)					13
From: Professor		100	12	77,500	
To: Professor and Dr. Scott M. Grundy Distinguished Professorship in Human Nutrition	11/1	100	12	77,500	

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
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FEEES AND MISCELLANEOUS CHARGES

RENTAL RATES

Approval is recommended for the following rental rates to be effective beginning June 1, 2003. The rates have been administratively approved by the Acting Executive Vice Chancellor for Health Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Per month</u>			
<u>SOUTHWESTERN MEDICAL PARK APARTMENTS</u>			
1 bedroom			
Existing A1 and A2 models	695	715	3%
Smaller A3 models to be constructed in Phase II	0	650	N/A
*Lease extension		700-765	
2 bedroom	1,020-1,051	1,050-1,080	3%
*Lease extension		1,150-1,180	

*An additional fee will be instituted for individuals who request the opportunity to extend their lease beyond the May 31 expiration date. This would typically be the summer months.

Residents are responsible for the water, electric, telephone and cable bills in all units. The rates in the apartments include gas.

The residents will post a \$150 security deposit fee and will be assessed a \$50 nonrefundable administrative fee to cover processing costs.

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
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FEES AND MISCELLANEOUS CHARGES (Continued)

PARKING AND TRAFFIC ENFORCEMENT FEES

Approval is recommended for the following parking enforcement fees to be effective beginning with the Fall Semester 2003. The fees have been administratively approved by the Acting Executive Vice Chancellor for Health Affairs.

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

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
Illegally parked in dock area	25	50	100%
No valid decal displayed	25	35	40%
Reactivation of parking card	0	25	N/A
Illegally using patient parking validations to receive free parking	0	250	N/A

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
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FEEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Approval is recommended for the following designated tuition rates to be effective beginning with the Fall Semester of 2003. The proposed rate increases have been the subject of discussion at a public forum as required by Section 55.16 of the Texas Education Code and have been administratively approved by the Acting Executive Vice Chancellor for Health Affairs.

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

	<u>Current Rate \$</u>	<u>Proposed Rate \$</u>	<u>Percent Increase</u>
<u>Per Semester Credit Hour</u>	10	20	100%

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
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THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
U. T. BOARD OF REGENTS' MEETING
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CONTRACTS

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

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Interagency Council on Early Childhood Intervention
Funds: \$1,344,546
Period: September 1, 2002 through August 31, 2003
Description: The University of Texas Medical Branch at Galveston will continue a program of early childhood intervention services for children with developmental delay in the approved service area and will continue a program to fund respite services for families of children enrolled in early childhood intervention comprehensive services.

2. Agency: Parkland Health and Hospital System, a part of the Dallas County Hospital District, on behalf of Dallas County, Texas
Funds: \$5.49 per inmate, per day
Period: December 1, 2002 through November 30, 2005
Description: The University of Texas Medical Branch at Galveston will provide and administer all health care related services to adult inmates and juvenile detainees of Dallas County facilities.

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
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CONTRACTS (Continued)

GENERAL CONTRACTS (Continued)

FUNDS COMING IN (Continued)

3. Agency: Texas Department of Health
Funds: \$2,029,649
Period: September 1, 2002 through September 30, 2003
Description: The University of Texas Medical Branch at Galveston will promote public safety and injury prevention through well-coordinated poison control activities within the State of Texas; provide comprehensive family planning services which include medical, counseling, client education, referral, community education, and outreach; will provide audiological and otological services to hearing-impaired persons; provide comprehensive genetic services which include diagnosis, management of genetic problems, long term follow-up, support services for the family, and genetic counseling; and will provide supplemental food instruments, nutrition education and counseling to enhance good health care at no cost to low-income pregnant and postpartum women, infants and children identified to be at nutritional risk.
4. Agency: The Gulf Coast Center
Funds: \$1,824,900
Period: September 1, 2002 through August 31, 2003
Description: The University of Texas Medical Branch at Galveston will provide regional community psychiatric hospital services for those individuals 18 years and older who reside in Galveston and Brazoria Counties and who are served by The Gulf Coast Center or who meet the admission criteria.

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
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CONTRACTS (Continued)

GENERAL CONTRACTS (Continued)

FUNDS GOING OUT

5. Agency: Diamond Pharmacy Services
Funds: Drugs provided as part of this agreement are provided at discounts (50% discount for Generic and 13% discount for Brand Name) from the Average Wholesale Price as published by First Data Bank.
Period: November 14, 2002 through August 31, 2004
Description: Diamond Pharmacy Services will provide pharmacy services to The University of Texas Medical Branch at Galveston on behalf of the Federal Correctional Complex located in Beaumont, Texas. UTMB has contracted with the federal facility to provide health care services to individuals incarcerated at the complex.
6. Agency: Texas Department of Human Services
Funds: \$1,227,387
Period: September 1, 2002 through August 31, 2003
Description: Texas Department of Human Services will provide personnel at The University of Texas Medical Branch at Galveston facilities for the purpose of providing Medicaid eligibility determination services.

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
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AMENDMENTS TO THE 2002-03 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE					
Pharmacology and Toxicology					
1. Odd S. Steinsland					7
From: Adjunct Professor		33	12	25,000	
To: Professor Emeritus	9/1-8/31				
Surgery					
2. Vincent R. Conti (T)					11
From: The Leonard and Marie Louise Aronsfeld Rosoff Professorship in Surgery and Professor		100	12	339,900	
To: Denton A. Cooley, M.D. Professorship in Surgery and Professor	9/1-8/31	100	12	339,900	

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE (Continued)					
Pathology; Sealy Center for Vaccine Development (WOS)					
Professor, Senior Scientist					
3. Peter W. Mason (T)	9/1-8/31	100	12	120,000	12
SCHOOL OF MEDICINE; GRADUATE SCHOOL OF BIOMEDICAL SCIENCES					
Microbiology and Immunology; Office of the Dean of Graduate School					
4. Dorian H. Copperhaver (T)					13
From: Associate Professor and Associate Director for Basic Biomedical Science Curriculum		100	12	74,000	
To: Associate Professor, Associate Director for Basic Biomedical Science Curriculum and Assistant Dean for Student Affairs	9/1-8/31	100	12	77,000	
SCHOOL OF NURSING					
Nursing School					
5. Edith Ruth Marcott (T)					4
From: Associate Professor		100	12	94,150	
To: Associate Professor and Associate Dean for Student Affairs	9/1-8/31	100	12	102,000	

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
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OTHER FISCAL ITEMS

MEMBERSHIP RATES

The following Alumni Field House membership rate increases, effective September 1, 2003, have been administratively approved by the Acting Executive Vice Chancellor for Health Affairs and are recommended for ratification by the U. T. Board of Regents.

<u>Monthly Rate</u>	<u>Present Rate \$</u>	<u>Proposed Rate \$</u>	<u>% Increase</u>
Employee	35	38.50	10.0%
Employee/Family	55	60	9.1%
 <u>Quarterly Rate</u>			
Employee	105	115	9.5%
Employee/Family	165	180	9.1%
 <u>Semiannual Rate</u>			
Employee	175	190	8.5%
Employee/Family	270	295	9.2%
 <u>Yearly Rate</u>			
Student/Family	150	180	20.0%
Employee	305	330	8.2%
Employee/Family	470	510	8.5%

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
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FEES AND MISCELLANEOUS CHARGES

LABORATORY FEES

Approval is recommended for the following new laboratory charges for the 2003-04 academic year. The fees have been administratively approved by the Acting Executive Vice Chancellor for Health Affairs.

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
CLLS 3310	Serology and Blood Banking	15
CLLS 33xx	Cell Culture Techniques	30
CLLS 4325	Advanced Micro & Mycology	15
CLLS 44xx	Immunology for Biotechnology	20
CLLS 44xx	Advanced Molecular Biology	25
OCCT 53xx	Anatomical Influences on Living	6
OCCT 53xx	Individual Ways of Being	6
OCCT 53xx	Group Ways of Being	6
OCCT 54xx	Fundamentals of the Enabling Process	6
GNRS 5400	Advanced Health Assessment	80

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FEES AND MISCELLANEOUS CHARGES (Continued)

STUDENT SERVICES FEES

Approval is recommended for the following student services fees to be effective beginning with the Fall Semester 2003. The statutory requirements for involvement of a student services fees committee have been met. The fees have been administratively approved by the Acting Executive Vice Chancellor for Health Affairs.

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

COMPULSORY STUDENT SERVICES FEES

Graduate School of Biomedical Sciences
 School of Allied Health Sciences
 School of Nursing

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
Per year	326.88	359.64	
Yearbook Fee/Annual*	<u>17.00</u>	<u>17.00</u>	
Total	343.88	376.64	9.5%

School of Medicine

For each year per student

Year 1	234.30	257.73	
Yearbook Fee/Annual*	<u>17.00</u>	<u>17.00</u>	
Total Year 1	251.30	274.73	9.3%
Years 2, 3, and 4	349.80	384.78	
Yearbook Fee/Annual*	<u>17.00</u>	<u>17.00</u>	
Total Per Year	366.80	401.78	9.5%

* The yearbook fee is compulsory.

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GIFTS

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

1. Donor Name: H. E. Butt Grocery Company
College/School/ Department: The University of Texas Health Science Center at Houston
Purpose: To support the New Frontiers' Campaign for capital use in the construction of the new Institute of Molecular Medicine for the Prevention of Human Diseases

Asset Type: Cash
Value: \$ 1,000,000

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FEES AND MISCELLANEOUS CHARGES

Approval is recommended for the following new fees for the 2003-04 academic year. The fees have been administratively approved by the Acting Executive Vice Chancellor for Health Affairs.

LABORATORY FEES

<u>Course Number</u>	<u>Course Title</u>	<u>Proposed Fee \$</u>
HI 5321	Biomedical Signal Processing	10
HI 5355	Health Science Education Research Design	10
HI 5356	Health Science Education Research	10

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FEES AND MISCELLANEOUS CHARGES (Continued)

DESIGNATED TUITION

Approval is recommended for the following designated tuition rates to be effective beginning the summer of 2003. 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 Acting 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 (Per Year)	1,200	1,350	12.5%
All Other Students (Per Semester Credit Hour)	32	36	12.5%

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FEES AND MISCELLANEOUS CHARGES (Continued)

DIFFERENTIAL GRADUATE TUITION CHARGES

Approval is recommended for the following differential graduate tuition charge increases for the 2003-04 academic year. The charge has been the subject of discussion with representative students and has been administratively approved by the Acting Executive Vice Chancellor for Health Affairs. A portion of the increase will be used for financial assistance for students impacted by the increase.

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

Academic Program	Current Fee \$		Proposed Fee \$		Percent Increase	
	Resident	Nonresident	Resident	Nonresident	Resident	Nonresident
School of Public Health	20/hr.	50/hr.	30/hr.	75/hr.	50%	50%

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OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

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

- | | |
|---------------|--|
| Name: | Scott Lillibridge, M.D. |
| Title: | Professor of Epidemiology and Director of the Center for Bio Security and Public Health Preparedness at The University of Texas Health Science Center at Houston |
| Position: | Appointment as a member of the Emergency Services, Law Enforcement, and Public Health and Hospitals Senior Advisory Committee to President Bush's Homeland Security Advisory Council |
| Period: | March 19, 2002 through March 18, 2004 |
| Compensation: | None |
| Description: | To provide the President's Homeland Security Advisory Council with advice from experts representing the nation's emergency response community on increasing America's security |

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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 Acting Executive Vice Chancellor for Health Affairs. All recommended charges are consistent with applicable statutory requirements under Section 54.504 and Section 55.16 of the Texas Education Code.

<u>Name/Description</u>	<u>Amount of Fee</u>
CRIMINAL BACKGROUND CHECK FEE To defray the costs of in state and out-of state criminal background checks done by University Police for dental students who participate in clinical rotations to provide patient care at off-campus locations	\$5 per year for students rotating outside of the Dental School
PRACTICUM FEE To defray the costs of travel and operating expenses incurred for site visits to monitor allied health students during their rotations to hospitals, offices, and laboratories throughout San Antonio and in South Texas	\$5 per credit hour for each practicum course
STUDENT ASSISTANCE FEE To support a person to oversee the instructional computer laboratory during evening and weekend hours and to defray the cost of tutors, supplies and equipment needed to assist allied health students	\$25 per semester for full-time students \$15 per semester for part-time students

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
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FEEES AND MISCELLANEOUS CHARGES (Continued)

OTHER FEES AND CHARGES (Continued)

<u>Name/Description</u>	<u>Amount of Fee</u>
TECHNICAL CLINICAL SKILLS FEE To defray costs of operating expenses and equipment maintenance for life-support training programs and to offset operating expenses associated with standardized patient instruction and the Objective Structured Clinical Exams for medical students	\$400 per semester

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
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OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following items have been approved by the Acting Executive Vice Chancellor for Health Affairs in accordance with the Regents' Rules and Regulations, Part One, Chapter III, Section 13 and are submitted for ratification by the 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 the positions and the appointments of Dr. Philo and Dr. Cigarroa with The University of Texas Health Science Center at San Antonio. By approval of these items the Board is also asked to find that holding these positions is of benefit to the State of Texas and The University of Texas and there is no conflict between the positions and the University appointments.

1. Name: Ronald C. Philo, Ph.D.
Title: Senior Lecturer, Department of Cellular and Structural Biology
Position: Appointment as a member of the Anatomical Board of the State of Texas
Period: May 2001 to May 2003
Compensation: None
Description: In May 2001, Francisco G. Cigarroa, M.D., President, appointed Dr. Philo as the Health Science Center's representative to the Anatomical Board of the State of Texas, in accordance with the Texas Health and Safety Code, Chapter 691.022. Dr. Philo is serving as chair of the Board.

2. Name: Francisco G. Cigarroa, M.D.
Title: President
Position: Member of Advisory Council on Public Health Preparedness
Period: November 21, 2001 through October 22, 2003
Compensation: None
Description: In November 2001, Dr. Cigarroa received an invitation from the Secretary of Health and Human Services, Tommy G. Thompson, to serve as a member on the Secretary's Advisory Council on Public Health Preparedness, a new advisory panel of the U.S. Department of Health and Human Services. The Council advises on appropriate actions to respond to public health emergencies.

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CONTRACTS

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

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Treeline Partners, Ltd.
Funds: \$3,511,640 payable monthly - \$29,263.67 per month for ten years
Period: November 1, 2002 through October 31, 2012
Description: Lease approximately 27,760 rentable square feet consisting of Suites 100, 200 and 300 located at 8515 Fannin Street, Houston, Texas, to be used as a research laboratory

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AMENDMENTS TO THE 2002-03 BUDGET

APPOINTMENTS AND PROMOTIONS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
THE TUMOR INSTITUTE – MEDICAL STAFF					
Genitourinary Medical Oncology					
1. Christopher J. Logothetis (T)					12
From: Chair, Professor & Bessie McGoldrick Professorship		100	12	281,164	
To: Chair, Professor & Roy M. & Phyllis Gough Huffington Clinical Research Distinguished Chair in Urologic Oncology	9/1	100	12	284,164	
2. Randall Millikan					32
From: Assistant Professor		100	12	146,902	
To: Associate Professor (T)	9/1	100	12	156,902	
Thoracic/Head & Neck Medical Oncology					
3. Daniel D. Karp (T)					13
From: Professor		100	12	275,000	
To: Professor, Deputy Division Head, Division of Cancer Medicine	9/1	100	12	275,000	

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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
THE TUMOR INSTITUTE – MEDICAL STAFF (Continued)					
GI Medicine & Nutrition					
Chairman, Professor					
4. Robert S. Bresalier (T)	9/1	100	12	300,000	2
Neuro-Oncology					
5. W. K. Alfred Yung (T)					14
From: Chair, Professor & Florence Maude Thomas Cancer Research Professorship					
		100	12	282,000	
To: Chair, Professor & Margaret & Ben Love Chair in Clinical Cancer in Honor of Dr. Charles A. LeMaistre					
	9/1	100	12	296,280	
Blood & Marrow Transplantation					
Professor					
6. Elizabeth Shpall (T)	9/1	100	12	200,000	4
7. Roy Jones (T)	9/1	100	12	200,000	3
Surgical Oncology					
8. Douglas B. Evans (T)					15
From: Professor					
		100	12	365,570	
To: Professor & Hamill Foundation Distinguished Professorship in Honor of Dr. Richard G. Martin					
	9/1	100	12	368,570	

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER
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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
THE TUMOR INSTITUTE – MEDICAL STAFF (Continued)					
Surgical Oncology (Continued)					
9. Merrick Ross (T)					16
From: Professor		100	12	348,545	
To: Professor & Charles M. McBride Distinguished Professorship in Surgical Oncology	9/1	100	12	351,545	
Urology					
10. Colin P. Dinney (T)					17
From: Associate Professor		100	12	279,977	
To: Professor	9/1	100	12	295,977	
Division of Radiation Oncology					
11. James D. Cox (T)					31
From: Division Head, Chair, Professor & Hubert L. & Olive Stringer Distinguished Chair in Oncology		100	12	442,000	
To: Division Head, Chair, Professor & Hubert L. & Olive Stringer Distinguished Chair in Oncology, Chair (ad interim), Experimental Radiation Oncology	9/1	100	12	442,000	

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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
THE TUMOR INSTITUTE – MEDICAL STAFF (Continued)					
Radiation Oncology (Continued)					
12. Thomas A. Buchholz (T)					18
From: Associate Professor		100	12	270,763	
		SUPLT	12	5,000	
To: Associate Professor, Residency	9/1	100	12	270,763	
Program Director	9/1	SUPLT	12	5,000	
	9/1	SUPLT	12	10,000	
Associate Professor					
13. K. S. Clifford Chao (T)	9/1	100	12	263,500	
Radiation Physics					
14. Radhe Mohan (T)					5
From: Chair, Professor		100	12	265,200	
To: Chair, Professor & Bessie McGoldrick					
Professorship in Clinical Cancer					
Research	9/1	100	12	265,200	
Pathology					
15. Victor Prieto					20
From: Associate Professor		100	12	166,794	
To: Associate Professor (T)	9/1	100	12	166,794	

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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
THE TUMOR INSTITUTE – CANCER PREVENTION					
Behavioral Science					
16. Carl De Moor					25
From: Assistant Professor		100	12	90,000	
To: Associate Professor (T)	9/1	100	12	105,400	
17. Lorenzo Cohen (T)					24
From: Associate Professor, Chair, Psychosocial, Behavioral, Health Services Review Committee		100 SUPLT	12 12	95,000 5,000	
To: Associate Professor, Chair, Psychosocial, Behavioral, Health Services Review Committee, Program Director, Integrative Behavioral	9/1 9/1 9/1	100 SUPLT SUPLT	12 12 12	105,000 5,000 10,000	

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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
THE TUMOR INSTITUTE – RESEARCH					
Biostatistics					
18. Scott B. Cantor (T)					26
From: Associate Professor		100	12	114,400	
To: Associate Professor,	9/1	100	12	114,400	
Committee Chair,	9/1	SUPLT	12	5,000	
Psychosocial, Behavioral, Health Services Review Committee					
Immunology					
Chair, Professor & Director, Center for Cancer Immunology Research					
19. Yong-Jun Liu (T)	10/1	100	12	250,000	6
Experimental Diagnostic Imaging					
20. Kenneth C. Wright (T)					28
From: Professor		100	12	134,272	
To: Professor, Committee Vice Chair,	9/1	100	12	134,272	
Institutional Animal Care and Use Committee	9/1	SUPLT	12	5,000	

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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
THE TUMOR INSTITUTE – RESEARCH (Continued)					
Experimental Pediatrics					
21. James A. Nelson (T)					27
From: Professor		100	12	131,580	
To: Special Assistant to the Vice President for Educational Programs, Professor	9/1	100	12	131,580	
Experimental Radiation Oncology					
22. Marvin L. Meistrich (T)					29
From: Professor		100	12	161,284	
To: Professor & Florence Maude Thomas Cancer Research Professorship	9/1	100	12	164,284	
THE TUMOR INSTITUTE – SCIENCE PARK					
Carcinogenesis					
23. Cheryl L. Walker (T)					30
From: Professor		100	12	149,100	
To: Professor & Ruth & Walter Sterling Professorship	9/1	100	12	149,100	

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AMENDMENTS TO THE 2002-03 BUDGET (Continued)

APPOINTMENTS AND PROMOTIONS (Continued)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
THE TUMOR INSTITUTE – SCIENCE PARK (Continued)					
Pain Research Group					
24. Charles Cleeland (T)					11
From: Chair (ad interim), Professor and McCullough Professorship in Cancer Research		100 SUPLT	12 12	222,312 10,000	
To: Chair, Professor and McCullough Professorship In Cancer Research	9/1	100	12	232,312	
Clinical Operations & Programs, Lymphoma/Myeloma					
25. Maria A. Rodriguez (T)					9
From: Associate Professor		100 SUPLT	12 12	174,968 10,000	
To: Associate Professor and Chair (ad interim)	9/1 9/1	100 SUPLT	12 12	174,968 12,000	
Clinical Operations & Programs, Leukemia					
26. Jorge E. Cortes-Franco (T)					7
From: Professor		100 SUPLT	12 12	183,538 7,500	
To: Associate Professor	9/1 9/1	100 SUPLT	12 12	167,538 7,500	