



**HEALTH AFFAIRS COMMITTEE
THE UNIVERSITY OF TEXAS SYSTEM
BOARD OF REGENTS
AGENDA**

October 10, 2002
8:30 a.m. – 10:00 a.m.
Board Room, 9th Floor, Ashbel Smith Hall
Austin, Texas

- 8:30 a.m. 1. **Welcome and Opening Remarks** *Chair Patrick Oxford*
- 8:35 a.m. 2. **November Board of Regents' Meeting Agenda Action Items**
- a. Proposed Facilities Planning and Construction Committee Action Items
 - 1. U. T. Southwestern Medical Center: Thermal Energy Plant Phase 2 *Dr. Kern Wildenthal
Mr. Sid Sanders*
 - 2. U. T. Health Science Center - Houston: Research Expansion Project *Dr. James Willerson*
 - 3. U. T. Health Science Center - Houston: "Indoor Air Quality at the Medical School" *Dr. Willerson
Dr. Sanders*
 - 4. U. T. Health Science Center - Houston: Student Housing Project *Dr. Willerson
Mr. Sanders*
 - 5. U. T. Health Center - Tyler: Camp Fannin Memorial *Dr. Ronald Garvey
Mr. Sanders*
 - b. Proposed Health Affairs Committee Agenda Action Items
 - 1. U. T. Medical Branch: Master of Occupational Therapy Degree *Dr. John Stobo*
 - 2. U. T. Health Science Center - San Antonio: Contribution from City of Edinburg to Medical Research Division of the Regional Academic Health Center (RAHC) *Dr. Francisco Cigarroa*
 - 3. U. T. M.D. Anderson Cancer Center: Leasehold acquisition *Dr. John Mendelsohn
Mr. Jim Wilson*
- 9:25 a.m. 3. **U. T. Health Science Center - San Antonio:** Outline of plans for capital campaign *Dr. Cigarroa*
4. **Informational Items**
- a. Proposed amendments to the guidelines for the Santa Rita Award and inclusion of guidelines in the Regents' Rules and Regulations
 - b. Brief report on the Lower Rio Grande Valley Regional Academic Health Center (RAHC)

9:35 a.m.

5. **Executive Session: Consultation with Attorney
Regarding Pending and/or Contemplated
Litigation or Settlement Offers - Texas
Government Code Section 551.071**

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

*Dr. Willerson
Mr. Mike Godfrey*

SOUTHWESTERN

THE UNIVERSITY OF TEXAS
SOUTHWESTERN MEDICAL CENTER
AT DALLAS

John A. Roan
Executive Vice President for Business Affairs

September 12, 2002

James C. Guckian, M.D.
Acting Vice Chancellor for Health Affairs
The University of Texas System
601 Colorado Street (OHH 211)
Austin, TX 78701-2982

HEALTH AFFAIRS OFFICE
C.I. SYSTEM
HAD # _____
SEP 16 2002

Re: Board of Regents Agenda – November 2002
Thermal Energy Plant Phase 2

Dear Dr. Guckian:

Please include an item on the Board of Regents' November agenda to change the funding source for the Thermal Energy Plant Phase 2, Capital Improvement Project. This project is included in our Capital Improvement Program approved by the Board of Regents in November 2001. The institution is managing the project.

The project is defined in the CIP as the construction of a high-voltage electrical power substation and distribution system, standby power generation and energy conservation projects. The total project cost for all work is \$30,000,000.

The source of funding identified in the CIP was "Performance Contracts". We are requesting that the funding source be changed to: "Local Funds - \$5,000,000", and "Revenue Bond Financing - \$25,000,000".

The Thermal Energy Plant Phase 2 project has been divided into two parts. Part 1 is the installation of energy efficient lighting that has straightforward energy savings not requiring a performance guarantee. Local funds will be used to purchase and install the lighting. Part 2 includes the high-voltage substation and distribution, standby power generation, and replacement of two aged steam chillers with new electrical chillers.

We are entering into a performance contract with TXU Energy Services for the Part 2 work, which has a guaranteed savings sufficient to cover debt service and a term of 10 years. Although the project is viable using TXU financing, Philip Aldridge has indicated that we could derive significant additional savings by using revenue bonds to finance the work.

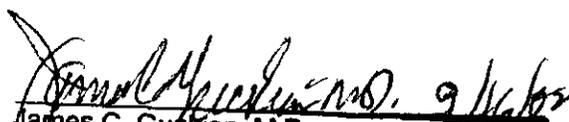
Please let me know if we can provide additional information.

Sincerely,


Kern Wildenthal, M.D., Ph.D.

cc: John McConnell, M.D.
John Roan
Kirby Vahle
Philip Aldridge
Jeffery Kauffmann

APPROVED:


James C. Guckian, M.D.
Acting Executive Vice Chancellor
for Health Affairs



THE UNIVERSITY of TEXAS
HEALTH SCIENCE CENTER AT HOUSTON

HEALTH AFFAIRS OFFICE
U.T. SYSTEM

HAD # _____

JUL 26 2002

James T. Willerson, MD
Edward Randall III Chair in Internal Medicine
Alkek-Williams Distinguished Professor

OFFICE of the PRESIDENT 713 500 3010
7000 Fannin Street, 17th Floor 713 500 3059 • fax
Houston, Texas 77030
James.T.Willerson@uth.tmc.edu

July 24, 2002

James C. Guckian, M.D.
Acting Executive Vice Chancellor for Health Affairs
The University of Texas System
601 Colorado Street
Austin, Texas 78701

Dear Dr. Guckian:

I am thrilled to report to you that our fundraising efforts for the Research Expansion Project (also known as The Institute of Molecular Medicine Building) have reached the \$70 million threshold. As per our correspondence of last fall, this event should trigger the transfer of \$29 million in PUF resources back to our Research Expansion Project.

I respectfully request your assistance in placing an item on the agenda of the Board of Regents at the earliest possible time to restore the PUF funding for the Research Expansion Project to its \$50 million funding level, as initially allocated in January of 2000.

Our intent is to proceed with the Research Expansion Project prior to the Freeman Building Replacement. Thus, we require the full \$50 million in PUF funding in order to proceed. The \$29 million PUF allocation for the Freeman Building Replacement remains critical to our efforts to provide expanded and modern space for research in the basic sciences.

Thank you for your continued support.

Sincerely yours,

James T. Willerson, M.D.
President

Approved by:

James C. Guckian, M.D.

Date:

8/28/02

cc: Mr. John Porretto



THE UNIVERSITY of TEXAS
HEALTH SCIENCE CENTER AT HOUSTON

HEALTH AFFAIRS OFFICE
 U.T. SYSTEMS

HAD# _____

James T. Willerson, MD
Edward Randall III Chair in Internal Medicine
Alkek-Williams Distinguished Professor

OFFICE of the PRESIDENT SEP 16 2002 713 500 3010
 7000 Fannin Street, 17th Floor 713 500 3059 fax
 Houston, Texas 77030
 James.T.Willerson@uth.tmc.edu

September 13, 2002

James C. Guckian, M.D.
 Acting Executive Vice Chancellor for Health Affairs
 The University of Texas System
 601 Colorado Street
 Austin, Texas 78701

Dear Dr. Guckian:

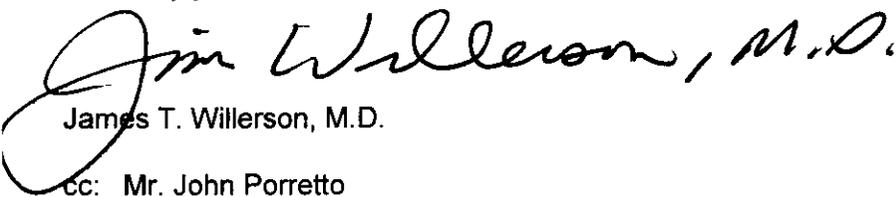
I am writing to request that an item be placed on the agenda of the November 2002 Board of Regents' meeting to amend the Capital Improvement Program by increasing the Total Project Cost of the project title, "Indoor Air Quality at the Medical School," from \$16,200,000 to \$26,200,000. The source of funds for the increase will be LoanStar proceeds from the State Energy Conservation Office.

We have signed a Memorandum of Understanding with the Energy Conservation Office reserving \$8.1 million in loan funds, pending the outcome of an independent energy assessment. The preliminary results of that study are available, and it appears that energy savings consequent to further indoor air quality upgrades will support this \$8.1 million request and perhaps a loan of as much as \$10.0 million. The precise amount of the increase to the CIP will be clarified through the Office of Facilities Planning and Construction's quarterly update process once the loan document is executed.

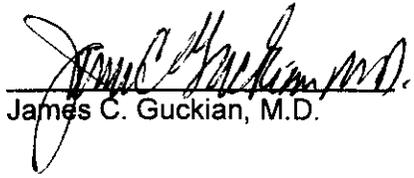
Board approval of this request in November will allow us to proceed promptly with Coordinating Board approval and thus amendment of OFPC's construction contract to execute this project. Approval of this amendment will permit us to achieve a milestone in our indoor air quality efforts by completing the retrofit of the Medical School Building laboratories.

Thank you for your consideration of this request.

Sincerely yours,


 James T. Willerson, M.D.

cc: Mr. John Porretto

Approved by: 
 James C. Guckian, M.D.

Date: 9/16/02



THE UNIVERSITY of TEXAS
HEALTH SCIENCE CENTER AT HOUSTON

James T. Willerson, MD
Edward Randall III Chair in Internal Medicine
Alkek-Williams Distinguished Professor

OFFICE of the PRESIDENT 713 500 3010
7000 Fannin Street, 17th Floor 713 500 3059 fax
Houston, Texas 77030
James.T.Willerson@uth.tmc.edu

August 28, 2002

HEALTH AFFAIRS OFFICE
U.T. SYSTEM

HAD # _____

SEP 09 2002

James C. Guckian, M.D.
Acting Executive Vice Chancellor for Health Affairs
The University of Texas System
601 Colorado Street
Austin, Texas 78701

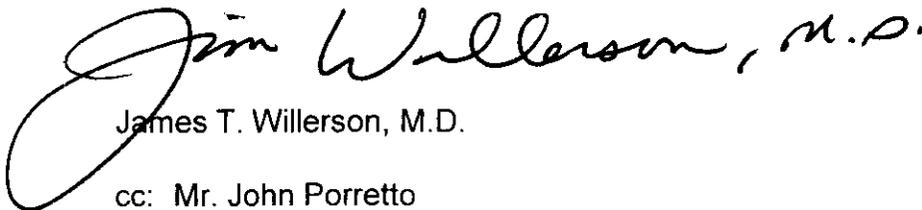
Dear Dr. Guckian:

I am writing to request that an item be placed on the agenda of the November 2002 meeting of the Board of Regents to amend the Capital Improvement Program by increasing the Total Project Cost of the Expansion of Student Housing Project from \$7,000,000 to \$28,700,000. The source of funds for this project will be U. T. Revenue Financing System bond proceeds.

Our preliminary plan is to construct between 300 and 325 garden style units, predominately one bedroom. The demand for our apartment complex continues to increase, with a current waiting list of 329 students. We can construct new units and continue to rent at levels below those prevailing in the area.

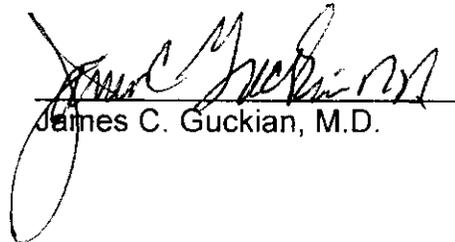
Thank you for your consideration of this request.

Sincerely yours,


James T. Willerson, M.D.

cc: Mr. John Porretto

Approved by:


James C. Guckian, M.D.

Date:

9/9/02



THE UNIVERSITY OF TEXAS
HEALTH CENTER
AT TYLER

Office of the President

June 27, 2002

Mrs. Shirley Bird Perry
Vice Chancellor for Development & External Relations
UT System
601 Colorado Street
Austin, TX 78701-2982

Dear Shirley Bird,

I would like to submit for approval the request for a permanent memorial honoring Camp Fannin veterans on the grounds of The University of Texas Health Center at Tyler. Enclosed you will find two copies of the architectural sketches for the Camp Fannin Memorial. The proposed location is in a grove of trees on the Health Center grounds, clearly visible from the entrance of the Health Center.

The members of Camp Fannin Association are dedicated to raising the funds for the memorial and have a tentative dedication date of April 4, 2003 during the 60th Anniversary Reunion of Camp Fannin Veterans. Their desire, and the Health Center's desire is to preserve the historical legacy of the World War II camp and to honor the 250,000 trainees who served their country in the time of its greatest need.

Using a star configuration, each point of the star will have a granite informational marker representing a branch of the U.S. Armed Services. In the center of the star will be a life-sized statue of a young trainee on a pedestal. The five-sided pedestal seating area will provide visitors to the memorial a place to reflect on the past and remember those who served in all wars.

Also enclosed you will find an insert of glossed sculpture photos by El Paso sculpturist Angela Mia. She would provide the bronzed soldier for the memorial located at the center of the star. Another picture of a similar bronzed soldier from Fort Benning, Georgia is enclosed in the packet as an example of the likeness of the soldier in the Camp Fannin memorial.

It is my understanding you will be visiting with Regent Clements regarding this request. Please notify Martha Whitehead, Senior Vice President for Compliance and University Affairs at 903-877-5762 should you have additional questions regarding this request. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Ronald F. Garvey".

Ronald F. Garvey, M.D., MBA
President

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

RECOMMENDATION

The Chancellor concurs in the recommendation of the Acting Executive Vice Chancellor for Health Affairs and President Stobo that authorization be granted to establish a Master of Occupational Therapy at U. T. Medical Branch - Galveston; to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action; and to authorize the Acting Executive Vice Chancellor for Health Affairs to certify on behalf of the Board of Regents that relevant Coordinating Board criteria for approval by the Commissioner of Higher Education have been met.

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

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. Medical Branch - Galveston will be amended to reflect this action.

BACKGROUND INFORMATION

Program Description

The proposal seeks to implement a Master of Occupational Therapy degree, an entry-level professional program in the School of Allied Health Sciences, to prepare generalist occupational therapy graduates for licensure and practice in the State of Texas. The program will target students with bachelor's degrees in Texas who seek careers in this established health and rehabilitation field. If approved, the first students would be admitted in August 2003. The proposed curriculum will require 82 semester credit hours of didactic coursework and 18 semester credit hours of clinical instruction, spanning eight semesters (30 months). Expected enrollment is 35-40 students in each entering class based on a 10-year average for the existing

bachelor's degree program. The Accreditation Council for Occupational Therapy Education requires that a professional program must be offered at the post-baccalaureate level in order to maintain accreditation after 2007.

Program Quality

The proposed program would continue a long-standing tradition of excellence established by the current baccalaureate program, which was one of the first in the Southwest and has graduated over 1,000 students in its 34-year history. Ninety percent of program graduates successfully complete the national certification examination on the first attempt and the attrition rate for program completion has been less than 1%.

There are 8.0 full time equivalent (FTE) faculty assigned as regular faculty in the current program. An increase of 2.0 FTE faculty positions is anticipated for the new program. Clinical and adjunct faculty from the U. T. Medical Branch - Galveston hospitals and clinics and other academic areas in rehabilitation augment this group. Collectively, this group of regular and adjunct faculty represents the most recognized and highly published occupational therapy scholars and academicians in the Southwest and compares favorably with the top 10 faculty groups in this area nationally.

The proposed program would admit students holding a baccalaureate degree from an accredited institution who have successfully completed 29 prerequisite credits in nine specified foundational areas. The proposed curriculum also includes interdisciplinary instruction, integrated practice, and community-based service-learning activities. The curriculum will focus on theory and practice in medical rehabilitation and occupational science (understanding lifestyles, habits, routines and time-use of daily life and their influences), treatment approaches and techniques, assistive technologies, service delivery systems, evidence-based decision-making, ethics, cultural awareness, communication skills, and medical jurisprudence.

Program Cost

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

future grant awards, as well as faculty practice revenues. If realized fully during the five-year period, these would total an estimated \$145,000, for a total of \$4,139,758.

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

RECOMMENDATION

The Chancellor concurs in the recommendation of the Acting Executive Vice Chancellor for Health Affairs and President Cigarroa that the U. T. Health Science Center – San Antonio be authorized to accept a cash contribution of \$1 million from the City of Edinburg for operating expenses associated with the Medical Research Division of the Regional Academic Health Center (RAHC).

It is acknowledged that this contribution will fulfill the U. T. Board of Regents' requirement set forth at the November 11, 1998 meeting for local contribution of funds for operating expenses for this division of the RAHC.

BACKGROUND INFORMATION

The Board of Regents approved construction of the Hidalgo County Medical Research Division of the Regional Academic Health Center (RAHC) in November 1998 contingent on “(1) a gift of the land satisfactory to the U. T. System in its sole discretion, on which the facility will be constructed, and (2) the contribution of funds satisfactory to the U. T. System in its sole discretion for operating expenses from the Foundation, city and county governmental agencies, and the medical and business communities in the designated area.”

If accepted, this gift will fulfill the operating fund requirements. It is understood that an additional \$500,000 will be given over the next two years, if funding is available. The Board accepted a cash contribution in lieu of a gift of land on November 11, 1999.

The Hidalgo County Medical Research Division was redesignated the Medical Research Division of the Regional Academic Health Center (RAHC) on August 8, 2002.

U. T. M. D. Anderson Cancer Center: Request for Determination of Necessity and Authorization to Acquire, Through Condemnation Proceedings if Necessary, the Leasehold Interest in Suite 1180 of the Fannin Holcombe Building Located at 6900 Fannin Street, Houston, Harris County, Texas; Authorization to Take All Steps Needed to Acquire the Subject Leasehold Interest; and Authorization to Execute All Documents Related Thereto

RECOMMENDATION

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

- a. Approve acquisition, through condemnation proceedings if necessary, of the leasehold interest owned by FMB Management Group, L.L.C. or successors, assignees or sublessees in Suite 1180 of the Fannin Holcombe Building located at 6900 Fannin Street, Houston, Harris County, Texas, at a price not exceeding its fair market value as determined by an MAI appraisal or by the determination of the court
- b. Authorize the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to take all steps necessary to acquire the subject leasehold interest; to execute all documents, instruments, and other agreements; to initiate a condemnation action of the subject leasehold interest, if necessary, through the Office of General Counsel and the Office of the Attorney General; and to take all further actions deemed necessary or advisable to carry out the purpose and intent of this recommendation.

BACKGROUND INFORMATION

In May 2001, the U. T. Board of Regents approved the purchase of the Fannin Holcombe Building for the use and benefit of U. T. M. D. Anderson Cancer Center. The Building is located at 6900 Fannin Street, which provides excellent access to the U. T. M. D. Anderson Cancer Center campus and to the Texas Medical Center.

U. T. M. D. Anderson Cancer Center uses the Fannin Holcombe Building for institutional support that is necessary and integral to patient care, research, education, and prevention. In addition, the continued growth of the institution will require additional space for the relocation and consolidation of departments.

FMB Management Group, L.L.C., a tenant in the building at the time of purchase, occupies space on a floor that has been or is soon to be vacated by all other tenants. In order to make the entire floor available for the component institution to use and to utilize the floor in an efficient manner, condemnation is necessary because the tenant is unwilling to vacate voluntarily and there is no other space in the building to which the tenant can be relocated.

An appraisal report prepared by Bullitt-Hutchins, Inc., dated July 19, 2002, concluded that the leasehold estate value was \$90,000. The tenant requested \$399,000. During subsequent negotiations, the tenant reduced its demand to \$295,000, but there has been no movement below that amount.

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

RECOMMENDATION

It is recommended that the "Guidelines for the Santa Rita Award" adopted by the Board in June 1967 be amended as set forth below in congressional style to conform to current selection practices. It is also recommended that the Regents' Rules and Regulations, Part One, Chapter I be amended to include the amended Guidelines as new Section 11.

Guidelines for the Santa Rita Award

I. Standards

A System-wide award that ~~[which]~~ may be made annually to an individual who has made valuable contributions over an extended period to The University of Texas System in its developmental efforts. An individual is defined as a person, as opposed to a corporation, charitable trust, foundation, and like entities. The recipient may be judged on the basis of a broad list of criteria, primary among which will be a his demonstrated concern for the principles of higher education generally, as well as deep commitment to the furtherance of the purposes and objectives of The University of Texas System specifically. Participation by the recipient in the affairs of the System shall be of such character and purpose to serve as a high example of selfless and public-spirited service. Of particular interest will be the effect that such individual activity may have engendered similar motivation from other public and private areas toward the University System.

II. General Conditions

- A. The award, to be known as the "Santa Rita Award," will consist of a medallion ~~[and a leather-bound edition of Santa Rita - The Highest Award]~~ to be presented no more frequently than annually~~[, preferably on or about May 28, the anniversary date of Santa Rita Number 1].~~
- B. The award shall be made on behalf of the Board of Regents of The University of Texas System.

- C. ~~[To be eligible an]~~ An individual ~~[must be nominated annually, but]~~ may receive the award only once.
- D. Posthumous awards may be given.
- E. No member of the Board of Regents shall be eligible to receive the Santa Rita Award until the termination of the member's ~~[his]~~ service.

III. ~~[Awards Committee]~~

~~The Santa Rita Awards Committee shall be composed of:~~

~~three members of the Board of Regents appointed annually by the Chairman of the Board of Regents;~~

~~the Chancellor of The University of Texas System; and the Director for Development of The University of Texas System, as ex-officio secretary to the committee without vote.~~

~~To the greatest extent possible, the identity of the appointed members of the committee shall be kept confidential. Communications to and from the committee shall be through the Director for Development or, if this is impracticable, the Chancellor.~~

IV.] Nominations for Awards

- A. Nominations for the award shall be forwarded to the Chairman of the Board of Regents or the Counsel and Secretary to the Board (Office of the Board of Regents, The University of Texas System, 201 West Seventh Street, Suite 820, Austin, Texas 78701-2981) ~~[Awards Committee through the Director for Development (Box 8060, University Station, Austin 78712).~~

~~Nominations made by members of the faculty or staff of The University of Texas System must be forwarded through the head of the member's component institution. The institutional head may attach such comments and recommendations as he deems advisable.]~~

- B. The nominator shall provide such supporting information and documentation as may be requested ~~[required]~~ by the Chairman or the Counsel and Secretary to the Board ~~[committee].~~

[C. ~~Deadline for such nominations shall be January 15 of each year.~~]

IV[V]. Selection of Awardees

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

BACKGROUND INFORMATION

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

A Brief Report on The Lower Rio Grande Valley Regional Academic Health Center October 1, 2002

The 75th Texas Legislature made a major commitment to improve education and health professional opportunities in the South Texas/Border Region by mandating the creation of a Regional Academic Health Center within Cameron, Starr, Hidalgo and Willacy Counties in the Lower Rio Grande Valley of Texas. The Regional Academic Health Center (RAHC) is a medical, educational and research endeavor in which programs are directed at distinctive regional needs and conducted in affiliation with health professionals and educational entities of the region. Pursuant to the Legislative mandate, The University of Texas System Board of Regents designated RAHC sites in Brownsville, Edinburg, Harlingen, and McAllen.

The University of Texas Health Science Center at San Antonio was assigned operational oversight of the Edinburg, Harlingen, and McAllen sites to develop third and fourth year medical education, residency training programs and medical research programs. Additionally, the Edinburg program includes pharmacy education and research programs.

The Brownsville site was placed under direction of the University of Texas Health Science Center at Houston School of Public Health to develop graduate education and research programs.

Program Planning and Implementation for Medical Education and Medical Research

The establishment of the RAHC comes at a time when a confluence of factors makes the need for medical education and medical research infrastructure in the Lower Rio Grande Valley particularly important and necessary. These factors include: one of the fastest growing populations in the country, disproportionate high rates of diseases, including diabetes, tuberculosis and liver cancer, and one of the most medically underserved areas in the country.

Although the University of Texas Health Science Center at San Antonio requested an operating budget of \$30.4 million in GRF for the FY 2002-2003 biennium only \$9.0 million was appropriated. This includes a continuation of a \$6 million base allocation from the previous legislative session and an additional \$3 million from the exceptional items appropriation. Given this significant funding shortfall for the FY 2002-2003 biennium, the priority was to focus the limited funds towards implementing the medical education component and towards ensuring excellent educational quality while meeting the accreditation standards. The funding shortfall from the State for the 2002-2003 biennium, resulted in no available funds for the RAHC Medical Research Division.

Construction of the RAHC Medical Research Division will be completed during the 2004-2005 biennium, however, without sufficient legislative appropriations to operate and equip the facility, the UTHSCSA will not be able to recruit the needed research faculty or even have a functional research facility. Major themes of research for this facility will focus on diseases that disproportionately affect the border population of South Texas—including diabetes and infectious diseases. The RAHC Medical Research Division will be the first of its kind biomedical research infrastructure in the Lower Rio

Grande Valley, and will include Biological Safety Level 3 laboratories and state-of-the-art animal resource facilities. This RAHC research campus will provide undergraduate, graduate and postgraduate research opportunities, particularly for local students interested in pursuing biomedical research careers.

Educational, clinical training and research programs will essentially be fully implemented and operational during the next biennium. The first group of twenty-four full-time medical students started at the RAHC on July 1, 2002. Also, the Internal Medicine Residency Program received accreditation and the first group of residents started on July 1, 2002. During each year of the 2004-2005 biennium, twenty-four third year and twenty-four fourth year medical students will be engaged in full-time clinical studies at the RAHC. In order for the RAHC to meet and maintain the accreditation requirements for operating as a geographically separate campus, the medical education programs and educational support services need to be comparable to the UTHSCSA medical school campus in San Antonio. Meeting these accreditation requirements (which are independent of class size) necessitates that the RAHC, in addition to maintaining and operating its educational facility (which was dedicated on June 28, 2002), also have in place a broad spectrum of professional and support staff. Critical elements include maintaining a medical library that meets accreditation standards, and a faculty base encompassing an extensive array of medical specialties. The RAHC's community-based faculty model, and its geographic distance from the main medical school campus in San Antonio, requires that the RAHC establish and maintain ongoing faculty development and interactive technologies to benefit the students and the faculty. Since the RAHC is not an independent medical school campus, ongoing support and educational oversight will continue to be provided by the medical school campus in San Antonio, specifically by the Office of the Medical Dean and the Clinical Departments in Family and Community Medicine, Internal Medicine, Obstetrics/Gynecology, Pediatrics, Psychiatry and Surgery.

Sufficient legislative appropriations will be crucial for the RAHC to be able to maintain and operate its medical student education programs. An operating budget of \$28.18 million in GRF is being requested for FY 2004-2005. (See below.) With the projected \$918,000 in tobacco endowment funds, the total budget request for RAHC Medical Education and Research Divisions is \$29.1 million.

Program Planning and Implementation for Public Health Programs

The Public Health Division of the RAHC is a unit of The University of Texas Health Science Center at Houston's School of Public Health. It includes a 16,580 ASF building constructed in Brownsville on the UT-Brownsville/Texas Southmost campus, using \$5 million of tuition revenue bond proceeds. The UT-Houston School of Public Health moved its faculty, staff, students and classes into the new building in January 2002, and the facility was dedicated on May 24, 2002.

Seven full-time faculty are providing a curriculum for 37 masters degree students and are fully involved in research and service activities in local communities. Two additional faculty searches are underway. A student recruitment program is underway to encourage qualified Valley residents to pursue a career in public health.

The Brownsville program is the fourth UTSPH regional campus offering the Master of Public Health (MPH) degree and operates in a manner similar to existing regional programs in El Paso, San Antonio, and Dallas. It focuses on addressing the particular public health education, research, and public service needs of the communities of the Lower Rio Grande Valley. In addition to basic MPH coursework, advanced and special topics courses focus on the unique health problems along the Texas/Mexico border and student practica/internships are placing students and faculty in the community working with public health practitioners.

General Revenue funding at the FY 2001 level of \$1 million per year is needed to support the full operation of the Public Health Division. An additional \$250,000 per year would permit recruitment of three more faculty members, increase the capacity to train graduate students by 25%, enable more laboratory-based research into causes and prevention of Valley health problems, and improve service activities benefiting local public health practitioners.

Due to escalating building costs, approximately 40% of the Public Health Division facility was shelled until new funding is identified. Shelled space includes all of the teaching/research laboratories, assistant dean's office, student commons, and two classrooms. An estimated \$3 million is needed to complete these facilities, including a Biological Safety Level 3 laboratory that will provide a state of the art facility in the Lower Rio Grande Valley to support research on infectious diseases.

On the basis of institutional priorities the UTHSC-Houston is requesting only a continuation of current program funding for the Public Health Division (\$1.5 million in GRF for FY 2004 – 2005). With the projected \$918,000 in tobacco endowment funds, the total budget requested for the RAHC Public Health Division is \$2.4 million.

Program Planning and Implementation for Pharmacy Programs

The Cooperative Pharmacy Program between The University of Texas at Austin College of Pharmacy and The University of Texas-Pan American received initial line item funding from the Texas Legislature and from UT-Pan American in April 2000. In November 2000, the UT System Board of Regents approved a cooperative pharmacy program as a component of the Lower Rio Grande Valley Regional Academic Health Center including \$5 million in PUF funding to provide office, laboratory and instructional space. The pharmacy program in the Valley is modeled after the Cooperative Pharmacy Program between UT-Austin College of Pharmacy and UT-El Paso whereby students may complete four years of the six-year pharmacy program at the cooperative institution.

The program consists of four pharmacy faculty and two additional faculty will be recruited in 2002-03. Since 2000, 36 students (32 Hispanics) have been admitted into the Pharmacy Scholars Program (early admission program). In Fall 2002, 14 UT-Pan American students began their first year of pre-pharmacy studies, 11 began their second year of pre-pharmacy coursework and 9 were admitted to the UT-Austin College of Pharmacy. Community support for student scholarships has increased significantly over the past two years.

The significant progress that has been made to date is the result of excellent support from The University of Texas Health Science Center and The University of Texas-Pan American.

The partnership between these institutions and The University of Texas at Austin College of Pharmacy has the potential to create a model that is truly unique throughout the country.

The University of Texas-Pan American is requesting an operating budget of \$1.9 million in GRF for FY 2004-2005 for the RAHC pharmacy program. (See below.)

RAHC Funding History

Construction Funds –

In 1999 the Texas Legislature allocated \$25.0 million in tuition revenue bonds (TRB) to construct a medical education building in Harlingen and \$5.0 million in TRB to construct a public health building in Brownsville. Additionally, in 2001 the Texas Legislature allocated \$25.5 million in TRB for a teaching-learning laboratory/continuing education center building in Harlingen.

The University of Texas System Board of Regents allocated \$20.0 million of PUF bond proceeds to construct a medical research building in Edinburg. This building will also include facilities for pharmacy programs. Also, \$5.0 million of PUF bond proceeds has been allocated by the Regents to construct a medical education facility in McAllen contingent upon a commitment of \$5.0 million in matching resources from the community.

The status of construction projects is summarized on the attached table.

Operational Funds –

The 76th Legislature appropriated a \$20 million endowment from tobacco settlement proceeds to the UT System for support of the RAHC. The Board of Regents allocated proceeds from half (\$10.0 million) of the endowment to the University of Texas Health Science Center at San Antonio for RAHC medical programs and proceeds from half (\$10.0 million) of the endowment to the University of Texas Health Science Center at Houston for public health programs.

In 2001 the Texas Legislature allocated \$9.0 million in general revenue funds (GRF) for the biennium to the University of Texas Health Science Center at San Antonio for RAHC medical programs. It should be noted that \$30.4 million in GRF was requested.

In 2001 the Texas Legislature also allocated \$1.5 million in GRF for the biennium to the University of Texas Health Science Center at Houston for RAHC public health programs. It should be noted that \$3.4 million in GRF was requested.

The Texas Legislature also approved \$600,000 in GRF for the biennium for RAHC pharmacy programs – \$2.0 million was requested. These funds were provided to the University of Texas – Pan American.

RAHC Appropriations Being Requested from the 78th Texas Legislature

As summarized above, exceptional start-up and development activities have occurred in medical education/training programs, the public health program and the pharmacy program. However, the medical research program has been slowed in its development due to inadequate funding. It should be noted that budget priorities within the RAHC programs will always favor education and training because these programs must meet national standards for accreditation. The following budgets are requested from the 78th Texas Legislature for full implementation of all RAHC programs including medical research.

RAHC Medical Education and Research Programs

UTHSC-San Antonio requests GRF operating funds of \$28.18 million for the biennium for RAHC medical programs—\$15.23 million for FY 2004 and \$12.95 million for FY 2005. This represents an increase of \$19.18 million for the biennium—\$10.73 million in FY 2004 and \$8.45 million in FY 2005.

With the projected \$918,000 in tobacco endowment funds, the total budget request for the RAHC Medical Education and Research Divisions is \$29.1 million.

RAHC Public Health Programs

UTHSC-Houston requests GRF operating funds of \$1.5 million for the biennium for RAHC public health programs—\$750,000 for FY 2004 and \$750,000 for FY 2005. On the basis of institutional priorities no increase in funds is requested for FY 2004 – 2005.

With the projected \$918,000 in tobacco endowment funds, the total budget request for the RAHC Public Health Division is \$2.4 million.

RAHC Pharmacy Program

UT-Pan American, on behalf of the RAHC pharmacy program, requests GRF operating funds of \$1.90 million for the biennium—\$950,000 for FY 2004 and \$950,000 for FY 2005. This represents an increase of \$1.30 million for the biennium—\$650,000 in FY 2004 and \$650,000 in FY 2005.

Thus, for all RAHC programs University of Texas institutions are requesting a total of \$31.58 million in GRF for the biennium—\$16.93 million for FY 2004 and \$14.65 million for FY 2005. This represents an increase of \$20.48 million in GRF for the biennium—\$11.38 million for FY 2004 and \$9.1 million for FY 2005.

Status of RAHC Facilities Construction
October 1, 2002

Location	Type of Construction ¹	Total Budget	Construction Budget	Construction Costs Per Gross Sq. Feet	Gross Sq. Feet (GSF)	Assignable Sq. Feet (ASF)	Construction Start	Construction Substantial Completion
Brownsville	administration, offices, classrooms, biological laboratory ²	\$5.0 million (tuition revenue bonds)	\$4.21 million	\$158	26,667	16,580	12/15/00	1/20/02
Harlingen	administration, offices, library, auditorium, thermal energy plant, instructional space	\$25.0 million (tuition revenue bonds)	\$18.39 million (includes thermal energy plant)	\$221	87,900	49,547	10/12/00	6/27/02
Edinburg	administration, offices, classrooms, medical research laboratories, vivarium, BSL ³ ₂	\$20.0 million (PUF)	(14.9 million)	(321)	(46,700)	(28,000)	(Feb. 2003)	(Aug. 2004)
Harlingen Teaching Learning Lab	offices, classrooms	\$25.5 million (tuition revenue bonds)	(17.75 million)	(260)	(68,270)	(37,550)	(July 2004)	(Mar. 2006)
TOTAL		75.5 million	(55.25 million)	(240)	(229,537)	(131,677)		

() Indicates an estimate

¹ All facilities will include an interactive electronic classroom.

² Most expensive space