

MATERIAL SUPPORTING THE AGENDA

VOLUME XLVIIIb

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

April 14, 2000
May 10-11, 2000
August 9-10, 2000

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

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

Blue paper - Executive Session

Yellow paper – for documentation of items submitted after the deadline date for inclusion in the Agenda (late items) and distributed to members of the Board of Regents prior to the meeting.

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



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

Meeting No. 931

August 9-10, 2000

Austin, Texas

BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

CALENDAR

Date: **Wednesday, August 9, 2000**

Time: **1:30 p.m.**

Place: Board Room, 9th Floor, Ashbel Smith Hall, 201 West
Seventh Street, Austin, Texas

Purpose: Convene in Open Session to Discuss Proposed FY 2001
Operating Budget

See Page 2, Items A - B

Time: **3:00 p.m. or upon conclusion of Open Session**

Place: Board Room, 9th Floor, Ashbel Smith Hall, 201 West
Seventh Street, Austin, Texas

Purpose: Recess to Executive Session, Reconvene in Open
Session, and Recess

See Page 2, Items C - E

Date: **Thursday, August 10, 2000**

Time: **8:00 a.m.**

Place: Conference Room, 9th Floor, Ashbel Smith Hall,
201 West Seventh Street, Austin, Texas

Purpose: Reconvene in Open Session to Immediately Recess
to Executive Session

See Page 3, Items F - G

Time: **8:30 a.m. or upon conclusion of Executive Session**

Place: Board Room, 9th Floor, Ashbel Smith Hall, 201 West
Seventh Street, Austin, Texas

Purpose: Reconvene in Open Session to Continue Until
Completion of Business

See Pages 3 - 144, Items H - T

Telephone Numbers

Office of the Board of Regents

(512) 499-4402

Four Seasons Hotel, 98 San Jacinto

(512) 478-4500

Executive Session of the Board

BOARD OF REGENTS
EXECUTIVE SESSION
Pursuant to Texas Government Code
Chapter 551, Sections 551.071 and 551.074

Date: **August 9, 2000**

Time: 3:00 p.m. or upon conclusion of Open Session

Place: Board Room, 9th Floor, Ashbel Smith Hall, 201 West Seventh Street,
Austin, Texas

Personnel Matters Relating to Appointment, Employment, Evaluation,
Assignment, Duties, Discipline, or Dismissal of Officers or Employees -
Section 551.074

U. T. System: Consideration of Personnel Aspects
of the Operating Budgets for the Fiscal Year Ending
August 31, 2001, Including Auxiliary Enterprises,
Grants and Contracts, Designated Funds, Restricted
Current Funds, and Medical and Dental Services,
Research and Development Plans and Authorization
for the Chancellor to Make Editorial Corrections Therein

Date: **August 10, 2000**

Time: 8:00 a.m.

Place: Conference Room, 9th Floor, Ashbel Smith Hall, 201 West Seventh
Street, Austin, Texas

Consultation with Attorney Regarding Pending and/or Contemplated
Litigation or Settlement Offers - Section 551.071

1. U. T. Health Science Center - Houston: Proposed
Settlement of Medical Liability Litigation

2. U. T. El Paso: Request for Authorization to Acquire
Approximately 12 Acres of Land with Improvements in
El Paso, El Paso County, Texas

Meeting of the Board

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

Date: **Wednesday, August 9, 2000**

Time: 1:30 p.m.

Place: Board Room, 9th Floor, Ashbel Smith Hall, 201 W. 7th Street, Austin

- A. CALL TO ORDER

- B. CONVENE IN OPEN SESSION TO DISCUSS PROPOSED FY 2001
 OPERATING BUDGET

- C. RECESS TO EXECUTIVE SESSION (TEXAS GOVERNMENT CODE,
 CHAPTER 551) PER THE AGENDA ON PAGE 1

Personnel Matters Relating to Appointment, Employment, Evaluation,
Assignment, Duties, Discipline, or Dismissal of Officers or Employees -
Section 551.074

U. T. System: Consideration of Personnel Aspects of the
Operating Budgets for the Fiscal Year Ending August 31, 2001,
Including Auxiliary Enterprises, Grants and Contracts,
Designated Funds, Restricted Current Funds, and Medical
and Dental Services, Research and Development Plans and
Authorization for the Chancellor to Make Editorial Corrections
Therein

- D. RECONVENE IN OPEN SESSION

- E. RECESS

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

Date: **Thursday, August 10, 2000**

Time: 8:00 a.m.

Place: Conference Room (Executive Session)
 Board Room (Open Session)
 9th Floor, Ashbel Smith Hall, 201 W. 7th Street, Austin

F. RECONVENE IN OPEN SESSION

G. RECESS TO EXECUTIVE SESSION (TEXAS GOVERNMENT CODE, CHAPTER 551) PER THE AGENDA ON PAGE 1

Consultation with Attorney Regarding Pending and/or Contemplated Litigation or Settlement Offers - Section 551.071

1. U. T. Health Science Center - Houston: Proposed Settlement of Medical Liability Litigation
2. U. T. El Paso: Request for Authorization to Acquire Approximately 12 Acres of Land with Improvements in El Paso, El Paso County, Texas

H. MOVE TO BOARD ROOM AND RECONVENE IN OPEN SESSION

I. CONSIDERATION OF ACTION ON EXECUTIVE SESSION MATTERS (ITEM G)

J. APPROVAL OF MINUTES OF REGULAR MEETING HELD MAY 10-11, 2000

K. SPECIAL ITEMS

1. U. T. Board of Regents: Proposed Amendments to the Regents' Rules and Regulations, Part One, Chapter III, Section 6, Subsection 6.4 Regarding Disruption of Critical Activities

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel that the Regents' Rules and Regulations, Part One, Chapter III, Section 6, Subsection 6.4, regarding disruption of critical activities, be amended as set forth below in congressional style:

- 6.4 Any employee of the System or a [any] component institution [of the System, including any member of the faculty or administration,] who, acting ~~[either]~~ singly or in concert with others, obstructs, ~~[or]~~ disrupts~~[-]~~ or interferes with ~~[by force or violence,]~~ any teaching, educational, research, administrative, disciplinary, public service, or other activity, meeting, or event authorized to be held or conducted on [the] campus or on property or in a building or facility owned or controlled by the System or [of a] component institution is [of the System, shall be] subject to discipline, including dismissal. Obstruction or disruption includes but is not limited to any act that interrupts, modifies or damages utility service or equipment, communication service or equipment, university computers, computer programs, computer records or computer networks accessible through System or institutional computer resources [dismissal as an employee. As used in this Subsection, the words "force or violence" include such acts as "stand-ins," "sit-ins," and "lie-ins," when such acts are in fact obstructive or disruptive of any of the authorized activities listed above].

BACKGROUND INFORMATION

These proposed amendments to the Regents' Rules and Regulations, Part One, Chapter III, Section 6, Subsection 6.4 update the language to prohibit activities that are clearly disruptive of critical University activities. The amendments are consistent with the Regents' Rules and Regulations, Part One, Chapter VI, Section 3, Subsection 3.2, Subdivision 3.25 related to the prohibition of such activities by students. These provisions are in addition to Sections 37.123 and 51.935 of the Texas Education Code which provide criminal penalties for certain disruptive activities on campus. The proposed amendments have been reviewed by the institutional presidents.

2. U. T. Board of Regents: Proposed Amendment of Regents' Rules and Regulations, Part One, Chapter III to Add Section 38 (Employee Advisory Council) and Request for Authorization to Establish Related Budget

RECOMMENDATION

The Chancellor recommends, with the concurrence of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel, that the Regents' Rules and Regulations, Part One, Chapter III, regarding personnel, be amended to add a new Section 38 as set forth below in congressional style:

Sec. 38. Employee Advisory Council.--At the discretion of the Chairman of the Board of Regents and the Chancellor, a staff employee advisory council representing component institutions in the U. T. System may be formed to facilitate the flow of ideas and information between and among the Board of Regents, the System Administration, and the component institutions. The Chairman and Chancellor will promulgate guidelines for the selection of employee advisory council representatives. Representatives of the employee advisory council may from time to time address the Board at meetings of the Board and may recommend action to the Board through the Chancellor. At least once each year, a meeting will be arranged between the employee advisory council executive committee and the Board.

It is further recommended that, upon approval by the U. T. Board of Regents, the Chancellor be authorized to establish a budget for the Employee Advisory Council.

BACKGROUND INFORMATION

The addition of language concerning an Employee Advisory Council to the Regents' Rules and Regulations, Part One, Chapter III authorizes a council for staff employees of the U. T. System. The proposed text is similar to language related to the Faculty Advisory Council (Regents' Rules and Regulations, Part One, Chapter IV, Section 3) and the Student Advisory Council (Regents' Rules and Regulations, Part One, Chapter VI, Section 1, Subsection 1.6), both created in 1990. Funds for the Employee Advisory Council will be budgeted similar to budgets for the Faculty Advisory Council and the Student Advisory Council.

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

1. U. T. System: Report on Investments for the Fiscal Quarter Ended May 31, 2000

REPORT

Pages 9 - 13 contain the Summary Reports on Investments for the fiscal quarter ended May 31, 2000. During the quarter, UTIMCO continued to realign portfolio managers to create identical asset allocations and underlying portfolios across all three endowment funds.

Item a on Page 9 presents the summary report for Permanent University Fund (PUF) Investments. PUF Investments began the quarter with a market value of \$7.9 billion. During the quarter, contributions of mineral income from PUF Lands equaled \$22.6 million, up 100.0% versus receipts for the third quarter of the prior fiscal year. Total investment return was a negative \$18.0 million. The PUF distributed \$11.6 million to the Available University Fund (AUF) during the quarter.

This amount represented an additional PUF distribution to the AUF for the fiscal year ended August 31, 2000, as approved by the U. T. Board of Regents at its February 9, 2000 meeting. PUF market value ended the quarter unchanged at \$7.9 billion.

Quarter-end asset allocation was 82% broadly defined equities and 18% fixed income versus an unconstrained neutral allocation of 80% equities and 20% fixed income. Within equities, quarter-end allocation was 30% U. S. large and mid cap stocks, 9% U. S. small cap stocks, 15% non-U. S. equities, 20% alternative equities, and 8% inflation hedging assets.

Total net investment return for the quarter was a negative .24% versus the neutral policy portfolio return of .26%. The domestic and international fixed income portfolios posted a combined net total return of 1.13% for the quarter versus .98% for the Lehman Aggregate Bond Index and .01% for the Salomon Non-U. S. World Government Bond Index. Equities, as an asset class, posted higher relative returns with the S&P 500 Index and Russell 3000 Index posting returns of 4.29% and 1.11%, respectively. The PUF's equity portfolios (including non-U. S. portfolios) produced a net return of a negative 2.99%. Finally, alternative equities produced a 2.37% net return for the quarter, and inflation hedging assets posted a 9.65% net return.

Item b on Page 10 reports summary activity for the Permanent Health Fund (PHF). The PHF was funded on August 30, 1999, and is only nine months old. During the quarter, an additional contribution in the amount of \$10 million was received from the University of North Texas Health Science Center at Fort Worth.

Quarter-end asset allocation was 78% broadly defined equities, 18% fixed income and 4% to money market funds. Within equities, quarter-end allocation was 27% U. S. large and mid cap stocks, 11% U. S. small cap stocks, 20% non-U. S. equities, and 8% inflation hedging assets. Alternative equities had a weighting of 12% versus a neutral weighting of 25%. The nonmarketable portion of the alternative equity asset class will take several years to become fully funded. Total net investment return for the quarter was a negative .84% versus the neutral policy portfolio return of .26%. PHF market value ended the quarter at \$956.5 million.

Item c on Page 11 reports summary activity for the Long Term Fund (LTF). During the quarter, net contributions totaled \$57.9 million representing a 122% increase over the third quarter of the prior fiscal year. Investment return was a negative \$20.9 million.

Distributions to the 5,302 endowment and other accounts underlying the LTF totaled \$30.9 million; an increase of 21% versus the third quarter of the prior year. The annual payout rate was increased by 14%, effective May 31, 2000, from \$.215 to \$.245. The Fund's market value closed the quarter at \$3.0 billion.

Asset allocation at quarter-end was 77% broadly defined equities, 18% fixed income, and 5% overweighting to money market funds. Within equities, U. S. small cap and non-U. S. equities were slightly overweighted at 9% and 16%, respectively, of total assets. U. S. large and mid cap equities were on target at 24% while alternative equities were underweighted at 20% versus a neutral weighting of 25%. Inflation hedging investments were on target at 8%. Total net investment return for the quarter was a negative .69% versus the neutral policy portfolio return of .26%.

Item d on Page 12 presents summary activity for the Short Intermediate Term Fund. During the quarter, the Fund had net withdrawals of \$7.5 million. It earned \$29.2 million in total return and incurred expenses of \$100 thousand. Distributions to the U. T. System component institutions equaled \$29.1 million, resulting in a quarter-end Fund value of \$1.9 billion versus \$1.9 billion at the beginning of the quarter. Total return on the Fund was 1.55% for the quarter versus the Fund's performance benchmark of 1.26%.

Item e on Page 13 presents book and market value of cash, fixed income, equity and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of component operating funds held in the Dreyfus money market fund, increased by \$89 million to \$906 million during the third quarter. Asset values for the remaining asset classes were fixed income securities: \$81 million versus \$76 million at previous quarter-end; equities: \$88 million versus \$85 million at previous quarter-end; and other investments of \$7 million versus \$8 million at previous quarter-end.

a. PERMANENT UNIVERSITY FUND

Summary Investment Report at May 31, 2000

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

	FY98-99	FY99-00			
	Full Year	1st Qtr	2nd Qtr	3rd Qtr	Year-to-date
Beginning Net Assets	6,517.1	7,465.6	7,697.9	7,924.8	7,465.6
PUF Lands Receipts (2)	54.3	18.6	19.0	22.6	60.2
Investment Return (3)	1,158.1	279.3	430.1	(18.0)	691.4
Expenses (3)	-	-	(1.9)	(6.9)	(8.8)
Distributions to AUF (3)	(263.9)	(65.6)	(220.3)	(11.6)	(297.5)
Ending Net Assets	<u>7,465.6</u>	<u>7,697.9</u>	<u>7,924.8</u>	<u>7,910.9</u>	<u>7,910.9</u>
AUF Distribution:					
From PUF Investments (3)	263.9	65.6	220.3	11.6	297.5
From Surface Income	9.5	1.5	2.1	0.9	4.5
Total	<u>273.4</u>	<u>67.1</u>	<u>222.4</u>	<u>12.5</u>	<u>302.0</u>

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

- (1) General - The Investment Summary Report excludes PUF Lands mineral and surface interests with estimated August 31, 1999 values of \$558.8 million and \$156.3 million, respectively.
- (2) PUF Land Receipts - As of May 31, 2000: 1,248,546 acres under lease; 515,920 producing acres; 3,313 active leases; and 2,043 producing leases.
- (3) Restatements - The Investment Summary Report was restated to a presentation which is consistent with the reporting of other endowment funds managed by UTIMCO. With the passage of the PUF's constitutional amendment, distributions to the AUF will be from the total investment return of the PUF. Total investment return includes investment income, realized and unrealized gains. The PUF's constitutional amendment also provided that expenses of managing the PUF lands and investments shall be paid by the PUF.

b. PERMANENT HEALTH FUND

Summary Investment Report at May 31, 2000

PERMANENT HEALTH FUND
SUMMARY REPORT
(\$ millions)

	FY98-99	FY99-00			
	Full Year	1st Qtr	2nd Qtr	3rd Qtr	Year-to-date
Beginning Net Assets	-	890.3	918.2	965.3	890.3
Contributions (1)	890.0	-	10.0	10.0	20.0
Investment Return	0.3	38.5	47.9	(7.9)	78.5
Expenses	-	(0.6)	(0.7)	(0.6)	(1.9)
Distributions (Payout)	-	(10.0)	(10.1)	(10.3)	(30.4)
Ending Net Assets	890.3	918.2	965.3	956.5	956.5
Net Asset Value per Unit	1.000284	1.031672	1.072895	1.052204	
No. of Units (End of Period)	890,000,000	890,000,000	899,692,999	909,013,576	
Distribution Rate per Unit	-	0.01125	0.01125	0.01125	

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

(1) Funded 8/30/99

c. LONG TERM FUND

Summary Investment Report at May 31, 2000

LONG TERM FUND
SUMMARY REPORT
(\$ millions)

	FY98-99	FY99-00			
	Full Year	1st Qtr	2nd Qtr	3rd Qtr	Year-To-Date
Beginning Net Assets	2,147.7	2,602.3	2,755.6	2,967.0	2,602.3
Net Contributions	85.0	23.1	27.5	57.9	108.5
Investment Return	482.5	158.2	214.1	(20.9)	351.4
Receipt of Funds from System for UTIMCO Fee	2.2	0.5	0.5	0.5	1.5
Expenses	(8.3)	(1.9)	(3.8)	(2.4)	(8.1)
Distributions (Payout)	(101.5)	(26.4)	(26.7)	(30.9)	(84.0)
Distribution of Gain on Participant Withdrawals	(5.3)	(0.2)	(0.2)	(0.2)	(0.6)
Ending Net Assets	2,602.3	2,755.6	2,967.0	2,971.0	2,971.0
Net Asset Value per Unit	5.347	5.612	5.983	5.877	
No. of Units (End of Period)	486,701,841	490,996,364	495,867,447	505,503,979	
Distribution Rate per Unit	0.210	0.05375	0.05375	0.06125	

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

d. SHORT INTERMEDIATE TERM FUND

Summary Investment Report at May 31, 2000

SHORT INTERMEDIATE TERM FUND
SUMMARY REPORT
(\$ millions)

	FY98-99	FY99-00			
	Full Year	1st Qtr	2nd Qtr	3rd Qtr	Year-to-Date
Beginning Net Assets	1,809.6	1,769.4	1,903.3	1,886.6	1,769.4
Contributions (Net of Withdrawals)	13.2	143.9	9.7	(7.5)	146.1
Investment Return	53.4	16.7	2.5	29.2	48.4
Expenses	(0.5)	(0.1)	(0.2)	(0.1)	(0.4)
Distributions of Income	(106.3)	(26.6)	(28.7)	(29.1)	(84.4)
Ending Net Assets	1,769.4	1,903.3	1,886.6	1,879.1	1,879.1
Net Asset Value per Unit	9.895	9.841	9.705	9.704	
No. of Units (End of Period)	178,813,160	193,409,210	194,396,131	193,632,061	

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

e. SEPARATELY INVESTED ASSETS

Summary Investment Report at May 31, 2000

SEPARATELY INVESTED ASSETS
SUMMARY REPORT
(\$ 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
Cash & Equivalents:	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>
Beginning value 3/1/00	3,832	3,832	2,614	2,614	60,297	60,297	297	297	3	3	749,204	749,204	816,247	816,247
Increase/(Decrease)	313	313	(1,307)	(1,307)	(35,855)	(35,855)	(70)	(70)	-	-	126,313	126,313	89,394	89,394
Ending value 5/31/00	4,145	4,145	1,307	1,307	24,442	24,442	227	227	3	3	875,517	875,517	905,641	905,641
Debt Securities:														
Beginning value 3/1/00	-	-	43	31	53,869	51,520	9,693	9,562	-	-	15,363	15,164	78,968	76,277
Increase/(Decrease)	-	-	(26)	(16)	(115)	(629)	(202)	(274)	-	-	5,010	5,195	4,667	4,276
Ending value 5/31/00	-	-	17	15	53,754	50,891	9,491	9,288	-	-	20,373	20,359	83,635	80,553
Equity Securities:														
Beginning value 3/1/00	42	12,865	2,500	3,278	21,254	37,490	4,724	6,343	-	-	24,178	24,624	52,698	84,600
Increase/(Decrease)	-	(5,704)	(106)	(677)	645	1,373	(101)	(456)	-	-	13,121	9,145	13,559	3,681
Ending value 5/31/00	42	7,161	2,394	2,601	21,899	38,863	4,623	5,887	-	-	37,299	33,769	66,257	88,281
Other:														
Beginning value 3/1/00	-	-	105	105	482	482	7,250	7,486	-	-	-	-	7,837	8,073
Increase/(Decrease)	-	-	(105)	(105)	(1)	(1)	61	(488)	-	-	-	-	(45)	(594)
Ending value 5/31/00	-	-	-	-	481	481	7,311	6,998	-	-	-	-	7,792	7,479

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

2. U. T. Board of Regents: Request for Approval of the Annual Budget and Management Fee Schedule for The University of Texas Investment Management Company (UTIMCO)

RECOMMENDATION

The Board of Directors of The University of Texas Investment Management Company (UTIMCO) recommends that the U. T. Board of Regents approve the Annual Budget and Management Fee Schedule for the fiscal year ending August 31, 2001, as set forth on Page 15.

BACKGROUND INFORMATION

The Investment Management Services Agreement by and between the U. T. Board of Regents and UTIMCO requires that UTIMCO submit its annual budget and management fee schedule to the U. T. Board of Regents for approval. The annual budget consists of UTIMCO's Management Fee and a budget for direct expenses of the funds managed by UTIMCO. UTIMCO's management fee for the fiscal year ending August 31, 2001, will increase 14.7% from \$5.7 million to \$6.6 million. Relocation of UTIMCO's offices represents 10.6% of the percentage increase and operating expenses (including salaries) account for 4.1% of the increase. Budgeted direct expenses will increase by 69.8% from \$14.4 million to \$24.4 million. The Permanent University Fund's direct expenses will increase by \$11.4 million due to conversion of the Fund to the total return based Endowment Policy Portfolio. On the other hand, direct expenses for the Long Term Fund, Permanent Health Fund and other funds will decline by \$1.4 million, despite higher asset values, due to a restructuring of certain portfolios and a greater use of equity indexation. The proposed UTIMCO budget and management fee were approved by the UTIMCO Board of Directors on June 29, 2000.

UTIMCO Budget (\$)
Annual Budget and Management Fee Schedule
For the fiscal year ending August 31, 2001

	The Permanent University Fund (PUF)	The Permanent Health Fund (PHF)	The University of Texas System Long Term Fund (LTF)	The University of Texas System Short Intermediate Term Fund (SITF)	Short Term Funds (STF)	Separately Invested Endowments and Charitable Trust Accounts	Total
UTIMCO Management Fee (includes all operating expenses associated with the general management of the Funds)	3,329,925	485,538	2,315,274	439,185			6,569,922
Direct Expenses of the Fund:							
External Management Fees	9,111,114	1,247,447	3,546,974		N/A (1)		13,905,535
External Management Fees - Performance	5,075,348	646,958	1,936,625				7,658,931
Other Direct Costs	1,383,460	559,938	797,292	119,637		5,000	2,865,327
Total Direct Expenses of the Fund	15,569,922	2,454,343	6,280,891	119,637		5,000	24,429,793
Total UTIMCO Budget for the fiscal year ending August 31, 2001	18,899,847	2,939,881	8,596,165	558,822	N/A (1)	5,000	30,999,715
Market Value of Funds Managed by UTIMCO as of 2/29/00 (\$ millions)	7,924.8	965.3	2,967.0	1,886.6	749.2	236.0	14,728.9
Percentage of Market Value							
UTIMCO Services	0.042%	0.050%	0.078%	0.023%	0.000%	0.000%	0.045%
Direct Expenses of the Fund	0.196%	0.254%	0.212%	0.006%	0.000%	0.002%	0.166%
TOTAL	0.238%	0.304%	0.290%	0.029%	0.000%	0.002%	0.211%

Note: Allocation Ratio: PUF-51%, Health Fund-7%, LTF-35%, SITF-7%

(1) Interest Income is net of fees and is not budgeted

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

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

Executive Committee: Chairman Evans
Vice-Chairman Loeffler, Vice-Chairman Clements
MSA Page 17

Business Affairs and Audit Committee: Chairman Riter
Regent Hunt, Regent Oxford
MSA Page 18

Academic Affairs Committee: Chairman Miller
Regent Hunt, Regent Oxford, Regent Romero
MSA Page 61

Health Affairs Committee: Chairman Loeffler
Regent Clements, Regent Oxford, Regent Sanchez
MSA Page 68

Facilities Planning and Construction Committee:
Chairman Clements, Regent Riter, Regent Romero, Regent Sanchez
MSA Page 71

Executive Committee

EXECUTIVE COMMITTEE
Committee Chairman Evans

Date: August 10, 2000

Time: Following the Reconvening of the Board of Regents at
approximately 8:30 a.m.

Place: Board Room, 9th Floor, Ashbel Smith Hall

There are no items to be considered by the Executive Committee for
this meeting.

Business Affairs & Audit Committee

BUSINESS AFFAIRS AND AUDIT COMMITTEE
Committee Chairman Riter

Date: August 10, 2000
Time: Following the Meeting of the Executive Committee
Place: Board Room, 9th Floor, Ashbel Smith Hall

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1. U. T. System: Recommendation to Approve Chancellor's Docket No. 102

RECOMMENDATION

It is recommended that Chancellor's Docket No. 102 be approved.

It is requested that the Committee confirm that authority to execute contracts, documents, or instruments approved therein has been delegated to appropriate officials of the respective institution involved.

2. U. T. Board of Regents: Proposed Amendments to the Regents' Rules and Regulations, Part One, Chapter II, Section 3 to Add Subsection 3.4 (Institutional Compliance)

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel that the Regents' Rules and Regulations, Part One, Chapter II, Section 3, be amended to add a new Subsection 3.4 relating to institutional compliance as set forth below in congressional style:

Sec. 3. Chancellor.

...

3.4 Institutional Compliance.

The Chancellor, as chief executive officer of the System, is responsible for insuring the implementation of an institutional compliance program for the System. Accordingly, the System-wide

Compliance Officer prepares an executive summary of all institutional compliance activity of the components and System Administration.

3.41 System-wide Compliance Officer.

The System-wide Compliance Officer is responsible, and will be held accountable for, apprising the Chancellor and the Board of Regents of the institutional compliance functions and activities at System Administration and at each of the component institutions as set out in Subparagraph 3.412 of this Section. The System-wide Compliance Officer provides institutional compliance assistance to the Chancellor, the Executive Vice Chancellors and the Vice Chancellors in the exercise of their responsibilities.

3.411 Appointments and Tenure.

The System-wide Compliance Officer shall be appointed by the Chancellor. The System-wide Compliance Officer shall hold office without fixed term, subject to the pleasure of the Chancellor.

3.412 Duties and Responsibilities.

The primary responsibilities of the System-wide Compliance Officer include:

3.4121 Developing an infrastructure for the effective operation of The University of Texas System Institutional Compliance Program.

3.4122 Chairing the System-wide Compliance Committee and the Compliance Officers Council.

3.4123 Prescribing the format for the annual risk based compliance plan and the quarterly compliance status reports to be submitted by each component institution and System Administration.

3.42 The System-wide Compliance Officer is the senior compliance official of The University of Texas System and provides assistance and advice covering all component and System Administration compliance programs.

BACKGROUND INFORMATION

On January 16, 1998, U. T. Board of Regents' Chairman Donald L. Evans requested the Chancellor create an ad hoc committee to develop an action plan to assist U. T. System compliance with applicable laws, regulations, policies, and procedures. Additionally, Chairman Evans requested that the Action Plan include an appropriate governance structure and that it designate the appropriate officer who would be responsible to the U. T. Board of Regents for System-wide compliance.

In April 1998, the U. T. System Action Plan to Ensure Institutional Compliance was developed by the Ad Hoc Committee on Institutional Compliance upon recommendation by the Chancellor and presented to the Business Affairs and Audit Committee of the U. T. Board of Regents. The Action Plan included the key elements necessary to develop and support a comprehensive institutional compliance program that meets the requirements of the United States Sentencing Commission Guidelines.

Since April 1998, compliance programs have been established at each of the U. T. System component institutions and at U. T. System Administration under the direction of the Chairman and with the full support of members of the U. T. Board of Regents.

This recommended addition of Subsection 3.4, relating to institutional compliance, to Section 3, Chapter II, Part One of the Regents' Rules and Regulations, formally documents U. T. Board of Regents' approval for the program.

3. U. T. Board of Regents: Proposed Amendments to the Regents' Rules and Regulations, Part Two, Chapter VII, Section 4 (Insurance on Property of the System), Section 8 (Disposal of Property of the System), and Addition of a New Section 11

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, the Executive

Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel that the Regents' Rules and Regulations, Part Two, Chapter VII be amended as set forth below in congressional style:

- a. Amend Section 4, relating to insurance on property of the U. T. System, as follows:

Sec. 4. Insurance for U. T. System ~~[on Property of the System]~~.

- 4.1 Insurance is one of the methods used to finance the U. T. System's property, fidelity and liability risks. The U. T. System will purchase and maintain insurance coverage when deemed necessary to protect its interests. ~~[The following types of insurance coverage shall be maintained on a System-wide basis:~~
Fire and Extended Coverage Insurance
Boiler and Machinery Insurance
Blanket Position (Fidelity) Bond] ~~may be one~~
Money and Securities Insurance] ~~policy~~
Motor Vehicle Liability Insurance
~~on State Owned Vehicles]~~
- 4.2 The terms of any [the] policies shall be ~~[covering the risks indicated above are]~~ negotiated by the Director of Business and Administrative Services ~~[Executive Vice Chancellor for Business Affairs in accordance with procedures approved by the Chancellor and the Board]~~. The purchase or renewal of policies with premiums in excess of \$100,000 shall be approved by the Executive Vice Chancellor for Business Affairs.
- 4.3 ~~[When it is necessary or advisable to insure risks on a basis other than System-wide, insurance policies covering such risks shall be approved by the Executive Vice Chancellor for Business Affairs on an individual basis upon recommendation by the chief business officer of the component institution affected.~~
- 4.4] At the time a loss occurs applicable to either System-wide or individual insurance policies, the Director of Business and Administrative Services ~~[Executive Vice~~

~~Chancellor for Business Affairs]~~ shall be notified by the chief business officer of the component institution ~~[and shall approve all loss claims and settlements]~~. For all claims in which the University is a claimant or when University approval is required or solicited from the insurance carrier, the Director of Business and Administrative Services shall approve all loss claims and settlements under \$50,000. Any settlement over \$50,000 [\$2,000] and under \$500,000 [\$10,000] shall be approved by the Executive Vice Chancellor for Business Affairs. Notification of the settlement will be given to the Board at the discretion of the Executive Vice Chancellor for Business Affairs. Settlements over \$500,000 and less than \$1,000,000 shall be approved by the Executive Vice Chancellor for Business Affairs and shall be reported to the Board for ratification. Settlements in excess [the amount] of \$1,000,000 [\$10,000 or more] must have the approval of the Board.

4.4 The Director of Business and Administrative Services will provide a summary report of insurance purchases and claim settlements to the Executive Vice Chancellor for Business Affairs on a semiannual basis.

b. Amend Section 8, relating to disposal of property of the System, as follows:

Sec. 8. Disposal of Property of the System.--The process outlined in this Section governs the sale and disposal of property, with the exception of sale of artwork or duplicate volumes which is covered by Section 11 of this Chapter.

8.1 Whenever any item of equipment becomes obsolete or useless for the needs and purposes of the department concerned, a written report of such fact shall be made to the chief business officer~~].-- Upon receipt of such report, it shall be the responsibility of the chief business officer]~~ to determine whether or not such item of equipment is needed by any other department and, if so, to transfer and assign the equipment to such department.

- 8.2 If the chief business officer shall determine that the equipment is not needed for any department and that it is not practicable to store the equipment for possible future use, he or she shall proceed to sell the item concerned. If the equipment can be used for instructional purposes, it shall be made available to a public school or school district before disposing of the property in another manner.
- 8.3 For items of little value or limited use where sale on competitive bids is not practicable, the chief business officer shall have the authority to dispose of the property on the basis of negotiated bids or surplus auction in amounts under \$50,000 [~~\$2,000~~].
- 8.4 Sale of property estimated to bring \$50,000 [~~\$2,000~~] or more shall be made on a basis of competitive bids.
- 8.5 Sales in amount of \$100,000 [~~\$10,000~~] or more shall be approved in advance by the Chancellor and ratified by the Board through the institutional docket.
- 8.6 Sales to employees are governed by the provisions of Part Two, Chapter IV, Section 5 of these Rules [~~Rules~~].

- c. Add a new Section 11, relating to the sale of artwork or duplicate volumes, as follows:

Sec. 11. Sale of Artwork or Duplicate Volumes.--When the president or his or her delegate determines that a work of art or a duplicate of a valuable, rare, or significant volume is no longer of significant use for the purposes of teaching or research, the item is subject to sale following the procedure outlined in this Section. The disposability and current fair market value of the item shall be certified by a three-member panel (including either an art historian or a bibliographer) and the director of the collection disposing of the property. U. T. System institutions shall be given first choice in acquiring the item before it is offered for sale. Proceeds from the sale shall be used for

purchases to improve the collection from which the item was drawn or to select items more appropriate to the institution's collection areas.

Sale is subject to the approval of the president or his or her delegate and must be for the fair market value of the item. A permanent record shall be made of the disposition and future location of the item.

BACKGROUND INFORMATION

The U. T. System purchases insurance policies when deemed necessary to protect its interests, and the insurance premiums range from a few hundred dollars to hundreds of thousands of dollars for one-year policies. Claim settlement figures can also vary tremendously in cost. As a result, some of the purchases or settlements are similar to routine business decisions while others require upper management input and oversight.

The current Regents' Rules and Regulations, Part Two, Chapter VII, Section 4 requires the Executive Vice Chancellor for Business Affairs to negotiate and approve insurance purchases of any size and include low thresholds for Board ratification and/or approval of claim settlements. The requested changes to Section 4 will continue to provide sufficient oversight of insurance purchases and claim settlements by the Executive Vice Chancellor for Business Affairs and by the U. T. Board of Regents in cases of significant financial impact. The requested changes will also result in more efficient U. T. System business and administrative procedures by:

- a. Delegating authority for certain insurance purchases and claim settlements to the Director of Business and Administrative Services
- b. Increasing the dollar thresholds for Board ratification and/or approval of claim settlements
- c. Requiring the Director of Business and Administrative Services to provide a semiannual report of insurance purchases and claims settlements made within his or her authority.

Section 8 of Part Two, Chapter VII sets forth specific requirements for disposal of property of the U. T. System. These requirements are dynamic and exist within the U. T. System administrative structure and State regulatory and statutory authority. As these structures experience change, the language contained in the Regents' Rules and Regulations must be periodically modified to reflect these changes. The proposed revisions to Section 8 are intended to accomplish the following:

- a. Streamline language in Subsection 8.1
- b. Encourage the transfer of certain surplus property to public schools and school districts in accordance with Texas Government Code Section 2175.304
- c. Add language for clarification purposes
- d. Increase the dollar threshold in Subsections 8.3 through 8.5 to give component institutions more flexibility in the disposal of surplus property. The increased threshold is recommended by the U. T. System Property Managers Council.

The addition of Section 11 to Part Two, Chapter VII proposes inclusion of the existing Regental Policy on "Sale of Artwork or Duplicate Rare Volumes", approved by the U. T. Board of Regents in April 1994 and amended in May 1996, as Section 11 of this Chapter. Inclusion of this policy in the Regents' Rules will group related policies for clarity. The proposed addition of the policy regarding the sale of artwork or duplicate, valuable, or significant volumes is the result of an ongoing review of U. T. System and Regental policies and has been reviewed by the institutional presidents.

4. U. T. Board of Regents: Request for Approval to Defeasance Certain Permanent University Fund Refunding Bonds, Series 1992A; Appropriate Funds and Authorize Expenditure of Available University Fund Balances; Appoint Vinson & Elkins, L.L.P., Austin, Texas, as Bond Counsel, Chase Bank of Texas, N. A., Austin, Texas, as Escrow Agent, and Causey Demgen & Moore Inc., Denver, Colorado, as Escrow Verification Agent; and Authorize Officers of the U. T. System to Complete All Transactions

RECOMMENDATION

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

- a. Approve the defeasance of certain Board of Regents of The University of Texas System Permanent University Fund Refunding Bonds, Series 1992A, in the amount of \$58,325,000 to either maturity or an optional redemption date
- b. Appropriate funds and authorize expenditure of Available University Fund balances in an amount not to exceed \$60,000,000
- c. Appoint Vinson & Elkins, L.L.P., Austin, Texas, as Bond Counsel
- d. Appoint Chase Bank of Texas, N. A., Austin, Texas, as Escrow Agent
- e. Appoint Causey Demgen & Moore Inc., Denver, Colorado, as Escrow Verification Agent

- f. Authorize appropriate officers and employees of the U. T. System as set forth in the related documents to take any and all actions necessary to carry out the intentions of the U. T. Board of Regents to complete the transactions, including redeeming the bonds prior to maturity, if this action is determined to be more cost effective.

BACKGROUND INFORMATION

In April 2000, the Business Affairs and Audit Committee of the U. T. Board of Regents reaffirmed the minimum Available University Fund (AUF) balance requirement of \$30 million. Current projections reflect an AUF balance of approximately \$105 million on August 31, 2000. The proposed defeasance transaction would reduce the AUF balance to approximately \$45 million, or \$15 million above the minimum requirement, by cash defeasing certain high-coupon Permanent University Fund bonds.

The most cost-effective bonds to retire are the Permanent University Fund Refunding Bonds, Series 1992A, 6.25% term bonds maturing July 1, 2013. This transaction would involve cash defeasing a portion of the mandatory sinking fund redemptions of this term bond in the amount of \$58,325,000. Depending upon market conditions, it may be more cost effective to defease these bonds to an optional redemption date. Approval of this item would authorize appropriate U. T. System officials to retire the bonds in the most cost-effective manner, either to maturity or an optional redemption date.

A legal defeasance involves purchasing, through competitive bid, U. S. government securities that are irrevocably deposited into an escrow account. These securities mature in such amounts and at such times as necessary for the escrow agent to make the required debt service payments on the defeased bonds. A verification report from an independent accounting firm is required to certify that the securities purchased will be sufficient to make the required debt service payments. Bond counsel is also required to provide an opinion that all steps necessary to defease the bonds have been taken.

5. U. T. System: Recommended Approval of Non-Personnel Aspects of the Operating Budgets for the Fiscal Year Ending August 31, 2001, Including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Services, Research and Development Plans and Authorization for the Chancellor to Make Editorial Corrections Therein; and Approval of Permanent University Fund Bond Proceeds Reserve Allocation for Library, Equipment, Repair and Rehabilitation Projects

RECOMMENDATION

The Chancellor, with the concurrence of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Academic Affairs, and presidents of the U. T. System component institutions, recommends that the non-personnel aspects of the U. T. System Operating Budgets for the Fiscal Year ending August 31, 2001, including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Services, Research and Development Plans be approved.

It is further recommended that the Chancellor be authorized to make editorial corrections therein and that subsequent adjustments be reported to the U. T. Board of Regents through the institutional dockets.

It is requested that Permanent University Fund Bond Proceeds in the amount of \$30,000,000 be appropriated from reserves to fund Library, Equipment, Repair and Rehabilitation Projects for Fiscal Year 2001. In addition, it is recommended that the U. T. System component institutions be authorized to purchase approved equipment items and library materials and to contract for repair and rehabilitation projects following standard purchasing and contracting procedures within approved dollar limits. Substitute equipment purchases are to receive prior approval by the Chancellor and appropriate Executive Vice Chancellor and, where required, the U. T. Board of Regents. Transfers by the U. T. System Administration of allocated funds to institutional control or to vendors will coincide with vendor payment requirements. Final approval of specific repair and rehabilitation projects will be in accordance with procedures for construction projects established by the Board.

Fiscal Year 2001 funds from these reserves not expended or obligated by contract/ purchase order within six months after the close of Fiscal Year 2001 are to be available for future System-wide reallocation unless specific authorization to continue obligating the funds is given by the Executive Vice Chancellor for Business Affairs on recommendation of the president and the appropriate Executive Vice Chancellor.

This item requires the concurrence of the Academic Affairs and Health Affairs Committees.

BACKGROUND INFORMATION

The Chancellor will present a statement in support of the Operating Budget recommendations.

See Page 1 under Executive Session related to the personnel aspects of the Operating Budgets.

The appropriation of Permanent University Fund Bond Proceeds Reserves will be presented in the Fiscal Year 2001 Library, Equipment, Repair and Rehabilitation Budget. An allocation of \$30,000,000 is being requested for Library, Equipment, Repair and Rehabilitation Projects for Fiscal Year 2001. The allocation of these reserves to the U. T. System component institutions was developed from prioritized lists of projects submitted by the component institutions and reviewed by U. T. System Administration staff.

As required by the Available University Fund (AUF) Spending Policy, a forecast of revenues and expenses of the AUF for seven years, including the above allocation, has been prepared and is provided on Page 34. The additional appropriation of Permanent University Fund Bond Proceeds for this allocation is within the policy as shown in the forecast.

**AVAILABLE UNIVERSITY FUND OPERATING STATEMENT
ACTUAL AND FORECAST DATA**

	Actual FYE 99	Estimated FYE 00	Budget FYE 01	Forecast			
				FYE 02	FYE 03	FYE 04	FYE 05
Investment Income (1)	283,415,841	297,562,712	317,081,112	340,009,346	361,889,219	381,081,443	401,236,632
Surface & Other Income	9,973,057	5,546,000	6,529,000	6,879,000	7,104,000	7,354,000	7,454,000
Divisible Income	293,388,898	303,108,712	323,610,112	346,888,346	368,993,219	388,435,443	408,690,632
UT Share (Two-Thirds Share)	195,592,599	202,072,475	215,740,074	231,258,897	245,995,479	258,956,962	272,460,421
AUF Interest Income	6,332,679	9,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Exp of Revenue Bearing Prop-UT	(20,195,886)	(1,789,007)	-	-	-	-	-
Income Available to UT	181,729,392	209,283,468	220,740,074	236,258,897	250,995,479	263,956,962	277,460,421
TRANSFERS:							
PUF Debt Service (2)	(90,490,376)	(67,072,066)	(76,511,338)	(97,685,468)	(112,207,536)	(115,379,172)	(118,102,609)
Debt Service Reduction - Defeasance		0	3,645,313	4,682,813	5,249,788	5,249,788	5,249,788
Debt Service Reimbursement (Bldg Rev)	(3,375,088)	(3,385,007)	(3,391,581)	(3,394,050)	(3,401,650)	(3,427,856)	-
System Adm. Transfers	(12,136,541)	(22,361,983)	(21,990,907)	(22,870,543)	(23,785,365)	(24,736,780)	(25,726,251)
System Adm. Capital Budget	(340,148)	(1,112,057)	(4,091,529)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
CHPC & Telecommunications	(976,371)	(900,000)	(900,000)	(936,000)	(973,440)	(1,012,378)	(1,052,873)
UT Austin Excellence Funds	(82,400,000)	(88,727,618)	(102,500,000)	(106,316,504)	(112,947,966)	(118,780,633)	(124,857,190)
Cash Defeasance	-	(58,325,000)	(16,600,000)	(9,071,615)	-	-	-
Other Transfers and Changes	(13,487)	(160,000)	(160,000)	(160,000)	(160,000)	(160,000)	(160,000)
Net Surplus/(Deficit)	(14,242,545)	(32,760,264)	(1,759,968)	(992,470)	1,269,311	4,209,932	11,311,268
Ending AUF Balance - System	80,512,702	47,752,438	45,992,470	45,000,000	46,269,311	50,479,243	61,790,531
UT Austin Share	45%	42%	46%	45%	45%	45%	45%
PUF Debt Service Coverage	2.77:1	3.12:1	3.03:1	2.54:1	2.35:1	2.40:1	2.46:1

(1) For FY 2001 and beyond, investment income projections are based on a 4.5% PUF distribution of trailing 12-quarter market value of the PUF.

(2) PUF debt service based on all PUF projects currently included in the CIP plus additional \$30 million annual LERR appropriations.

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

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. Board of Regents approve an aggregate amount of \$15,530,000 under the Revenue Financing System for equipment to be purchased in Fiscal Year 2001 by the following U. T. System component institutions:

U. T. Arlington	\$2,000,000
U. T. Austin	\$4,295,000
U. T. El Paso	\$1,035,000
U. T. Southwestern Medical Center - Dallas	\$4,000,000
U. T. M. D. Anderson Cancer Center	\$4,000,000
U. T. System Administration	\$ 200,000

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution") adopted by the U. T. Board of Regents on February 14, 1991, amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 37, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost 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 \$15,530,000 for the purchase of equipment
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

At the April 14, 1994 meeting, the U. T. Board of Regents approved the use of Revenue Financing System debt for equipment purchases in accordance with the Guidelines Governing Administration of the Revenue Financing System. The guidelines specify that the equipment to be financed must have a useful life of at least three years. The debt is amortized twice a year with full amortization not to exceed ten years.

This agenda item requests approval of an aggregate amount of \$15,530,000 for equipment financing for Fiscal Year 2001. With the issuance of the equipment debt, the debt service coverage for the U. T. System is projected to range from 2.5 times to 3.1 times for the next six years (see Page 38). Each fiscal year, the U. T. Board of Regents may be asked to approve an aggregate financing amount, and any amount approved for a fiscal year, but not used, may not be carried forward. For Fiscal Year 2000, the Board approved \$9,700,000 of equipment financing, of which \$2,551,085 had been issued as of July 7, 2000. An additional \$4,395,000 is projected to be issued by August 31, 2000.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Director of Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution") adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance equipment cost at U. T. Arlington, U. T. Austin, U. T. El Paso, U. T. Southwestern Medical Center - Dallas, U. T. M. D. Anderson Cancer Center, and U. T. System Administration, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution, Eighth Supplemental Resolution and Ninth Supplemental Resolution.

EXECUTED this 13th day of July, 2000

/s/ Terry Hull
Director of Finance

**APPROVAL OF FINANCING FOR
EQUIPMENT PROJECTS
FOR FY 2001
(\$ in millions)**

	Requested Equip. Financing	Annual Debt Service Equip.	Debt Service Coverage		Debt Service as a % of Budget		<i>Use of Funds:</i>	<i>Source of Repayment:</i>
			(times) FY 2000-FY 2005 Min to Max	(times) FY 2000-FY 2005 Min to Max	FY 2000-FY 2005 Min to Max	FY 2000-FY 2005 Min to Max		
<u>Component Institution:</u>								
UT Arlington	2.000	0.500	1.6x	2.0x	4.06%	6.32%	Computers for Student Labs/Research	Computing Fees, Desig. Tuition
UT Austin	4.295	1.074	1.6x	2.1x	4.02%	4.81%	Academic/Research purposes	Student Fees, Service Ctr Rates
UT El Paso	<u>1.035</u>	<u>0.259</u>	2.2x	2.9x	5.05%	6.77%	Basketball floor, theatre equipment,	Auxiliary Enterprise Fees and
Total Academics	7.330	1.833					Police Vehicles, Bookstore shelves/lights	Desig. Tuition
UT Southwest Medical Ctr	4.000	0.771	1.7x	2.7x	3.50%	6.24%	PET System and other radiology equip.	Designated Funds
UT MD Anderson	<u>4.000</u>	<u>1.000</u>	5.6x	9.6x	1.23%	3.40%	Various Hospital Equipment	Patient Income
Total Healths	8.000	1.771						
UT System Administration	<u>0.200</u>	<u>0.050</u>	263.9x	368.9x	0.47%	0.65%	Office Equipment	AUF & Departmental Funds
Grand Total	<u>\$15.530</u>	<u>\$3.654</u>	2.5x	3.1x	2.74%	3.32%		

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At the April 1994 meeting, the U.T. Board of Regents approved the use of Revenue Financing System debt for equipment purchases in accordance with the Guidelines Governing Administration of the Revenue Financing System. The Guidelines specify that the equipment to be financed must have a useful life of at least three years with the debt amortization to match the useful life. The maximum amortization period is ten years.

For FY 2000, the Board approved \$9,700,000 of equipment financing, of which \$2,551,085 has been issued as of July 7, 2000, and \$4,395,000 is projected to be issued by August 31, 2000.

7. U. T. System: Request for Approval to Exceed the Full-Time Equivalent Limitation on Employees Paid from Appropriated Funds as Required by the General Appropriations Act of the 76th Legislature, Article IX, Section 9-6.15

RECOMMENDATION

The Chancellor concurs in the recommendation of the U. T. System Executive Officers and the presidents of certain U. T. System component institutions that the U. T. Board of Regents approve those institutions, as set forth in the table on Page 40, to exceed the number of full-time equivalent (FTE) employees that are authorized in the General Appropriations Act. Also, as required by Article IX, Section 9-6.15 of the General Appropriations Act, it is recommended that the U. T. Board of Regents submit a request to the Governor's Office and the Legislative Budget Board to grant approval for these institutions to exceed the authorized number of FTE employees paid from Appropriated Funds.

BACKGROUND INFORMATION

The proposed request is in accordance with Article IX, Section 9-6.15 of House Bill 1 (General Appropriations Act) passed by the 76th Texas Legislature, Regular Session. This rider places a limit on the number of full-time equivalent (FTE) employees paid from Appropriated Funds that an institution may employ without written approval of the Governor and the Legislative Budget Board. In order to exceed the FTE limitation, a request must be submitted by the governing board and must include the date on which the board approved the request, a statement justifying the need to exceed the limitation, the source of funds to be used to pay the salaries, and an explanation as to why the functions of the proposed additional FTEs cannot be performed within current staffing levels.

The University of Texas System
REQUEST TO EXCEED FULL-TIME EQUIVALENT LIMITATION
ON EMPLOYEES PAID FROM APPROPRIATED FUNDS
(House Bill No. 1, Article IX, Section 9-6.15)
Fiscal Year 2001

Component	H. B. 1 FTE Limitation	Estimated Average FTE FY2001	Requested Increase in Number of FTEs
U. T. Arlington	1,828.00	1,861.50	33.50
U. T. Brownsville	294.00	724.98	430.98
U. T. Dallas	1,044.00	1,141.10	97.10
U. T. El Paso	1,419.00	1,570.72	151.72
U. T. Pan American	1,067.00	1,168.32	101.32
U. T. Permian Basin	241.00	248.50	7.50
U. T. Tyler	345.50	377.50	32.00
U. T. SWMC - Dallas	1,579.50	1,629.50	50.00
U. T. MDA Cancer Center	6,036.00	7,536.00	1,500.00

8. U. T. System: Request for Approval to Transfer State General Revenue Appropriations from U. T. Tyler to U. T. System Administration in Exchange for Permanent University Fund Bond Proceeds

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Mabry that approval be given to transfer \$300,000 of State General Revenue appropriations from U. T. Tyler to U. T. System Administration in exchange for \$300,000 of Permanent University Fund Bond Proceeds.

BACKGROUND INFORMATION

Texas Attorney General Opinion JC-170 (2000) concluded that Article VII, Section 18 of the Texas Constitution precludes certain U. T. System component institutions, including U. T. Tyler, from spending general revenue appropriated for the construction of permanent improvements unless the appropriation falls within one of the express exceptions to the rule. U. T. Tyler had planned to use general revenue funds for several small renovation projects and parking lot improvements, but, in light of the Attorney General Opinion and the fact that U. T. Tyler's projects do not fit within one of the exceptions, the institution must use a different source of funds. It is therefore proposed that U. T. Tyler receive \$300,000 in Permanent University Fund (PUF) Bond Proceeds to fund the projects, in exchange for transferring \$300,000 in General Revenue Funds to U. T. System Administration. This transfer will be used by U. T. System Administration to fund an equivalent amount of operating expenses that would have been paid from Available University Funds (AUF). This will leave a balance in AUF that at the appropriate time can be used to retire an equivalent amount of PUF notes or higher-cost PUF debt. This proposed exchange of funding sources will allow U. T. Tyler to fund these projects without having to lapse State appropriations.

9. U. T. System: Request for Authorization to Lease the Surface Only of a Portion of University Lands Located in Block 16, University Lands Survey, Pecos County, Texas, to be Used for the Construction and Operation of a Windpower Project and Authorization to Execute All Documents Related Thereto

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs and the Executive Director of University Lands - West Texas Operations that authorization be granted by the U. T. Board of Regents, on behalf of University Lands - West Texas Operations, to:

- a. Lease to NWP Indian Mesa Wind Farm LP, Oakland, California, the surface only of approximately 2,500 gross acres in Block 16, University Lands, Pecos County, Texas, for the purpose of generating electrical power from wind power
- b. Authorize the Executive Vice Chancellor for Business Affairs or the Executive Director of University Lands - West Texas Operations to negotiate the surface lease and to execute all documents, instruments, and other agreements and to take all such actions deemed necessary or desirable to carry out the purpose and intent of the foregoing recommendation, subject to approval as to the legal form of the documents, instruments, and agreements by the Office of General Counsel.

BACKGROUND INFORMATION

The subject property consists of approximately 2,500 gross acres of land in the east half of Block 16, University Lands Survey, Pecos County, Texas. The leased premises will be used to construct and operate a wind farm for the purpose of generating

electrical power. As part of the electrical power deregulation legislation passed during the 76th Texas Legislature, power companies were required to generate a portion of their total energy output from renewable sources by the Year 2003. Wind power is currently viewed as one of the principal means of generating clean or "green," renewable electrical power in the State of Texas to meet this mandate.

The proposed surface lease is for a term of thirty (30) years. The U. T. System will be compensated with an initial payment of \$68,000 at execution of the agreement and royalty payments of no less than \$82,000 per year during the first 10 years after power generation commences, no less than \$94,300 per year during the following 10 years, and no less than \$108,445 per year during the remainder of the lease. The proposed lease requires U. T. Board of Regents' approval as it will generate income in excess of \$500,000. Approval of the lease is submitted as an Agenda Item because lease terms were not final in time for inclusion in the August institutional Docket.

10. U. T. System: Request for Adoption of the Resolution to Argonaut Southwest Insurance Company to Guarantee Payments Under Phase III of a Rolling Owner Controlled Insurance Program (ROCIP)

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Executive Vice Chancellor for Business Affairs that the resolution to Argonaut Southwest Insurance Company, Menlo Park, California, to insure The University of Texas System under Phase III of a Rolling Owner Controlled Insurance Program (ROCIP), be adopted as set forth below:

RESOLUTION

WHEREAS, Argonaut Southwest Insurance Company (Argonaut), Menlo Park, California, will insure The University of Texas System and other persons under Phase III of a Rolling Owner Controlled

Insurance Program (ROCIP) for various construction projects managed by the Office of Facilities Planning and Construction;

WHEREAS, Pursuant to this ROCIP, Argonaut will issue one or more workers' compensation insurance policies and comprehensive general liability insurance policies that contain combined \$250,000 per occurrence deductibles that include allocated costs and indemnity payments; however, such deductibles are subject to aggregate limits of \$2,853,306 for the ROCIP; and

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

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

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

BACKGROUND INFORMATION

In 1994, the U. T. Board of Regents adopted a resolution making a guaranty to Argonaut pertaining to the Owner Controlled Insurance Program (OCIP) for the Bertner Complex construction project at U. T. M. D. Anderson Cancer Center. This innovative program provided insurance coverage for the prime contractor and

subcontractors for general liability, workers' compensation, excess liability, and builder's risk. The savings to the project as a result of purchasing insurance in this manner were in excess of \$1 million.

In 1997, with the success of the Bertner Complex OCIP, the U. T. Board of Regents approved a similar resolution to Argonaut. The University decided to expand this program to include numerous construction projects at several institutions. The ROCIP provided similar coverage for 19 projects totaling over \$200 million in construction values. These projects are approximately 90% complete. The projected savings as of June 21, 2000, is over \$1 million. That number will fluctuate depending on additional claim activity until project completion and payroll audits, which may result in deductive change orders.

In April 1999, with the demonstrated success of ROCIP Phase I, the University began ROCIP Phase II, which extended the program for an additional \$180 million in construction projects. By July 1999, anticipated construction projects through the end of the calendar year had values over \$300 million. At that time, the University expanded ROCIP Phase II to cover the additional construction projects. In February 2000, the U. T. Board of Regents adopted a similar resolution to satisfy the security requirement for ROCIP Phase II. As of June 20, 2000, 22 projects totaling \$287 million in construction values have been enrolled in ROCIP Phase II. If past experience is an indicator, the University anticipates that the savings for ROCIP Phase II will be significant.

ROCIP Phase III began in July 2000. Argonaut Southwest Insurance Company was selected through a competitive process to provide the Workers' Compensation and General Liability insurance for ROCIP Phase III. It is estimated that a minimum of \$300 million in construction values will be included in ROCIP Phase III over the next four years. The aggregate deductible limits are based upon estimated payrolls for \$300 million in construction values. If payrolls exceed the estimate, the aggregate deductible limits may need to be increased. The proposed resolution will provide Argonaut with assurances necessary to complete the ROCIP Phase III program.

11. U. T. Austin: Request for Approval to Complete Negotiation of a Management Services Agreement with Stadium Enterprises, Ltd., for Management and Operation of the Longhorns Ltd. Retail Outlets in Darrell K Royal - Texas Memorial Stadium and Other Specified Locations and Authorization to Execute All Documents Related Thereto

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Faulkner that the U. T. Board of Regents authorize the Senior Vice President and Chief Financial Officer of U. T. Austin or his or her delegate to complete negotiation of a management services agreement on behalf of U. T. Austin with Stadium Enterprises, Ltd., for the management and operation of the Longhorns Ltd. retail outlets in Darrell K Royal - Texas Memorial Stadium and other specified locations on the U. T. Austin campus for the sale of U. T. Austin's licensed merchandise and novelties and related merchandise and novelties at those locations and through the Internet.

It is further recommended that the Senior Vice President and Chief Financial Officer of U. T. Austin be authorized to execute a management services agreement and all other necessary documents, after approval by the Office of General Counsel, and to take all such actions deemed necessary or desirable to carry out the purpose and intent of the foregoing recommendation.

BACKGROUND INFORMATION

U. T. Austin issued a Request for Proposal in 1999 to solicit proposals from firms to manage and operate the existing Longhorns Ltd. store on the west side of Darrell K Royal - Texas Memorial Stadium and to open and operate an additional retail location on the east side of the stadium. Longhorns Ltd. is the retail outlet through which U. T. Austin sells its licensed merchandise and novelties and other related merchandise and novelties. Based on the responses to the Request for Proposal,

U. T. Austin selected Stadium Enterprises, Ltd., to be its operator for Longhorns Ltd. and has negotiated certain terms and conditions of a management services agreement, which includes the payment to U. T. Austin of a guaranteed annual royalty of \$2,800,000 for the initial five-year term of the agreement.

12. U. T. El Paso: Frank B. Cotton Trust and Tropical Sportswear International Endowed Fund for Entrepreneurship - Request for Authorization to Sell Land and Improvements Located at 1500 East Third Avenue, El Paso, El Paso County, Texas, and Authorization to Execute All Documents Related Thereto

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Natalicio that authorization be given for the U. T. System Real Estate Office, on behalf of U. T. El Paso, to sell the land and improvements located at 1500 East Third Avenue in El Paso, Texas, to Midwest Textile General, LLC for \$642,000. Upon closing, a commission in the amount of \$35,680 will be split between the listing broker, Best/White LLC, and the broker who is representing the buyer, Wayne Moorhead. Proceeds from the sale will be distributed to the Frank B. Cotton Trust (value of the land) and the Tropical Sportswear International Endowed Fund for Entrepreneurship (value of the improvements).

It is further recommended 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 and take all such further actions deemed necessary, advisable, or proper to carry out the purpose and intent of the foregoing recommendation.

BACKGROUND INFORMATION

The subject land was part of a large donation of land in 1938 to the U. T. Board of Regents from the Frank B. Cotton Trust. In 1952, the subject site was leased to the Farah Manufacturing Company, Inc., which built the improvements. Throughout the lease, the improvements remained the property of the lessee. In September 1998, Tropical Sportswear International, the successor to Farah as lessee, donated the building to the U. T. Board of Regents to create the Tropical Sportswear International Endowed Fund for Entrepreneurship.

On May 13, 1999, the U. T. Board of Regents authorized the property to be marketed for its 1998 appraised value of \$1,000,000. The offer of \$642,000 from Midwest Textile General, LLC is the only offer that has been received in response to that marketing effort. A new roof, building obsolescence, and city code requirements for new loading docks and parking have been identified as deficiencies in the property, and the appraiser has indicated the need for an adjustment in price due to these factors and new market comparables. The appraisal update should be available in time for the U. T. Board of Regents' August meeting.

The value of the land (\$204,211) less the pro rata share of the closing costs will be distributed to the U. T. El Paso Frank B. Cotton Trust. The balance of the proceeds (\$437,789) less the pro rata share of the closing costs will fund the Tropical Sportswear International Endowed Fund for Entrepreneurship.

13. U. T. El Paso: Request for Authorization to Purchase 1.2494 Acres of Land Being a Part of Lot 1, University Center, El Paso, El Paso County, Texas, and Authorization to Execute All Documents Related Thereto

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Natalicio that authorization be given for the U. T. System Real Estate Office, on behalf of U. T. El Paso, to purchase 1.2494 acres of land out of Lot 1, University

Center in El Paso, El Paso County, Texas, from the North Mesa Joint Venture for \$775,000. U. T. El Paso will pay the cost of the title insurance policy and survey, but no brokerage commission.

It is further recommended 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 and take all such further actions deemed necessary or desirable to carry out the purpose and intent of the foregoing recommendation.

BACKGROUND INFORMATION

The subject property is a vacant tract of land adjacent to the Don Haskins Special Events Center and is designated in U. T. El Paso's approved master plan as a potential acquisition. When purchased, it will be improved for use as a parking lot for regular campus use and events at the Don Haskins Special Events Center. U. T. El Paso wishes to purchase the land (which fronts on Mesa Avenue) before it is developed for commercial purposes.

The purchase price is within the range of two recent appraisals prepared by qualified appraisers from El Paso. Funding for the purchase will be from unallocated Designated Funds.

14. U. T. Permian Basin: Request for Authorization to Lease Campus Land to The Presidential Museum; Finding of Public Purpose; Authorization to Transfer Funds; and Authorization to Execute All Documents Related Thereto

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Sorber that:

- a. Authorization be granted to enter into a lease with The Presidential Museum to occupy land on the U. T. Permian Basin campus and for improvements to be constructed by U. T. Permian Basin for the purpose of housing a presidential museum and leadership library
- b. The U. T. Board of Regents make a determination that the lease of the land and improvements to The Presidential Museum for the stated purposes will serve a public purpose appropriate to the function of U. T. Permian Basin, and that the consideration to U. T. System and U. T. Permian Basin from The Presidential Museum for the lease will be adequate
- c. The U. T. System Budget Office be authorized to transfer \$1,220,000 in Fiscal Year 2000 and \$1,250,000 in Fiscal Year 2001 in General Revenue Funds from U. T. Permian Basin to the U. T. System
- d. The Executive Vice Chancellor for Business Affairs be authorized to take all steps necessary and to execute all documents required to complete the transactions outlined above, subject to approval of all such documents as to legal form by the Office of General Counsel.

BACKGROUND INFORMATION

The 76th Texas Legislature appropriated \$2,500,000 in the General Appropriations Act "for the purpose of constructing a building to house the Presidential Museum on a leased portion of the University of Texas of the Permian Basin campus." (See related item under the Facilities Planning and Construction Committee on Page 104.)

Following the appropriation, it was determined that Permanent University Fund (PUF) Bond Proceeds would be used to fund the construction project. This item authorizes the lease to The Presidential Museum and the transfer of the appropriated funds to the U. T. System in exchange for the allocation of PUF Bond Proceeds to construct the project.

The Presidential Museum was organized in 1978 "to support an educational, charitable, literary, historical, patriotic, and civic undertaking to promote, through the establishment and maintenance of a museum facility and through related nonpartisan, educational, and affirmative programs, projects and exhibitions, a better understanding, knowledge, appreciation, and respect of the Office of the President of the United States of America. . . ." (Article Four of the Articles of Incorporation of Tenant filed with the Texas Secretary of State on September 26, 1978.) The Presidential Museum currently operates a museum and library elsewhere in Odessa, Ector County, Texas, dedicated to the purpose stated in the preceding paragraph. The Presidential Museum's collections contain memorabilia, writings and papers of and about the Presidents of the United States valued at approximately \$1.25 million.

U. T. Permian Basin will be offering a Bachelor of Arts degree with a major in Multidisciplinary Studies with Leadership Studies Concentration and is the home of the John Ben Shepperd Public Leadership Institute, whose mission is to provide young Texans an education for and about leadership, ethics, and public service. The location on U. T. Permian Basin's campus of a museum dedicated to the Office of the President of the United States will further the educational purpose of U. T. System and U. T. Permian Basin by, among other things: the proximity of original information sources and materials for individual research by students and faculty; the synergy created with respect to public service studies and programs, including, without limitation, U. T. Permian Basin's Bachelor of Arts degree with a major in Multidisciplinary Studies with Leadership Studies Concentration and the John Ben Shepperd Public Leadership Institute; and the role of the museum and library in serving as a

venue for the promotion of the study of history and leadership to public school students; in introducing those students to the campus, faculty, and students of U. T. Permian Basin; and in enhancing U. T. Permian Basin's student recruitment efforts.

In lieu of regular installments of rental payments for the use of the land and improvements, The Presidential Museum will fully maintain the leased land and improvements, continuously operate a museum and library dedicated to the Office of the President of the United States in the leased improvements, and provide to U. T. System and U. T. Permian Basin other benefits and consideration, including permitting the faculty, staff, and students of U. T. Permian Basin free and unrestricted use of the museum and library collections for scholarly pursuits, permitting U. T. System and U. T. Permian Basin priority, free use of certain spaces within the improvements, hosting visits of public school students, holding and maintaining U. T. Permian Basin's microfiche collection of presidential papers, and paying U. T. System a percentage of the gross revenues derived from the use of the improvements by others.

The Attorney General of the State of Texas in Opinion No. MW-373 (1981) has advised that, for the use of space in university facilities without cash rental payments to comply with the Texas Constitution, three requirements must be met: (1) the use of the property must serve a public purpose, appropriate to the function of the university; (2) adequate consideration must be received by the university; and (3) the university must maintain controls over the user's activities to ensure that the public purpose is achieved.

To implement this project, the U. T. Board of Regents must make a determination that the museum will serve a public purpose appropriate to the function of U. T. Permian Basin and that the consideration for the lease is adequate. President Sorber will make a presentation during the August 10, 2000 Board of Regents' meeting outlining the benefits of the museum and library to U. T. Permian Basin.

15. U. T. Health Science Center - Houston - Research Expansion Building, Phase I (Purchase of Building Floor for Institute of Molecular Medicine): Request for Authorization to Purchase from the Texas Heart Institute or St. Luke's Hospital, Houston, Texas, a Condominium Interest in the Ninth Floor of the Denton A. Cooley Building Located at 1102 Bates Avenue in Houston, Harris County, Texas; Authorization to Submit a Request to the Coordinating Board for Approval of the Transaction; Appropriation of Funds and Authorization of Expenditure; and Authorization to Execute All Documents Related Thereto

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs and President Low that authorization be granted by the U. T. Board of Regents, on behalf of U. T. Health Science Center - Houston, to:

- a. Purchase from the Texas Heart Institute or St. Luke's Hospital, Houston, Texas, a condominium interest in approximately 34,250 gross square feet of space known as the ninth floor of the Denton A. Cooley Building located at 1102 Bates Avenue, Houston, Harris County, Texas, for use as wet labs and office space
- b. Submit a request to the Texas Higher Education Coordinating Board for approval of the transaction
- c. Appropriate funds and authorize an expenditure not to exceed \$6,300,000 with funding from Permanent University Fund Bond Proceeds
- d. Authorize the U. T. System Real Estate Office to negotiate the purchase of the condominium interest and the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to execute all documents, instruments, and other agreements and to take all such actions deemed necessary or desirable to carry out the purpose and intent of the foregoing

recommendations, subject to approval as to the legal form of the documents, instruments, and agreements by the Office of General Counsel.

BACKGROUND INFORMATION

The Research Expansion Building, Phase I at U. T. Health Science Center - Houston is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a preliminary project cost of \$125,000,000, with \$75,000,000 from Gifts and Grants and \$50,000,000 from Permanent University Fund Bond Proceeds. This project is envisioned to construct new facilities of approximately 400,000 gross square feet to accommodate U. T. Health Science Center - Houston's rapidly growing research program. A portion of these new facilities will be located in the Denton A. Cooley Building to accommodate the Institute of Molecular Medicine (IMM). The larger portion of the Research Expansion Building, Phase I project will be presented to the U. T. Board of Regents for approval next calendar year.

The subject property to be purchased consists of approximately 34,250 gross square feet of space known as the ninth floor of the Denton A. Cooley Building. This floor will be used by the IMM at the U. T. Health Science Center - Houston for wet labs and offices to accommodate the growth of the IMM and research related to cardiovascular disease. At its meeting on May 11, 2000, the U. T. Board of Regents allocated \$8,500,000 for the cost of finish-out and equipping this space. An estimated additional \$6,300,000 for the condominium interest in the ninth floor shell will be paid from the Permanent University Fund Bond Proceeds allocated for the Research Expansion Building, Phase I.

The proposed purchase of the condominium interest in the building would be portioned from the approximate 42.7 percent interest owned by the Texas Heart Institute or the remaining approximate 57.3 percent owned by St. Luke's Hospital. The proposed purchase of the condominium interest will be submitted to the Texas Higher Education Coordinating Board for approval at a future meeting.

16. U. T. Health Science Center - Houston: Request for Approval to Negotiate a Lease with the Houston Academy of Medicine for Space in the Jesse H. Jones Library Building Located at 1133 M. D. Anderson Boulevard in Houston, Harris County, Texas, and Authorization to Execute All Documents Related Thereto

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and President Low that the U. T. Board of Regents authorize the Executive Vice President for Administration and Finance at U. T. Health Science Center - Houston or his or her delegate, to negotiate a lease on behalf of U. T. Health Science Center - Houston with the Houston Academy of Medicine for space in the Jesse H. Jones Library Building located at 1133 M. D. Anderson Boulevard, Houston, Harris County, Texas, to be occupied by University Care Plus, Physicians Billing Services, and various departments of the Medical School.

It is further recommended that the Executive Vice President for Administration and Finance at U. T. Health Science Center - Houston be authorized to execute a space lease agreement and all necessary documents, after approval by the Office of General Counsel, and to take all such actions deemed necessary or desirable to carry out the purpose and intent of the foregoing recommendation.

BACKGROUND INFORMATION

U. T. Health Science Center - Houston has negotiated certain basic terms and conditions of a space lease agreement, including a base lease rate of \$18 per square foot of useable space, with an annual Consumer Price Index escalation, for the occupancy of a portion of the third floor of the Jesse H. Jones Library Building, which is adjacent to the Medical School. Expected base lease payments will total approximately \$2,081,880 for a proposed term of five years with two additional five-year options. It is anticipated that the space will be leased "as is" and U. T.

Health Science Center - Houston expects to pay a maximum of \$25,000 to refinish the space. It will be occupied by University Care Plus, Physicians Billing Services, and other departments of the Medical School. Local funding is available for this lease. Authorization to negotiate and execute this lease agreement is requested from the U. T. Board of Regents because the total amount of lease payments is expected to exceed \$500,000.

17. U. T. Health Science Center - San Antonio: Request for Authorization to Modify an Agreement with the San Antonio Medical Foundation in the South Texas Medical Center and Authorization to Execute All Documents Related Thereto

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Howe that authorization be granted by the U. T. Board of Regents, on behalf of U. T. Health Science Center - San Antonio, to modify an existing agreement with the San Antonio Medical Foundation as follows:

- a. Release the San Antonio Medical Foundation from all restrictions as to the use of land owned by the San Antonio Medical Foundation other than the "core" property within the boundaries of the South Texas Medical Center
- b. Give notice that the President of U. T. Health Science Center - San Antonio shall have the power and authority to bind the University in connection with all matters pertaining to compliance with that portion of the agreement which provides that no land shall be transferred to any hospital agency unless the University certifies that a satisfactory agreement has been reached with the agency to use the hospital for teaching purposes or that no teaching agreement is required.

It is further recommended that the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate be authorized to execute all necessary documents, instruments and agreements and to take all such actions deemed necessary or desirable to carry out the purpose and intent of the foregoing recommendation.

BACKGROUND INFORMATION

On July 21, 1961, the San Antonio Medical Foundation (Foundation) deeded 100 acres to the U. T. Board of Regents for the future construction of a health science center. The U. T. Board of Regents accepted the deed on July 22, 1961. In connection with that conveyance, the U. T. System and the Foundation entered into an agreement that required all existing and future Foundation land holdings be used exclusively for medical and other health-related purposes. The agreement affects both 272 acres within the "core" of the South Texas Medical Center, as well as additional land outside the core that was acquired by the Foundation after 1961. The Foundation would like the flexibility to sell its land outside of the defined boundaries of the South Texas Medical Center without the restrictions imposed by the agreement. The restrictions would remain in place on the remaining 272 acres owned by the Foundation within the core.

The proposed modified agreement designates the President of U. T. Health Science Center - San Antonio to determine if proposed new land uses within the core area of the South Texas Medical Center are in compliance with the restrictions imposed by the agreement.

18. U. T. Health Center - Tyler: Request for Finding of Public Purpose and Authorization to Negotiate and Execute (a) an Agreement with Southwestern Bell Telephone Company, San Antonio, Texas for a Wireless Communications Network, (b) an Agreement with American Tower Management, Inc., Boston, Massachusetts for the Placement of Communication Towers, and (c) All Documents Related Thereto

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Garvey that:

- 1) The Board make a determination that certain prepayments of service fees and rents under agreements related to the development of a wireless communications network serve a public purpose, and
- 2) Authorization be granted by the U. T. Board of Regents on behalf of U. T. Health Center - Tyler to delegate authority to the President of U. T. Health Center - Tyler or his delegate to negotiate and execute, upon approval by the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel the following:
 - a. An agreement with Southwestern Bell Telephone Company, San Antonio, Texas, for development of a wireless communications network, including digital video, audio, and data systems, interconnecting the facilities of the participants in NETnet and all related maintenance agreements and other contracts
 - b. An agreement with American Tower Management, Inc., Boston, Massachusetts, and its affiliates, related to the placement of communication towers and the

use of communication towers in support of the wireless communications network and all related leases, licenses and other agreements

- c. All other related agreements with other parties.

BACKGROUND INFORMATION

Pursuant to an Agreement of the Northeast Texas Telecommunications Network, also known as the Northeast Texas Initiative, ("NETnet"), dated effective September 1, 1995, U. T. Health Center - Tyler and other higher education entities (collectively, the "Participants") agreed to work together to develop a high quality telecommunications network to interconnect the facilities of the Participants and to provide enhanced educational and instructional services to the public.

The development of the wireless communications network will further the educational purpose of the U. T. System and U. T. Health Center - Tyler by, among other things, providing an advanced distance learning infrastructure for the nontraditional delivery of educational and health-care services to a fifty county region of northeast Texas, a geographically dispersed region containing 46% of the State's rural population.

U. T. Health Center - Tyler was appointed to serve as the project administrator and fiscal agent of NETnet. In 1995, the Texas Higher Education Coordinating Board allocated funds to U. T. Health Center - Tyler for the establishment of an office for NETnet and since that time, U. T. Health Center - Tyler has worked with the other Participants to determine the feasibility and technical requirements for the telecommunications network. During the 76th Session of the Texas Legislature, \$10,000,000 was appropriated to U. T. Health Center - Tyler for the development and operation of an educational and instructional communications network in Northeast Texas.

U. T. Health Center - Tyler issued Requests for Proposal for the development of a wireless communications network and a digital video, audio, and data system, interconnecting the facilities of the Participants in NETnet. After extensive review of the proposals received, it is the recommendation of the U. T. Health Center - Tyler that contracts for the development of the communications network be entered into with Southwestern Bell Telephone Company, San Antonio, Texas; American Tower Management, Inc., Boston, Massachusetts, and its affiliates; and other parties.

Such agreements are consistent with the development and operation of an educational and instructional telecommunications network in Northeast Texas as directed by the Texas Legislature.

The negotiation of necessary agreements is still in progress, and, therefore, this request for authorization and delegation of authority to negotiate and execute the agreements is submitted via Agenda Item rather than the institutional Docket.

Southwestern Bell will provide or coordinate comprehensive project management for most aspects of the network development, installation, configuration, training and ongoing support, except certain tower leases and licenses and other agreements being entered into with American Tower and other entities. The entire project, including all training and acceptance testing, is scheduled to be complete within 12 months after contract execution with Southwestern Bell. The total project cost is approximately \$8,156,045. The payment structure under certain agreements documenting the transaction contemplate payment for certain services and rents prior to the performance of the service or delivery of rental benefit. A payment made prior to receipt of services or delivery of the rented benefit may be considered an extension of the State's credit.

The Attorney General of the State of Texas in Opinion No. JM-1229 (1990) has advised that, for an extension of credit by the State to be constitutional, two requirements must be met: (1) the extension of credit must accomplish a public purpose, and (2) the extension of credit must be accompanied by conditions to ensure the use of governmental funds for a public purpose.

In order to implement this project, the Board of Regents must therefor make a determination that prepayments of service fees and rents related to the development of the wireless telecommunications network will serve a public purpose.

INFORMATIONAL REPORT

U. T. System: Discussion of the June 2000 Monthly Financial Report

REPORT

Mr. Kerry Kennedy, Interim Executive Vice Chancellor for Business Affairs, will discuss the June 2000 Monthly Financial Report for the U. T. System.

Academic Affairs Committee

ACADEMIC AFFAIRS COMMITTEE
Committee Chairman Miller

Date: August 10, 2000
Time: Following the Meeting of the Business Affairs and Audit Committee
Place: Board Room, 9th Floor, Ashbel Smith Hall

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1. U. T. Arlington: Request for Authorization to Establish a Bachelor of Science in Software Engineering; Approval to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change); and Authorization of Certification that Coordinating Board Criteria for Approval Are Met

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Witt that authorization be granted to establish a Bachelor of Science in Software Engineering at U. T. Arlington; to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action; and to authorize the Executive Vice Chancellor for Academic Affairs to certify on behalf of the U. T. Board of Regents that relevant Coordinating Board criteria for approval by the Commissioner of Higher Education have been met.

The proposed degree program is consistent with the Table of Programs and Mission Statement of U. T. Arlington and its plans for offering quality degree programs to meet student needs. A description of the degree program is included in the Background Information of this agenda item.

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

BACKGROUND INFORMATION

Program Description

U. T. Arlington proposes to establish a Bachelor of Science in Software Engineering (BSSE) degree. The Department of Computer Science and Engineering (CSE), which operates within the College of Engineering at U. T. Arlington, will administer the proposed degree. The CSE department currently administers programs for a B.S. in Computer Science and Engineering (BSCSE), an M.S. in Computer Science, an M.S. in Computer Science and Engineering, a Master of Software Engineering, a Ph.D. in Computer Science, and a Ph.D. in Computer Science and Engineering. The proposed program will complement these existing programs and will be a natural feeder to the existing Master of Software Engineering program. The primary

differences between the current BSCSE program and the proposed BSSE program are in the mathematics and science requirements and in the hardware/software balance. Unlike the current BSCSE program, the new program does not require chemistry. The current BSCSE program emphasizes a balanced coverage of hardware and software while the new BSSE program emphasizes software development and maintenance. The anticipated semester for enrolling the first students is Fall 2001.

The software engineering program has been formulated to prepare graduates for a career in the field of software engineering by maintaining high academic standards and offering a curriculum based on principles of mathematics, basic sciences, computer sciences, software engineering, and professional ethics.

The program will require 126 semester credit hours of course work plus exercise sports, marching band, or ROTC, if needed. The required courses consist of 30 semester credit hours of general education, 16 semester credit hours of mathematics, 15 semester credit hours of science, and 65 semester credit hours of computer science and engineering courses. Only four new courses will be required to implement this program.

Need and Student Demand

There is a growing need for educational opportunities and degree programs for those wishing to pursue a career in software engineering. The software industry continues to grow rapidly throughout the metroplex. Although U. T. Dallas is also proposing development of a similar program (see Item 2 on Page 65), there currently are no baccalaureate-level software engineering programs in Texas and only one in the nation (Rochester Institute of Technology). There are currently about 50 Master's programs in software engineering in the United States.

Conservative estimates of the demand for a Bachelor of Science in Software Engineering program result in a projected enrollment in year five of 179 students with 107 in the upper division. Forty students are expected in the first year. These numbers are derived based on employers' needs as expressed by the CSE Department Industry Advisory Board members and analysis of the first career opportunities for the CSE graduates as specified in their exit surveys. It is expected that for the first two years some of the enrollments will come from current degree programs at U. T. Arlington such as computer science and engineering, mathematics, and information systems with the remainder being students new to the University.

Program Quality

The program is structured to meet the accreditation criteria of the Accreditation Board for Engineering and Technology (ABET) and will be submitted for accreditation evaluation at the earliest possible date. The current 24 CSE faculty members (including 20 tenure-track faculty) are qualified to offer the proposed program. The CSE faculty members have obtained an average of \$1.5 million in external research funds over the past three years. However, an additional faculty member will be needed to develop the new courses. Also, expected enrollment increases will necessitate the need for teaching assistants.

To make the program responsive to the needs of the targeted students and potential employers, the CSE Industry Advisory Board will review the BSSE program curriculum every year for revisions and improvements.

Program Cost

The cost of the program is estimated to be \$614,400 over five years. The cost of the program during the first two years will be covered by reallocation of open faculty positions at U. T. Arlington. For the remaining three years, half of the program costs will be covered by reallocation of open faculty positions and the other half will be covered by formula income.

Coordinating Board Criteria

The proposed program meets all applicable Coordinating Board criteria for degree programs that may be approved by the Commissioner of Higher Education on behalf of the Coordinating Board. The criterion regarding clinical or in-service placements is not applicable to this program.

Summary

U. T. Arlington is requesting authorization to establish a Bachelor of Science in Software Engineering. The program is conceived to address the needs of industry in Texas for a baccalaureate-level software engineering degree program and is designed to be strong in fundamentals while emphasizing relevant application areas.

A copy of the proposal for the Bachelor of Science in Software Engineering at U. T. Arlington is on file in the U. T. System Office of Academic Affairs.

2. U. T. Dallas: Request for Authorization to Establish a Bachelor of Science in Software Engineering; Approval to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change); and Authorization of Certification that Coordinating Board Criteria for Approval Are Met

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Jenifer that authorization be granted to establish a Bachelor of Science in Software Engineering at U. T. Dallas; to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action; and to authorize the Executive Vice Chancellor for Academic Affairs to certify on behalf of the U. T. Board of Regents that relevant Coordinating Board criteria for approval by the Commissioner of Higher Education have been met.

The proposed degree program is consistent with the Table of Programs and Mission Statement of U. T. Dallas and its plans for offering quality degree programs to meet student needs. A description of the degree program is included in the Background Information of this agenda item.

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

BACKGROUND INFORMATION

Program Description

U. T. Dallas proposes to establish a Bachelor of Science degree in Software Engineering to be administered by the Department of Computer Science in the Erik Jonsson School of Engineering and Computer Science. The Department of Computer Science currently offers the B.S., M.S., and Ph.D. degrees in Computer Science, as well as the M.S. degree in Computer Science with Major in Software Engineering. There are also B.S. and M.S. degrees in Telecommunications Engineering jointly offered by the Departments of Computer Science and Electrical Engineering. The jointly administered degree (M.S. in Computer Engineering) was approved on May 13, 1999.

The primary educational objectives of the proposed program are to train software engineers to satisfy the needs of local and state industry, to prepare students for graduate studies, and to become licensed professional software engineers. A major trend in computer science in recent years has been greater emphasis on curriculum development to meet the software engineering needs of an expanding base of employers. The 120-semester credit hour program will provide a solid background in computer science as well as training in core areas of software engineering including requirements for engineering, software architecture, software verification and validation, and object-oriented design.

Need and Student Demand

A goal of U. T. Dallas is to serve local and regional needs. According to the Richardson Chamber of Commerce, there are over 600 technology firms in the vicinity of the University. The American Electronics Association ranks Texas second in high-tech job creation for the period 1990-1997. The North Dallas/Richardson/Plano area that U. T. Dallas serves is referred to as the Telecom Corridor. Besides the largest telecom cluster in the U. S., the area has a large number of information technology, software, semiconductor, and other high-tech companies. The North Central Texas Council of Governments projects that the Telecom Corridor will add nearly 40,000 new workers by 2010. The forthcoming licensing of software engineers by the State of Texas will further increase the demand for an undergraduate degree in software engineering.

Because of the high demand by local industry for software engineers, many U. T. Dallas students are now seeking training in software engineering by taking extra courses while earning a degree in computer science or electrical engineering. From Fall 1996 to Spring 2000, enrollment in undergraduate computer science courses increased by 51%. It is projected that the new program would have 60 majors in the first year with half of those being current computer science or electrical engineering students.

Program Quality

Undergraduates in software engineering will be taught by the same highly qualified faculty who teach and conduct research in the graduate computer science programs. The proposed B.S. in Software Engineering will require no additional faculty beyond the normal increase in faculty size that is supported by growth. It is anticipated that at least 10 new tenure-track faculty positions will be added in the next two years. Eight of the existing faculty will be included in the proposed program which builds on current strengths in software engineering faculty and technological infrastructure at the master's level.

Program Cost

No new faculty, technological, or library resources are necessary for the proposed program. Enrollment growth in computer science programs at U. T. Dallas will continue even if the new degree option does not exist. The reallocated costs over the first five years are estimated to total \$421,500. Formula income from new students choosing the software engineering degree instead of existing degree programs are projected to total \$636,278 for years three through five. The new program would be self-supporting beginning in the third year.

Coordinating Board Criteria

The proposed program meets all applicable Coordinating Board criteria for degree programs that may be approved by the Commissioner of Higher Education on behalf of the Coordinating Board. The criterion regarding clinical or in-service placements is not applicable to this program.

Summary

U. T. Dallas is requesting authorization to establish a B.S. in Software Engineering. The degree will allow students to meet their educational objectives efficiently and without imposing additional requirements associated with a traditional degree in electrical engineering or computer science. Increased enrollments will reduce the unit cost of offering many existing courses, and the cost of an education for some students can be reduced.

A copy of the proposal to establish a Bachelor of Science in Software Engineering at U. T. Dallas is on file in the U. T. System Office of Academic Affairs.

INFORMATIONAL REPORT

U. T. System: Report on Distance Education

REPORT

President Robert Witt and Professor Nancy Hadaway will report on a graduate program in education taught by U. T. Arlington and offered through the UT TeleCampus.

Health Affairs Committee

HEALTH AFFAIRS COMMITTEE
Committee Chairman Loeffler

Date: August 10, 2000

Time: Following the Meeting of the Academic Affairs Committee

Place: Board Room, 9th Floor, Ashbel Smith Hall

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1. U. T. Health Science Center - San Antonio - Center for Longevity and Aging Studies: Request to Amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to Include Project 69

2. U. T. Health Science Center - Houston and U. T. M. D. Anderson Cancer Center: Discussion and Approval of South Campus Biotechnology Research Park Development Plan for Approximately 67 Acres in the Southeast Quadrant of a Parcel Bordered by Fannin Street, Old Spanish Trail, and Cambridge Street in Houston, Harris County, Texas 70

1. U. T. Health Science Center - San Antonio - Center for Longevity and Aging Studies: Request to Amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to Include Project

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and President Howe that the U. T. Board of Regents amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to include the Center for Longevity and Aging Studies project at U. T. Health Science Center - San Antonio at a preliminary project cost of \$22,000,000, with funding of \$6,000,000 from Permanent University Fund Bond Proceeds and \$16,000,000 from Gifts and Grants.

BACKGROUND INFORMATION

The Center for Longevity and Aging Studies at U. T. Health Science Center - San Antonio is planned to be a unique, world-class research facility that will develop and employ state-of-the-art molecular techniques to discover genes that enhance health and longevity. The Center for Longevity and Aging Studies will be based upon the philosophy that the frontiers of aging research are best advanced when the leading investigators in a field are gathered in one place and focus their efforts and latest research methodologies on a specific problem or goal. The focus of the Center will be to identify genes involved in longevity because it is believed this is the most effective research strategy for understanding how aging occurs and how it can be manipulated. In addition, the Center anticipates that basic research in this area will lead to discoveries that will translate into better health care for the elderly.

Over the past two decades, U. T. Health Science Center - San Antonio has developed one of the nation's preeminent research programs in aging and geriatrics. Currently, more than 150 faculty members are involved in research projects on aging, ranging from molecular biology to the management of health care. Faculty from U. T. Health Science Center - San Antonio have contributed significantly in understanding the aging and health-care issues of elderly Mexican-Americans, and many faculty members are internationally recognized for their research on disease processes associated with aging such as osteoporosis, cancer, cardiovascular disease, and diabetes.

The facility of approximately 51,000 gross square feet, will support researchers studying patterns in life spans, the genetics of aging, and other basic biomedical research. The facility will include research labs, a vivarium, and administrative support areas and will be constructed at the Texas Research Park, a 1,500-acre industrial area in northwestern Bexar County dedicated to biotechnology.

Approval of this item will amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to include the Center for Longevity and Aging Studies project at U. T. Health Science Center - San Antonio at a preliminary project cost of \$22,000,000, with funding of \$6,000,000 from Permanent University Fund Bond Proceeds and \$16,000,000 from Gifts and Grants.

2. U. T. Health Science Center - Houston and U. T. M. D. Anderson Cancer Center: Discussion and Approval of South Campus Biotechnology Research Park Development Plan for Approximately 67 Acres in the Southeast Quadrant of a Parcel Bordered by Fannin Street, Old Spanish Trail, and Cambridge Street in Houston, Harris County, Texas

**Facilities, Planning & Construction
Committee**

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE
Committee Chairman Clements

Date: August 10, 2000
Time: Following the Meeting of the Health Affairs Committee
Place: Board Room, 9th Floor, Ashbel Smith Hall

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1. U. T. System: Request to Approve Campus Master Plans for U. T. Southwestern Medical Center - Dallas, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Houston

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and Presidents Wildenthal, Stobo, and Low that the U. T. Board of Regents approve the Campus Master Plans developed and submitted by U. T. Southwestern Medical Center - Dallas, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Houston.

BACKGROUND INFORMATION

A presentation made to the Facilities Planning and Construction Committee (FPCC) on July 7, 1998, outlined the status of existing campus master planning efforts at each U. T. System component institution. As a follow-up to the July 7 meeting, the Committee members requested that each Campus Master Plan address specific elements and that a summary of this information be available at U. T. System. A memorandum to the presidents outlining the essential elements that should be addressed in each Campus Master Plan was distributed. The Office of Facilities Planning and Construction was assigned the overall responsibility to coordinate Campus Master Plan development efforts for the U. T. System component institutions and to provide summaries of all Campus Master Plans to the FPCC.

At the February 10, 2000 U. T. Board of Regents' meeting, Campus Master Plan Executive Summaries were approved for U. T. Austin, U. T. El Paso, U. T. Pan American, and U. T. Permian Basin.

At the May 11, 2000 U. T. Board of Regents' meeting, Campus Master Plan Executive Summaries were approved for U. T. Arlington, U. T. Brownsville, U. T. Dallas, U. T. Tyler, U. T. M. D. Anderson Cancer Center, and U. T. Health Center - Tyler.

Three additional Campus Master Plan Executive Summaries have been reviewed by the FPCC. Final edits have been completed by incorporating comments from FPCC members, and it is now requested that Campus Master Plans be approved for U. T. Southwestern Medical Center - Dallas, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Houston.

Drafts of the final two Campus Master Plans for U. T. San Antonio and U. T. Health Science Center - San Antonio will be submitted to the FPCC. It is anticipated that Executive Summaries of these two Plans will be brought before the U. T. Board of Regents at the November 2000 meeting.

2. U. T. Arlington - Educational and General Space Renovation: Request for Approval to Revise Total Project Cost

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Witt that the U. T. Board of Regents revise the total project cost for the Educational and General Space Renovation at U. T. Arlington from \$2,738,000 to \$4,350,000.

BACKGROUND INFORMATION

The institutionally-managed Educational and General Space Renovation project at U. T. Arlington is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a total project cost of \$2,738,000, with total project funding from Tuition Revenue Bond Proceeds. The requested increase of \$1,612,000 is needed to complete various renovations, capital improvements, and capital renewal work on multiple education and general buildings at U. T. Arlington.

This project was originally approved in the FY 1998-2003 Capital Improvement Program at a project cost of \$4,350,000, with funding approved and appropriated from Tuition Revenue Bond Proceeds. A portion of the funding, \$1,612,000, was moved

to the Carlisle Hall Renovation – Stairwell Towers Addition project for the FY 2000-2005 Capital Improvement Program in order to finish this code-required project. On February 9, 2000, the U. T. Board of Regents approved Permanent University Fund Bond Proceeds of \$1,700,000 for the Carlisle Hall Renovation - Stairwell Towers Addition project, and the project was redesignated as Carlisle Hall - Stairwell Towers Addition. The additional funding of Permanent University Fund Bond Proceeds negated the necessity of the \$1,612,000 Tuition Revenue Bond Proceeds funding. It is now requested that this \$1,612,000 of Tuition Revenue Bond Proceeds be moved back into the Educational and General Space Renovation project.

Approval of this item will amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to revise the total project cost for the Educational and General Space Renovation project at U. T. Arlington from \$2,738,000 to \$4,350,000, with funding of \$1,612,000 from Tuition Revenue Bond Proceeds, to be transferred from the Carlisle Hall Renovation - Stairwell Towers Addition project.

3. U. T. Austin - Parking Garage South (Project No. 102-015): Request for Approval of Design Development Plans; 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

RECOMMENDATION

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

- a. Approve design development plans for the Parking Garage South project at U. T. Austin
- b. Approve a total project cost of \$25,500,000
- c. Appropriate funds and authorize expenditure of \$25,500,000 from Revenue Financing System Bond Proceeds.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 80, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$25,500,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

The Parking Garage South project at U. T. Austin is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget, at a preliminary project cost of \$13,500,000, with funding from Revenue Financing System Bond Proceeds.

This new multilevel parking facility project was originally planned to accommodate 500-700 vehicles. The increase in the project cost is a result of an increased scope that includes optimizing the site and parking capacity to provide space for approximately 1,380 vehicles, as well as additional ADA compliant access to the Frank C. Erwin, Jr. Special Events Center. Following Campus Master Plan guidelines, Parking Garage South will be located at the southeast corner of Trinity Street and Martin Luther King, Jr. Boulevard. The Campus Master Plan advocates reducing surface parking in the central campus area, and this new parking garage will help accomplish this goal.

U. T. Austin may request to expand this project to accommodate a 16-lane firing range for the ROTC programs, the U. T. Police Academy, and the U. T. Rifle Club at an estimated additional cost of \$1,500,000. At present, a clear need or funding source for the firing range facility has not been identified; however, should this option become necessary, U. T. Austin will request additional approval and funding for this increased project scope.

The current project schedule plans for construction to commence in November 2000, with substantial completion in April 2002.

The debt is to be repaid from revenues generated by the Parking and Traffic Division, including revenue from surface permits, citations, parking meters, and parking garages. Borrowing costs are assumed at 5% during the interim construction period and 6.5% for the long-term period. Construction of the project is estimated to take 18 months. During the construction phase, debt service, estimated at \$1,062,500 for FY 2001 and \$1,275,000 for FY 2002, will be supported by the parking and traffic revenues and fund reserves. Upon completion of the project, the debt will be converted to fixed rate bonds requiring annual estimated debt service of \$2,314,288. Debt service coverage is projected to be at least 1.0 times when the Parking Garage South is completed. The financing forecast for this project is set out on Pages 81 - 82.

Approval of this item will amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to establish the total project cost of \$25,500,000, with funding from Revenue Financing System Bond Proceeds.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 17th day of July, 2000 .

/s/ Terry Hull

Director of Finance

**The University of Texas at Austin
Parking Garage South**

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Project Level (Actual \$) Parking and Traffic Financial Plan	Actual			Forecast					
	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Beginning Fund Balance	2,357,172	2,022,185	2,276,711	2,983,210	3,315,051	3,838,767	4,099,002	4,222,780	4,286,981
Existing Parking & Garage Revenues	4,498,821	5,638,452	5,700,914	6,042,175	7,042,550	7,368,358	7,695,406	8,013,225	8,125,824
Garage 4B Revenue					393,750	506,250	533,153	561,496	572,215
Garage South						341,625	795,413	823,933	823,933
Nonmand. Transfers from Garage Reserves	134,938	138,986	135,000	600,000	1,025,858	260,000	500,000	200,000	
Total Parking System Revenues	4,633,759	5,777,438	5,835,914	6,642,175	8,462,158	8,476,233	9,523,971	9,598,654	9,521,972
Parking and Traffic Operating Expenses	(1,296,423)	(1,745,306)	(1,990,294)	(1,780,929)	(1,784,076)	(1,836,848)	(1,891,204)	(1,947,190)	(2,004,856)
Garage Operating & Maintenance Expenses	(712,912)	(501,358)	(860,980)	(1,286,801)	(1,505,196)	(1,550,352)	(1,673,700)	(1,800,749)	(1,854,772)
Total Expenses	(2,009,335)	(2,246,664)	(2,851,274)	(3,067,730)	(3,289,272)	(3,387,200)	(3,564,904)	(3,747,939)	(3,859,627)
Net Revenues	2,624,424	3,530,774	2,984,640	3,574,445	5,172,886	5,089,032	5,959,067	5,850,715	5,662,344
Debt Service:									
Existing Garages	(681,895)	(1,030,629)	(1,997,238)	(2,652,723)	(2,632,469)	(2,599,673)	(2,566,938)	(2,518,075)	(2,412,387)
Garage 4B	-	-	-	(589,881)	(954,200)	(954,125)	(954,062)	(954,151)	(954,009)
Garage South	-	-	-	-	(1,062,500)	(1,275,000)	(2,314,288)	(2,314,288)	(2,314,288)
Total Parking System Debt Service	(681,895)	(1,030,629)	(1,997,238)	(3,242,604)	(4,649,169)	(4,828,798)	(5,835,288)	(5,786,514)	(5,680,684)
Funds Available after Debt Service	1,942,529	2,500,145	987,402	331,841	523,717	260,235	123,779	64,201	(18,340)
Transfers to Unexpended Plant Funds	(2,277,516)	(2,342,030)	(370,000)						
Fund Balance Inc./(Dec.) for the Year	(334,987)	158,115	617,402	331,841	523,717	260,235	123,779	64,201	(18,340)
Ending Fund Balance	2,022,185	2,276,711	2,983,210	3,315,051	3,838,767	4,099,002	4,222,780	4,286,981	4,268,641
Debt Service Coverage	3.8	3.4	1.5	1.1	1.1	1.1	1.0	1.0	1.0

**The University of Texas at Austin
Parking Garage South**

Campus Level: U.T. Austin (\$ in millions)	Actual			Forecast					
	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Beg. Fund Balance	119.5	110.5	141.6	146.0	154.9	156.7	168.1	166.7	180.8
Total Current Unrestricted Revenues	703.8	781.2	773.7	834.4	882.6	922.4	935.3	974.7	990.6
Total Current Unrestricted Expenditures	(648.6)	(682.1)	(708.2)	(758.1)	(817.2)	(847.2)	(872.6)	(900.4)	(929.0)
Net Revenues	55.2	99.1	65.6	76.3	65.3	75.2	62.7	74.4	61.6
Debt Service	(22.3)	(24.7)	(27.9)	(36.0)	(41.5)	(42.9)	(38.2)	(39.5)	(40.0)
Other Mandatory Transfers	(1.4)	(0.9)	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Total Mandatory Transfers	(23.7)	(25.6)	(28.4)	(36.4)	(41.9)	(43.2)	(38.5)	(39.8)	(40.4)
Nonmandatory Transfers	(37.3)	(41.6)	(31.7)	(32.7)	(23.3)	(21.9)	(26.9)	(21.8)	(28.9)
Adjustments	(3.2)	(0.7)	(1.0)	1.6	1.6	1.4	1.4	1.3	1.3
Net Inc./(Dec.) for Year	(9.0)	31.1	4.5	8.9	1.8	11.4	(1.3)	14.1	(6.3)
End. Fund Balance	110.5	141.6	146.0	154.9	156.7	168.1	166.7	180.8	174.5
Debt Service Coverage	2.5	4.0	2.3	2.1	1.6	1.8	1.6	1.9	1.5
Debt Service to Operating Expenses	3.4%	3.6%	3.9%	4.8%	5.1%	5.1%	4.4%	4.4%	4.3%

U.T. System (\$ in millions)	Actual			Forecast					
	FY97	FY98	FY99	FY00	FY 01	FY 02	FY 03	FY 04	FY 05
Available Revenues	3,900.3	4,208.7	4,363.1	4,761.3	5,009.6	5,210.0	5,368.7	5,629	5,833
Operating Expenses	(3,657.7)	(3,911.5)	(4,166.5)	(4,421.3)	(4,639.3)	(4,770.1)	(4,914.9)	(5,118)	(5,292)
Net Available for Debt Serv.	242.6	297.2	196.6	340.0	370.4	440.0	453.8	511	542
Other Mandatory Transfers	(1.8)	(1.3)	(0.8)	(0.8)	(0.8)	(1.9)	(0.8)	(1)	(1)
Debt Service	(73.5)	(84.8)	(95.5)	(124.6)	(149.1)	(161.8)	(158.6)	(174)	(176)
Debt Service Coverage	3.2	3.5	2.0	2.7	2.5	2.7	2.8	2.9	3.1
Debt Service to Operating Expenses	2.0%	2.2%	2.3%	2.7%	3.1%	3.3%	3.1%	3.3%	3.2%

4. U. T. Austin - Student Housing (Project No. 102-964): Request for Approval to Redesignate Project

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Faulkner that the U. T. Board of Regents redesignate the Student Housing project at U. T. Austin as Student Residence.

BACKGROUND INFORMATION

The Student Housing project at U. T. Austin is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a total project cost of \$52,400,000. The project will be completed for student use in Fall 2001.

U. T. Austin has requested that the project be redesignated as Student Residence to better reference the use of the building and the project objectives for campus living, learning, and community environments.

Approval of this item will amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to redesignate the Student Housing project at U. T. Austin as Student Residence.

5. U. T. Dallas - Callier Center Satellite Facility (Project No. 302-018): Request for Approval to Revise Preliminary Project Cost and Source of Funds

RECOMMENDATION

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

- a. Revise the preliminary project cost for the Callier Center Satellite Facility at U. T. Dallas from \$2,600,000 to \$4,500,000, with additional funding of \$1,900,000 from Gifts and Grants
- b. Revise the source of funds of \$1,000,000 from Interest on Local Funds to Gifts and Grants.

BACKGROUND INFORMATION

The Callier Center Satellite Facility at U. T. Dallas is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a preliminary project cost of \$2,600,000, with funding of \$1,600,000 from Permanent University Fund Bond Proceeds and \$1,000,000 from Interest on Local Funds.

The Callier Center Satellite Facility was originally planned as a 15,000-17,000 gross square feet facility. This new facility on the main campus of U. T. Dallas is now planned to total 20,000-23,000 gross square feet, necessitating the increased project cost, and will house academic, research, and clinical activities for the School of Human Development as an extension of the Callier Center.

The Callier Center main facility cannot expand at its current location next to U. T. Southwestern Medical Center - Dallas. The Callier Center Satellite Facility will ease patient load at the Callier Center and provide needed services to North Dallas clientele.

Approval of this item will amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to increase the preliminary project cost from \$2,600,000 to \$4,500,000, with funding of \$2,900,000 from Gifts and Grants, and \$1,600,000 from Permanent University Fund Bond Proceeds.

6. U. T. Dallas - Campus Housing Phase VIII (Project No. 302-012): Request for Approval of Design Development Plans; 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

RECOMMENDATION

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

- a. Approve design development plans for the Campus Housing Phase VIII project at U. T. Dallas
- b. Approve a total project cost of \$14,000,000
- c. Appropriate funds and authorize expenditure of \$14,000,000, with funding from Revenue Financing System Bond Proceeds.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991,

and amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 88, the U. T. Board of Regents resolves 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. 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 \$14,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

The Campus Housing Phase VIII project at U. T. Dallas is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a preliminary project cost of \$14,000,000, with funding from Revenue Financing System Bond Proceeds.

The Campus Housing Phase VIII project consists of additional on-campus housing in order to meet the demands of a growing student population. This new project will house about 500 freshman students in approximately 179,000 gross square feet, adding 500 beds to the 2,980 beds now available.

The project is located north of the existing seven previous phases of housing. The current housing units have an occupancy rate of more than 98 percent, and additional housing is needed to meet the enrollment growth. Construction will begin in September 2000, with the complex ready for occupancy in August 2001.

Total project costs include the capitalization of debt service during the construction phase at a 5.0% short-term borrowing rate. The long-term debt will be repaid from net housing revenues. Starting in FY 2002, annual debt service is projected to be \$1,270,590 based on a 6.5% long-term borrowing rate with a 20-year amortization period. The annual debt service coverage is expected to be at least 1.1 times. The financing forecast for this project is set forth on Page 89.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 17th day of July, 2000

/s/ Terry Hull

Director of Finance

**The University of Texas at Dallas
Campus Housing Phase VIII**

Project Level: (\$ actual)	Actual			Forecast					
	FY97	FY98	FY99	FY00	FY 01	FY 02	FY 03	FY 04	FY 05
Beginning Fund Balance				0			189,410	233,710	468,250
Revenues						1,950,000	2,009,000	2,069,270	2,131,348
Operating Expenses				0	0	(490,000)	(504,700)	(519,841)	(535,436)
Net Revenues				0	0	1,460,000	1,504,300	1,549,429	1,595,912
Debt Service Phase VIII (Interest Capitalized for first year)					0	(1,270,590)	(1,270,590)	(1,270,590)	(1,270,590)
Transfer from Designated Funds				0	0	0	0	0	0
Change in Fund Balance				0	0	189,410	233,710	278,839	325,322
Ending Fund Balance				0	0	189,410	233,710	468,250	559,033
Debt Service Coverage				n/a	n/a	1.1	1.2	1.2	1.3

Campus Level: (\$ in millions)	Actual			Forecast					
	FY97	FY98	FY99	FY00	FY 01	FY 02	FY 03	FY 04	FY 05
Beg. Fund Balance	19.6	20.7	26.0	29.0	31.3	31.9	33.5	35.7	40.2
Total Current Unrestricted Revenues	73.8	91.5	94.4	106.4	116.1	125.4	133.1	144.5	153.0
Total Current Unrestricted Expenditures	(70.5)	(81.6)	(87.2)	(98.5)	(111.2)	(117.1)	(125.7)	(135.0)	(145.0)
Net Revenues	3.3	9.9	7.2	7.9	4.9	8.3	7.4	9.5	8.0
Debt Service	(2.64)	(2.81)	(3.6)	(3.90)	(3.90)	(5.20)	(4.70)	(4.60)	(4.30)
Other Mand. Transfers	0.0	0.0	0.0	0.0	0.0	(1.1)	0.0	0.0	0.0
Total Mand. Transfers	(2.64)	(2.81)	(3.6)	(3.9)	(3.9)	(6.3)	(4.7)	(4.6)	(4.3)
Non-Mand. Transfers	0.6	(1.5)	(0.3)	(1.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Adjustments	(0.2)	(0.2)	(0.3)	(0.6)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)
Net Inc./Dec. for Year	1.1	5.3	3.0	2.30	0.60	1.60	2.25	4.43	3.19
End. Fund Balance	20.7	26.0	29.0	31.3	31.9	33.5	35.7	40.2	43.4
Debt Service Coverage	1.3	3.5	2.0	2.0	1.3	1.3	1.6	2.1	1.9
Debt Service to Operating Exp.	3.7%	3.4%	4.1%	4.0%	3.5%	4.4%	3.7%	3.4%	3.0%

U.T. System (\$ in millions)	Actual			Forecast					
	FY97	FY98	FY99	FY00	FY 01	FY 02	FY 03	FY 04	FY 05
Available Revenues	3,900.3	4,208.7	4,363.1	4,761.3	5,009.6	5,210.0	5,368.7	5,629.3	5,833.5
Operating Expenses	(3,657.7)	(3,911.5)	(4,166.5)	(4,421.3)	(4,639.3)	(4,770.1)	(4,914.9)	(5,117.9)	(5,291.5)
Net Available for Debt Serv.	242.6	297.2	196.6	340.0	370.4	440.0	453.8	511.5	541.9
Other Mandatory Transfers	(1.8)	(1.3)	(0.8)	(0.8)	(0.8)	(1.9)	(0.8)	(0.8)	(0.8)
Debt Service	(73.5)	(84.8)	(95.5)	(124.6)	(149.1)	(161.8)	(158.6)	(173.9)	(176.2)
Debt Service Coverage	3.2	3.5	2.0	2.7	2.5	2.7	2.8	2.9	3.1
Debt Service to Operating Exp.	2.0%	2.2%	2.3%	2.7%	3.1%	3.3%	3.1%	3.3%	3.2%

7. U. T. Dallas - Engineering and Computer Science Complex (Project No. 302-020): Request for Approval of Design Development Plans; Approval of Total Project Cost; and Appropriation of Funds and Authorization of Expenditure

RECOMMENDATION

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

- a. Approve design development plans for the Engineering and Computer Science Complex project at U. T. Dallas
- b. Approve a total project cost of \$30,000,000
- c. Appropriate funds and authorize expenditure of \$30,000,000, with funding from Permanent University Fund Bond Proceeds.

BACKGROUND INFORMATION

The Engineering and Computer Science Complex project at U. T. Dallas is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a preliminary project cost of \$40,000,000, with funding of \$30,000,000 from Permanent University Fund Bond Proceeds and \$10,000,000 from Gifts and Grants. It has now been decided that only \$30,000,000 will be used for execution of the building project. Private matching donations of \$10,000,000 will be used to support activities and operations of the Erik Jonsson School of Engineering and Computer Science.

The Engineering and Computer Science Complex project at U. T. Dallas will construct a new facility of approximately 120,000 gross square feet to be occupied by classrooms, faculty and staff offices, and labs. It is designed with a similar footprint as the existing School of Engineering and Computer Science and is to be located just south of this facility.

The School of Engineering and Computer Science is nearing capacity of the current facilities. Furthermore, even at half of its current growth rate, the School will double in size in the next seven years. Without a new building, the School will have to limit enrollment in engineering and computer science programs at a time when a supply of graduates is needed by an expanding local industry. In addition, saturation will also make it harder for industry to recruit outside of Dallas, as new employees will find it difficult to pursue a Master's degree in engineering or computer science.

The existing facility, completed in 1990, consists of 152,000 gross square feet and has an estimated capacity of 2,000 undergraduates and 1,000 graduate students. Enrollment in Fall 1999 was near 3,000 students, indicating a need to cap enrollment or construct a new building.

With a new facility, the enrollment for the School of Engineering and Computer Science can continue to grow. A new facility should increase the capacity by 50% to 75%, leading to a graduating class of 373 B.S., 466 M.S., and eight Ph.D. students in five years.

Construction of the Engineering and Computer Science Complex is scheduled to start in March 2001 and is anticipated to be completed in August 2002.

Approval of this item will amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to establish the total project cost for the Engineering and Computer Science Complex at U. T. Dallas of \$30,000,000, with funding from Permanent University Fund Bond Proceeds.

8. U. T. Dallas - Student Life Annex (Project No. 302-004): Request for Approval of Design Development Plans; 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

RECOMMENDATION

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

- a. Approve design development plans for the Student Life Annex project at U. T. Dallas
- b. Approve a total project cost of \$3,500,000
- c. Appropriate funds and authorize expenditure of \$2,500,000 from Revenue Financing System Bond Proceeds and \$1,000,000 from Interest on Local Funds.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 95, the U. T. Board of Regents resolves 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. 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 \$2,500,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

The Student Life Annex project at U. T. Dallas is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget, at a preliminary project cost of \$3,500,000, with funding of \$2,500,000 from Revenue Financing System Bond Proceeds and \$1,000,000 from Interest on Local Funds.

The Student Life Annex project will add an addition of 20,000 gross square feet to the west side of the existing Student Union Building, and will renovate 8,000 gross square feet in the existing facility. The addition will contain private dining rooms, a coffee house, meeting rooms for students, a child care room, and student organization space. The project will also consolidate food service operations which will free up space in other academic buildings.

When the Student Union Building Addition was opened in 1997, there was a shortage of meeting spaces. At that time, the students had voted to spend a limited amount of funds. Since then, the students have voted to increase the student fees to build this addition, and the fees were approved by the 76th Texas Legislature for this project.

The Student Life Annex project is scheduled for construction to start in November 2000 and be completed in November 2001.

The debt is to be repaid from revenues generated from the student union fee, which will increase from \$40 to \$60 per student per semester in the Fall of FY 2001. Annual debt service during the construction period is projected to be \$104,167 in FY 2001 assuming a 5.0% short-term borrowing rate. In FY 2002, the annual debt service is projected to be \$226,981 based on a 6.5% long-term borrowing rate with a 20-year amortization period. The annual debt service coverage including \$450,792 of debt service on existing student union debt issued in FY 1998 is expected to be at least 1.18 times. The financing forecast for this project is set forth on Page 96.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 17th day of July, 2000

/s/ Terry Hull

Director of Finance

**The University of Texas - Dallas
Student Life Annex**

	Actual			Forecast					
	FY97	FY98	FY99	FY00	FY 01	FY 02	FY 03	FY 04	FY 05
Project Level (Actual \$)									
Beginning Balance	1,320,922	1,578,294	1,647,274	1,465,591	1,352,199	1,559,734	1,684,794	1,838,742	2,024,515
Student Union Fee	925,424	917,546	972,933	1,025,000	1,643,000	1,744,200	1,842,780	1,949,400	2,061,000
Income from Operations	8,961	13,315	21,115	27,503	29,087	40,903	43,416	46,130	49,062
Total Revenue	934,385	930,861	994,048	1,052,503	1,672,087	1,785,103	1,886,196	1,995,530	2,110,062
Expenses	(388,010)	(555,738)	(724,222)	(715,103)	(909,594)	(982,361)	(1,054,565)	(1,132,075)	(1,215,283)
Net Revenue	546,375	375,123	269,826	337,400	762,493	802,742	831,631	863,455	894,779
Intrafund Transfers	289,003	(3,901)	719	0	0	0	0	0	0
Debt Service		(310,044)	(450,792)	(450,792)	(450,792)	(450,792)	(450,792)	(450,792)	(450,792)
Life Annex Debt Service					(104,167)	(226,891)	(226,891)	(226,891)	(226,891)
Ending Fund Balance	1,578,294	1,647,274	1,465,591	1,352,199	1,559,734	1,684,794	1,838,742	2,024,515	2,241,611
Debt Service Coverage		1.21	0.60	0.75	1.37	1.18	1.23	1.27	1.32

	Actual			Forecast					
	FY97	FY98	FY99	FY00	FY 01	FY 02	FY 03	FY 04	FY 05
Campus Level: (\$ in millions)									
Beg. Fund Balance	19.6	20.7	26.0	29.0	31.3	31.9	33.5	35.7	40.2
Total Current Unrestricted Revenues	73.8	91.5	94.4	106.4	116.1	125.4	133.1	144.5	153.0
Total Current Unrestricted Expenditures	(70.5)	(81.6)	(87.2)	(98.5)	(111.2)	(117.1)	(125.7)	(135.0)	(145.0)
Net Revenues	3.3	9.9	7.2	7.9	4.9	8.3	7.4	9.5	8.0
Debt Service	(2.64)	(2.81)	(3.6)	(3.90)	(3.90)	(5.20)	(4.70)	(4.60)	(4.30)
Other Mandatory Transfers	0.0	0.0	0.0	0.0	0.0	(1.1)	0.0	0.0	0.0
Total Mandatory Transfers	(2.64)	(2.81)	(3.6)	(3.9)	(3.9)	(6.3)	(4.7)	(4.6)	(4.3)
Nonmandatory Transfers	0.6	(1.5)	(0.3)	(1.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Adjustments	(0.2)	(0.2)	(0.3)	(0.6)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)
Net Inc./(Dec.) for Year	1.1	5.3	3.0	2.30	0.60	1.60	2.25	4.43	3.19
End. Fund Balance	20.7	26.0	29.0	31.3	31.9	33.5	35.7	40.2	43.4
Debt Service Coverage	1.3	3.5	2.0	2.0	1.3	1.3	1.6	2.1	1.9
Debt Service to Operating Exp.	3.7%	3.4%	4.1%	4.0%	3.5%	4.4%	3.7%	3.4%	3.0%

	Actual			Forecast					
	FY97	FY98	FY99	FY00	FY 01	FY 02	FY 03	FY 04	FY 05
U.T. System (\$ in millions)									
Available Revenues	3,900.3	4,208.7	4,363.1	4,761.3	5,009.6	5,210.0	5,368.7	5,629.3	5,833.5
Operating Expenses	(3,657.7)	(3,911.5)	(4,166.5)	(4,421.3)	(4,639.3)	(4,770.1)	(4,914.9)	(5,117.9)	(5,291.5)
Net Available for Debt Service	242.6	297.2	196.6	340.0	370.4	440.0	453.8	511.5	541.9
Other Mandatory Transfers	(1.8)	(1.3)	(0.8)	(0.8)	(0.8)	(1.9)	(0.8)	(0.8)	(0.8)
Debt Service	(73.5)	(84.8)	(95.5)	(124.6)	(149.1)	(161.8)	(158.6)	(173.9)	(176.2)
Debt Service Coverage	3.2	3.5	2.0	2.7	2.5	2.7	2.8	2.9	3.1
Debt Service to Operating Exp.	2.0%	2.2%	2.3%	2.7%	3.1%	3.3%	3.1%	3.3%	3.2%

9. U. T. El Paso - Larry K. Durham Sports Center (Project No. 201-007): Request for Approval of Design Development Plans; 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

RECOMMENDATION

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

- a. Approve design development plans for the Larry K. Durham Sports Center project at U. T. El Paso
- b. Approve a total project cost of \$8,170,000
- c. Appropriate funds and authorize expenditure of \$8,170,000 from Revenue Financing System Bond Proceeds.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 100, the U. T. Board of Regents resolves that:

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

- c. U. T. El Paso, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$8,170,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

The Larry K. Durham Sports Center project at U. T. El Paso is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a preliminary project cost of \$6,600,000, with funding of \$4,600,000 from Gifts and Grants and \$2,000,000 from General Revenue. The requested total project cost of \$8,170,000, including an increase of \$1,570,000 over the preliminary project cost, will accommodate the additional scope of the project as identified in the project program. Revenue Financing System Parity Debt will initially fund the total project cost, as construction of the project will proceed at a faster pace than the collection of gifts. The debt is to be retired from the collection of gifts, including a \$5,000,000 pledge to be collected over five years, and a \$1.00 ticket surcharge on football and basketball games effective FY 2002.

The Larry K. Durham Sports Center project will construct a new 67,000 gross square feet, two-story building, to replace the existing Ross Moore Building. It will provide expanded and well-located teaching and research facilities for kinesiology, as well as meet the needs of the Department of Intercollegiate Athletics for modern treatment and training facilities. The building program consists of athletic offices, team meeting rooms, a weight/strength and training facility, a student academic study area, locker rooms for football and women's soccer, and equipment storage areas. For the kinesiology program, the building will contain a biomechanics lab.

U. T. El Paso's existing sports medicine facility, the Ross Moore Building, was built in 1974 and contains only 2,855 gross square feet. This facility is now inadequate to meet the needs of U. T. El Paso's Intercollegiate Athletic Program, and does not provide space for the instructional and research activities of the Kinesiology Sports Medicine Program. The Kinesiology Department is currently housed off-campus at

the College of Health Sciences building near downtown El Paso, and the program has been hampered by the physical separation since a majority of the department's instructional and research activities involve co-use of the University athletic and recreational facilities and close association with those activities.

Construction of the Larry K. Durham Sports Center project is scheduled to start in November 2000, with completion scheduled for December 2001.

The Revenue Financing System Parity Debt will be secured by designated tuition to ensure the project has sufficient cash flow to meet debt service needs in the event that gifts are not collected as projected. The following analysis is therefore based on cash flows from the designated tuition budget. Annual debt service during the construction period is projected to be \$408,500 in FY 2001 assuming a 5.0% short-term borrowing rate. In FY 2002, the annual debt service is projected to be \$741,480 based on a 6.5% long-term borrowing rate with a 20-year amortization period. The annual debt service coverage is expected to be at least 3.1 times. The financing forecast for this project is set forth on Page 101.

Approval of this item will amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget, to establish a total project cost of \$8,170,000, with funding from Revenue Financing System Bond Proceeds.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 17th day of July, 2000

/s/ Terry Hull

Director of Finance

University of Texas
at El Paso
Larry K. Durham Sports Center

	Actual		Forecast					
	FY98	FY99	FY00	FY 01	FY 02	FY 03	FY 04	FY 05
Project Level (Actual \$)								
Designated Tuition Fund Beg. Balance	6,448,827	9,050,899	9,228,434	10,057,217	11,614,799	13,851,474	16,939,909	21,406,074
Designated Fees and Interest	8,602,209	8,451,382	10,554,862	11,939,086	12,755,778	13,587,628	14,434,856	14,577,473
Ticket Surcharge	0	0	0	0	250,000	250,000	250,000	250,000
Total Revenues	8,602,209	8,451,382	10,554,862	11,939,086	13,005,778	13,837,628	14,684,856	14,827,473
Existing Debt Service	(2,684,740)	(2,952,168)	(3,407,963)	(3,560,117)	(3,518,541)	(3,400,995)	(2,771,392)	(2,795,269)
Durham Center Debt Service	-	-	-	(408,500)	(741,480)	(741,480)	(741,480)	(741,480)
Transfers to E&G	-	-	(700,000)	(710,500)	(721,158)	(731,975)	(742,955)	(754,099)
Transfers to Plant Funds	(73,211)	(1,112,933)	(1,129,627)	(1,146,571)	(1,163,770)	(1,181,227)	(1,198,945)	(1,216,929)
Transfers to Operating Expenses	(506,832)	(166,588)	(225,000)	(228,375)	(231,801)	(235,278)	(238,807)	(242,389)
Intrafund Transfers	(2,735,354)	(4,042,158)	(4,263,489)	(4,327,441)	(4,392,353)	(4,458,238)	(4,525,112)	(4,592,989)
Net Revenues	2,602,072	177,535	828,783	1,557,582	2,236,675	3,088,435	4,466,165	4,484,318
Ending Fund Balance	9,050,899	9,228,434	10,057,217	11,614,799	13,851,474	16,939,909	21,406,074	25,890,392
Debt Service Coverage	3.20	2.86	3.10	3.35	3.63	4.00	5.21	5.22

	Actual			Forecast					
	FY97	FY98	FY99	FY00	FY 01	FY 02	FY 03	FY 04	FY 05
Campus Level: (\$ in millions)									
Beg. Fund Balance	13.5	14.3	20.4	20.8	32.1	41.0	50.6	59.6	68.5
Total Current Unrestricted Revenues	116.8	128.1	129.5	147.8	148.3	153.5	156.1	160.2	162.1
Total Current Unrestricted Expenditures	(109.6)	(116.6)	(120.2)	(128.1)	(127.4)	(131.9)	(135.6)	(140.4)	(144.3)
Net Revenues	7.2	11.5	9.3	19.7	20.9	21.6	20.5	19.8	17.8
Debt Service	(4.60)	(4.70)	(5.6)	(6.80)	(9.50)	(10.30)	(9.90)	(9.20)	(8.90)
Other Mandatory Transfers	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Mandatory Transfers	(4.6)	(4.80)	(5.6)	(6.8)	(9.5)	(10.3)	(9.9)	(9.2)	(8.9)
Nonmandatory Transfers	(1.6)	(0.7)	(3.1)	(1.5)	(2.3)	(1.5)	(1.5)	(1.5)	(1.5)
Adjustments	(0.2)	0.1	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Net Inc./(Dec.) for Year	0.8	6.1	0.4	11.24	8.94	9.64	8.94	8.94	7.19
End. Fund Balance	14.3	20.4	20.8	32.1	41.0	50.6	59.6	68.5	75.7
Debt Service Coverage	1.6	2.4	1.7	2.9	2.2	2.1	2.1	2.2	2.0
Debt Service to Operating Exp.	4.2%	4.0%	4.7%	5.3%	7.5%	7.8%	7.3%	6.6%	6.2%

	Actual			Forecast					
	FY97	FY98	FY99	FY00	FY 01	FY 02	FY 03	FY 04	FY 05
U.T. System (\$ in millions)									
Available Revenues	3,900.3	4,208.7	4,363.1	4,761.3	5,009.6	5,210.0	5,368.7	5,629.3	5,833.5
Operating Expenses	(3,657.7)	(3,911.5)	(4,166.5)	(4,421.3)	(4,639.3)	(4,770.1)	(4,914.9)	(5,117.9)	(5,291.5)
Net Available for Debt Serv.	242.6	297.2	196.6	340.0	370.4	440.0	453.8	511.5	541.9
Other Mandatory Transfers	(1.8)	(1.3)	(0.8)	(0.8)	(0.8)	(1.9)	(0.8)	(0.8)	(0.8)
Debt Service	(73.5)	(84.8)	(95.5)	(124.6)	(149.1)	(161.8)	(158.6)	(173.9)	(176.2)
Debt Service Coverage	3.2	3.5	2.0	2.7	2.5	2.7	2.8	2.9	3.1
Debt Service to Operating Exp.	2.0%	2.2%	2.3%	2.7%	3.1%	3.3%	3.1%	3.3%	3.2%

10. U. T. Pan American - General Classroom/Computer Center Building (Project No. 901-961): Request for Approval to Name Buildings (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1, Naming of Buildings)

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Nevárez that the U. T. Board of Regents approve the naming of the two buildings being constructed under the General Classroom/Computer Center Building project at U. T. Pan American as the (1) Computer Center and (2) Math General Classroom Building.

BACKGROUND INFORMATION

The General Classroom/Computer Center Building project at U. T. Pan American is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a total project cost of \$17,200,000. Design development plans were approved on May 13, 1999. Construction was started in October 1999 and the project is scheduled for completion in January 2001.

U. T. Pan American has requested that the two buildings being constructed under this project be named the (1) Computer Center and (2) Math General Classroom Building in order to better distinguish the two facilities.

The naming of the Computer Center and the Math General Classroom Building at U. T. Pan American is consistent with Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1, relating to the naming of buildings.

11. U. T. Pan American - Nursing Building: Request for Approval to Name Building (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1, Naming of Buildings)

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Nevárez that the U. T. Board of Regents approve naming the Nursing Building at U. T. Pan American as the Health Sciences and Human Services East.

BACKGROUND INFORMATION

Construction of the Nursing Building at U. T. Pan American was completed in 1975, adjacent to the existing Science Building. In 1997, a connection between the existing Science Building and the Nursing Building was constructed, and the existing Science Building and Nursing Building were renovated. On August 13, 1998, the Science Complex Renovation project was redesignated as Health Sciences and Human Services West. The redesignation of the Nursing Building to Health Sciences and Human Services East will better distinguish this building as part of the College of Health Sciences and Human Services.

The naming of Health Sciences and Human Services East at U. T. Pan American is consistent with Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1, regarding naming of buildings.

12. U. T. Permian Basin - The Presidential Museum (Project No. 501-005): Request for Approval of Design Development Plans; Approval of Total Project Cost; and Appropriation of Funds and Authorization of Expenditure

RECOMMENDATION

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

- a. Approve design development plans for The Presidential Museum project at U. T. Permian Basin
- b. Approve a total project cost of \$2,500,000
- c. Appropriate funds and authorize expenditure of \$2,500,000, with funding from Permanent University Fund Bond Proceeds.

BACKGROUND INFORMATION

The Presidential Museum project at U. T. Permian Basin is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a preliminary project cost of \$2,500,000, with funding from General Revenues.

The project consists of the construction of a new facility of 13,100 gross square feet to appropriately display memorabilia from the past Presidents of the United States of America to include exhibit space, a collections library, multipurpose room, conference room, and support areas. The building will have a masonry exterior, similar to the adjacent Ellen Noël Art Museum, and an open interior. The Presidential Museum project is scheduled for construction in January 2001 with completion in January 2002.

The colocation with the Noël Art Museum will unlock The Presidential Museum's potential to enhance tourism, expand an educational mission, and create a cultural cluster for the community, combining the arts, letters, and humanities. This relocation to the campus will benefit both the citizenry of the Permian Basin and the students of U. T. Permian Basin.

The 76th Texas Legislature approved \$2,500,000 in the General Appropriations Act "for the purpose of constructing a building to house the Presidential Museum on a leased portion of the U. T. Permian Basin campus." Following the appropriation, it was determined that Permanent University Fund Bond Proceeds would be used to fund the construction project. Approval of this item will provide funding from Permanent University Fund Bond Proceeds. (See related item under the Business Affairs and Audit Committee on Page 50 concerning approval to lease campus land to The Presidential Museum.)

13. U. T. San Antonio - Academic Building III (Project No. 401-997): Request for Approval of Design Development Plans; 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

RECOMMENDATION

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

- a. Approve design development plans for the Academic Building III project at U. T. San Antonio
- b. Approve a total project cost of \$52,000,000
- c. Appropriate funds and authorize expenditure of \$52,000,000, with funding of \$37,000,000 from Permanent University Fund Bond Proceeds and \$15,000,000 from Tuition Revenue Bond Proceeds.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 108, the U. T. Board of Regents resolves 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. San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$15,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

The Academic Building III project at U. T. San Antonio is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget, at a preliminary project cost of \$52,000,000, with funding of \$37,000,000 from Permanent University Fund Bond Proceeds and \$15,000,000 from Tuition Revenue Bond Proceeds.

This project will construct a 240,000 gross square feet building adjacent to the John Peace Library Building at U. T. San Antonio. The building program includes additional lecture halls, classrooms, teaching laboratories, and relocated division and administrative offices. Teaching laboratories and classrooms will include sophisticated technology features designed for an information-intensive environment.

The University has articulated a strategic vision that commits it to becoming a model of the new comprehensive university. It has also set, as a strategic direction, the goal of becoming a center of excellence for the education of Hispanics at the master's and doctoral levels. This project contributes to the first goal by providing specialized teaching spaces for the expansion of research and academic missions. To support the goal of becoming a center of excellence for graduate education of Hispanics, the University needs the research facilities necessary to support master's and doctoral programs. This building will provide the specialized facilities necessary to support doctoral education, and thus enhance this mission goal.

Construction of the Academic Building III project is scheduled to commence July 2001, with completion scheduled for July 2003.

In 1997, the 75th Texas Legislature authorized \$50,000,000 of tuition bonds for U. T. San Antonio. Of this amount, \$30,000,000 was approved by the U. T. Board of Regents at their May 13, 1999 meeting for the Downtown Campus Building - Phase III. After the issuance of the \$15,000,000 in tuition bonds for the Academic Building III, \$5,000,000 of tuition bond authority will remain for U. T. San Antonio. (See the following Item on Page 110 related to a request for approval of \$5,000,000 in tuition bonds for the Downtown Campus Building - Phase III project at U. T. San Antonio.) This project financing assumes interim financing at a 5% short-term interest rate for FY 2001 and a 6.5% fixed interest rate for 20 years with the fixed rate borrowing to occur in FY 2002. The debt service coverage for the \$15,000,000 in tuition revenue bonds is reflected on Page 109.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 17th day of July, 2000

/s/ Terry Hull
Director of Finance

**The University of Texas System
Revenue Financing System
Debt Service Coverage
(\$ in millions)**

	Actual			Forecast					
	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Available Revenues	3,900.3	4,208.7	4,363.1	4,761.3	5,009.6	5,210.0	5,368.7	5,629.3	5,833.5
Operating Expenses	(3,657.7)	(3,911.5)	(4,166.5)	(4,421.3)	(4,639.3)	(4,770.1)	(4,914.9)	(5,117.9)	(5,291.5)
Net Revenues Available for Debt Service	242.6	297.2	196.6	340.0	370.4	440.0	453.8	511.5	541.9
Other Mandatory Transfers	(1.8)	(1.3)	(0.8)	(0.8)	(0.8)	0.3	(0.8)	(0.8)	(0.8)
Debt Service:									
Non - Tuition Related	(51.8)	(65.1)	(55.6)	(86.7)	(107.2)	(122.1)	(124.2)	(139.5)	(141.8)
Tuition Debt Service									
Bonds issued prior to 1993	(7.7)	(7.1)	(7.2)	(7.3)	(7.7)	(7.7)	0.0	0.0	0.0
South Texas Border Initiative Debt	(14.0)	(12.6)	(13.1)	(13.1)	(13.1)	(13.1)	(13.2)	(13.2)	(13.2)
Debt Authorized by 75th Legislature									
Tuition Bonds issued during FY98 and FY99			(8.5)	(13.4)	(15.4)	(15.4)	(15.4)	(15.4)	(15.4)
Tuition Bonds issued during FY00				(0.28)	(2.81)	(2.81)	(2.81)	(2.81)	(2.81)
Recommended to BOR 8/00-\$20 mil					(0.50)	(1.82)	(1.82)	(1.82)	(1.82)
Remaining Tuition Project Financing			(11.2)	(3.77)	(2.46)	(1.12)	(1.07)	(1.11)	(1.12)
TOTAL DEBT SERVICE	(73.5)	(84.8)	(95.5)	(125.4)	(149.9)	(163.7)	(159.4)	(174.7)	(177.0)
Debt Service Coverage Without Tuition Bonds (x)	4.5	4.5	3.5	3.5	3.1	3.3	3.4	3.4	3.6
Debt Service Coverage With Tuition Bonds (x)	3.2	3.5	2.0	2.7	2.5	2.7	2.8	2.9	3.1

14. U. T. San Antonio - Downtown Campus Building - Phase III (Project No. 401-975): Request for Approval to Increase the Total Project Cost; Approve Design Development Plans for Building Addition; Appropriation of Funds and Authorization of Expenditure; and Approval to Name Building (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1., Naming of Buildings); and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

RECOMMENDATION

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

- a. Revise the total project cost for the Downtown Campus Building - Phase III project at U. T. San Antonio from \$36,000,000 to \$43,000,000
- b. Approve the design development plans for the Downtown Campus Building - Phase III (Building Addition) at U. T. San Antonio
- c. Appropriate funds and authorize expenditure of \$7,000,000, with funding of \$5,000,000 from Tuition Revenue Bond Proceeds, \$1,750,000 from Gifts and Grants, and \$250,000 from Unexpended Plant Funds
- d. Approve naming of the Downtown Campus Building - Phase III at U. T. San Antonio as the Durango Building.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991,

and amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 113, the U. T. Board of Regents resolves 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. San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$5,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

The Downtown Campus Building - Phase III project at U. T. San Antonio is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a total project cost of \$36,000,000, with funding of \$30,000,000 from Tuition Revenue Bond Proceeds, \$5,000,000 from Revenue Financing System Bond Proceeds, and \$1,000,000 from Auxiliary Enterprise Balances.

Design development plans for the Downtown Campus Building - Phase III were approved on May 13, 1999, with a total project cost of \$35,000,000. On November 11, 1999, the U. T. Board of Regents approved design development plans for the Parking Garage portion of the project. In April 2000, an increase of \$1,000,000

in the total project cost, funded from Auxiliary Enterprise Balances - Parking Revenues, was approved by the Chancellor, which enabled the addition of a fourth level to the approved Parking Garage.

The additional funding of \$7,000,000 in this request is for construction of the Building Addition on the west side of the Downtown Campus Building - Phase III. This building addition will contribute to reducing the significant deficit of educational and general space at U. T. San Antonio identified by the Texas Higher Education Coordinating Board space model.

The naming of the Downtown Campus Building - Phase III as the Durango Building is in keeping with the theme started with naming the Downtown Campus Building - Phase I as the Frio Street Building, and Phase II as the Buena Vista Street Building.

In 1997, the 75th Texas Legislature authorized \$50,000,000 of tuition bonds for U. T. San Antonio. Of this amount, \$30,000,000 was approved by the U. T. Board of Regents at their May 13, 1999, meeting, for the Downtown Campus Building - Phase III project. (See Item 13 on Page 105 related to a request for approval of \$15,000,000 in tuition bonds for the Academic Building III project at U. T. San Antonio.) The remaining \$5,000,000 of tuition bond authority will be applied to this Downtown Campus Building - Phase III project. This project financing assumes interim financing at a 5% short-term interest rate for FY 2001 and a 6.5% fixed interest rate for 20 years with the fixed rate borrowing to occur in FY 2002. The debt service coverage for the \$5,000,000 tuition revenue bonds is reflected on Page 114.

Approval of this item will amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to redesignate the project as the Durango Building and revise the total project cost from \$36,000,000 to \$43,000,000, with additional funding of \$5,000,000 from Tuition Revenue Bond Proceeds, \$1,750,000 from Gifts and Grants, and \$250,000 from Unexpended Plant Funds.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 17th day of July, 2000

/s/ Terry Hull
Director of Finance

**The University of Texas System
Revenue Financing System
Debt Service Coverage
(\$ in millions)**

	Actual			Forecast					
	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Available Revenues	3,900.3	4,208.7	4,363.1	4,761.3	5,009.6	5,210.0	5,368.7	5,629.3	5,833.5
Operating Expenses	(3,657.7)	(3,911.5)	(4,166.5)	(4,421.3)	(4,639.3)	(4,770.1)	(4,914.9)	(5,117.9)	(5,291.5)
Net Revenues Available for Debt Service	242.6	297.2	196.6	340.0	370.4	440.0	453.8	511.5	541.9
Other Mandatory Transfers	(1.8)	(1.3)	(0.8)	(0.8)	(0.8)	0.3	(0.8)	(0.8)	(0.8)
Debt Service:									
Non - Tuition Related	(51.8)	(65.1)	(55.6)	(86.7)	(107.2)	(122.1)	(124.2)	(139.5)	(141.8)
Tuition Debt Service									
Bonds issued prior to 1993	(7.7)	(7.1)	(7.2)	(7.3)	(7.7)	(7.7)	0.0	0.0	0.0
South Texas Border Initiative Debt	(14.0)	(12.6)	(13.1)	(13.1)	(13.1)	(13.1)	(13.2)	(13.2)	(13.2)
Debt Authorized by 75th Legislature									
Tuition Bonds issued during FY98 and FY99			(8.5)	(13.4)	(15.4)	(15.4)	(15.4)	(15.4)	(15.4)
Tuition Bonds issued during FY00				(0.28)	(2.81)	(2.81)	(2.81)	(2.81)	(2.81)
Recommended to BOR 8/00-\$20 mil					(0.50)	(1.82)	(1.82)	(1.82)	(1.82)
Remaining Tuition Project Financing			(11.2)	(3.77)	(2.46)	(1.12)	(1.07)	(1.11)	(1.12)
TOTAL DEBT SERVICE	(73.5)	(84.8)	(95.5)	(125.4)	(149.9)	(163.7)	(159.4)	(174.7)	(177.0)
Debt Service Coverage Without Tuition Bonds (x)	4.5	4.5	3.5	3.5	3.1	3.3	3.4	3.4	3.6
Debt Service Coverage With Tuition Bonds (x)	3.2	3.5	2.0	2.7	2.5	2.7	2.8	2.9	3.1

15. U. T. San Antonio - Recreation/Wellness Center (Project No. 401-958); Request for Approval of Design Development Plans; 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

RECOMMENDATION

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

- a. Approve design development plans for the Recreation/Wellness Center project at U. T. San Antonio
- b. Approve a total project cost of \$18,275,000
- c. Appropriate funds and authorize expenditure of \$14,375,000 from Revenue Financing System Bond Proceeds, \$2,900,000 from Auxiliary Enterprise Balances, and \$1,000,000 from Unexpended Plant Funds, transferred from Downtown Campus Building - Phase II.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 118, the U. T. Board of Regents resolves 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. San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$14,375,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

The Recreation/Wellness Center project at U. T. San Antonio is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a preliminary project cost of \$16,675,000, with funding of \$13,775,000 from Revenue Financing System Bond Proceeds and \$2,900,000 from Auxiliary Enterprise Balances. The requested total project cost of \$18,275,000 is an increase of \$1,600,000 over the preliminary project cost to include additional institutionally-purchased equipment, exterior material changes, and escalation in construction cost over the past year. This increase of \$1,600,000 will include funding of \$600,000 from Revenue Financing System Bond Proceeds and \$1,000,000 from Unexpended Plant Funds transferred from the remaining fund balances of the completed Downtown Campus Building - Phase II project.

This project will be dedicated to providing quality programs and services in the areas of recreation, wellness, intramurals, sports, and child care. The Recreation/Wellness Center project consists of the construction of two new buildings: the Recreation/Wellness Center and the Child Care Center, totaling approximately 98,000 gross square feet.

The Recreation/Wellness Center building will contain approximately 85,000 gross square feet and will provide facilities for a variety of activities, including basketball, volleyball, aerobics, weight lifting, racquetball, wall climbing, and fitness programs. The Center will house facilities to support the coordination of the campus intramural program and the provision of health-care programs and services to U. T. San Antonio students, and as feasible, to faculty and staff.

The Child Care Center building will contain approximately 13,000 gross square feet, with an adjacent outdoor playground area, and will provide quality child care needs for U. T. San Antonio students, faculty, and staff. Alumni and members of the greater San Antonio community may access the services on a fully-paid, space-available basis.

The debt is to be repaid from the Recreational Facility Fee, the Medical Services Fee, the Student Services Fee, designated tuition, and revenues generated by the facilities. The Recreational Facility Fee is \$1.00 per semester credit hour, with a maximum fee of \$30.00 per semester through FY 2001. With the projected opening of the facility in FY 2002, the Recreational Facility Fee will increase to \$5 per semester credit hour, with a maximum fee of \$30 per semester. Annual debt service during the construction period is projected to be \$262,500 for FY 2001 and \$718,750 for FY 2002, assuming a 5.0% short-term borrowing rate. The annual debt service is projected to be \$1,304,623 based on a 6.5% long-term borrowing rate with a 20-year amortization period. The annual debt service coverage for the facility is expected to be at least 1.1 times. The financing forecast for this project is set forth on Page 119.

Approval of this item will amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget for the Recreation/Wellness Center at U. T. San Antonio, at a total project cost of \$18,275,000, with funding of \$14,375,000 from Revenue Financing System Bond Proceeds, \$2,900,000 from Auxiliary Enterprise Balances, and \$1,000,000 from Unexpended Plant Funds for total project funding.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 17th day of July, 2000

/s/ Terry Hull
Director of Finance

The University of Texas at San Antonio
Recreation/Wellness Center

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Rec/Wellness Fee Per Semester Credit Hr.	\$1/\$30	\$1/\$30	\$1/\$30	\$1/\$30	\$1/\$30	\$5/\$30	\$5/\$30	\$5/\$30	\$5/\$30
Health Center Fee Per Semester Hr.			\$15/\$7.5	\$15/\$7.5	\$15/\$7.5	\$16.5/\$8.25	\$18/\$9	\$19.5/\$9.75	\$21/\$10.50
Fiscal Year Semester Credit Hours	391,831	407,561	427,603	431,419	431,368	439,702	448,184	456,833	465,731

Project Level (Actual \$)	Actual			Forecast					
	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Rec/Wellness Center Beg Fund Bal.	0	210,000	597,886	1,532,594	2,542,407	3,183,630	633,448	784,076	1,003,198
Rec/Wellness Fee Collections	389,605	402,372	420,920	425,391	425,880	614,303	1,272,435	1,297,150	1,322,390
Other Fee Collections	0	0	641,107	712,271	760,305	870,448	939,383	1,026,261	1,116,233
Other Revenues	0	30,000	50,341	145,871	139,832	89,956	129,652	137,937	149,988
Tuition Designated Transfer	210,000	210,000	560,000	560,000	560,000	560,000	560,000	560,000	560,000
Total Rec/Wellness Revenues	599,605	642,372	1,672,368	1,843,533	1,886,017	2,134,707	2,901,470	3,021,348	3,148,611
Rec/Wellness Expenses	0	(20,412)	(107,000)	(155,801)	(215,872)	(345,259)	(709,825)	(745,316)	(782,582)
Pharmacy/Counseling Center & Health Center Ex	0	0	(630,660)	(677,919)	(766,422)	(720,880)	(736,394)	(752,287)	(789,901)
Funds Available for Debt Service	599,605	621,960	934,708	1,009,813	903,723	1,068,568	1,455,251	1,523,745	1,576,128
Debt Service	0	0	0	0	(262,500)	(718,750)	(1,304,623)	(1,304,623)	(1,304,623)
Transfer to Plant Funds	(389,605)	(234,074)	0	0	0	(2,900,000)	0	0	0
Change in Fund Balance	210,000	387,886	934,708	1,009,813	641,223	(2,550,182)	150,628	219,122	271,505
Ending Fund Balance	210,000	597,886	1,532,594	2,542,407	3,183,630	633,448	784,076	1,003,198	1,274,702
Debt Service Coverage	N/A	N/A	N/A	N/A	3.4	1.5	1.1	1.2	1.2

Campus Level (\$ in millions)	Actual			Forecast					
	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Beg. Fund Balance	11.5	14.2	22.6	26.1	28.3	24.6	22.2	22.2	22.2
Total Current Unrestricted Revenues	100.1	116.8	120.1	139.8	142.5	143.6	147.7	154.6	159.1
Total Current Unrestricted Expenditures	(91.8)	(100.3)	(106.7)	(123.2)	(130.7)	(129.7)	(134.6)	(141.8)	(146.9)
Net Revenues	8.3	16.5	13.4	16.6	11.8	13.9	13.1	12.8	12.1
Debt Service	(4.9)	(5.6)	(7.8)	(12.1)	(11.8)	(11.7)	(11.4)	(11.1)	(10.4)
Other Mandatory Transfers	(0.05)	(0.02)	(0.03)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Total Mandatory Transfers	(5.0)	(5.6)	(7.8)	(12.2)	(11.9)	(11.8)	(11.5)	(11.2)	(10.5)
Nonmandatory Transfers	0.5	(2.0)	(1.9)	(1.8)	(3.3)	(4.1)	(1.2)	(1.2)	(1.2)
Adjustments	(1.3)	(0.4)	(0.2)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Net Inc./(Dec.) for Year	2.7	8.4	3.5	2.2	(3.7)	(2.4)	(0.0)	0.0	0.0
End. Fund Balance	14.2	22.6	26.1	28.3	24.6	22.2	22.2	22.2	22.3
Debt Service Coverage	1.7	2.9	1.7	1.4	1.0	1.2	1.1	1.1	1.2
Debt Service to Operating Expenses	5.4%	5.6%	7.4%	9.9%	9.0%	9.0%	8.5%	7.8%	7.1%

U.T. System (\$ in millions)	Actual			Forecast					
	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Available Revenues	3,900.3	4,208.7	4,363.1	4,761.3	5,009.6	5,210.0	5,368.7	5,629.3	5,833.5
Operating Expenses	(3,657.7)	(3,911.5)	(4,166.5)	(4,421.3)	(4,639.3)	(4,770.1)	(4,914.9)	(5,117.9)	(5,291.5)
Net Available for Debt Service	242.6	297.2	196.6	340.0	370.4	440.0	453.8	511.5	541.9
Other Mandatory Transfers	(1.8)	(1.3)	(0.8)	(0.8)	(0.8)	(1.9)	(0.8)	(0.8)	(0.8)
Debt Service	(73.5)	(84.8)	(95.5)	(124.6)	(149.1)	(161.8)	(158.6)	(173.9)	(176.2)
Debt Service Coverage	3.2	3.5	2.0	2.7	2.5	2.7	2.8	2.9	3.1
Debt Service to Operating Expenses	2.0%	2.2%	2.3%	2.7%	3.1%	3.3%	3.1%	3.3%	3.2%

16. U. T. Southwestern Medical Center - Dallas - Student Housing (Project No. 303-013): Request for Approval of Design Development Plans; 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

RECOMMENDATION

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

- a. Approve design development plans for the Student Housing project at U. T. Southwestern Medical Center - Dallas
- b. Approve a total project cost of \$10,500,000
- c. Appropriate funds and authorize expenditure of \$10,500,000 from Revenue Financing System Bond Proceeds.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 123, the U. T. Board of Regents resolves 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 \$10,500,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

The Student Housing project at U. T. Southwestern Medical Center - Dallas is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a preliminary project cost of \$10,500,000, with funding from Revenue Financing System Bond Proceeds.

This project will construct a total of 157 one and two-bedroom apartment units, totaling approximately 117,000 gross square feet. The complex is designed with two to three-story, low-density, garden-type apartments for use by medical and graduate students. The project is to be constructed on University property adjacent to Mockingbird Lane by a developer selected to build and manage the apartments.

Currently, there is no student housing on campus. Existing apartment complexes, within a several block radius of the campus, are not acceptable or practical for students due primarily to personal safety and physical condition concerns. The lack of housing is an impediment to recruiting and retaining medical students, graduate students, and postdoctoral fellows. The development of housing proximate to the campus will result in stronger collegial bonds and higher performance and will provide competitively priced housing for students in a safe environment.

Construction on the Student Housing project will begin in September 2000, and is scheduled for occupancy in August 2001.

Debt service during the construction period will be funded from interest earned on revenue bond proceeds, assuming a 5.0% short-term borrowing rate. The long-term debt is projected to be financed from housing revenues over a 25-year amortization period. The amortization period of 25 years will match the useful life of the building and provide affordable rental rates, while building replacement reserves. Annual debt service based on a 6.5% long-term borrowing rate with a 25-year amortization period is projected to be \$860,806 with annual debt service coverage expected to be at least 1.13 times.

The annual debt service coverage with a 20-year amortization rate would be at least 1.02 times; however, the level of replacement reserves would be reduced. The financing forecast for this project is set forth on Page 124.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 17th day of July, 2000

/s/ Terry Hull

Director of Finance

**The University of Texas - Southwestern Medical Center at Dallas
Student Housing Project**

Project Level: (Actual \$)	Actual			Forecast					
	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
Beginning Balance					-	16,262	0	55,433	97,404
Housing Revenue					62,568	1,363,975	1,483,604	1,483,604	1,542,948
Operating Expenses					(33,181)	(387,228)	(405,141)	(413,735)	(427,334)
Net Revenues					<u>29,387</u>	<u>976,747</u>	<u>1,078,463</u>	<u>1,069,869</u>	<u>1,115,614</u>
Debt Service					0	(860,806)	(860,806)	(860,806)	(860,806)
Transfer to Replacement Reserve					(13,125)	(132,203)	(162,225)	(167,092)	(172,104)
Change in Fund Balance					16,262	(16,262)	55,432	41,971	82,704
Ending Fund Balance					<u>16,262</u>	<u>0</u>	<u>55,433</u>	<u>97,404</u>	<u>180,109</u>
Debt Service Coverage					n/a	1.13	1.25	1.24	1.30

Campus Level: (\$ in millions)	Actual			Forecast					
	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
Beg. Fund Balance	13.5	14.4	20.4	20.9	21.9	19.6	21.1	22.8	25.0
Total Current Unrestricted Revenues	116.8	128.1	129.5	143.8	144.4	146.4	148.7	151.1	151.1
Total Current Unrestricted Expenditure	<u>(109.6)</u>	<u>(116.6)</u>	<u>(120.2)</u>	<u>(131.1)</u>	<u>(130.6)</u>	<u>(133.1)</u>	<u>(135.7)</u>	<u>(138.2)</u>	<u>(138.2)</u>
Net Revenues	7.2	11.5	9.3	12.7	13.8	13.3	13.0	12.9	12.9
Debt Service	(4.6)	(4.7)	(5.6)	(6.8)	(8.7)	(9.4)	(8.9)	(8.2)	(7.2)
Other Mandatory Transfers	0.0	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total Mandatory Transfers	(4.6)	(4.8)	(5.6)	(6.8)	(8.7)	(9.4)	(8.9)	(8.2)	(7.2)
Nonmandatory Transfers	(1.6)	(0.7)	(3.1)	(4.7)	(7.3)	(2.3)	(2.3)	(2.4)	(2.4)
Adjustments	(0.2)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Net Inc./(Dec.) for Year	0.9	6.0	0.4	1.1	(2.3)	1.5	1.7	2.2	3.2
End. Fund Balance	<u>14.4</u>	<u>20.4</u>	<u>20.9</u>	<u>21.9</u>	<u>19.6</u>	<u>21.1</u>	<u>22.8</u>	<u>25.0</u>	<u>28.1</u>
Debt Service Coverage	1.6	2.4	1.7	1.9	1.6	1.4	1.5	1.6	1.8
Debt Service to Operating Expenses	4.2%	4.0%	4.7%	5.2%	6.7%	7.1%	6.6%	5.9%	5.2%

U.T. System (\$ in millions)	Actual			Forecast					
	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
Available Revenues	3,900.3	4,208.7	4,363.1	4,761.3	5,009.6	5,210.0	5,368.7	5,629.3	5,833.5
Operating Expenses	<u>(3,657.7)</u>	<u>(3,911.5)</u>	<u>(4,166.5)</u>	<u>(4,421.3)</u>	<u>(4,639.3)</u>	<u>(4,770.1)</u>	<u>(4,914.9)</u>	<u>(5,117.9)</u>	<u>(5,291.5)</u>
Net Available for Debt Serv.	242.6	297.2	196.6	340.0	370.4	440.0	453.8	511.5	541.9
Other Mandatory Transfers	(1.8)	(1.3)	(0.8)	(0.8)	(0.8)	(1.9)	(0.8)	(0.8)	(0.8)
Debt Service	<u>(73.5)</u>	<u>(84.8)</u>	<u>(95.5)</u>	<u>(124.6)</u>	<u>(149.1)</u>	<u>(161.8)</u>	<u>(158.6)</u>	<u>(173.9)</u>	<u>(176.2)</u>
Debt Service Coverage	3.2	3.5	2.0	2.7	2.5	2.7	2.8	2.9	3.1
Debt Service to Operating Exp.	2.0%	2.2%	2.3%	2.7%	3.1%	3.3%	3.1%	3.3%	3.2%

17. U. T. Southwestern Medical Center - Dallas - Student Services Building (Project No. 303-008): Request for Approval of Design Development Plans; Approval of Total Project Cost; and Appropriation of Funds and Authorization of Expenditure

RECOMMENDATION

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

- a. Approve design development plans for the Student Services Building project at U. T. Southwestern Medical Center - Dallas
- b. Approve a total project cost of \$10,920,000
- c. Appropriate funds and authorize expenditure of \$10,920,000, with funding of \$8,000,000 from Gifts and Grants and \$2,920,000 from Interest on Local Funds.

BACKGROUND INFORMATION

The Student Services Building project at U. T. Southwestern Medical Center - Dallas is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget, at a preliminary project cost of \$10,920,000, with funding of \$8,000,000 from Gifts and Grants and \$2,920,000 from Interest on Local Funds.

The Student Services Building project will construct a 43,000 gross square feet facility for student recreation and health and will contain a gym, a cardiovascular exercise area, an aerobics room, racquetball courts, a jogging track, and support areas.

The existing recreation facility of 13,000 gross square feet was constructed in 1966 when the student population was 300. The student population is now 1,554 and there are an additional 1,400 residents, graduate students, and postdoctoral trainees. The neighboring community does not offer recreational facilities, parks, or other student support services. The site selected for this project is on the South Campus, adjacent to the existing Skillern Student Union Building which will be remodeled to provide offices for Student Affairs.

Construction of the Student Services Building is scheduled to commence in November 2000 and will be completed in November 2001.

18. U. T. Health Science Center - Houston - Indoor Air Quality at the Medical School (Project No. 701-946): Request for Approval to Revise Total Project Cost

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and President Low that the U. T. Board of Regents revise the total project cost for the Indoor Air Quality at the Medical School project at U. T. Health Science Center - Houston from \$10,000,000 to \$12,400,000, with additional funding of \$2,400,000 from Permanent University Fund Bond Proceeds transferred from the Medical School Building/ Limestone Cladding Repairs project.

BACKGROUND INFORMATION

The Indoor Air Quality at the Medical School project at U. T. Health Science Center - Houston is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget, at a total project cost of \$10,000,000, with funding from Permanent University Fund Bond Proceeds. The requested increase of \$2,400,000 in the total project cost will be used to perform additional indoor air quality remediation work within the Medical School Building.

The Medical School Building/Limestone Cladding Repairs project is nearing completion, and it is anticipated that excess funds of approximately \$2,400,000 will be available. It is requested that these funds be transferred to the Indoor Air Quality at the Medical School project to enhance the effectiveness of this project. The final amount expended could be slightly higher or lower. Adjustments in the final amount of up to 10% of the total project cost may be approved by the Chancellor.

Approval of this item will amend the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget to revise the total project cost of the Indoor Air Quality at the Medical School project to \$12,400,000, with additional funding of \$2,400,000 from Permanent University Fund Bond Proceeds transferred from the Medical School Building/Limestone Cladding Repairs project.

19. U. T. Health Science Center - San Antonio - Core Research Facility (Project No. 402-061): Request to Authorize Institutional Management of Project

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and President Howe that the U. T. Board of Regents authorize U. T. Health Science Center - San Antonio to institutionally manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts associated with the Core Research Facility.

BACKGROUND INFORMATION

The Core Research Facility at U. T. Health Science Center - San Antonio is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget, at a preliminary project cost of \$9,000,000, with funding of \$7,000,000 from Permanent University Fund Bond Proceeds and \$2,000,000 from Gifts and Grants. Funding for this project was appropriated when it was added to the FY 2000-2005 Capital Improvement Program on February 9, 2000.

U. T. Health Science Center - San Antonio has reviewed the core research needs of the campus to assess and recommend a list of equipment and minor renovations needed to support the equipment installation. The purchase and installation of this equipment will occur in a number of different areas, thus, institutional management of this project is requested. The work will be planned, coordinated, and managed by U. T. Health Science Center - San Antonio Facilities Management staff, who are capable of handling these multiple projects.

20. U. T. Health Science Center - San Antonio - Laredo Campus Extension (Project No. 402-021): Request for Approval of Design Development Plans; Approval of Total Project Cost; Appropriation of Funds and Authorization of Expenditure; and Request to Name Building (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Honorific Namings)

RECOMMENDATION

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

- a. Approve design development plans for the Laredo Campus Extension at U. T. Health Science Center - San Antonio
- b. Approve a total project cost of \$4,000,000
- c. Appropriate funds and authorize expenditure of \$4,000,000, with funding of \$2,000,000 from Gifts and Grants and \$2,000,000 from Interest on Local Funds
- d. Approve naming the Laredo Campus Extension at U. T. Health Science Center - San Antonio as the D. D. Hachar Building.

BACKGROUND INFORMATION

The Laredo Campus Extension project at the U. T. Health Science Center - San Antonio is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget, with a total project cost of \$4,000,000, with funding of \$2,000,000 from Gifts and Grants and \$2,000,000 from Interest on Local Funds.

The project includes the construction of a new facility of approximately 18,000 gross square feet in Laredo, Texas, as an extension of the U. T. Health Science Center - San Antonio. This first building commemorates the beginning of U. T. Health Science Center - San Antonio's involvement in the Mid Rio Grande Border Region, and will set the tone for the campus and reflect a commitment to new health education opportunities.

This building will initially house the administrative functions for those programs now funded through the South Texas/Border Initiative. The Area Health Education Center (AHEC) will also be located in the structure, along with the laboratory support of the South Texas Environmental Education and Research (STEER) program. In addition, the facility will provide appropriate meeting space for continuing education, local seminars, technical assistance, and community support. A technologically-advanced library will connect the facility to comprehensive databases in support of the varied educational missions.

Additionally, it is requested that this project be named for Mr. Demetrio David (D. D.) Hachar. Mr. D. D. Hachar was a successful businessman who created a foundation during his life that provided financial support to educational institutions seeking to extend facilities and services to students in the Laredo area. Since Mr. Hachar's death in 1978, the D. D. Hachar Charitable Trust has become one of the largest philanthropic efforts devoted to advancing health and educational opportunities in South Texas.

It is appropriate that Mr. Hachar's legacy will support the creation of a Laredo campus dedicated to enhancing the quality and quantity of health and education programs for generations to come. It is also fitting that the gateway facility to the Laredo Campus Extension be named for this dignified visionary whose name has become synonymous with educational opportunity in Laredo.

The naming of the D. D. Hachar Building is consistent with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, and institutional guidelines on the naming of buildings in honor of, and in appreciation of, the support and generosity of Mr. Demetrio David Hachar.

21. U. T. M. D. Anderson Cancer Center - Basic Sciences Research Building (Project No. 703-959): Request for Approval of Design Development Plans; 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

RECOMMENDATION

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

- a. Approve design development plans for the Basic Sciences Research Building project at U. T. M. D. Anderson Cancer Center
- b. Approve a total project cost of \$174,600,000
- c. Appropriate funds and authorize expenditure of \$32,200,000 from Revenue Financing System Bond Proceeds, \$65,000,000 from Gifts and Grants, \$30,000,000 from Permanent University Fund Bond Proceeds, and \$37,400,000 from Hospital Revenues, which when combined with the previous appropriation of \$10,000,000 from Gifts and Grants for Phase I - Utilities Infrastructure Prework and Excavation, equals \$174,600,000 for total project funding.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue

Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 133, the U. T. Board of Regents resolves 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. M. D. Anderson Cancer Center, 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 \$32,200,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

The Basic Sciences Research Building project at U. T. M. D. Anderson Cancer Center is included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a preliminary project cost of \$174,600,000, with funding of \$30,000,000 from Permanent University Fund Bond Proceeds, \$32,200,000 from Revenue Financing System Bond Proceeds, \$37,400,000 from Hospital Revenues, and \$75,000,000 from Gifts and Grants.

On May 11, 2000, the U. T. Board of Regents approved design development plans and funding appropriations of \$10,000,000 from Gifts and Grants for the Basic Sciences Research Building, Phase I - Utilities Infrastructure Prework and Excavation,

and this work is underway. U. T. M. D. Anderson Cancer Center now requests approval of the design development plans and appropriation of \$164,600,000 for the primary construction of the Basic Sciences Research Building.

The project consists of the construction of a new facility of approximately 482,000 gross square feet dedicated to research, the Graduate School of Biological Sciences, and vivarium space. The facility will be built on the property currently known as the K-Lot site as part of a collaborative multibuilding research center. The Baylor College of Medicine and the Texas Medical Center are currently planning simultaneous construction of facilities adjacent to, and connected with, the Basic Sciences Research Building. U. T. M. D. Anderson Cancer Center has completed the design for the building as part of the joint development, such that its configuration and appearance are harmonious with both the architectural master plan as well as the adjacent buildings.

The facility architectural design configuration consists of four major elements. The first element of the main building houses two levels of an animal vivarium. The second element consists of three floors of mechanical, public, Graduate School of Biological Sciences, and conference center space. The tower of the main building, the third element, houses six research laboratory floors, each with support space. Four of these floors will be finished out under this project. Each laboratory floor has support office space on its own floor and on the interstitial floor that supports it. The last element, the "knuckle" element, is a five-story structure that connects the Texas Medical Center Commons Building and Garage and the Baylor College of Medicine Research Tower. This "knuckle" provides office and conference space, as well as circulation space for proper facility functionality as part of a multibuilding complex.

Construction is planned to begin during December 2000 and to take 30 months, followed by commissioning during Fall 2003.

The Revenue Financing System Parity Debt will be funded by patient income and indirect cost recoveries from existing and future sponsored research. Additionally, funds set aside for renovation of research space in the amount of \$6,710,000, are available to offset the expected debt service prior to the generation of new or additional receipts. Annual debt service during the construction period is projected to be \$1,610,000 in FY 2001 and FY 2002 assuming a 5.0% short-term borrowing rate. In FY 2003, the annual debt service is projected to be \$2,922,356 based on a 6.5% long-term borrowing rate with a 20-year amortization period. The financing forecast for this project is set forth on Page 134.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 17th day of July, 2000

/s/ Terry Hull
Director of Finance

The University of Texas
M. D. Anderson Cancer Center-Basic Sciences Research Building

Campus Level: (\$ in millions)	Actual			Forecast					
	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
Beg. Fund Balance	360.7	425.0	445.0	505.1	444.7	398.2	391.3	413.2	495.8
Total Current Unrestricted Revenues	675.3	763.6	832.3	957.6	1,071.0	1,132.4	1,227.2	1,365.0	1,493.1
Total Current Unrestricted Expenditures	<u>(609.0)</u>	<u>(675.4)</u>	<u>(796.0)</u>	<u>(855.5)</u>	<u>(929.7)</u>	<u>(968.7)</u>	<u>(1,033.8)</u>	<u>(1,141.0)</u>	<u>(1,228.5)</u>
Net Revenues	66.3	88.3	36.3	102.1	141.2	163.7	193.5	224.0	264.6
Debt Service	(5.31)	(6.15)	(6.9)	(10.62)	(16.10)	(23.70)	(26.61)	(40.13)	(39.07)
Other Mand. Transfers	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Mand. Transfers	(5.31)	(6.15)	(6.9)	(10.6)	(16.1)	(23.7)	(26.6)	(40.1)	(39.1)
Non-Mand. Transfers	2.3	(17.7)	(50.0)	(153.9)	(173.6)	(148.9)	(147.0)	(103.2)	(237.5)
Adjustments	<u>1.0</u>	<u>(44.4)</u>	<u>80.6</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Net Inc./(Dec.) for Year	64.2	20.1	60.1	(60.43)	(46.48)	(6.92)	21.87	82.67	(9.97)
End. Fund Balance	425.0	445.0	505.1	444.7	398.2	391.3	413.2	495.8	485.9
Debt Service Coverage	12.5	14.3	5.3	9.6	8.8	6.9	7.3	5.6	6.8
Debt Service to Operating Exp.	0.9%	0.9%	0.9%	1.2%	1.7%	2.4%	2.6%	3.5%	3.2%

U.T. System (\$ in millions)	Actual			Forecast					
	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
Available Revenues	3,900.3	4,208.7	4,363.1	4,761.3	5,009.6	5,210.0	5,368.7	5,629.3	5,833.5
Operating Expenses	<u>(3,857.7)</u>	<u>(3,911.5)</u>	<u>(4,166.5)</u>	<u>(4,421.3)</u>	<u>(4,639.3)</u>	<u>(4,770.1)</u>	<u>(4,914.9)</u>	<u>(5,117.9)</u>	<u>(5,291.5)</u>
Net Available for Debt Serv.	242.6	297.2	196.6	340.0	370.4	440.0	453.8	511.5	541.9
Other Mandatory Transfers	(1.8)	(1.3)	(0.8)	(0.8)	(0.8)	(1.9)	(0.8)	(0.8)	(0.8)
Debt Service	(73.5)	(84.8)	(95.5)	(124.6)	(149.1)	(161.8)	(158.6)	(173.9)	(176.2)
Debt Service Coverage	3.2	3.5	2.0	2.7	2.5	2.7	2.8	2.9	3.1
Debt Service to Operating Exp.	2.0%	2.2%	2.3%	2.7%	3.1%	3.3%	3.1%	3.3%	3.2%

Other Matters

- N. RECONVENE AS COMMITTEE OF THE WHOLE
- O. BOARD FOR LEASE OF UNIVERSITY LANDS

REPORT

The Board for Lease of University Lands met on May 17, 2000, at the Center for Energy and Economic Diversification in Midland, Texas, for a general business meeting and to hold Regular Oil and Gas Lease Sale No. 97.

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

Regular Oil and Gas Lease Sale No. 97: Total bonuses received in the amount of \$1,436,281.61 for 13,329.732 acres (45 tracts) leased out of 30,637.184 acres (98 tracts) nominated for lease; single highest bid was \$99,122.50 (\$155/acre) for a 639.500-acre tract in Reagan County.

Following is a report on the general business meeting:

- a. Approval of the Minutes of the November 17, 1999, meeting of the Board for Lease of University Lands
- b. Approval of amended lease procedures and terms for Regular Oil and Gas Lease Sale No. 98 to be held on Wednesday, November 8, 2000
- c. General Land Office staff update on the General Land Office's State Power Program (which authorizes the Commissioner to convert oil and gas royalties taken in-kind from state lands into other forms of energy, including electricity, for sale to certain public retail customers)
- d. Bureau of Economic Geology staff presentation of an overview on PUF lands evaluation
- e. Approval of the management of the royalty in-kind programs as presented by staff

- f. Approval of amendments to the Board for Lease of University Lands rules
- g. Authorization of the forfeiture of University Lease No. 8606 (permit lease - 1924) effective May 17, 2000, for nonproduction and failure to develop. The Commissioner also endorsed this lease forfeited effective May 17, 2000.

The next meeting of the Board for Lease of University Lands and lease awards for Regular Oil and Gas Lease Sale No. 98 is scheduled in the Board Room of The University of Texas Health Science Center at Houston in Houston, Texas, on Wednesday, November 8, 2000. Bids will be opened at the Center for Energy and Economic Diversification in Midland, Texas, on Tuesday, November 7, 2000.

P. REPORT OF SPECIAL COMMITTEE

U. T. Board of Regents: Report on Ad Hoc Long Range Planning Committee

REPORT

Committee Chairman Woody L. Hunt will report on the activities of the U. T. Board of Regents' ad hoc Long Range Planning Committee.

Q. ITEM FOR THE RECORD

U. T. Permian Basin: Appointment of Advisory Committee for the Selection of a President

REPORT

The membership of the Advisory Committee for the Selection of a President for U. T. Permian Basin is herewith reported for the record. This committee has been constituted pursuant to the Regents' Rules and Regulations, Part One, Chapter II, Section 14.

Advisory Committee for the Selection of a President
for
The University of Texas of the Permian Basin

System Administration Representatives

Interim Chancellor R. D. Burck
Executive Vice Chancellor for Academic Affairs Edwin R. Sharpe
(Chairman)

Board of Regents

Regent Woody L. Hunt
Regent Raul R. Romero

Presidents

Dr. Franklyn G. Jenifer, President, The University of Texas at Dallas
Dr. Ricardo Romo, President, The University of Texas at San Antonio

Faculty Representatives

Dr. Emilio Mutis-Duplat, Professor of Geology
Dr. Corbett Gaulden, Associate Professor of Marketing
Dr. Al Milliren, Associate Professor of Counseling

Dean

Dr. Geralyn M. Franklin, Dean, School of Business

Student Representatives

Mr. Charles Testement, Graduate Student in English
Ms. Laurie Bruner, Sophomore Student

Alumni Association Representative

Ms. Letha Reynolds, Immediate Past President of the Alumni Association

Nonfaculty Employees

Ms. Vickie Gomez, Director of Admissions
Ms. Teri Brooks, Development Officer

Community/External Representatives

Mr. Frank Deaderick
Mr. Grant Billingsley
Ms. Celia Morales
Ms. Lorraine Perryman

R. OTHER MATTERS

1. U. T. System: Report of Summary of Gift Acceptance and Related Administrative Actions Conforming to Board Policy for March 1, 2000 Through May 31, 2000

(See Pages 139 - 143.)

ACCEPTANCE OF GIFTS HELD BY BOARD

March 1, 2000 Through May 31, 2000

# ALL ITEMS	COMPONENT INSTITUTION	ASSET TYPES							MATCHING FUNDS	TOTAL VALUE
		CASH	SECURITIES	REAL ESTATE	PLEDGES	OTHER	TRANSFERS			
4	U. T. Arlington	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000
39	U. T. Austin	\$ 4,803,126	\$ 833,015	\$ -	\$ 1,365,098	\$ 1,500,000	\$ 446,416	\$ -	\$ -	\$ 8,917,822 *
1	U. T. Dallas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	U. T. El Paso	\$ 332,450	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 342,450
38	U. T. Pan American	\$ 10,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,500
4	U. T. Permian Basin	\$ 62,000	\$ -	\$ -	\$ 43,000	\$ -	\$ -	\$ -	\$ -	\$ 105,000
13	U. T. San Antonio	\$ 99,516	\$ 10,679	\$ -	\$ 7,500	\$ -	\$ 50,000	\$ -	\$ -	\$ 167,695
2	U. T. Tyler	\$ 515,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 515,000
8	U. T. SWMC-Dallas	\$ 466,565	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ 466,595 *
4	U. T. M.B.-Galveston	\$ 40,000	\$ -	\$ -	\$ -	\$ 207,321	\$ 3,002,706	\$ -	\$ -	\$ 3,250,027
6	UTHSC-Houston	\$ 400,301	\$ 208,828	\$ -	\$ 791,172	\$ -	\$ 22,612	\$ -	\$ -	\$ 1,400,301 *
5	UTHSC-San Antonio	\$ 234,159	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 234,159
9	UTMDACC	\$ 5,059,915	\$ -	\$ -	\$ 30,000	\$ -	\$ 133,000	\$ -	\$ -	\$ 5,222,915
144	TOTAL	\$ 12,068,531	\$ 1,052,552	\$ -	\$ 2,246,770	\$ 1,707,321	\$ 3,654,734	\$ 125,000	\$ -	\$ 20,677,464

* Not included in total: U. T. Austin - \$29,832.55 transfer of endowment funds;
 U. T. SWMC-Dallas - \$125,000 of Board-held matching funds;
 U. T. Health Science Center-Houston - \$22,612 transfer of endowment funds.

NOTE: Compiled by Office of Development and External Relations

CLASSIFICATION OF GIFTS AND OTHER ACTIONS

March 1, 2000 Through May 31, 2000

<u>COMPONENT INSTITUTION</u>	<u>ENDOWMENTS</u>	<u>CHARITABLE REMAINDER TRUSTS</u>	<u>POOLED INCOME FUND</u>	<u>REMAINDER INTERESTS</u>	<u>HELD IN TRUST BY OTHERS</u>	<u>CURRENT PURPOSE</u>	<u>OTHER</u>
U. T. Arlington	3	---	---	---	1	---	---
U. T. Austin	37	1	---	---	---	1	---
U. T. Dallas	1	---	---	---	---	---	---
U. T. El Paso	11	---	---	---	---	---	---
U. T. Pan American	3	---	---	---	35	---	---
U. T. Permian Basin	4	---	---	---	---	---	---
U. T. San Antonio	13	---	---	---	---	---	---
U. T. Tyler	2	---	---	---	---	---	---
U. T. SWMC-Dallas	1	---	---	---	6	2	---
U. T. M.B.-Galveston	3	---	---	---	1	---	---
UTHSC-Houston	6	---	---	---	---	---	---
UTHSC-San Antonio	5	---	---	---	---	---	---
UTMDACC	4	---	---	---	---	5	---
TOTAL	93	1	0	0	43	8	0

PURPOSES OF GIFTS HELD BY BOARD AND OTHERS
March 1, 2000 Through May 31, 2000

COMPONENT INSTITUTION	ENDOWMENT								CURRENT PURPOSE	OTHER PURPOSE
	DIST. CHAIR	CHAIR	DIST. PROF'SHIP	PROF'SHIP	FACULTY FELLOWSHIP	GRADUATE FELLOWSHIP	SCHOLARSHIP	OTHER		
U. T. Arlington	---	---	---	---	---	---	3	1	---	---
U. T. Austin	---	1	---	---	---	2	10	15	1	1
U. T. Dallas	---	---	---	---	---	---	---	---	---	---
U. T. El Paso	---	---	---	---	---	---	5	5	---	---
U. T. Pan American	---	1	---	---	---	---	19	1	---	---
U. T. Permian Basin	---	---	---	---	---	---	4	---	---	---
U. T. San Antonio	---	---	---	---	---	---	9	---	---	---
U. T. Tyler	---	1	---	---	---	---	1	---	---	---
U. T. SWMC-Dallas	---	1	---	1	---	1	1	2	2	---
U. T. M.B.-Galveston	---	---	---	---	---	---	---	2	---	1
UTHSC-Houston	---	1	---	---	---	---	---	1	---	---
UTHSC-San Antonio	---	1	---	---	---	---	1	1	---	---
UTMDACC	---	---	---	---	1	---	---	3	5	---
TOTAL	0	6	0	1	1	3	53	31	8	2

Total purposes may not equal the total number of items because some items pertain to multiple purposes.

OTHER ADMINISTRATIVE ACTIONS

March 1, 2000 Through May 31, 2000

COMPONENT INSTITUTION	ESTABLISH ENDOWMENT	REDESIGNATE ENDOWMENT LEVEL	OTHER REDESIGNATION	DISSOLVE ENDOWMENT	APPROVE/ALLOCATE MATCHING	ACCEPT TRUSTEESHIP	OTHER
U. T. Arlington	4	---	---	---	---	---	---
U. T. Austin	27	---	10	---	---	1	---
U. T. Dallas	---	---	1	---	---	---	---
U. T. El Paso	10	1	1	---	---	---	---
U. T. Pan American	21	---	15	2	---	---	---
U. T. Permian Basin	4	---	---	---	---	---	---
U. T. San Antonio	9	---	4	---	---	---	---
U. T. Tyler	2	---	---	---	---	---	---
U. T. SWMC-Dallas	6	---	---	---	1	---	---
U. T. M.B.-Galveston	2	---	1	---	---	---	---
UTHSC-Houston	1	2	1	1	---	---	---
UTHSC-San Antonio	1	1	2	---	---	---	---
UTMDACC	4	---	---	---	---	---	---
TOTAL	91	4	35	3	1	1	0

COMPARATIVE SUMMARY OF GIFTS ACCEPTED VIA THE OFFICIAL ADMINISTRATIVE PROCESS
March 1, 2000 Through May 31, 2000

COMPONENT INSTITUTION	FY 1999 FULL YEAR	FISCAL YEAR 2000			FULL YEAR
		9/1/99 - 11/30/99	12/1/99 - 2/29/00	3/1/00 - 5/31/00	
U. T. System	\$ 95,000	\$ -	\$ -	\$ -	\$ -
U. T. Arlington	\$ 612,441	\$ 22,916	\$ 48,000	\$ 45,000	\$ -
U. T. Austin	\$ 17,668,529	\$ 5,153,374	\$ 15,972,956	\$ 8,917,822	\$ -
U. T. Dallas	\$ 1,060,674	\$ 1,320,979	\$ 10,106	\$ -	\$ -
U. T. El Paso	\$ 3,180,702	\$ 239,960	\$ 287,415	\$ 342,450	\$ -
U. T. Pan American	\$ 60,674	\$ -	\$ 499,718	\$ 10,500	\$ -
U. T. Brownsville	\$ 110,674	\$ -	\$ 135,000	\$ -	\$ -
U. T. Permian Basin	\$ 210,674	\$ -	\$ -	\$ 105,000	\$ -
U. T. San Antonio	\$ 680,768	\$ 171,056	\$ 16,220	\$ 167,695	\$ -
U. T. Tyler	\$ 260,749	\$ -	\$ 1,335,884	\$ 515,000	\$ -
U. T. SWMC-Dallas	\$ 7,802,087	\$ 1,158,831	\$ 4,274,233	\$ 466,595	\$ -
U. T. M.B.-Galveston	\$ 7,563,732	\$ 1,298,292	\$ 457,439	\$ 3,250,027	\$ -
UTHSC-Houston	\$ 2,987,214	\$ 20,000	\$ 1,204,017	\$ 1,400,301	\$ -
UTHSC-San Antonio	\$ 1,375,242	\$ 376,216	\$ 473,800	\$ 234,159	\$ -
UTMDACC	\$ 7,330,854	\$ 632,484	\$ 1,776,400	\$ 5,222,915	\$ -
UTHC-Tyler	\$ 1,294,378	\$ -	\$ -	\$ -	\$ -
Multi-Component	\$ 170,000	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 52,464,391	\$ 10,394,108	\$ 26,491,189	\$ 20,677,464	\$ -

2. U. T. System: Update on Establishment of Tracking Mechanism for Federal Research and Development Funding

Mr. Mark Franz, Vice Chancellor for Federal Relations, will present an update at the request of the Chairman of the U. T. Board of Regents on establishment of a tracking mechanism for Federal Research and Development funding received by the U. T. System institutions.

3. U. T. Board of Regents: Presentation of Certificate of Appreciation
4. U. T. Board of Regents: Recommendation on Santa Rita Award

Chairman Donald L. Evans will make a recommendation on award of the Santa Rita Award.

S. SCHEDULED EVENTS

1. Board of Regents' Meetings – 2000 and 2001

<u>Dates</u>	<u>Locations/Hosts</u>
November 15-16, 2000	U. T. Health Center - Tyler
February 14-15, 2001	Austin
May 9-10, 2001	Austin
August 8-9, 2001	U. T. Arlington
November 7-8, 2001	U. T. Tyler

2. Other Events

November 2, 2000	U. T. M. D. Anderson Cancer Center: University Cancer Foundation Board of Visitors' Meeting
November 3, 2000	U. T. M. D. Anderson Cancer Center: Faculty Honors Convocation

T. ADJOURNMENT