

Meeting No. 864

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

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October 9, 1992

Richardson, Texas

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 OF
 THE UNIVERSITY OF TEXAS SYSTEM
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MEETING NO. 864

FRIDAY, OCTOBER 9, 1992.--The members of the Board of Regents of The University of Texas System convened in regular session at 10:10 a.m. on Friday, October 9, 1992, in Room 1.212 of the Conference Center at The University of Texas at Dallas in Richardson, Texas, with the following in attendance:

ATTENDANCE.--

| <u>Present</u> | <u>Absent</u> |
|------------------------------|---------------|
| Chairman Beecherl, presiding | |
| Vice-Chairman Ramirez | |
| Vice-Chairman Cruikshank | |
| Regent Barshop | |
| Regent Holmes | |
| Regent Loeffler | |
| Regent Moncrief | |
| Regent Rapoport | |
| Regent Temple | |

Executive Secretary Dilly

Chancellor Cunningham
Executive Vice Chancellor Burck
Executive Vice Chancellor Duncan
Executive Vice Chancellor Mullins

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

WELCOME BY DR. ROBERT H. RUTFORD, PRESIDENT OF THE UNIVERSITY OF TEXAS AT DALLAS.--Chairman Beecherl stated that the Board was pleased to be meeting at The University of Texas at Dallas and then called on Dr. Robert H. Rutford, President of U. T. Dallas, for any welcoming remarks on behalf of the host institution.

On behalf of the faculty, staff, and students at U. T. Dallas, President Rutford welcomed the members of the Board and other guests to Richardson.

U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING HELD ON AUGUST 13, 1992.--Upon motion of Regent Barshop, seconded by Regent Moncrief, the Minutes of the regular meeting of the Board of Regents of The University of Texas System held on August 13, 1992, in Austin, Texas, were approved as distributed by the Executive Secretary. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XXXIX, Pages 3176 - 3574.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 10:12 a.m., the Board recessed for the meetings of the Standing Committees and Chairman Beecherl announced that at the conclusion of each committee meeting the Board would reconvene to approve the report and recommendations of that committee.

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

REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

REPORT OF EXECUTIVE COMMITTEE (Pages 3 - 10).--In compliance with Section 7.14 of Chapter I of Part One of the Regents' Rules and Regulations, Chairman Beecherl reported to the Board for ratification and approval all actions taken by the Executive Committee since the last meeting. Unless otherwise indicated, the recommendations of the Executive Committee were in all things approved as set forth below:

1. U. T. Board of Regents - Regents' Rules and Regulations, Part Two: Amendments to Chapter IX, Section 5 (Investment Advisory Committee) and Appointment of Ms. Carol Lott, Tyler, Texas, and Ms. Barbara Sublett Guthery, Austin, Texas, to Investment Advisory Committee (Exec. Com. Letter 92-19).--In order to provide the Investment Advisory Committee for The University of Texas System with a broader representation of investment backgrounds, the Board, upon recommendation of the Executive Committee, amended the Regents' Rules and Regulations, Part Two, Chapter IX, Section 5 (Investment Advisory Committee) to read as set forth below:

Sec. 5. Investment Advisory Committee.--The Investment Advisory Committee is and has been established in order to assist and advise the Chancellor and the Vice Chancellor for Asset Management with respect to matters relating to the management of investments. The following rules shall apply to such Committee:

- 5.1 Membership.--Seven members of the Committee shall be selected because of their particular qualifications and experience in the field of investments, including experience in bond and corporate stock investments.
- 5.2 Selection Procedure.--Appointments to such Committee shall be made by the Board after recommendation by the Chancellor.
- 5.3 Term of Office.--Each member shall serve a three-year term, with the terms of two (or three as applicable) members expiring each August 31. A member is eligible for reappointment to a consecutive three-year term but may not be reappointed thereafter without a three-year break in service.
- 5.4 Meetings.--Meetings shall be held quarterly and at such other dates as may be considered advisable by the Chancellor and the Vice Chancellor for Asset Management.

Further, as permitted by this amendment to the Regents' Rules and Regulations, the Board approved the following appointments to the Investment Advisory Committee:

- a. Ms. Carol Lott, Investment Executive with PaineWebber, Tyler, Texas, to a three-year term from September 1, 1992 to August 31, 1995
- b. Ms. Barbara Sublett Guthery, Vice President - Investments with Prudential Securities, Inc., Austin, Texas, to an unfilled term to expire August 31, 1994.

With these appointments, the membership of the Investment Advisory Committee will be as follows:

| <u>Member</u> | <u>Term Expires</u> |
|-------------------------|---------------------|
| L. Lowry Mays | 8/31/93 |
| Michael J. C. Roth | 8/31/93 |
| Barbara Sublett Guthery | 8/31/94 |
| J. Luther King, Jr. | 8/31/94 |
| Carol Lott | 8/31/95 |
| Monroe M. Luther | 8/31/95 |
| Robert E. Wise | 8/31/95 |

In response to Regent Holmes' inquiry as to whether there were any African-Americans or other minorities on the Investment Advisory Committee, Chancellor Cunningham reported that there were no African-Americans on this Committee at this stage, but The University of Texas System is working to diversify the Committee and to ensure that ethnic minorities are considered in the future.

Regent Rapoport pointed out that the Asset Management Committee had considered one African-American female, but since she was an employee of the Governor's Office, it was determined that it would be inappropriate to have a member of that staff serve on the Investment Advisory Committee.

- 2. U. T. System: Authorization for Transfer of Funds Requiring Advance Regental Approval Under Budget Rules and Procedures No. 2 (Exec. Com. Letter 92-19).--The Executive Committee recommended and the Board approved the following transfer of funds in FY 1993 Educational and General Budgets for The University of Texas System component institutions and The University of Texas System Administration:

Educational and General Funds

Amount of Transfer - \$7,416,695

| | |
|---|--------------------|
| From: General Revenue - Transfer from State Comptroller for 1% across-the-board salary increase in accordance with House Bill 1, Article V, Section 146 | \$7,207,829 |
| Available University Funds | 132,507 |
| Texas Southmost College Contract | <u>76,359</u> |
| Total | <u>\$7,416,695</u> |

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| To: Educational and General Budgets for: | |
| U. T. Arlington | \$ 484,876 |
| U. T. Austin | 1,384,329 |
| U. T. Brownsville | 97,811 |
| U. T. Dallas | 203,000 |
| U. T. El Paso | 296,326 |
| U. T. Pan American | 196,558 |
| U. T. Permian Basin | 44,720 |
| U. T. San Antonio | 291,600 |
| U. T. Tyler | 74,901 |
| U. T. Southwestern Medical Center - Dallas | 521,500 |
| U. T. Medical Branch - Galveston | 1,467,051 |
| U. T. Health Science Center - Houston | 921,117 |
| U. T. Health Science Center - San Antonio | 788,153 |
| U. T. M.D. Anderson Cancer Center | 424,613 |
| U. T. Health Center - Tyler | 87,633 |
| U. T. System Offices | |
| System Administration | 65,956 |
| Expenses of Revenue Bearing Property | <u>66,551</u> |
| Total | <u>\$7,416,695</u> |

House Bill No. 1, Article V, Section 146 of the 72nd Legislature authorized a 3% salary increase for each year of the 1992-1993 biennium for state employees and officials, including employees of higher education, contingent upon a finding of fact by the Comptroller of Public Accounts that sufficient revenue is available from the General Revenue Fund for this purpose. Previously, the State Comptroller certified funds for a mandated 2% salary increase which became effective September 1, 1991. Funds required to sustain this 2% increase are reflected in the FY 1993 operating budgets.

Recently, additional funds were certified to implement a mandated 1% salary increase effective August 1, 1992. The amount of General Revenue (\$7,207,829) required to sustain this increase for FY 1993 will be transferred from the Comptroller of Public Accounts to each component Educational and General operating budget. Inasmuch as U. T. System Administration is funded primarily from Available University Funds, an additional \$132,507 was requested to sustain the 1% increase for System Administration employees. Additional funds in the amount of \$76,359 were requested from Texas Southmost College to sustain the 1% salary increase for U. T. Brownsville employees who are funded by the Texas Southmost College contract.

3. U. T. Austin - Brackenridge Tract: Approval to Modify Designated Use of Current Restricted Funds (The Brackenridge Matching Program #1) (Exec. Com. Letter 92-19).--At the October 1990 meeting, the U. T. Board of Regents authorized lease negotiations of 13.2 acres of land in the Park Street portion of the Brackenridge Tract with the Lower Colorado River Authority (LCRA) on behalf of The University of Texas at Austin. At the June 1991 meeting, the U. T. Board of Regents approved a recommendation that \$3,000,000 of the total lease income of \$3,440,074.20 be set aside and reinvested to match gifts creating or enhancing student fellowship and scholarship endowments. Authority to promulgate guidelines for the matching program was delegated to U. T. Austin Administration for implementation upon approval by the Executive Vice Chancellor for Academic Affairs.

In accordance therewith, the Board, upon recommendation of the Executive Committee, modified the designated use of current restricted funds representing lease income from the Brackenridge Tract and previously approved to be set aside and reinvested to match private gifts which create or enhance student fellowship or scholarship endowments at U. T. Austin to also match gifts approved by the U. T. Board of Regents to create various types of endowments for student fellowships or scholarships.

Guidelines for the matching program approved by the Executive Vice Chancellor for Academic Affairs in March 1992, but not implemented, are set out below:

GUIDELINES FOR MATCHING GRANTS UNDER
THE BRACKENRIDGE MATCHING PROGRAM #1
THE UNIVERSITY OF TEXAS AT AUSTIN

Subject to the availability of matching funds, the President of U. T. Austin may make recommendations to the Executive Vice Chancellor for Academic Affairs for the matching of monies to endow or used to create endowments for graduate and undergraduate student fellowships and scholarships with monies under The Brackenridge Matching Program #1, as originally authorized by the U. T. Board of Regents in June 1991 and modified in August 1992 (Executive Committee Letter No. 92-19) pursuant to the following guidelines:

- (1) matching monies will be available only for gifts that will fund a new student fellowship or scholarship at a minimum level of \$25,000, or that will add a minimum of \$10,000 to an existing student fellowship or scholarship;
- (2) the ratio of matching to gift funds for each new student fellowship or scholarship or addition to an existing fellowship or scholarship will be recommended to the Executive Vice Chancellor for Academic Affairs by the President of U. T. Austin but in no case will the ratio of matching to gift funds exceed one dollar for two dollars;
- (3) subject to the institutionally established academic objectives of the school or college, it is the goal of U. T. Austin to match all eligible gifts to a school or college until the funds used to match these eligible gifts to the school or college reach a level which shall be determined annually by the President, at which point, eligible gifts beyond this amount to a school or college will have priority for matching as may be recommended by the President of U. T. Austin;
- (4) matching funds shall be used primarily to increase the size of the gift which established or added to a student fellowship or scholarship or which was used to create a new endowment;
- (5) to the extent possible, the wishes of the donor will be considered within these overall guidelines;

- (6) the income from fellowships and scholarships participating in matching under these guidelines shall be distributed to eligible students pursuant to the provisions of Section 2, Chapter I, Part Two of the Regents' Rules and Regulations, as that section now reads or as it later may be amended;
- (7) the investment procedures for the fellowships and scholarships established under this Program will be the same as those established for other fellowships and scholarships;
- (8) the Program shall be effective for gifts or pledges received on or after September 1990;
- (9) matching monies made available under this Program may be available for matching testamentary and other deferred gifts, insofar as the terms of the donative instrument, the wishes of the donor as determined by the donative instrument and these guidelines are in harmony; and
- (10) pledges eligible for matching will be matched as received beginning when the cumulative total of payments is at least \$10,000.

See Page 116 related to establishment of The Brackenridge Matching Program #2.

- 4. U. T. Southwestern Medical Center - Dallas - Research Building - Phase II North Campus Expansion (Project No. 303-755): Prepurchase of Thermal Energy Plant Equipment - Award of Procurement Contract for Boiler to Cleaver-Brooks Division of Aqua-Chem Inc., Milwaukee, Wisconsin; Award of Procurement Contract for Chillers to York International Corporation, York, Pennsylvania; and Award of Procurement Contract for Cooling Towers to The Marley Cooling Tower Company, Mission, Kansas (Exec. Com. Letter 92-18).--Upon recommendation of the Executive Committee, the Board awarded procurement contracts for the Prepurchase of Thermal Energy Plant Equipment for the Research Building - Phase II North Campus Expansion at The University of Texas Southwestern Medical Center at Dallas as follows:
 - a. Boiler for Thermal Energy Plant Building to the lowest responsible bidder, Cleaver-Brooks Division of Aqua-Chem Inc., Milwaukee, Wisconsin, for the Base Bid in the amount of \$288,500
 - b. Chillers for Thermal Energy Plant Building to the lowest responsible bidder, York International Corporation, York, Pennsylvania, for the Base Bid in the amount of \$1,840,445
 - c. Cooling Towers for Thermal Energy Plant Building to the lowest responsible bidder, The Marley Cooling Tower Company, Mission, Kansas, for the Base Bid in the amount of \$498,445.

The project for Phase II of the North Campus Expansion is divided into the Intercampus Connector project and the following three stages: prepurchase of the Thermal Energy Plant equipment; general construction of the Research Building with support facilities, expansion of the Thermal Energy Plant and attendant site work; and finish-out of shell research space in the Research Building. At the June 1992 meeting, the Board awarded a construction contract for the Intercampus Connector. This first stage includes the procurement of a boiler, chillers, and cooling towers for the Thermal Energy Plant Building.

This project is included in The University of Texas System Capital Improvement Plan approved in June 1991 and the U. T. System Capital Budget approved in June 1992 by the U. T. Board of Regents for a total project cost of \$67,800,000.

Funding for the Prepurchase of Thermal Energy Plant Equipment is within previous appropriations totaling \$5,600,000 from U. T. Southwestern Medical Center - Dallas Interest on Designated Funds Time Deposits for fees and administrative expenses through preparation of final plans and contract award of the first stage. These funds totaling \$5,600,000 will be reimbursed from Revenue Financing System Bond Proceeds to be issued at a later date.

An additional \$5,500,000 had been previously appropriated from Designated Funds Time Deposits for total project funding of the Intercampus Connector.

This project was approved by the Texas Higher Education Coordinating Board in October 1991.

5. U. T. Medical Branch - Galveston - Keiller Building Renovation and Reroofing - Phase II - Demolition and Asbestos Abatement (Project No. 601-664): Award of Construction Contract to Mainline Contracting Corp., Houston, Texas (Exec. Com. Letter 92-18).--The Board, upon recommendation of the Executive Committee, awarded a construction contract for Keiller Building Renovation and Reroofing - Phase II - Demolition and Asbestos Abatement at The University of Texas Medical Branch at Galveston to the lowest responsible bidder, Mainline Contracting Corp., Houston, Texas, for the Base Bid in the amount of \$420,000.

The project for Phase II - Keiller Building Renovation and Reroofing is divided into two stages. The first stage is for demolition of the existing interior of the Keiller Building. The second stage will consist of interior finish-out of the Keiller Building and the construction of related utility services.

Funding for this project is \$13,718,000 from U. T. Medical Branch - Galveston Educational and General Funds - Unappropriated Balance. This project is included in The University of Texas System Capital Improvement Plan approved in June 1991 and the Capital Budget approved in June 1992.

This project was approved by the Texas Higher Education Coordinating Board in October 1990.

6. U. T. Health Science Center - Houston: Approval for Transfer of Funds Requiring Advance Regental Approval Under Budget Rules and Procedures No. 2 (Exec. Com. Letter 92-19).--Approval was given to the following transfer of funds for FY 1993 at The University of Texas Health Science Center at Houston:

Educational and General Funds

Amount of Transfer - \$4,593,064

| | | |
|-------|--|--------------------|
| From: | Unappropriated Balance | |
| | Income from Patients - HCPC | \$1,092,744 |
| | Transfer from Designated and Auxiliary Funds | <u>3,500,320</u> |
| | Total | <u>\$4,593,064</u> |
| To: | Institutional Programs | |
| | General Administration and Student Services | \$ (35,401) |
| | General Institutional Expense | 557,230 |
| | Staff Benefits | 826,000 |
| | Library | 246,045 |
| | Research Enhancement | (129,645) |
| | Continuing Education | (207,233) |
| | Physical Plant Operation and Maintenance | 692,096 |
| | Houston Medical School | (2,758,242) |
| | Houston Dental Branch | (519,008) |
| | Houston Graduate School of Biomedical Sciences | (85,209) |
| | Houston Allied Health Sciences School | (308,401) |
| | Public Health School | 457,625 |
| | School of Nursing | 100,000 |
| | Speech and Hearing Institute | (71,400) |
| | Organized Activities Related to Instruction | 341,676 |
| | Special Items | 4,394,187 |
| | Patient Support - HCPC | <u>1,092,744</u> |
| | Total | <u>\$4,593,064</u> |

The U. T. Board of Regents approved the FY 1993 Operating Budget for the U. T. Health Science Center - Houston in June 1992. At that time, the U. T. Health Science Center - Houston was in a long-term transitional planning period and did not adequately reflect adjustments necessary for an effective operating budget. With the plan now in place, the U. T. Health Science Center - Houston found it necessary to request these adjustments to the operating budget and to reflect additional revenue to fund the revised plan. In effect, functional allocations in the amount of \$4,114,539 from the approved FY 1993 budget were reduced, added to the additional income in the amount of \$4,593,064, and reallocated to other functional areas in the amount of \$8,707,603 within the budget to meet anticipated program needs.

7. U. T. Health Center - Tyler: Approval for Transfer of Funds Requiring Advance Regental Approval Under Budget Rules and Procedures No. 2 (Exec. Com. Letter 92-19).--
Upon recommendation of the Executive Committee, the Board approved the following transfer of funds for FY 1992 at The University of Texas Health Center at Tyler:

Educational and General Funds

Amount of Transfer - \$1,680,000

| | | |
|-------|--|--------------------|
| From: | Unappropriated Balance via Estimated Income | <u>\$1,680,000</u> |
| To: | Institutional Programs - Patient-Care Support | \$ 740,000 |
| | Staff Benefits - Employer Paid OASI | <u>940,000</u> |
| | Total | <u>\$1,680,000</u> |

The U. T. Health Center - Tyler through eleven months of FY 1992 received local educational and general income exceeding its original budget estimate. These funds were generated primarily from increased clinical activity and are needed to cover the additional operating costs for FY 1992 associated with the increased work load of the clinical units.

REPORT AND RECOMMENDATIONS OF THE BUSINESS AFFAIRS AND AUDIT COMMITTEE (Pages 11 - 99).--Committee Chairman Loeffler reported that the Business Affairs and Audit Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Business Affairs and Audit Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. System: Approval of Chancellor's Docket No. 66 (Catalog Change).--Upon recommendation of the Business Affairs and Audit Committee, the Board approved Chancellor's Docket No. 66 in the form distributed by the Executive Secretary. It is attached following Page 241 in the official copies of the Minutes and is made a part of the record of this meeting.

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

It was ordered that any item included in the Docket that normally is published in the institutional catalog be reflected in the next appropriate catalog published by the respective institution.

2. U. T. Board of Regents - Regents' Rules and Regulations, Part Two: Amendments to Chapter IV, Section 6 (Space Leases).--To facilitate potential streamlining of the approval process and specify that space lease agreements be in the name of the U. T. Board of Regents, the Board amended the Regents' Rules and Regulations, Part Two, Chapter IV, Section 6 regarding space leases to read as set forth below:

Sec. 6. Space Leases.

6.1 Space leases involving buildings paid from general revenue appropriations must, by law, be approved by the General Services Commission and may not extend beyond a ten-year period.

6.2 Proposals for space leases require the approval of the Executive Vice Chancellor for Academic Affairs or the Executive Vice Chancellor for Health Affairs, as appropriate, and of the Executive Vice Chancellor for Business Affairs. The proposal must show type of space and purpose of its use, approximate number of square feet, location, whether janitor service and/or utilities will be furnished by the lessor, period of lease, and any other requirements set out by the above cited System Administration officials or the General Services Commission.

6.3 Leases should be entered in the name of the Board of Regents of The University of Texas System on behalf of The University of Texas (component) and may be executed by the chief administrative officer or chief business officer. A proposal shall be approved and the lease should be completed prior to occupancy of any space for office, storage, or other purposes. Lease documents are to be submitted to the Board through the institutional docket procedures following approval by the Executive Vice Chancellor for Business Affairs.

3. U. T. Board of Regents - Regents' Rules and Regulations, Part Two: Amendments to Chapter V, Section 1, Subsection 1.22 (Classified Personnel).--In order to allow greater flexibility in the administration of merit increases and entry level salaries under the classified pay plan for The University of Texas System, the Board amended the Regents' Rules and Regulations, Part Two, Chapter V, Section 1, Subsection 1.22 to read as set forth below:

1.22 The Pay Plan.

1.221 A uniform system of salary steps providing for an increase of approximately 1.7 percent, to the nearest dollar, above each preceding step shall be used for all pay plans. All salaries shall be on salary steps or a fractional part thereof.

4. U. T. Board of Regents: Adoption of Resolution Approving and Authorizing the Issuance of Board of Regents of The University of Texas System General Tuition Revenue Refunding Bonds, New Series 1992, in an Amount Not to Exceed \$42,000,000; Authorization for Sale of the Bonds to PaineWebber Incorporated, New York, New York; Appointment of Ameritrust Texas, N. A., Austin, Texas, as Escrow Agent; McCall, Parkhurst & Horton, Dallas, Texas, and Lannen & Moyé, Dallas, Texas, as Co-Bond Counsel; Texas Treasury, Austin, Texas, as Paying Agent; and Ernst & Young, Tucson, Arizona, as Escrow Verification Agent; and Authorization for Officers of U. T. System to Complete All Transactions.--Upon request of Committee Chairman Loeffler, Executive Vice Chancellor for Business Affairs Burck reported that the Board of Regents of The University of Texas System General Tuition Revenue Refunding Bonds, Series 1986, issued in June 1986 currently have a \$60,765,000 principal outstanding with a final maturity of August 15, 2002. With the recommended refunding, the Series 1986 bonds scheduled to mature in 1998 - 2002 would be called on August 15, 1996, at a call price of 102%, with the option to also refund the bonds scheduled to mature in 1997 if additional savings could be realized. Mr. Burck noted that with tax exempt interest rates at a historical low this refunding would result in annual debt service savings in excess of 3% of the refunded bonds.

Based upon this presentation and following a brief discussion, the Board:

- a. Adopted the Resolution substantially in the form set out on Pages 14 - 95 authorizing the issuance of Board of Regents of The University of Texas System General Tuition Revenue Refunding Bonds, New Series 1992, in an amount not to exceed \$42,000,000 with a final maturity not to exceed August 15, 2002, to be used to refund up to \$36,225,000 of The University of Texas System General Tuition Revenue Refunding Bonds, Series 1986, with a net present value savings to the U. T. System of at least 3% of the refunded bonds
- b. Authorized the sale of the General Tuition Revenue Refunding Bonds, New Series 1992, to PaineWebber, Incorporated, New York, New York
- c. Appointed Ameritrust Texas, N. A., Austin, Texas, as Escrow Agent
- d. Appointed McCall, Parkhurst & Horton, Dallas, Texas, and Lannen & Moyé, Dallas, Texas, as Co-Bond Counsel
- e. Appointed the Texas Treasury, Austin, Texas, as Paying Agent
- f. Appointed Ernst & Young, Tucson, Arizona, as Escrow Verification Agent
- g. Authorized 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 as provided in the Resolution.

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE,
AND DELIVERY OF BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM GENERAL TUITION
REVENUE REFUNDING BONDS, NEW SERIES 1992, AND
APPROVING AND AUTHORIZING INSTRUMENTS AND
PROCEDURES RELATING THERETO**

3rd Draft 9/29/92
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**RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM GENERAL
TUITION REVENUE REFUNDING BONDS, NEW SERIES 1992, IN THE MAXIMUM
AGGREGATE PRINCIPAL AMOUNT OF \$60,765,000, AND APPROVING AND
AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**

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RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM GENERAL TUITION REVENUE REFUNDING BONDS, NEW SERIES 1992, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

WHEREAS, the Board of Regents of The University of **Texas System** heretofore has **authorized, issued, and delivered** the Board of Regents of The University of Texas System **General Tuition Revenue Refunding Bonds, Series 1986** (the "Priority Bonds"); and

WHEREAS, the above Series of bonds are now **outstanding** in the aggregate principal amount of **\$60,765,000**, and the Board of Regents of The University of **Texas System** has determined to refund up to **\$36,225,000** of **said** Priority Bonds in order to **achieve debt service savings, on both an absolute and a present value basis; and**

WHEREAS, the bonds hereinafter authorized are to **be issued** and delivered pursuant to Chapter 55, Texas Education **Code** and **Vernon's Ann. Tex. Civ. St. Articles 717k and 717q**, and other **applicable laws;**

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM THAT:

Section 1. DEFINITIONS AND FINDING. **In addition to other words and terms herein defined, throughout this Resolution the following terms and expressions as used herein shall have the meanings set forth below:**

The term "Accreted Value" shall mean, with respect to a Capital Appreciation Bond, as of any particular date Of calculation, the original principal amount thereof and initial premium, if any, per \$5,000 Maturity Amount, plus all interest accrued and compounded to the particular date of calculation, at the yield shown in the Bond Purchase Contract and in the Accreted Value Table relating to such Bonds.

The term "Accreted Value Table" means, with respect to the Capital Appreciation Bonds, the table attached as an Exhibit to the Bond Purchase Contract which shows the Accreted Value per \$5,000 Maturity Amount on the Compounding Dates for each maturity to its Stated Maturity.

The term "Additional Parity Bonds and Notes" means the additional parity bonds permitted to be issued pursuant to Section 16 of this Resolution.

The term "Authorized Denomination" means Authorized Denomination as defined in Section 3 of this Resolution.

The term "Authorized Representative" means the Executive Vice Chancellor for Business Affairs of The University of Texas System, or in the event of a vacancy in such position, the person **duly** authorized to act in **such** capacity pending the appointment of a successor to such position.

The terms "Board" and "Issuer" mean the Board of Regents of The University of Texas System, or its successor.

The term "Bonds" means the **Series** 1992 Bonds and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Resolution, and the term "Bond" means any of **the Bonds**.

The term "Bond Purchase Contract" means the agreement **with** the Underwriter to purchase the Bonds authorized by this Section 3(c) of the Resolution.

The term "Capital Appreciation Bonds" **means** the **Bonds**, if any, issued pursuant to this **Resolution** on which no interest is paid prior to maturity, and which mature variously **in each of the years and in the aggregate principal amount as set forth in the Bond Purchase Contract**.

The term "Code" means the Internal Revenue Code of 1986, as amended.

The term "Compounding Dates" means said term as defined in Section 4 of this Resolution.

The term "Current Interest Bonds" means the Bonds, if any, issued pursuant to this Resolution, which pay interest on a current basis and which mature in each of the years and in the aggregate principal amounts set forth in the Bond Purchase Contract.

The term "DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

The term "DTC Participant" means the securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

The term "Investment Securities" means the securities or contracts to acquire securities specified by law and in the Board's Investment Policy for the investment of the funds of the Board.

The term "Issuance Date" means the date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefor.

The term "Maturity" means the date on which the principal of a Bond becomes due and payable as therein and herein provided, whether at Stated Maturity, by redemption, declaration of acceleration or otherwise.

The term "Maturity Amount" means the Compounded Amount of a Capital Appreciation Bond due on its Stated Maturity.

The term "Outstanding Principal Amount" means, the unpaid principal amount of Bonds paying interest on a current basis and the outstanding and unpaid principal and compounded interest on Bonds paying accrued, accreted, or compounded interest only at maturity as of any record date established by a Registrar in connection with a proposed amendment of this Resolution.

The term "Pledged General Tuition" means all of the aggregate amount of student tuition charges now or hereafter required or authorized by law to be imposed on students enrolled at each and every institution, branch, and school, now or hereafter operated by or under the jurisdiction of the Board, but specifically excluding and excepting (1) the amount of tuition scholarships now provided for by law, and (2) the following amount of such student tuition charges at each and every such institution, branch, and school which previously has been or hereafter may be pledged to the payment of other bonds (those previously issued bonds being hereafter referred to as the "Prior Bonds") (excepting the Priority Bonds, the Bonds and Additional Bonds) issued by the Board: \$5.00 from each enrolled student for each regular semester and \$2.50 from each enrolled student for each summer term of each summer session; and it is provided by law and hereby represented and covenanted that the aggregate amount of student tuition charges which are now required or authorized by law to be imposed, and which are pledged to the payment of the Bonds and any Additional Bonds by this Resolution, shall never be reduced or abrogated while such obligations are outstanding & it being further covenanted that the aggregate amount of student tuition charges now required or authorized by law to be imposed on students enrolled at each and every institution, branch, and school operated by or under the jurisdiction of the Board are set forth in the Texas Education Code, as amended, to which Code reference is hereby made for all purposes.

The term "Pledged Revenues" means collectively (a) the Pledged General Tuition, (b) all interest, income, and earnings derived from the deposit and investment of the Interest and Sinking Fund established pursuant to this Resolution, and (c) any additional revenues, income, receipts, or other resources whatsoever received or to be received from any public or private source, whether pursuant to an agreement or otherwise, which hereafter may be pledged to the payment of the Bonds or the Additional Bonds.

The term "Prior Encumbered General Tuition" means the Pledged General Tuition securing Prior Encumbered Obligations and the tuition charges charged and collected at an institution which becomes a U. T. System Institution after the date of adoption of this

Resolution and which **are** pledged to the payment of bonds or other obligations outstanding **on the date** such institution becomes a U.T. System Institution.

The term "Prior Encumbered Obligations" means those bonds listed below and the bonds, notes, and other obligations **of an institution** or **agency outstanding** on the date it becomes a U.T. System **Institution** and which are **secured by** a lien on and **pledge of the** Prior Encumbered General Tuition charges and collected at such institution or agency:

Board of Regents of Pan American University Tuition Revenue Refunding Bonds, series 1986 currently outstanding in the aggregate principal amount of **\$6,030,000.**

The term "Priority Bonds" means said term **as** defined in the preamble to this Resolution.

The **term** "Record Date" means the last calendar day of the month next preceding each interest payment date.

The term "Refunded **Bonds**" means the Priority Bonds designated in the Bond **Purchase Contract as the bonds to be refunded with the proceeds of the Bonds.**

The term "**Resolution**" **means** this resolution authorizing the **Bonds.**

The term "**Series** 1992 Bonds" means the Board of Regents of The University of Texas System General Tuition Revenue Refunding Bonds, New Series 1992

The term "Stated **Maturity**" means the scheduled maturity or mandatory sinking fund redemption date of the **Bonds.**

The term "University of Texas System" means and includes each of the following **existing and operating institutions, respectively:**

The University of Texas at Arlington;
The University of Texas at Austin;
The University of Texas at Dallas;
The University of Texas at El Paso;
The University of Texas - Brownsville;
The University of Texas - Pan American;
The University of Texas of the Permian Basin;
The University of Texas at San Antonio;
The University of Texas at Tyler;
The University of Texas Southwestern Medical Center at Dallas;
The University of Texas Medical Branch at Galveston;
The University of Texas Health Science Center at Houston;
The University of Texas Health Science Center at San Antonio,

The University of Texas **M. D.** Anderson Cancer Center; and
The University of Texas **Health** Center at Tyler

together with **every** other institution or branch thereof which hereafter becomes a U.T. System Institution.

The term "**Underwriter**" means the investment banking firm or **firms** that contract to purchase the **Bonds**, pursuant to the Bond Purchase Contract in accordance with Section 3(c) of this Resolution.

The **term** U.T. System Institution means The University of Texas System and any other institution, branch, or school **now** or hereafter operated by or placed under the jurisdiction of the **Board** pursuant to law.

Section 2. AMOUNT, PURPOSE, AND DESIGNATION OF THE BONDS. The Issuer's "BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM GENERAL TUITION REVENUE REFUNDING BONDS, NEW SERIES 1992", are hereby authorized to be issued and delivered in the maximum aggregate principal amount of \$ _____ FOR THE PURPOSE OF REFUNDING UP TO \$36,225,000 PRINCIPAL AMOUNT OF THE REFUNDED BONDS, AND PAYING THE COSTS RELATED THERETO.

The Series 1992 Bonds are hereinafter referred to as the "Bonds", which may be in the form of either Current Interest Bonds or Capital **Appreciation** Bonds **unless** otherwise indicated.

Section 3. TERMS OF BONDS, UNDERWRITER AND BOND PURCHASE CONTRACT. (a) **Terms of Bonds.** Initially there shall be issued, sold, and delivered hereunder fully registered bonds, without interest coupons, in the form of Current Interest Bonds or Capital **Appreciation** Bonds, numbered consecutively from R-1 upward in the case of Current Interest **Bonds** and CR-1 upward in the **case** of Capital **Appreciation** Bonds, payable to the respective **initial** registered **owners** thereof, or to the **registered** assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"), in the denomination of \$5,000 or any **integral multiple** thereof with respect to Current Interest **Bonds** and in the denomination of \$5,000 in **Maturity** Amount or any **integral multiple** thereof with respect to **Capital Appreciation** Bonds (an "Authorized Denomination"), maturing not later than _____ **serially** or **otherwise** on the dates, in the years and in the principal amounts, respectively, and dated, all as set forth in the Bond Purchase **Contract** relating to the Bonds. The **Bonds** shall be subject to redemption as provided in the **Bond Purchase Contract**.

(b) **Underwriter.** PaineWebber Incorporated is hereby designated the senior **managing** underwriter for the Bonds and the **Authorized** Representative shall select such additional **investment banking firms** as deemed appropriate to assure that the Bonds are sold

on the **most advantageous terms (such firms, together with the senior managing underwriter, are hereafter collectively referred to as the "Underwriter")**.

(c) **Bond Purchase Contract.** The Authorized Representative is **hereby authorized** to act for and on behalf of the Board in **connection with the issuance and sale of the Bonds.** In **that** capacity, the Authorized Representative, acting for and on behalf of the **Board, shall** determine the date for **issuance** and sale of the **Bonds** and the amount of Bonds to **be issued** and sold. The Authorized **Representative, acting for and on behalf of the Board, is also** hereby authorized to approve, execute and deliver the Bond Purchase Contract **with the Underwriter** and to provide therein the price at which the Bonds shall be sold, the principal amortization **schedule** for the Bonds, the rate or rates of interest **to be borne** by the Bonds, the redemption provisions and **other** matters relating to the issuance, sale and delivery of the Bonds and the refunding of the Refunded **Bonds; provided, that, the Bond Purchase Contract must provide for the Bonds to be sold on terms that produce a present value savings of not less than 3% when the scheduled debt service payable on the Bonds during each Bond Year is subtracted from the scheduled debt service payable on the Refunded Bonds during the same Bond Year and the remainder is discounted to the date of the Bond Purchase Contract at a discount factor equal to the yield on the Bonds determined in accordance with section 148 of the Code and adjusting for the use of the released reserve fund moneys, and the sales price for the Bonds shall be not less than 98 percent of the par amount thereof (plus accrued interest from the date of the Bonds to the date of delivery thereof against payment therefor). The Authorized Representative's approval of the Bond Purchase Contract shall be conclusively evidenced by his execution thereof.** It is **further provided, however, that notwithstanding the foregoing provisions, the Bonds shall not be delivered unless prior to delivery, the Bonds have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations, as required by article 717q, Texas Revised Cii Statutes Annotated, as amended.**

(d) **In General.** The Bonds (i) may and shall be prepaid or redeemed prior to the **respective scheduled maturity dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, (v) shall be signed and sealed, and (vi) shall be payable as to principal and interest, all as provided, and in the manner required or indicated, in the FORMS OF BONDS set forth in this Resolution and as determined by the Authorized Representative as provided herein, with such changes and additions as are required to meet the terms of the Bond Purchase Contract.**

Section 4. INTEREST. The **Current Interest Bonds shall** bear interest calculated **on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORMS OF BONDS and in the Bond Purchase Contract to their respective dates of maturity at the rates set forth in the Bond Purchase Contract.**

The Capital **Appreciation Bonds shall** bear interest at the rates set forth in the **Bond Purchase Contract from the Issuance Date, calculated on the basis of a 360-day year**

composed of twelve 30-day months compounded semiannually on the dates set forth in the Bond Purchase Contract (the "Compounding Dates") commencing on the date set forth in the Bond Purchase Contract, and payable, together with the principal amount thereof, in the manner provided in the FORMS OF BONDS and in the Bond Purchase Contract.

There shall be attached to the Bond Purchase Contract relating to the Bonds, to the extent the sale of the Bonds includes the issuance of Capital Appreciation Bonds, an **Exhibit (the "Accreted Value Table")** which will set forth the rounded original principal amounts, plus the initial premium, if any, at the Issuance Date for the Capital Appreciation Bonds and the **Accreted** values and Maturity Amounts thereof (per \$5,000 Maturity Amount) as of each Compounding Date commencing the date set forth in the Bond Purchase Contract, and continuing until the **final** maturity of **such Capital Appreciation** Bonds compounded at the **interest rate** (or yield in the event the Capital Appreciation Bonds are sold at a premium) **shown in the Bond Purchase Contract. The Accreted Value with respect to any date other than a Compounding Date is the amount set forth on the Accreted Value Table with respect to the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth on the Accreted Value Table with respect to the next succeeding Compounding Date, that the number of days (based on 30-day months) from such last preceding Compounding Date, to the date for which such determination is being calculated bears to the total number of days (based on 30-day months) from such last preceding Compounding Date, to the next succeeding Compounding Date.**

Section 5. **ADDITIONAL CHARACTERISTICS OF THE BONDS. (a) Paying Agent/Registrar. (a) The Treasurer of the State of Texas, is hereby appointed as paying agent and registrar (the "Paying Agent/Registrar") for the Bonds. The Authorized Representative is authorized to enter into and carry out a Paying Agent/Registrar Agreement with the Paying Agent/Registrar with respect to the Bonds.**

(b) Registration Books. The Issuer shall keep or cause to be kept at the corporate trust office of the Paying Agent/Registrar books or records for the registration and transfer of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. In the event the Registration Books are not kept within the State of Texas, the Paying Agent/Registrar shall

provide the Issuer with a copy of such Registration Books and shall keep such copy current when changes are made.

(c) **Ownership of Bonds.** The entity in whose name any Bond shall be registered in the Registration Books at any time shall be deemed and treated as the absolute owner thereof for all purposes of this Resolution, whether or not such Bond shall be overdue, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) **Payment of Bonds and Interest.** The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds as provided in this Resolution. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds.

(e) **Authentication.** The Bonds initially issued and delivered pursuant to this Resolution shall be authenticated by the Paying Agent/Registrar by execution of the Paying Agent/Registrar's Authentication Certificate unless they have been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and on each substitute Bond issued in exchange for any Bond or Bonds issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE. The Authentication Certificate shall be in the form set forth in the FORMS OF BONDS. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the above Certificate, and except as provided in this subsection (e) no such Bond shall be deemed to be issued or outstanding unless such Certificate is so executed.

(f) **Transfer, Exchange, or Replacement.** Each Bond issued and delivered pursuant to this Resolution, to the extent of the unpaid or unredeemed principal amount thereof, may, upon surrender of such Bond at the principal corporate trust office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, may, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered bonds, without interest coupons, in the form prescribed in the FORMS OF BONDS set forth in this Resolution, in the denomination of any Authorized Denominations (subject to the requirement hereinafter stated that each substitute Bond shall have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If a portion of any Bond shall be redeemed prior to the scheduled maturity as provided herein, a substitute Bond or Bonds

having the same series designation and maturity date, bearing interest at the same rate and payable in the same names, in Authorized Denominations at the request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon surrender for cancellation. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided herein, and each fully registered bond delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Resolution shall constitute one of the Bonds for all purposes of this Resolution, and may again be exchanged or replaced. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for conversion and exchange or replacement. NO additional ordinances, orders, or resolutions need be passed or adopted by the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the preparation, execution, and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Art. 717k-6, Vernon's Texas Civil Statutes, and particularly Section 6 thereof, the duty of exchange or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds originally issued pursuant to this Resolution, approved by the Attorney General and registered by the Comptroller of Public Accounts of the State of Texas. The Paying Agent/Registrar shall agree that, to the extent possible it will transfer or exchange Bonds in no more than 3 business days after receipt of the Bonds to be transferred or exchanged, together with the written instrument of transfer or request for exchange duly executed by the holder or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring and exchanging any Bond or any portion thereof, but the one requesting any such transfer and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege of exchange. The Paying Agent/Registrar shall not be required to make transfers of registration of any Bond or any portion thereof (i) during the period commencing with the closing of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

(g) Payment of Fees and Charges. The Issuer hereby covenants with the registered owners of the Bonds that it will (i) pay the standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer of registration of the Bonds, and with respect to the exchange of the Bonds, solely to the extent above provided in this Resolution.

(h) Substitute Paying Agent/Registrar. The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and **legally qualified bank, trust company, financial institution, or other agency** to act as and perform the services of Paying **Agent/Registrar** for the Bonds under this Resolution, and that the Paying **Agent/Registrar will** be one entity. The Issuer **reserves** the right to, and may, at its option, change **the** Paying Agent/Registrar upon not less than **120** days written notice to the Paying **Agent/Registrar, to be effective** not later than 60 days prior to the next **principal** or interest payment date *after such* notice. In the event that the entity at any time acting as Paying **Agent/Registrar** (or **its** successor by merger, **acquisition, or other** method) should resign or **otherwise cease to act** as such, the Issuer covenants that promptly it will appoint a competent and **legally qualified bank, trust company, financial institution, or other agency** to act as Paying **Agent/Registrar** under this Resolution. Upon any change in the Paying **Agent/Registrar, the previous Paying Agent/Registrar** promptly shall transfer **and deliver the** Registration book (or a **copy thereof**), along with all other pertinent books and **records relating to** the Bonds, to the new Paying **Agent/Registrar** designated and appointed by the Issuer. Upon any **change** in the Paying Agent/Registrar, the Issuer promptly **will cause** a written notice thereof to be **sent** by the new Paying Agent/Registrar to **each** registered owner of the **Bonds, by United States mail, first-class** postage prepaid, **which notice also shall give** the **address of the new Paying Agent/Registrar.** By accepting the position **and performing as such, each Paying Agent/Registrar shall** be deemed to have agreed to **the provisions** of this **Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.**

(i) Notice of Redemption. (i) In addition to the Notice of Redemption set forth in the FORMS OF **BONDS, the Paying Agent/Registrar shall** give notice of redemption of Bonds by mail, **first-class** postage prepaid at least **thirty (30) days** prior to a redemption date to each registered **securities depository and to any national information service that disseminates** redemption notices. In **addition, in the** event of a redemption caused by an advance **refunding of the Bonds, the Paying Agent/Registrar** shall send a second notice of redemption to **the persons specified in the immediately preceding** sentence at least thirty (30) days but not more **than ninety (90) days prior** to the **actual** redemption date. Any notice sent to the **registered securities depositories or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice.** The Paying **Agent/Registrar shall** also send a notice of prepayment or redemption to the registered **owner of any Bond** who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

(ii) Each Notice of Redemption, whether required in the FORMS OF BONDS or in this **Section, shall** contain a description of the **Bonds** to be redeemed including the complete name of the **Bonds, the Series, the date of issue, the interest rate, the maturity date, the CUSIP number, the certificate numbers, the amounts called of each certificate, the publication and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bonds may be redeemed, including a contact person and telephone number.**

(iii) **All redemption payments made by the Paying Agent/Registrar to the registered owners of the Bonds shall include a CUSIP number relating to each amount paid to such registered owner.**

Section 6. **BOOK-ENTRY ONLY SYSTEM.** (a) **Book-Entry Only System Generally.** The Bonds issued in exchange for the Bonds initially issued and delivered under this Resolution shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsection (b) hereof, all of the Bonds shall be registered in the name of Cede & Co, as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest on the Bonds. Without limiting the immediately preceding sentence, the Board and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than the Bondholder, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Registration Books, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary but to the extent permitted by law, the Board and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Board to make payments of principal, premium, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co.," in this Resolution shall refer to such new nominee of DTC.

(b) **Successor Securities Depository: Transfers Outside Book-Entry Only System.** In the event that the Board determines to discontinue the book-entry system through DTC or

a successor or DTC determines to discontinue providing its services with respect to the Bonds, the Board shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate in accordance with the provisions of this Resolution.

(c) Payment to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the Board to DTC.

Section 7. FORMS OF BONDS. The forms of the Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Registration Certificate of the Comptroller of Public Accounts to be attached to the Bonds initially issued and delivered under this Resolution and the Form of Assignment to be printed on each of the Bonds, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution and the Bond Purchase Contract:

FORMS OF BONDS

**UNITED STATES OF AMERICA
STATE OF TEXAS
BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM
GENERAL TUITION REVENUE REFUNDING BOND,
NEW SERIES 1992**

[FORM OF **FIRST** TWO PARAGRAPHS OF CURRENT **INTEREST** BONDS]

NO. **R-**_____ **PRINCIPAL AMOUNT**
\$ _____

| <u>INTEREST RATE</u> | <u>MATURITY DATE</u> | <u>BOND DATE</u> | <u>CUSIP NO.</u> |
|-----------------------------|-----------------------------|-------------------------|-------------------------|
| _____% | _____, 19__ | _____ | _____ |

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ **DOLLARS**

ON THE MATURITY DATE specified above the **BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM** (the "Issuer"), being an agency of the State of Texas, hereby promises to pay to the registered owner, specified above, or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount, specified above, and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day consecutive months, from the Bond Date, specified above, to the maturity date, specified above, at the interest rate per annum, specified above, with interest being payable on _____, and semiannually on each February 15 and August 15 thereafter, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity at the principal office of The Treasurer of the State of Texas in Austin, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by

the **Paying Agent/Registrar** on, and payable **solely from**, funds of the Issuer required by the **Bond Resolution** (hereinafter **defined**), to be on deposit with the **Paying Agent/Registrar** for such purpose as hereinafter provide& and such check **shall** be sent by the **Paying Agent/Registrar** by United States **mail, first-class** postage prepaid, on each such interest payment date, to **the** registered owner **hereof**, at the address of the registered **owner**, as it appeared on the **last calendar** day of the month **next** preceding **each** such date (the "**Record Date**") on the Registration Books **kept** by the **Paying Agent/Registrar**, as hereinafter described Upon the written **request** of **any** owner of **\$1,000,000** in aggregate principal amount of the **Bonds**, delivered to **the Paying Agent/Registrar** not later than the **Record Date** preceding **an** interest **payment date, interest shall be paid** to such owner by wire transfer to any designated account within the **United States. In** addition, interest may be paid by such other **method acceptable** to the **Paying Agent/Registrar** which has **been** requested in writing by, **and at the risk and expense of, the registered** owner. The Issuer covenants with the registered owner of this Bond that **on** or before each principal payment date, interest payment date, and **accrued interest payment** date for this Bond it **will** make available to the **Paying Agent/Registrar, from the "Interest and Sinking Fund" described in the Bond Resolution, the amounts required to provide** for the **payment, in immediately** available funds, of **all** principal of and interest on the **Bonds**, when due. Terms used herein and not otherwise defined have the meanings given in the **Bond Resolution**.

**[FORM OF FIRST TWO PARAGRAPHS OF
CAPITAL APPRECIATION BONDS]**

| | | | |
|----------------------|----------------------|--------------------------|----------------------------|
| NO. CR-__ | | | MATURITY AMOUNT |
| | | | _____ |
| INTEREST RATE | MATURITY DATE | ISSUANCE DATE | CUSIP NO. |
| _____ % | _____ | _____ , 1992 | _____ |

REGISTERED OWNER:

ORIGINAL PRINCIPAL **AMOUNT:** _____ DOLLARS

ON THE MATURITY DATE, specified above, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM (the "Issuer"), being an agency and political subdivision of the State of Texas, hereby promises to pay to the Registered Owner, specified above, or the registered assignee hereof (either being hereinafter called the "registered owner") the Maturity Amount, specified above, representing the original principal amount, specified above, and accrued and compounded interest thereon. Interest shall accrue on the original principal amount hereof from the Issuance Date, specified above, at the interest rate

per annum specified above, **compounded semiannually** on February 15 and August 15 of **each** year, commencing on the **Issuance Date** specified above. For **convenience** of reference, a table **appears** on the back of **this Bond** showing the **"Accreted Value"** of the original principal **amount** and **initial** premium, if any, per **\$5,000 Maturity Amount** compounded **semiannually** at the yield shown **on such** table.

THE **MATURITY** AMOUNT OF this Bond is payable in lawful money of the united states of America, without exchange Of collection **charges**, solely from funds of **the** Issuer **required** by the Bond Resolution (hereinafter **defined**) to **be on** deposit with the Paying Agent/Registrar for such **purpose** as hereinafter provided. The Maturity Amount or **Accreted Value** of this **Bond shall be paid** to the registered owner hereof upon presentation and **surrender** of this Bond on the Maturity Date or upon the **date fixed** for its redemption **prior to** maturity, as the case may be, at the principal **office** of The Treasurer of the State of **Texas** in Austin, Texas, which is the **"Paying Agent/Registrar"** for this Bond. The Issuer covenants with the registered owner of **this Bond** that **on** or **before** the Maturity Date for this Bond it will make available to **the Paying Agent/Registrar**, from **the** "Interest and Sinking Fund" **described** in the **Bond Resolution**, the amount required to provide for the payment, **in** immediately **available funds**, of the **Maturity** Amount when due. Terms used herein and **not otherwise defined** have the meaning **given** in the Bond Resolution.

[FORM OF **REMAINDER OF CURRENT INTEREST BONDS**
AND **CAPITAL APPRECIATION BONDS**]

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, a Sunday, a **legal holiday**, or a day on which **banking institutions** in The City of New York, New York, or in the city **where** the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or **executive** order to **close**, then the date for **such** payment shall be the next **succeeding day** which is not **such** a Saturday, Sunday, **legal holiday**, or day on which **banking institutions** are authorized to **close**; and payment on **such date shall have the same force and effect as if made on the original date payment was due.**

THIS BOND is one of an issue of Bonds dated _____, authorized by resolution of **the Issuer** adopted on **OCTOBER 9, 1992** (the "Bond Resolution") in the aggregate principal amount of \$ _____. **FOR THE PURPOSE OF REFUNDING THE REFUNDED BONDS AND PAYING THE COSTS RELATED THERETO, AND COMPOSED OF (i) BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ THAT PAY INTEREST ONLY AT MATURITY (THE "CAPITAL APPRECIATION BONDS") AND (ii) BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ THAT PAY INTEREST SEMIANNUALLY UNTIL MATURITY (THE "CURRENT INTEREST BONDS").**

**[THE FOLLOWING THREE PARAGRAPHS SHALL APPEAR
ONLY IN THE CURRENT INTEREST BONDS]**

ON _____, or on any date thereafter, the Bonds of this Series may be redeemed prior to their scheduled **maturities**, at the option of the Issuer, with **funds** derived from any available and lawful **source**, as a whole, or in part, and, if in part, **the particular Bonds**, or portions thereof, to be redeemed shall be selected and designated by the **Issuer** (provided that a portion of a Bond may be redeemed only in an integral **multiple** of **\$5,000**), at a redemption **price** (expressed as a percentage of principal amount) applicable to the **due** date of redemption falling within the **applicable redemption** period, as set forth in the **following** schedule, plus accrued **interest** to the redemption date; provided, that during **any period in** which ownership of the Bonds is determined by a book entry at a securities **depository** for the Bonds, if fewer **than all** of the **Bonds** of the same maturity and bearing the **same** interest rate are to be redeemed, **the particular Bonds** of such maturity and bearing such **interest** rate shall be selected in accordance with the arrangements between the Issuer and the **securities depository**:

Redemption Period

Redemption Price

| | |
|----------------------|---|
| through | % |
| through | |
| and thereafter | |

THE BONDS of this series scheduled to mature on _____, are subject to mandatory sinking fund redemption prior to their scheduled maturity and shall be redeemed by the **Issuer**, in part, prior to their scheduled maturity, with the particular Bonds or portions thereof of the maturity to be redeemed to be selected and designated by the **Issuer** (provided that a portion of a Bond may be redeemed only in an integral multiple of **\$5,000**), with money from the **Interest and Sinking Fund**, at a redemption price equal to the par or principal amount thereof and accrued interest to the date of redemption, on the dates, and in the principal amounts, respectively, as set forth in the following schedule:

Redemption Date

**Principal
Amount**

The principal amount of the Bonds required to be redeemed on each such redemption date pursuant to the foregoing operation of the mandatory redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Bonds of the respective maturity, which, at least 45 days prior to the mandatory sinking fund redemption date, (1) shall have been acquired by the Issuer and delivered to the Paying Agent/Registrar for cancellation, or (2) shall have been acquired and canceled by the Paying Agent/Registrar at the direction of the Issuer (with funds from the Interest and Sinking Fund, in either case of (1) or (2) at a price not exceeding the par or principal amount of such Bonds), or (3) have been redeemed pursuant to the optional redemption provisions set forth above and not

therefore credited against a mandatory redemption. During any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be published once in a financial publication, journal, or report of general circulation among securities dealers in the City of New York, New York (including, but not limited to, the New York Times and The Wall Street Journal), or in the State of Texas (including, but not limited to, the Dallas Morning News). Such notice also shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, not less than 30 days prior to the date fixed for any such redemption, to the registered owner of each Bond to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond, and it is hereby specifically provided that the publication of such notice as required above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Bonds or portions thereof. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is published and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution.

**[THE FOLLOWING PARAGRAPH SHALL APPEAR
ONLY IN THE CAPITAL APPRECIATION BONDS]**

THE CAPITAL APPRECIATION BONDS are not subject to redemption prior to their scheduled maturities.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY INTEGRAL MULTIPLE OF \$5,000 principal or Maturity Amount, as the case may be, may be assigned

and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 principal or Maturity Amount, as the case may be, to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The Form of Assignment printed or endorsed on this Bond shall be executed by the registered owner, or its duly authorized attorney or representative to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for, making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of this Bond or any portion hereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000 principal or Maturity Amount, as the case may be. As provided in the Bond Resolution, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be converted into and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000 principal or Maturity Amount, as the case may be, as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging any Bond or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or govern-

mental charges required to be paid **with** respect thereto as a condition precedent to **the exercise** of such **privilege of conversion** and exchange.

IN THE EVENT any Paying Agent/Registrar for the **Bonds** is changed by the **Issuer**, resigns, or otherwise ceases to act as **such**, the Issuer has **covenanted** in the Bond Resolution that it promptly **will** appoint a competent and legally **qualified** substitute **therefor**, and promptly will cause written notice **thereof** to **be mailed** to the registered **owners** of the Bonds⁹

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly **authorized, issued,** and delivered; that **all acts, conditions,** and things required or proper to be performed **exist,** and **be done precedent** to or **in the authorization,** issuance, and delivery of this **Bond have been performed, existed,** and been done in accordance with **law; and that the interest on and principal of this Bond, and other Bonds of this Series, are equally** and **ratably** secured by and **payable** from a **lien** on and **pledge** of the Pledged Revenues, **which** include (i) **certain Pledged General Tuition, being** certain tuition charges imposed on **students enrolled** at each and **every institution, branch,** and school now or hereafter operated by or **under the jurisdiction of the Issuer,** and (ii) **certain investment income, subject only to the lien on and pledge of the Pledged Revenues to the payment and security of the Issuer's General Tuition Revenue Refunding Bonds, Series 1986 and, with respect to the Prior Encumbered General Tuition included in Pledged Revenues, the Prior Encumbered Obligations.**

THE ISSUER **has reserved** the **right,** subject to the **restrictions referred** to in the Bond **Resolution,** to (i) issue **additional parity revenue** bonds which also may **be** secured by **and made payable from a lien on and pledge of the aforesaid Pledged Revenues, in the same manner and to the same extent as this Bond,** and (ii) to amend the Bond Resolution **under the conditions provided in the Bond Resolution.**

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation or from any source whatsoever other than specified in the Bond Resolution.

BY BECOMING the registered owner of this Bond, the registered owner thereby **acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each registered owner hereof and the Issuer.**

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Chairman of the Issuer and countersigned with the manual or facsimile signature of the Executive Secretary of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

(signature)
Executive Secretary, Board of
of Regents of The
University of Texas System

(signature)
Chairman, Board of Regents
of The University of Texas
System

(BOARD SEAL)

Provisions of the Bond relating to redemption may be changed, completed, or deleted as determined by the Authorized Representative to conform to the terms set forth in the Bond Purchase Contract.

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE:

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Paying Agent/Registrar

Dated

Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the **undersigned** registered owner of this Bond, or **duly** authorized **representative** or attorney **thereof**, hereby assigns this Bond to

(Assignee's Social Security or Taxpayer Identification Number)

(print or typewrite Assignee's name and address, including zip code)

and hereby irrevocably constitutes and appoints

attorney to transfer the **registration** of this Bond on the Paying Agent/Registrar's **Registration Books** with **full** power of **substitution** in the **premises**.

Dated: _____

Signature Guaranteed:

NOTICE: This signature must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Registered Owner
NOTICE This signature must correspond with the name of the Registered Owner appearing on the face of this Bond.

FORM OF REGISTRATION CERTIFICATE OF THE COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts of the State of Texas

Section 8 SECURITY AND PLEDGE. The Bonds and any Additional Bonds, and the interest thereon, are and shall be secured by and payable from a lien on and pledge of the Pledged Revenues, and the Pledged Revenues are further pledged to the establishment and maintenance of the Interest and Sinking Fund as provided in this Resolution; provided, however, that the lien on and pledge of the Pledged Revenues is subject to the lien and pledge securing the Priority Bonds and the Prior Encumbered Obligations.

Section 9. **REVENUE FUND.** The creation and establishment of the General Tuition Revenue Bonds Revenue Fund" (herein called the "Revenue Fund") in the resolution authorizing the Priority Bonds is hereby approved. Said account shall be maintained on the books of the Board as a separate account. Subject to the provisions of Section 11 and the resolutions authorizing Prior Encumbered Obligations, all collections of Pledged Revenues shall be credited to the Revenue Fund immediately upon receipt.

Section 10. **INTEREST AND SINKING FUND.** To pay the principal of and interest on all outstanding Bonds and any Additional Bonds, as the same come due, there is hereby created and there shall be established on the books of the Board a separate account to be entitled the "General Tuition New Series Revenue Bonds Interest and Sinking Fund" (herein called the "Interest and Sinking Fund"). The Interest and Sinking Fund shall be maintained as long as any of the Bonds remain outstanding.

Section 11. INTEREST AND SINKING FUND DEPOSITS. (a) Immediately after the delivery of the Bonds the Board shall deposit all accrued interest received from the sale and delivery of the Bonds, to the credit of the Interest and Sinking Fund.

(b) The Board shall transfer or cause to be transferred from the Pledged Revenues in the Revenue Fund and deposit, or cause to be deposited, to the credit of the Interest and Sinking Fund the amounts, at the times, as follows:

(i) on or before February 15, 1993, and semiannually on or before each October 15 and March 1 thereafter, such amounts as will be sufficient, together with other amounts, if any, then on hand in the Interest and Sinking Fund and available for such purpose, to pay the interest scheduled to accrue and come due on the Bonds on the next succeeding interest payment date; and

(ii) on or before March 1, 1993, and annually on or before each March 1 thereafter, an amount equal to the principal of the Bonds scheduled to mature or mandatorily required to be redeemed prior to maturity on the next succeeding August 15.

Section 12 **ADDITIONAL AND EXCESS FUNDS.** If on any occasion there shall not be Pledged Revenues sufficient to make the required deposits to the credit of the Interest and Sinking Fund, then such deficiency shall be made up as soon as possible from the next available Pledged Revenues.

Section 13. PAYMENT OF BONDS. On or before February 15, 1993, and semiannually on or before each August 15 and February 15 thereafter while any of the Bonds are outstanding and unpaid, the Board shall make available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on and such principal of the Bonds as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such February 15 or August 15. The Paying Agent/Registrar shall cancel all paid Bonds and shall furnish the Board with an appropriate certificate of destruction.

Section 14. CESSATION OF DEPOSITS. At such time as the aggregate amount of money and investments on deposit to the credit of the Interest and Sinking Fund are at least sufficient to pay (1) the aggregate principal amount of all unpaid (unmatured and matured) outstanding Bonds and Additional Bonds, plus (2) the aggregate amount of all unpaid interest on such Bonds and Additional Bonds, no further deposits need be made into the Interest and Sinking Fund. In determining the amount of such Bonds and Additional Bonds, and interest thereon, outstanding at any time, there shall be subtracted and excluded the amount of any such Bonds and Additional Bonds, and interest thereon, which shall have been duly called for redemption and for which funds shall have been deposited with the Paying Agent/Registrar therefor sufficient, including any required redemption premium, for such redemption.

Section 15. SPECIAL OBLIGATIONS. The Bonds and any Additional Bonds, and the interest thereon, will constitute special obligations of the Board payable from the Pledged Revenues, and the owners of the Bonds and Additional Bonds shall never have the right to demand payment out of funds raised or to be raised by taxation, or from any source other than specified in this Resolution.

Section 16. ADDITIONAL BONDS. The Board reserves and shall have the right and power to issue, in one or more series, "Additional Bonds" for any purpose authorized by law, including the refunding of any Priority Bonds, Bonds or Additional Bonds, which Additional Bonds, when issued, shall be secured by and payable from a lien on and pledge of the Pledged Revenues equally and ratably with, and in the same manner and to the same extent as, the Bonds and any other then outstanding Additional Bonds; and the Additional Bonds permitted by this Section, when issued, shall be payable from and secured by the Interest and Sinking Fund and shall be in all respects of equal dignity and on a parity with the Bonds and any other then outstanding Additional Bonds. Each resolution under which Additional Bonds are issued shall provide and require that, in addition to the amounts required, by the provisions of this Resolution and the provisions of any other resolution or resolutions authorizing Additional Bonds, to be deposited to the credit of the Interest and Sinking Fund, the Board shall transfer from Pledged Revenues and deposit to the credit of the Interest and Sinking Fund at least such amounts as are required for the payment of all principal of and interest on said Additional Bonds then being issued, as the same come due.

section 17. **REQUIREMENTS FOR ADDITIONAL BONDS.** Additional Bonds shall be issued only in accordance with this Resolution, but notwithstanding any provisions of this Resolution to the contrary, no installment, Series, or issue of Additional Bonds shall be issued or delivered unless:

(a) The Authorized Representative signs a written certificate to the effect that the Board is not in default as to any covenant, condition, or obligation in connection with all outstanding Bonds and Additional Bonds, or any resolution authorizing same, and that the Interest and Sinking Fund each contains the amount then required to be therein.

(b) The Authorized Representative signs a written certificate to the effect that, during either the next preceding fiscal year of The University of Texas System, or any twelve consecutive calendar month period ending not more than ninety days prior to the adoption of the resolution authorizing the issuance of the then proposed Additional Bonds, the Pledged Revenues were at least equal to 1.25 times the average annual principal and interest requirements of all Priority Bonds, Bonds and Additional Bonds which are scheduled to be outstanding after the issuance of the proposed Additional Bonds.

Section 18. INVESTMENTS. (a) Money in any account or fund established pursuant to this Resolution may, at the option of the Board, be placed in time deposits secured by Investment Securities, or be invested in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any such account or Fund will be available at the proper time or times. Interest and income derived from such deposits and investments shall be credited to the account or Fund from which the deposit or investment was made and shall be used only for the purpose or purposes for which such account or Fund is required or permitted to be used. Such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds or Additional Bonds. Money in any Fund may be invested, together with money in other Funds or with other money of the Board or The University of Texas System, in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository of The University of Texas System, which shall not be deemed to be or constitute a commingling of such money or Funds provided that the separate accounts maintained on the books of The University of Texas System, for such Funds clearly evidence the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or held by or on behalf of each such Fund.

(b) Money in all accounts and Funds created by this Resolution, to the extent not invested, shall be secured in the manner prescribed by law for such funds of the Board, in principal amounts at all times not less than the amounts of money credited to such accounts and Funds, respectively.

Section 19. COVENANTS. The Board further covenants and agrees that:

(a) It **will fix, impose, charge, and collect all Pledged General Tuition; and will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the resolution authorizing the Priority Bonds, this Resolution and each resolution authorizing the issuance of Additional Bonds, and in each and every Priority Bond, Bond and Additional Bond; that it will promptly pay or cause to be paid from the Pledged Revenues the principal of and interest on every Priority Bond, Bond and Additional Bond, on the dates and in the places and in the manner prescribed in such resolutions and Priority Bonds, Bonds or Additional Bonds; and that it will, at the times and in the manner prescribed, deposit or cause to be deposited from the Pledged Revenues the amounts required to be deposited to the credit of the Interest and Sinking Fund; and any owner of the Bonds or Additional Bonds may require the Board, its officials and employees, and any appropriate Official of the State of Texas, to carry out, respect, or enforce the covenants and obligations of this Resolution or any resolution authorizing the issuance of Additional Bonds, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Board, its officials and employees, or any appropriate official of the State of Texas.**

(b) It **is duly authorized under the laws of the State of Texas to create and issue the Bonds; that all action on its part for the creation and issuance of the Bonds has been duly and effectively taken, and that the Bonds in the hands of the owners thereof are and will be valid and enforceable special obligations of the Board in accordance with their terms.**

(c) It **lawfully owns, has title to, and is lawfully possessed of the lands, buildings, and facilities now constituting The University of Texas System, it warrants that it has, and will defend, the title to all the aforesaid lands, buildings, and facilities, and every part thereof, for the benefit of the owners of the Bonds and Additional Bonds against the claims and demands of all persons whomsoever, it is lawfully qualified to pledge the Pledged Revenues to the payment of the Bonds and Additional Bonds in the manner prescribed herein, and has lawfully exercised such rights.**

(d) It **will from time to time and before the same become delinquent pay and discharge all taxes, assessments, and governmental charges, if any, which shall be lawfully imposed upon it, or the campuses, buildings, and facilities of The University of Texas System, it will pay all lawful claims for rents, royalties, labor, materials, and supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and it will not create or suffer to be created any mechanic's, laborer's, materialman's, or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment, or charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, materialman's, or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the Board.**

(e) It will continuously and efficiently operate and maintain in good condition, and at a reasonable cost, The University of Texas System and the facilities and services thereof, so long as any Bonds or Additional Bonds are outstanding.

(f) While the Bonds or any Additional Bonds are outstanding and unpaid, the Board shall not issue any Bonds on a parity with the Priority Bonds or any Prior Encumbered Obligations or otherwise additionally encumber the Pledged Revenues in any manner, except as permitted in this Resolution in connection with Additional Bonds, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of this Resolution,

(g) Proper books of record and account will be kept in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the Pledged Revenues, and all books, documents, and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any bondholder.

(h) Each year while any Bonds or Additional Bonds remain outstanding, the Board will cause to be prepared from such books of record and account an annual financial report of The University of Texas System and shall furnish such report to the principal municipal bond rating agencies and any owner of Bonds or Additional Bonds who shall request same. In addition, the Board shall submit such financial report and other information required by law for examination in connection with financial compliance and other audits required to be conducted by the office of the Auditor of the State of Texas.

(i) The Board and the officers of The University of Texas System will duly and punctually pay or cause to be paid the principal of every Bond and every Additional Bond, and the interest thereon, from the sources, on the days, at the places, and in the manner mentioned and provided in such obligations, according to the true intent and meaning thereof, and that it will duly cause to be called for redemption prior to maturity, and will cause to be redeemed prior to maturity, all Bonds and all Additional Bonds which by their terms are mandatorily required to be redeemed prior to maturity, when and as so required, and that it will faithfully do and perform and at all times fully observe all covenants, undertakings and provisions contained in this Resolution and in the aforesaid obligations.

Section 20. **INDIVIDUALS NOT LIABLE.** All covenants, stipulations, obligations, and agreements of the Board contained in this Resolution shall be deemed to be covenants, stipulations, obligations, and agreements of The University of Texas System and the Board to the full extent authorized or permitted by the Constitution and laws of the State of Texas. No covenant, stipulation, obligation, or agreement herein contained shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the Board or agent or employee of the Board in his individual capacity and neither the members of the Board nor any officer thereof shall be liable personally on the Bonds or Additional Bonds when issued, or be subject to any personal liability or accountability by reason of the issuance thereof.

section 21. **REMEDIES** Any owner or holder of any of the Bonds or Additional Bonds when issued, in the event of default in connection with any covenant contained herein, or default in the payment of said obligations, or of any interest due thereon, shall have the right to institute mandamus proceedings against the Board or any other necessary or appropriate party for the purpose of enforcing payment from the moneys herein pledged or for enforcing any covenant herein contained.

Section 22 **DEFEASANCE OF BONDS.** (a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section, when the payment of all principal and interest payable with respect to such Bond to the due date or dates thereof (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption), or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Government Obligations which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment or (3) any combination of (1) and (2) above, and when proper arrangements have been made by the Board with the Paying Agent/Registrar for the payment of its services until after all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Pledged Revenues, and such principal and interest shall be payable solely from such money or Government Obligations, and shall not be regarded as outstanding for any purposes other than payment, transfer and exchange.

(b) Any moneys so deposited with or made available to the Paying Agent/Registrar may at the written direction of the Board also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by the Paying Agent/Registrar which is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Board, or deposited as directed in writing by the Board.

(c) The term "Government Obligations" as used in this Section, shall mean non-callable direct obligations of the United States of America, including obligations which are unconditionally guaranteed by the United States of America, which may be United States Treasury obligations such as its State and Local Government Series, which may be in book-entry form.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased

Bonds the same as if they had not been defeased, and the Board shall make proper arrangements to provide and pay for such services as required by this Resolution.

Section 23. **DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.** (a) **Replacement Bonds.** In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount or maturity amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) **Application for Replacement Bonds.** Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss of damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the applicant shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) **Payment in Lieu of Replacement.** Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) **Charge for Issuing Replacement Bonds.** Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(e) **Authority for Issuing Replacement Bonds.** In accordance with Section 6 of Vernon's Ann. Tex. Civ. St. Art. 717k-6, this Section of this Resolution shall constitute authority for the issuance of any such replacement bond without necessity of further action by the Issuer or any other body or Person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with

the effect, as provided in Section 5(d) of this **Resolution** for Bonds issued in conversion and **exchange** for other **Bonds**.

Section 24. **AMENDMENT OF RESOLUTION.** (a) The owners of Bonds and Additional Bonds aggregating 51% in **Outstanding** Principal Amount of the aggregate principal amount Of then **outstanding** Bonds **and Additional Bonds shall** have the right from time to time to approve any amendment **to** this **resolution** or any resolution authorizing the issuance of Additional Bonds which may be deemed **necessary** or desirable by the Board, **provided**, however, that nothing herein contained **shall permit** or be construed to permit, without **the** approval of the owners of **all** Of the Outstanding Bonds and Additional Bonds, the amendment of the terms and conditions in said resolutions or in the Bonds or Additional **Bonds so as to:**

- (1) **Make** any change in the maturity of the outstanding Bonds or Additional **Bonds;**
- (2) Reduce the rate Of interest borne **by** any of the outstanding Bonds or Additional **Bonds;**
- (3) Reduce the amount of the principal **payable** on the outstanding Bonds or Additional **Bonds;**
- (4) **Modify** the term⁸ of payment of **principal** of or interest on the outstanding Bonds or Additional Bonds, or **impose any** conditions with respect to such payment;
- (5) **Affect the rights of the owners of less than all of the Bonds and Additional Bonds then outstanding;**
- (6) Change the minimum percentage **of the Outstanding** Principal Amount of Bonds **and Additional Bonds necessary for consent to such amendment.**

(b) **If at any time the Board shall desire to amend a resolution under this Section, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in The City of New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of each Paying Agent/Registrar for the Bonds and Additional Bonds for inspection by all owners of Bonds and Additional Bonds. Such publication is not required, however, if notice in writing is given to each owner of Bonds and Additional Bonds.**

(c) **Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice of the proposed amendment the Board shall receive an instrument or instruments executed by the owners of at least 51% in Outstanding Principal Amount of all Bonds and Additional Bonds then outstand& which instrument or instruments shall refer to the proposed amendment**

described in said notice and which specifically consent to and approve such amendment in **substantially** the **form** of the copy thereof on **file** as aforesaid, the Board may adopt the **amendatory** resolution in **substantially** the **same** form.

(d) Upon the adoption of **any** amendatory resolution pursuant to the provisions of this Section,, the resolution being amended shall be **deemed to be** amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the **Board** and **all** the owners of then outstanding Bonds and Additional Bonds and all future Additional Bonds shall thereafter be determined, exercised, and enforced hereunder, **subject** in all **respects** to such amendment.

(e) Any **consent** given by **the owner** of a Bond or Additional Bond pursuant to the provisions of this Section **shall** be irrevocable for a period of six **months from** the **date** of the first publication or other service of the **notice provided** for in this Section, and **shall** be **conclusive** and binding upon **all** future owners of the same **Bond** or Additional Bond **during** such **period**. Such consent may be revoked at any **time after** six **months** from the **date** of the first publication of such notice by the owner who gave such **consent**, or by a successor in title, by filing notice thereof with the Paying **Agent/Registrar** for such Bonds and **Additional** Bonds and **the** Issuer, but such **revocation shall not be** effective if the owners of 51% in **Outstanding Principal** Amount of the then **outstanding Bonds** and Additional Bon& as in **this** Section **defined** have, prior to the attempted revocation, consented to and **approved the amendment**.

(f) For the **purpose** of this Section the ownership and other matters relating to **all Bonds** and Additional **Bonds** shall be **determined from** the registration books kept for such **bonds** by the Paying Agent/Registrar **therefor**.

Section 25. TAX EXEMPTION. ~~The Issuer covenants to refrain from any action which would adversely affect, or take such action to assure, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:~~

(a) **to take any action to assure that no more than 10% of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10% of the proceeds are so used, that amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Resolution or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10% of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;**

(b) **to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5% of the proceeds of the Bonds (less**

amounts deposited into a **reserve** fund, if any) **then the amount in excess** of 5% is **used** for a **"private business use"** which is **"related"** and not **"disproportionate,"** within the meaning of section 141(b)(3) of the **Code**, to the **governmental** use;

(c) to take any action to assure that no amount which is greater than the lesser of **\$5,000,000**, or 5% of the proceeds of the Bonds (**less** amounts deposited into a **reserve** fund, if any) is **directly** or **indirectly** used to **finance** loans to persons, other than state or local governmental **units**, in contravention of section 141(c) of the Code;

(d) to **refrain** from taking any action which would **otherwise** result in the **Bonds** being treated as "private activity bonds" within the **meaning** of section 141(b) of the **Code**;

(e) to **refrain from taking** any action that would result in the Bonds **being** **"federally** guaranteed" within the meaning of section 149(b) of the Code;

(f) to **refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with -**

(1) **proceeds of the Bonds invested for a reasonable temporary period of three years or less or, in the case of a refunding bond for a period of 30 days or less, until such proceeds are needed for the purpose for which the Bonds are issued,**

(2) **amounts invested in a bona fide debt service fund, within the meaning of section 1.103-13(b)(12) of the Treasury Regulations, and**

(3) **amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10% of the proceeds of the Bonds;**

(g) to **otherwise restrict the use of the proceeds of the Bonds, or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings);**

(h) to **pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90% of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the**

Bonds have been paid in full, **100%** of the amount **then** required to be paid as a **result** of Excess Earnings under section **148(f)** of the Code; and

(i) to **maintain** such records as **will enable** the Issuer to **fulfill** its **responsibilities** under this Section and section **148** of the **Code** and to **retain** such records for at **least** six years *following the final* payment of principal and interest on the **Bonds**.

For **purposes** of the foregoing, the Issuer understands that in the case of a refunding bond, the term proceeds **includes transferred** proceeds and, for purposes of (a) and (b), proceeds of the **refunded** bonds **expended prior** to the date of issuance of the Bonds. It is **the understanding** of the **Issuer** that the **covenants contained** herein are intended to assure **compliance** with the Code and any regulations or rulings promulgated by the U.S. Department of the **Treasury** pursuant thereto. In the event that regulations or **rulings** are hereafter promulgated which **modify**, or expand **provisions** of the **Code**, as applicable to the **Bonds**, the Issuer **will** not be required to **comply** with **any covenant** contained herein to the extent that such **modification** or **expansion**, in the opinion of **nationally-recognized bond counsel**, **will not adversely affect the status of the Bonds under section 103 of the Code**. In the event that regulations or **rulings** are hereafter promulgated which **impose** additional **requirements** which are **applicable to the Bonds**, the Issuer agrees to **comply** with the **additional** requirements **to the extent necessary, in the opinion of nationally-recognized bond counsel**, to **preserve the status of the Bonds under section 103 of the Code**. In furtherance of **such** intention, the **Issuer** hereby author&s and directs the **Authorized Representative** to **execute any documents, certificates, or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds**.

In order to facilitate compliance with the above **covenants (g), (h), and (i)**, a "Rebate Fund" **is** hereby established by **the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the bondholders**. The **Rebate Fund is established** for the additional **purpose of compliance with section 148 of the Code**.

Section 26. **CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION, AND CUSIP NUMBERS.** The **Authorized Representative is hereby authorized to have control of the Bonds and all necessary records and proceedings pertaining to the Bonds pending their delivery and investigation, examination, and approval by the Attorney General of the State of Texas, and registration by the Comptroller of Public Accounts of the State of Texas**. Upon **registration of the Bonds** said **Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller)** shall manually sign the **Comptroller's Registration Certificate** on the **Initial Bond**, and the seal of said **Comptroller** shall be impress& or **placed in facsimile, on the Bonds**. The approving legal opinion of the Issuer's **Bond Counsel**, a **legend** relative to any bond insurance policy relative to the **Bonds** and the assigned **CUSIP numbers** may, at the option of the Issuer, be printed

on **the Bonds or on any Bond issued and** delivered in **conversion** of and exchange or replacement **of any Bond**, but neither shall **have any legal** effect, and shall be **solely** for the **convenience** and information of the **registered owners** of the Bond.

Section 27. **PAYING AGENT AGREEMENT.** The Issuer hereby appoints the Treasurer of the State of Texas as Paying **Agent/Registrar** for the Bonds authorized hereby. The **Chairman** of the Issuer, the **Executive Secretary** of the Issuer, the Authorized Representative or the Executive Director of Finance **of the University of Texas** System are hereby authorized to execute and **deliver** on behalf of **the** Issuer a Paying Agent Agreement.

Section 28. **OFFICIAL STATEMENT.** Execution of the Bond Purchase Contract, the Author&d **Representative, acting for** and on behalf of the Board, shall cause a **preliminary official** statement to be **prepared** for **distribution** by the Underwriters to **prospective purchasers** of the Bonds, such **document** to be in substantially the **form** attached to this **Resolution**, which **form** is hereby **approved**, but **with** such changes and completions as the **Authorized Representative** may **deem necessary** or appropriate to enable the **Authorized Representative, acting** for and on **behalf** of the Board, to deem the **preliminary official** statement to be **final** as of its date, **except** for **such** omissions as are permitted by Rule 15c2-12 of the **Securities and Exchange Commission ("Rule 15c2-12")**. Within **seven business days** after the execution of the **Bond Purchase Contract**, the **Authorized Representative, acting for and on behalf of the Board, shall cause a final official statement to be provided to the Underwriters in compliance with Rule 15c2-12.**

Section 29. **REFUNDING OF PRIORITY BONDS.** Concurrently with the delivery of the Bonds the Issuer shall deposit with Ameritrust Texas National Association, as **Escrow Agent**, an amount **from the proceeds from the sale** of the Bonds **sufficient, together with other available amounts, to refund all of the Refunded Bonds, and in accordance with Section 7A of Vernon's Ann. Tex. St. Article 717k, as amended, and the applicable sections of Vernon's Ann. Tex. Civ. St. Article 717q that the debt service requirements on the Bonds on an actual and a present value basis will be less than those on the Refunded Bonds.**

Section 30. **ESCROW AGREEMENT.** The discharge and defeasance of the Refunded Bonds shall be effected pursuant to the terms and provisions of the Escrow Agreement and the **Authorized Representative, acting for and on behalf of the Board, is hereby authorized to approve, execute and deliver for and on behalf of the Board the Escrow Agreement to reflect the appointment, responsibilities and compensation of the Escrow Agent, such approval to be conclusively, evidenced by the Authorized Representative's execution thereof. Upon its execution and delivery by the parties thereto, said escrow agreement shall constitute a binding and enforceable agreement of the Issuer in accordance with its terms and provisions. The Authorized Representative is authorized hereby to take such steps as may be necessary to purchase the Escrowed Securities, as defined in the Escrow Agreement, on behalf of the Issuer and otherwise to create and fund the escrow fund contemplated by the Escrow Agreement.**

Section 31. m____ ~~ref~~ ____ P ____ CE-. The Chairman of the Issuer, the Executive Secretary of the Issuer, the Authorized Representative and the Executive Director of Finance of The University of Texas System, and all other officers, employees, and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Bonds, the Bond Purchase Contract, the Official Statement, the Paying Agent Agreement and the Escrow Agreement, including an agreement with the Treasurer of the State of Texas relating to the custody of the Pledged Revenues. In case any officer whose signature appears on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such delivery.

Ratings: Moody's _____
Standard & Poor's _____
Fitch _____
(See "RATINGS" herein)

NEW ISSUE—BOOK-ENTRY ONLY

Delivery of the Bonds is subject to the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, that under statutes, regulations, published rulings and court decisions existing on the date thereof, interest on the Bonds is excludable from gross income for federal income tax purposes and the Bonds will not be private activity bonds the interest on which would be included as an alternative minimum tax preference item under Section 57(a)(5) of the Internal Revenue Code of 1986. See "TAX EXEMPTION" herein for a discussion of certain collateral federal tax consequences, including the alternative minimum tax on corporations.

[SEAL]

\$ *
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM
General Tuition Revenue Refunding Bonds, New Series 1992

Dated: October 1, 1992

Due: August 15, as shown below

The Board of Regents of The University of Texas System General Tuition Revenue Refunding Bonds, New Series 1992 (the "Bonds") are special obligations of the Board of Regents (the "Board") of The University of Texas System (the "University System"), payable solely from and secured by a lien on "Pledged Revenues" (as defined herein) which includes the "Pledged General Tuition" paid by regularly enrolled students in the University System and at any other institution, branch or school now or hereafter placed under the jurisdiction of the Board. The Bonds are issued pursuant to a Resolution (as defined herein) of the Board. ~~THE BOARD HAS NO TAXING POWER, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE BONDS. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THE BONDS FROM ANY SOURCE OTHER THAN PLEDGED REVENUES. See "SECURITY FOR THE BONDS" herein.~~

~~THE LIEN ON PLEDGED REVENUES SECURING THE BONDS IS SUBJECT TO A PRIOR LIEN THEREON SECURING THE NONREFUNDED TUITION BONDS (AS DEFINED HEREIN). IN ADDITION, THAT PORTION OF THE PLEDGED REVENUES THAT CONSISTS OF PLEDGED GENERAL TUITION OF THE UNIVERSITY OF TEXAS-PAN AMERICAN AND INTEREST, INCOME AND EARNINGS DERIVED THEREFROM IS SUBJECT TO A PRIOR LIEN THEREON SECURING THE PAN AMERICAN TUITION BONDS (AS DEFINED HEREIN).~~

proceeds from the sale of the Bonds, together with other available moneys of the Board, will be used for the purposes of refunding certain outstanding obligations of the Board and paying the costs of issuing the Bonds. See "PLAN OF FINANCING" herein.

Interest on the Bonds will accrue from October 1, 1992, and will be payable on February 15 and August 15 of each year, commencing February 15, 1993, calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be initially registered in the name of Cede & Co, as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which initially will act as securities depository for all of the Bonds pursuant to a book-entry only system described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or any integral multiple thereof. Beneficial owners of the Bonds will not receive physical delivery of bond certificates except as described herein. For so long as Cede & Co., as nominee of DTC, is the exclusive registered owner of the Bonds, principal of and interest on the Bonds will be payable by the Paying Agent/Registrar, initially the Treasurer of the State of Texas, to DTC on each applicable payment date. DTC will be responsible for distributing the amounts so paid to the beneficial owners of the Bonds. See "DESCRIPTION OF THE BONDS—Book-Entry Only System" herein.

The Bonds are not subject to redemption prior to maturity.

| <u>Maturity</u> <u>August 15</u> | <u>Amount</u> | <u>Rate</u> | <u>Yield or Price</u> |
|-------------------------------------|---------------|-------------|-----------------------|
| 1993 | | | |
| 1994 | | | |
| 1995 | | | |
| 1996 | | | |
| 1997 | | | |
| 1998 | | | |
| 1999 | | | |
| 2000 | | | |
| 2001 | | | |
| 2002 | | | |

The Bonds are offered when, as and if issued, subject to approval of legality by the Attorney General of the State of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by Jones, Day, Reavis & Pogue, Austin, Texas, and for the University System by Lannen & Moye, Dallas, Texas. The Bonds are expected to be available for delivery on or about _____, 1992, in New York, New York.

PaineWebber Incorporated

*Preliminary, subject to change.

Board of Regents of the University of Texas System
As of _____, 1992

OFFICERS

Louis A. Retchford, Jr., Chairman
Mario E. Ramirez, Vice-Chairman
Robert J. Cruikshank, Vice-Chairman
Arthur H. Dilby, Executive Secretary

MEMBERS

Terms Expire February 1, 1993

| | | | | | |
|---------------------------------|---|---|---|---|-------------|
| <i>Sam Barshop</i> | . | . | . | . | |
| <i>Louis A. Beecher, Jr.</i> | . | . | . | . | San Antonio |
| <i>W.A. "Tex" Moncrief, Jr.</i> | . | . | . | . | Dallas |
| | | | | | Fort Worth |

Terms Expire February 1, 1995

| | | | | | |
|-----------------------------|---|---|---|---|-------------|
| <i>Robert J. Cruikshank</i> | . | . | . | . | |
| <i>Tom Loeffler</i> | . | . | . | . | Houston |
| <i>Mario E. Ramirez</i> | . | . | . | . | San Antonio |
| | | | | | Roma |

Terms Expire February 1, 1997

| | | | | | |
|-------------------------------|---|---|---|---|--------|
| <i>Zan Wesley Holmes, Jr.</i> | . | . | . | . | |
| <i>Bernard Rapoport</i> | . | . | . | . | Dallas |
| <i>Ellen Clarke Temple</i> | . | . | . | . | Waco |
| | | | | | Lufkin |

Principal Administrative Officers and Staff

| | | |
|----------------------------------|-------|--|
| <i>Dr. William H. Cunningham</i> | ..... | Chancellor |
| <i>Dr. James P. Duncan</i> | ..... | Executive Vice Chancellor for Academic Affairs |
| <i>Dr. Charles B. Mullins</i> | ..... | Executive Vice Chancellor for Health Affairs |
| <i>Mr. R. Dan Burck</i> | ..... | Executive Vice Chancellor for Business Affairs |
| <i>Mr. Thomas G. Ricks</i> | ..... | Vice Chancellor for Asset Management |
| <i>Mr. Mike Milsap</i> | ..... | Vice Chancellor for Governmental Relations |
| <i>Mr. Ray Farabee</i> | ..... | Vice Chancellor and General Counsel |
| <i>Ms. Shirley Bird Perry</i> | ..... | Vice Chancellor for Development and External Relations |
| <i>Dr. Edwin R. Sharpe, Jr.</i> | ..... | Special Consultant to the Chancellor |
| <i>Mr. James Wilson</i> | ..... | Executive Director-Endowments Real Estate |
| <i>Mr. John A. Roan</i> | ..... | Executive Director of Finance |
| <i>Mr. Kerry L. Kennedy</i> | ..... | Director-Office of Budget and Fiscal Policy |
| <i>Mr. Kenneth J. Caskey</i> | ..... | Budget Director |
| <i>Mr. Ralph Kristoferson</i> | ..... | Director-Facilities Planning and Construction |
| <i>Mr. Charles G. Chaffin</i> | ..... | Director of Audits |

**CHIEF ADMINISTRATIVE OFFICERS OF
UNIVERSITY SYSTEM COMPONENT INSTITUTIONS**

| | | |
|----------------------------------|-------|--|
| <i>Dr. Ryan C. Amacher</i> | ..... | President, The University of Texas at Arlington |
| <i>Dr. William Livingston</i> | ..... | President (Interim), The University of Texas at Austin |
| <i>Dr. Robert H. Rusford</i> | ..... | President, The University of Texas at Dallas |
| <i>Dr. Diana Natalicio</i> | ..... | President, The University of Texas at El Paso |
| <i>Dr. Miguel A. Nevarez</i> | ..... | President, The University of Texas-Pan American |
| <i>Dr. Juliet V. Garcia</i> | ..... | President, The University of Texas at Brownsville |
| <i>Dr. Edwin R. Sharpe, Jr.</i> | ..... | President (Interim), The University of Texas of the Permian Basin |
| <i>Dr. Samuel A. Kirkpatrick</i> | ..... | President, The University of Texas at San Antonio |
| <i>Dr. George F. Hamm</i> | ..... | President, The University of Texas at Tyler |
| <i>Dr. Kern Wildenthal</i> | ..... | President, The University of Texas Southwestern Medical Center at Dallas |
| <i>Dr. Thomas N. James</i> | ..... | President, The University of Texas Medical Branch at Galveston |
| <i>Dr. M. David Low</i> | ..... | President, The University of Texas Health Science Center at Houston |
| <i>Dr. John P. Howe III</i> | ..... | President, The University of Texas Health Science Center at San Antonio |
| <i>Dr. Charles A. LeMaistre</i> | ..... | President, The University of Texas M.D. Anderson Cancer Center |
| <i>Dr. George A. Hum</i> | | Director, The University of Texas Health Center at Tyler |

[Insert Map]

[Insert List of Institutions]

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No dealer, broker, salesman or other person has been authorized by the Board or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Board or the Underwriters. The price and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Underwriters after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. This Official Statement is not to be used in connection with an offer to sell or the solicitation of an offer to buy the Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board or other matters described herein since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

General Tuition **Revenue Refunding** Bonds, New **Series** 1992

INTRODUCTION

This Official Statement, which includes the cover page and the Appendices hereto, provides certain information regarding the issuance by the Board of Regents of The University of Texas System (the "Board") of its General Tuition Revenue Refunding Bonds, New Series 1992 (the "Bonds"). Unless otherwise defined herein, capitalized terms used in this Official **Statement** have the meanings assigned to such terms in "APPENDIX B--GLOSSARY OF TERMS."

The University of Texas System (the "University System") currently consists of The University of Texas at Austin and the fourteen other state-supported institutions included in the University System by operation of Texas law. For the 1991 Fall semester, the University System had total enrollment of 145,675 students. See "GENERAL DESCRIPTION OF THE UNIVERSITY OF TEXAS SYSTEM."

This Official Statement contains summaries and descriptions of the Plan of Financing, the Bonds, the Board, the University System and the Resolution, among other things. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to complete copies of such documents, which may be obtained from the Office of Finance of The University of Texas System, 210 West 6th Street, Austin, Texas 78701.

PLAN *OF* FINANCING

Authority for **Issuance** of **the** Bonds

The Bonds are being issued in accordance with the general laws of the **State** of Texas, including particularly Chapter 55, Texas Education Code, and Articles 717k and **717q**, Vernon's Annotated Texas Civil Statutes, as amended.

*Preliminary, subject to change.

Purpose for Issuance of the Bonds

The Bonds are being issued to provide funds to refund certain of the Board's previously issued and outstanding obligations (the "Refunded Bonds") which, in whole or in part, are secured by and payable from liens on and pledges of "Pledged Revenues," and to pay costs incident to the issuance of the Bonds. See "SECURITY FOR THE BONDS." The aggregate outstanding principal amount of the Refunded Bonds is **\$31,305,000**. See "APPENDIX A--SCHEDULE OF REFUNDED BONDS." The issuance of the Bonds will (a) lower the overall annual debt service requirements of the Board on a net present value basis and (b) release certain security previously pledged to the payment of the Refunded Bonds. The bonds **that** were refunded by the Refunded Bonds were issued to finance capital improvements at various campuses of the University System.

Refunded Bonds

The Refunded Bonds and interest due thereon are to be paid on the scheduled interest payment and maturity dates, or upon earlier redemption thereof, from funds to be deposited with Ameritrust Texas N.A., **Austin, Texas**, as escrow agent (the "Escrow Agent"), pursuant to an escrow agreement (the "Escrow Agreement") between the Board and the Escrow Agent.

The Resolution provides that, concurrently with delivery of the Bonds, proceeds from the sale of the Bonds, together with other available funds, will be deposited with the Escrow Agent into an escrow fund (the "Escrow Fund") to pay the principal of and any redemption premium and interest on the applicable Refunded Bonds. The amounts deposited into the Escrow Fund will be in the form of cash and noncallable, direct obligations of the United States of America (the "Government Obligations") and will be sufficient to provide for the timely payment of the principal of and any redemption premium and interest on the applicable Refunded Bonds. Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of principal of and any redemption premium and interest on the applicable Refunded Bonds. The Escrow Fund will not be available to pay principal of and interest on the Bonds.

Issuance of the Bonds will be subject to delivery by Ernst & Young, independent certified public accountants, of a report of the mathematical accuracy of certain computations relating to (a) the adequacy of the maturing principal amounts of the Government Obligations held in the Escrow Fund, together with a portion of the interest income thereon and uninvested cash, if any, to pay, when due, the principal of and any redemption premium and interest on the Refunded Bonds and (b) the actuarial yields relied on by Bond Counsel to support its opinion that the Bonds are not arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). Such verification of accuracy of such mathematical computations will be based upon information and

assumptions supplied by the Board, and such verification, information and assumptions will be relied on by Bond Counsel in rendering its opinion described herein.

By the deposit of the Government Obligations and cash, if any, with the Escrow Agent, the Board will have effected the defeasance of the Refunded Bonds in accordance with applicable laws and the terms of the resolutions pursuant to which the Refunded Bonds were issued. It is the opinion of Bond Counsel that, as a result of such defeasance, the Refunded Bonds will be regarded as being outstanding only for the purpose of receiving payment from proceeds of the Government Obligations and cash held for such purpose in the Escrow Fund and will no longer be payable from *or* secured by a lien on any portion of the Pledged Revenues.

SOURCES AND APPLICATIONS OF FUNDS

The proceeds from the sale of the Bonds and other available funds will be applied as follows:

Sources of Funds

| | | |
|--------------------------------------|----|--|
| Bond Proceeds | \$ | |
| Funds Established for Refunded Bonds | | |
| Total Sources of Funds | | |

Application of Funds

| | | |
|---|----|--|
| Escrow Fund | \$ | |
| Funds Released to the University System | | |
| Underwriters' Discount and Other Costs of Issuance | | |
| Total Uses of Funds | | |

DESCRIPTION OF THE BONDS

General

The Bonds will be dated October 1, 1992, and will bear interest from such date at the rates shown on the cover page of this Official Statement calculated on the basis of a 360-day year composed of twelve **30-day** months. Interest on the Bonds is payable on February 15 and August 15 of each year, commencing February 15, 1993. Principal of and interest on the Bonds are payable by the Paying Agent/Registrar for the Bonds, initially the Treasurer of the State of Texas, at the times and places and in the manner specified on the cover page of this Official Statement.

The Bonds are issuable only as fully registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple

thereof within a stated maturity. The Bonds are initially issuable in book-entry Only form. Initially, Cede & Co., as nominee of DTC (hereinafter defined), will be the registered owner and references herein to the Bondholders, holders, holders of the Bonds or registered owners of the Bonds shall mean Cede & Co., and not the beneficial owners of the Bonds. See "**DESCRIPTION OF THE BONDS--Book-Entry Only System.**"

In the event that the date for payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday or day on which banking institutions located in New York, New York, or in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or day on which banking institutions are so authorized to close. Payment on such later date will not increase the amount of interest due and will have the same force and effect as if made on the original date payment was due.

If any Bond is not presented for payment when the principal thereof becomes due, or any check representing a payment of interest on any Bond is not presented for payment, and if money sufficient to pay such Bond or such interest, as is applicable, has been deposited under the Resolution, all liability of the Board to the owner thereof for the payment of such Bond or such interest, as applicable, will be completely discharged, and thereupon it shall be the duty of the Paying Agent/Registrar to hold such money, without liability for interest thereupon, for the benefit of the owner of the applicable Bond, who will thereafter be restricted exclusively to such money for any claim on his part under the Resolution or on or with respect to such principal and/or interest. Money not claimed within two years will, upon request of the Board, be repaid to the Board.

Redemption

The Bonds are not subject to redemption prior to maturity.

Paying Agent/Registrar

Under the Resolution, the Board reserves the right to replace the Paying Agent/Registrar. The Board covenants to maintain and provide a Paying Agent/Registrar at all times while the Bonds are outstanding, and any successor Paying Agent/Registrar shall be a competent and legally qualified bank, trust company, financial institution or other agency. In the event that the entity at any time acting as Paying Agent/Registrar should resign or otherwise cease to act as such, the Board covenants promptly to appoint a competent and legally qualified bank, trust company, financial institution or other agency to act as Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the Board

agrees promptly to cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Book-Entry Only System

Book-Entry Only System. The Bonds will be available in **book-entry** form only. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased.

The Bonds will be held by **The** Depository Trust Company, New York, New York ("**DTC**"), as securities depository. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC. DTC is a **limited-purpose** trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "**clearing corporation**" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section **17A** of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities of its participants (the "**DTC Participants**") and to facilitate the clearance and settlement of securities transactions among DTC Participants in such securities through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need for physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own DTC. Access to the DTC system is also available to others, such as banks, brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly.

Ownership interests in the Bonds may be purchased by or through DTC Participants. Such DTC Participants and the persons for whom they acquire interests in the Bonds as nominees will not receive certificated Bonds, but each DTC Participant is to receive a credit balance on the records of DTC in the amount of such DTC Participant's interest in the Bonds, which is to be confirmed in accordance with **DTC's** standard procedures. Each such person for whom a DTC Participant acquires an interest in the Bonds, as nominee, should make arrangements with such DTC Participant to receive a credit balance in the records of such DTC Participant, and should make arrangements with such DTC Participant to have all notices of redemption or other communications to DTC, which may affect such persons, forwarded in writing by such DTC Participant and to have notification made of all interest payments. Neither the Board nor the Paying Agent/Registrar will have **any** responsibility or obligation to such DTC Participants or the persons for whom they act as nominees with respect to the Bonds in respect of the accuracy of any records maintained by DTC or any DTC Participant; the payment by DTC or any DTC Participant of any

amount in respect of the principal of or interest on the Bonds; any notice that is permitted or required to be given to Bondholders under the Resolution; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by DTC as Bondholder. In this Official Statement, the term "**Beneficial Owner**" includes the person for whom the DTC Participant acquired an interest in the Bonds.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCE HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE BONDS MEANS CEDE & CO., NOT THE BENEFICIAL OWNERS OF THE BONDS.

DTC is to receive payments from the Paying Agent/Registrar to be remitted to the DTC Participants for subsequent disbursement to the Beneficial Owners. The ownership interest of each Beneficial Owner in the Bonds is to be recorded on the records of the DTC Participants, whose ownership interests are to be recorded on a computerized book-entry system operated by DTC.

When reference is made to any action that is required or permitted to be taken by the Beneficial Owner, such reference only relates to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they are to be sent by the Paying Agent/Registrar to DTC only. DTC is responsible for notifying DTC Participants, and DTC Participants are responsible for notifying the Beneficial Owners. Neither the Paying Agent/Registrar nor the Board is responsible for sending notices to Beneficial Owners.

Beneficial Owners are to receive a written confirmation of their purchase detailing the terms of the Bonds acquired. Transfers of ownership interests in the Bonds are to be accomplished by book entries made by DTC and by the DTC Participants who act on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except as specifically provided in the Resolution. Interest and principal are to be paid by the Paying Agent/Registrar to DTC, then paid by DTC to the DTC Participants and thereafter paid by the DTC Participants to the Beneficial Owners when due.

For every transfer and exchange of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

Termination of Book-Entry Only System In the event that the Board determines to discontinue the book-entry system through DTC or DTC determines to discontinue providing its services with respect to the Bonds, the Board is required to either (i) appoint a successor securities depository, qualified to act as such under

Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such **successor** securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and **DTC** Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names owners of the Bonds transferring or exchanging Bonds shall designate in accordance with the Resolution.

Effect of **Termination** of Book-Entry **Only System**. In the event that the Book-Entry Only System is discontinued by DTC or the Board, the following provisions will be applicable to the Bonds: Bonds may be exchanged for an equal aggregate principal amount of Bonds in authorized denominations and of the same maturity upon surrender thereof at the principal corporate trust office of the Paying Agent/Registrar with a duly executed assignment in form satisfactory to the Paying Agent/Registrar. The transfer of any Bond may be registered on the books maintained by the Paying Agent/Registrar for such purpose only upon the surrender of such Bond to the Paying Agent/Registrar with a duly executed assignment in form satisfactory to the Paying Agent/Registrar. For every exchange or registration of transfer of Bonds, the Board and the Paying Agent/Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Board shall pay the fee, if **any**, charged by the Paying Agent/Registrar for the transfer or exchange. The Board and **the** Paying Agent/Registrar may treat the person in whose name a Bond is registered as the absolute owner thereof for all purposes, whether such Bond is overdue or not, including for the purpose of receiving payment of, or on account of, the principal of, and interest on, such Bond.

Resolution

The Resolution specifically provides for the issuance, sale and delivery of the Bonds. See "**APPENDIX C--SUMMARY OF THE RESOLUTION**" for a description of the Resolution. The Resolution provides that in the event of a default in connection with any covenant contained therein or in the payment of principal or interest on the Bonds, any owner of a Bond may institute mandamus proceedings against the Board or any other necessary or appropriate party for the purpose of enforcing payment **from the Pledged Revenues** or enforcing the relevant covenant. **THE OWNERS OF THE BONDS DO NOT HAVE A RIGHT TO ACCELERATE THE BONDS.**

SECURITY FOR THE BONDS

Pledge Under the Resolution

Under the Resolution, the Bonds and any Additional Bonds are special obligations of the Board and **are** secured solely by and are payable solely from the lien on and pledge of the Pledged Revenues. Pledged Revenues consist of (a) the Pledged General Tuition, (b) all interest, income and earnings derived from the deposit and investment of the Interest and Sinking Fund, and (c) any additional revenues, income, receipts or other resources whatsoever received or to be received from any public or private source, whether pursuant to an agreement or otherwise, which may be subsequently pledged to the payment of the Bonds or the Additional Bonds.

THE LIEN ON PLEDGED REVENUES SECURING THE BONDS IS SUBJECT TO A PRIOR LIEN THEREON SECURING THE NONREFUNDED TUITION BONDS (AS DEFINED IN "APPENDIX B--GLOSSARY OF TERMS"). THE LAST OF THE NONREFUNDED TUITION BONDS MATURE ON AUGUST 15, 1997. WHEN THE LAST OF SUCH NONREFUNDED TUITION BONDS IS PAID, THE LIEN **THEREFOR** ON THE PLEDGED REVENUES WILL BE DISCHARGED.

THAT PORTION OF THE PLEDGED REVENUES THAT CONSISTS OF PLEDGED GENERAL TUITION OF THE UNIVERSITY OF TEXAS-PAN AMERICAN AND INTEREST, INCOME AND EARNINGS DERIVED THEREFROM IS SUBJECT TO A PRIOR LIEN THEREON SECURING UNIVERSITY OF **TEXAS-PAN** AMERICAN TUITION REVENUE REFUNDING BONDS, SERIES 1986 (THE "PAN AMERICAN TUITION BONDS") OF WHICH **\$6,030,000** ARE OUTSTANDING. THE PAN AMERICAN TUITION BONDS MATURE IN THE YEAR 2003.

The Board has covenanted in the Resolution that while the Bonds are outstanding and unpaid, the Board will not issue any Bonds on a parity with the Nonrefunded Tuition Bonds or the Pan American Tuition Bonds or otherwise additionally encumber the Pledged Revenues in any manner, except as permitted in the Resolution, unless the encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants and agreements in the Resolution. See "APPENDIX C--SUMMARY OF THE RESOLUTION."

THE BONDS **ARE** NOT GENERAL OBLIGATIONS OF THE BOARD, THE UNIVERSITY SYSTEM, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BOARD HAS NO TAXING POWER AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE BONDS-. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THE BONDS FROM ANY SOURCE OTHER THAN THE PLEDGED REVENUES. NO RESERVE FUND WILL BE ESTABLISHED TO SECURE PAYMENT OF THE BONDS. THE RESERVE FUND ESTABLISHED FOR THE NONREFUNDED TUITION BONDS WILL NOT BE AVAILABLE TO PAY PRINCIPAL OF OR INTEREST ON THE BONDS.

Pledged General Tuition

The Pledged General Tuition consists of the aggregate amount of student tuition charges now or hereafter required or authorized by law to be imposed on students enrolled at each and every institution, branch and school now or hereafter operated by or under the jurisdiction of the Board. Pledged General Tuition specifically excludes, however, (a) the amount of tuition scholarships now provided for by law (as set forth in the Texas Education Code) and (b) the tuition fee authorized by Section 55.17, Texas Education Code, imposed on each tuition paying student enrolled at the institutions and branches of the University System (except certain health related institutions) (presently, \$5.00 from each enrolled student for each regular semester and \$2.50 from each enrolled student for each term of each summer session). The pledge of the Pledged General Tuition to **secure** the payment of the Bonds may not be abrogated while the Bonds remain outstanding.

The following table sets forth the historical annual gross amounts of the Pledged General Tuition for the fiscal years indicated:

| Fiscal Year Ending August 31 | Aggregated Enrollment | | | Annual Collection of Pledged General Tuition(1) |
|------------------------------------|-----------------------|--------------------|--------------------|---|
| | Fall Semester | Spring Semester | Summer Sessions | |
| 1907 | 116,343 | 110,529 | 67,726 | \$ 63,986,906 |
| 1988 | 118,773 | 112,637 | 69,344 | 66,778,222 |
| 1989 | 123,465 | 118,157 | 70,993 | 74,858,292 |
| 1990 | 140,136 | 134,569 | 81,687 | 89,298,386 |
| 1991 | 143,355 | 137,585 | 83,275 | 91,696,731 |
| 1992 | 145,675 | 140,557 | 85,849 | 100,880,387(2) |

(1) The University of Texas-Pan American joined the University Systr in fiscal year 1990. Therefore, tuition revenues from The University of Texas-Psn American are included beginning in fiscal year 1990.

(2) Estimated.

The Board is unaware of any reason why annual gross amounts of the Pledged General Tuition will decrease in the future.

Tuition is set by the State Legislature and the Board under Chapters 54 and 55 of the Texas Education Code. Pursuant to legislation passed in 1985, the undergraduate tuition charged to State **residents** increased over an eight-year period from \$4 per semester credit hour in 1984 to the current level of \$24. State law provides for a future increase in undergraduate tuition applicable to State residents to \$32 for the 1996-97 school years. Undergraduate tuition for non-State residents also increased pursuant to the 1985 legislation from \$40 per semester credit hour in 1984 to the current level of \$122 per semester credit hour.

Additional Parity Revenue Bonds

The Board has reserved the right in the Resolution to issue Additional Bonds on a parity as to security and payment with the

Bonds upon the terms and conditions set forth in the Resolution. For a description of these terms and conditions, see "APPENDIX C--SUMMARY OF THE RESOLUTION."

DEBT SERVICE REQUIREMENTS AND COVERAGE

The following table sets forth the historical principal and interest debt service requirements of the Refunded Bonds, the Nonrefunded Tuition Bonds and the Pan American Tuition Bonds, as well as the debt service coverage provided by the Pledged General Tuition:

| Fiscal Year Ending August 31 | Annual Collection of Pledged General Tuition(1) | Annual Debt Service on Series 1986 Tuition Bonds(2) | Annual Debt Service on Pan American Bonds (1) | Total Annual Debt Service on Tuition Bonds | Coverage(3) |
|------------------------------|---|---|---|--|-------------|
| 1987 | \$ 63,986,906 | \$10,775,296 | N/A | \$10,775,296 | 5.94 |
| 1988 | 66,778,222 | 8,851,729 | N/A | 8,851,729 | 7.54 |
| 1989 | 74,858,292 | 8,856,739 | N/A | 8,856,739 | 8.45 |
| 1990 | 89,298,386 | 10,861,639 | \$923,788 | 11,785,427 | 7.58 |
| 1991 | 91,696,731 | 10,875,999 | 921,723 | 11,800,724 | 7.77 |
| 1992(4) | 100,880,387 | 10,735,211 | 928,073 | 11,663,286 | a.64 |

- (1) The University of Texas-Pan American joined the University System in fiscal year 1990. Therefore, tuition revenues from The University of Texas-Pan American and debt service on the Pan American Tuition Bonds are included beginning in fiscal year 1990.
- (2) The Series 1986 Bonds are the Refunded Bonds and the Nonrefunded Tuition Bonds.
- (3) The coverage calculation is based on the assumption that no income other than Pledged General Tuition is available to pay debt service. Coverage represents the Annual Gross Collection of Pledged General Tuition divided by Total Annual Debt Service on Tuition Bonds.
- (4) Estimated.

The following table sets forth the principal and interest debt service requirements of the Bonds, the Nonrefunded Tuition Bonds and the Pan American Tuition Bonds:

| Fiscal Year Ending August 31 | Annual Debt Service on the Bonds(1) | Annual Debt Service on the Nonrefunded Tuition Bonds | Annual Debt Service on the PM American Tuition Bonds | Total Annual Debt Service |
|------------------------------|-------------------------------------|--|--|---------------------------|
| 1993 | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| 1994 | _____ | _____ | _____ | _____ |
| 1995* | _____ | _____ | _____ | _____ |
| 1996 | _____ | _____ | _____ | _____ |
| 1997 | _____ | _____ | _____ | _____ |
| 1998 | _____ | _____ | _____ | _____ |
| 1999 | _____ | _____ | _____ | _____ |
| 2000* | _____ | _____ | _____ | _____ |
| 2001 | _____ | _____ | _____ | _____ |
| 2002 | _____ | _____ | _____ | _____ |
| 2003 | _____ | _____ | _____ | _____ |

(1) In fiscal year 1993, debt service on the Refunded Bonds accruing prior to the date of the Bonds is included.

GENERAL DESCRIPTION OF THE UNIVERSITY OF TEXAS SYSTEM

Background and History

The University of Texas System was established pursuant to the Texas Constitution of 1876. In 1881, Austin was designated the site of the main academic campus and Galveston as the location of the medical branch. The University of Texas at Austin first opened in 1883, and, eight years later, John Sealy Hospital in Galveston (now a part of the University System's Medical Branch at Galveston) established a program for university-trained medical professionals.

In addition to the original academic campus located in Austin, the University System now includes additional academic campuses in El Paso, Dallas, Arlington, San Antonio, the Permian Basin (Odessa), Tyler, Brownsville and Edinburg. Health Institutions for medical education and research have expanded beyond the original Galveston medical campus to include the University System's M.D. Anderson Cancer Center (Houston), Southwestern Medical Center at Dallas, Health Science Centers at Houston and San Antonio, and a Health Center at Tyler. The fifteen component institutions of the University System have emerged among the nation's premier educational enterprises.

Coordinating Board

The University System is subject to the supervisory powers of the Texas Higher Education Coordinating Board (the "Coordinating Board"). The Coordinating Board is an agency of the State established to promote the efficient use of State resources by providing coordination and leadership for **the** State's higher education systems, institutions and governing boards. The Coordinating Board also determines space utilization formulas designed to promote the efficient use of construction funds and the development of physical plants to meet projected growth estimates. These space utilization formulas directly impact the allocation of appropriated funds among the State's institutions of higher education. The Coordinating Board must approve all new construction projects for components of the University System, other than construction projects at The University of Texas at Austin financed with the proceeds of Permanent University Fund bonds.

Board of Regents

The Board is the governing body of the University System, and its members are officers of the State, appointed by the Governor with the advice and consent of the State Senate. The nine regents constituting the Board serve without pay and are appointed to staggered six-year terms. The Board members, their cities of residence, and term expirations are listed on page (i) of this Official Statement.

The Board **maintains** the following **six standing committees** to consider policies for the government of all **major areas**: (a) Executive Committee; (b) Business Affairs and **Audit Committee**; (c) Academic Affairs Committee; (d) Health Affairs Committee; (e) Facilities Planning and Construction Committee; and (f) Asset Management Committee.

The Executive Committee is composed of the Chairman and **Vice-Chairmen** of the Board. The Chairman of the Board is the Chairman of the Executive Committee. Each standing committee, other than the Executive Committee, is composed of not less than three members of the Board appointed by the Chairman.

Administration

The University System is managed through administrative officers in the System Administration Office, including the Chancellor, the Executive Vice Chancellors for Academic Affairs, Health Affairs and Business Affairs, and other officers concerned with investment, legal, governmental relations and development. The chief administrative officers at all of the component institutions report to either the Executive Vice Chancellor for Academic Affairs or the Executive Vice Chancellor for Health Affairs and meet with the Chancellor and their representative Executive Vice Chancellor on a bimonthly basis in Austin. The Executive Vice Chancellor for Business Affairs and the chief business officers at each component also meet bi-monthly to consider topics of mutual concern.

At each component institution a president serves as the chief administrative officer. The president prepares biennial budgets for submission to the State Legislature, capital expenditure budgets, reports and requests to the Coordinating Board and conducts the ongoing affairs of his or her institution.

The principal administrative officers of the University System are listed below. All of such officers reside in Austin, the headquarters for the University System.

| | |
|-------------------------------|---|
| Dr. William H. Cunningham | Chancellor |
| Dr. James P. Duncan | Executive Vice Chancellor for Academic Affairs |
| Dr. Charles B. Mullins | Executive Vice Chancellor for Health Affairs |
| Mr. R. Dan Burck | Executive Vice Chancellor for Business Affairs |

Summary biographical information relating to each of the **principal administrative** officers identified above is set forth as follows:

Dr. William H. Cunningham assumed his duties as Chancellor of the University System on September 1, 1992. From 1985 until becoming Chancellor, Dr. Cunningham held the position of President at The University of Texas at Austin. A Ph.D. graduate of Michigan State University, he joined the University System in 1971. Dr. Cunningham holds the Regents Chair in Higher Education Leadership and the James L. **Bayless** Chair for Free Enterprise at The University of Texas at Austin. He has been the recipient of numerous teaching awards and has served on over forty public and private commissions and boards since coming to the University System.

Dr. James P. Duncan was named Executive Vice Chancellor for Academic Affairs of the University System in June 1983. Dr. Duncan has received a Bachelor of Arts, a Master of Science, and a **Doctorate** of Education, all from Indiana University. Dr. Duncan is also a professor of educational administration on the faculty of The University of Texas at Austin. As Executive Vice Chancellor for Academic Affairs, Dr. Duncan is responsible for academic planning, programs, personnel, facilities planning and construction, and budgeting for the academic components of the University System.

Dr. Charles B. Mullins was named Executive Vice Chancellor for Health Affairs of the University System on September 1, 1981. Dr. **Mullins** received an M.D. in 1958 from The University of Texas Southwestern Medical Center at Dallas. Since that time, Dr. **Mullins** has held the positions of flight surgeon for the United States Air Force, professor of medicine at The University of Texas Southwestern Medical Center at Dallas, Director of Medical Affairs at Parkland Memorial Hospital in Dallas and Chief Executive Officer for Dallas County Hospital District, among others. Dr. **Mullins** has written numerous published medical and administrative reviews, editorials and books.

Mr. R. Dan Burck was named Executive Vice Chancellor for Business Affairs of the University System in April 1992. Since joining the University System in 1988, Mr. Burck had held the post of Vice Chancellor for Business Affairs. Mr. **Burck's** business career includes 29 years with Getty Oil. A graduate of The University of Texas at Austin, his duties include management responsibility for finance, budget, human resources, the West Texas Lands (an asset of the Permanent University Fund), facilities planning and construction, and the operational aspects of the University System headquarters administration in Austin.

Component Institutions

A summary description of the University System's component institutions, which includes nine general academic institutions and six Health Institutions, each of which is a Member of the Revenue Financing System, is set forth as follows:

General Academic Institutions

The University of Texas at Arlington is a major comprehensive teaching, research and public service institution located in the heart of the Dallas/Fort Worth Metroplex. As the University System's second largest component, this institution offers 51 baccalaureate, 56 master, and 19 doctorate degree programs within nine academic units including Architecture, Business, Engineering, Liberal Arts, Nursing, Sciences, Social Work, Teacher Education, and Urban Studies. A high priority on graduate education has stimulated the growth of the Graduate School to nearly 20% of the total student population. The largest enrollment is in the engineering disciplines, and one of the fastest-growing programs is the doctorate in humanities, which continues to receive national accolades.

The *University of Texas at Austin*, which opened in 1883, is the oldest and largest component of the University System. It is a major comprehensive research university with a broad mission of undergraduate education, graduate education and research, and public service. Serving more than 49,000 students, the institution offers 273 degree programs in a wide array of academic disciplines. Numerous academic programs are ranked among the top 20 nationally. Because **of its** relatively low tuition and high academic standing, The University of Texas at Austin is consistently ranked among the best values in higher education in the nation. Its academic resources include the nation's fifth largest university library, which has more than 6.5 million volumes. The library not only serves the campus community, but also is a major source of information for scholars, professional people, businesses, government agencies and the general public across the State.

The *University of Texas at Brownsville*, formerly a part of the University of Texas-Pan American, became a separate institution of the University System as of September 1, 1991. The institution has formed an educational partnership with Texas Southmost College. The partnership institution operates with a consolidated administrative structure, and the combined faculty and shared teaching mission provides for continuity in curriculum, efficient use of physical, fiscal, and human resources, and high quality instructional programs. The University of Texas at Brownsville offers junior, senior and graduate level course-work, and in partnership with, and on

behalf of, Texas Southmost College, offers freshman and sophomore level course-work and a full range of **occupational-technical** and continuing education programs. Through the College of Liberal Arts and the College of **Science** and Mathematics, the Schools of Business and Industry, Education, and Health Sciences, and the Division of Continuing Education, the partnership institution awards associate, bachelor and master degrees. In cooperation with the University of Houston, a cooperative doctoral program in Educational Administration is also offered on the newly renovated campus.

The University of Texas at Dallas is a doctoral **degree-granting** university developed from a private graduate research center established in 1962. The University of Texas at Dallas offered only junior, senior and graduate studies until the addition of freshman and sophomore classes were approved in 1990. The institution is recognized for its academic research. When measured by research funding per faculty member, it consistently ranks among the top three academic research-oriented universities in the State. The Schools of the institution (Arts and Humanities, General Studies, Engineering and Computer Science, Human Development, Management, Natural Sciences and Mathematics, and Social Sciences) provide public service as well as study and research opportunities. The School of Human Development **Callier** Center for communication Disorders, for example, offers clinical and educational services to children and adults with hearing disabilities; the School of Social Sciences Bruton Center for Development studies makes timely data analysis available to city leaders throughout the North Texas region.

The **University of Texas at El Paso**, the largest **Hispanic-majority** university in the United States, serves as a national model for other higher education institutions as they attempt to respond to student demographic changes. As a regional university, The University of Texas at El Paso serves a largely commuting student population of almost 17,000, 86% of whom are from El Paso County. Additionally, over 1,000 Mexican nationals, approximately 12% of all Mexican citizens enrolled in higher education in the United States, attend the institution.

The University of Texas at El Paso now ranks eighth among general academic universities in Texas in total annual research expenditures, with a four-fold increase in external funding during the past five years. Through such units as the Institute for Manufacturing and Materials Management, Center for Environmental Resource Management, Center for **Inter-American** and Border Studies and the Materials Research Center of Excellence, faculty and students apply their expertise to critical issues in such areas as the environment, materials science and engineering development.

The University of Texas-Fan American, located in **Edinburg**, was founded in 1927 and joined the University System in 1989. Nearly all of the institution's students come from the immediate region, the four southern-most counties of Texas known as the Rio Grande Valley. The University has the largest enrollment of Hispanic students in the United States. About 85% of its 12,466 students are Hispanic, reflecting the demography of the region. Special programs to enhance the education of the institution's **unique** population include the Minority Biomedical **Research** Support Program, which gives minority students valuable research experience while increasing their chances for acceptance to graduate school. Special research centers include the Coastal Studies Laboratory on South Padre Island, where research focuses on the Laguna Madre, Padre Island, and the coastal zone of southern Texas and northern Mexico, and the Center for Neurological Studies, where researchers study brain activity during computer-generated simulations.

The University of Texas of the Permian Basin in Odessa, which was created as a junior and senior level institution by the Texas Legislature in 1969, became a four-year university in May 1991 and welcomed 179 freshmen students on September 3, 1991. The institution's academic structure consists of five divisions: Behavioral Science and Kinesiology; Business; Education; Humanities and Fine Arts; and Science and Engineering. Nine master's degrees and 27 bachelor's degrees are offered. Enrollment for Spring 1992 was 2,091, of which 158 were freshman. Special programs include international study, premedical and prelegal studies, and teacher certification. On the graduate level, a Master of Science in Electrical Engineering is offered in conjunction with The University of Texas at El Paso and a Master of Science in Petroleum Engineering is offered in cooperation with The University of Texas at Austin.

The University at San Antonio has developed reciprocal partnerships with the community to provide a high quality, accessible educational experience for all students, to be inclusive in its programs and activities, and to provide leadership to meet educational and research needs of the city and region. To achieve these goals, the institution has forged alliances with public school districts, universities in the United States and Mexico, research and civic organizations, local, state and federal governments, and area businesses. Many of these liaisons and collaborative mechanisms are academic, such as support for graduate programs, distinguished faculty and graduate students, for continuing professional education, and for providing resources to stimulate intellectual activity or new degree programs where there are critical shortages. Others are **research-centered**, such as those that discover new biological materials

or that engage in joint efforts to transfer sophisticated military technology to the private sector. Others are service-related, such as programs providing advice and counsel to entrepreneurs who own or want to start businesses. A Ph.D. program in neurobiology will begin accepting students in fall 1992, while new doctoral programs in computer science, engineering and educational leadership are being designed. A tourism management program is under development and a new master of science degree in management technology awaits approval by the Texas Higher Education Coordinating Board.

The Institute of Texas Cultures at San Antonio is a part of The University of Texas at San Antonio. Since its completion in 1968, The University of Texas Institute of Texan Cultures at San Antonio has grown from a world's fair exhibit to a state-wide educational institute. Through its research and programs, the Institute provides people across the state with resources and opportunities to learn about the history and culture of Texas.

The University of Texas at Tyler is the only public degree-granting university in the East Texas Planning Region, an area of approximately 700,000 population, which includes the greater **Tyler/Longview metropolitan** area. The institution offers junior, senior and graduate level courses through the School of Business Administration, Education and Psychology, Liberal Arts, and Sciences and Mathematics. The institution also offers programs that support professions and specialized careers, such as accounting, computer science, nursing and health sciences, fine arts, public administration, psychology, and education, and preparation for studies in medicine and law.

Health Institutions

University of Texas Southwestern Medical Center at Dallas encompasses **Southwestern Medical School**, **Southwestern Graduate School of Biomedical Sciences** and **Southwestern Allied Health Sciences School**. The three schools enroll about 1,600 students and train approximately 1,200 more individuals as postdoctoral resident physicians or research fellows. The medical school is by many measures among the top medical schools in the United States. The school has among its faculty members three active Nobel Laureates -- Drs. Michael Brown and Joseph Goldstein (1985 Nobel Prize in Medicine) and Dr. Johann Drenth (1988 Nobel prize in Chemistry) -- nine members of the National Academy of Sciences and three members of Britain's Royal Society. The Southwestern Graduate School of Biomedical Sciences is one of the largest such programs in **the United States**. The Southwestern School of Allied Health Sciences trains medical technologists, physical therapists, clinical nutritionists, physician assistants, and others to

fill the growing demand for these professions. More than **\$100** million is spent each year at the institution on research in cancer, heart disease and stroke, diabetes, burns, arthritis, mental illness, and **on many other scientific fronts.**

Located on the 60-acre main campus are three teaching and referral hospitals: Parkland Memorial Hospital, Children's Medical Center and **Zale Lipshy** University Hospital. On the new 40-acre campus site nearby, the Mary Nell and Ralph B. Rogers MRI Center has opened, and the Simmons Biomedical Research Building is being constructed. By the year 2011, the medical center's new North campus nearby will be home to the **MRI** Center and six new research towers, which will make The University of Texas Southwestern Medical Center one of the largest biomedical research institutions in the United States.

The University of Texas Medical Branch at Galveston is the oldest health science education center in **Texas** and the second **oldest** component in the University System. Founded in 1891 as **the Medical** Department of The University of Texas, The University of Texas Medical Branch at Galveston has graduated more than 17,000 health science professionals. It is estimated that one in four of the State's physicians was trained at the institution. Reflecting the institution's three-fold mission of health science education' research and **patient care, the** 82-acre **campus,** located on the eastern end of Galveston Island, includes **73** major buildings which **house** the institution's four schools, two institutes, seven hospitals and 107 outpatient clinics. Approximately 2,900 students are enrolled in the institution's academic programs offered through the School of Medicine' the School of Nursing, the School of **Allied** Health Sciences, the Graduate School of Biomedical Sciences, the Marine Biomedical Institute and the Institute for the Medical Humanities.

The State's only multi-categorical health care referral center, the institution treated patients from 249 of Texas' 254 counties in the past year and recorded 27,000 inpatient admissions and more than 362,000 outpatient visits. John Sealy Tower, a 14-story, **528-bed tower,** is the central patient care facility' and other hospitals include John Sealy Hospital' Jennie Sealy Hospital, R. Waverley Smith Pavilion, Mary Moody Northern Pavilion, the Children's Hospital and the **Texas** Department of Criminal Justice Hospital. The institution's hospitals have a total of 850 beds. The nation's first Geriatric Day Hospital and Shriners Burns Institute are also located on the campus. The recently **opened** \$38 million Emergency Room, a Level I Trauma Center, is one of **the** largest and most sophisticated emergency treatment facilities in the world today. A new seven-story, \$25 million Medical Research Building was dedicated in 1991 and received

approval to add four additional floors. The new \$40 million Shriners Burns Institute opened in April of 1992.

The University of Texas Health Science Center at Houston exhibits a dedication to research totaling more than \$53 million. The institution's physicians provide care for more than 230,000 outpatients a year at their multi-disciplinary group practice facilities, the largest true group practice in Houston. They also provide care and student training at clinics throughout Houston and in the Rio Grande Valley, where the six schools jointly have established extensive activities in patient care, education and research. The institution is an advocate of health promotion and disease prevention through, among other things, its Center for Health Promotion Research and Development.

The University of Texas Health Science Center at San Antonio with its five schools • medical, dental, nursing, graduate school of biomedical sciences, and allied health sciences • is an emerging national and international leader in the biosciences. It is one of only six sites worldwide approved by the National Cancer Institute for initial patient trials of new anticancer drugs. The transplant team performed the first infant heart transplant in South Texas and is recognized as one of the world's four preeminent centers for single lung transplantation. In addition to being part of the international human genome project, the institution has made advances in breast cancer, stroke prevention, pediatric AIDS care, the physiology of aging, new drug development using computer technology and clinical **orthopaedic** procedures. The institution offers the only Ph.D. in nursing in South Texas and the first master's degree in the nation in radiological sciences with a specialty in medical health physics. The academic library is one of the 10 largest in North America. The Medical School is one of seven Hispanic Centers of Excellence named by the U.S. Public Health Service and has the highest numbers of Mexican-American medical faculty, medical student enrollment and graduation of any medical school in the country.

The University of Texas M.D. Anderson Cancer Center is among the world's premier centers for cancer patient care, research, education and prevention. The joint research efforts that made modern radiotherapy a viable treatment alternative continue today at The University of Texas M.D. Anderson Cancer Center in one of the world's largest radiotherapy centers. Research is being done on the effective use of new chemotherapy drugs on the new field of immunotherapy, including studies of interferon. Since the institution accepted its first patient in 1944, more than 275,000 people have received the highest caliber care.

Currently, **more than 6,700** employees work at the institution, including more than 590 physicians and scientists.

The University of Texas Health Center at Tyler is a referral hospital for cardiopulmonary diseases. Founded in 1947 by the State Legislature as a tuberculosis hospital, the institution joined the University System in 1977 and has since expanded its research and educational missions. Its medical services now include cardiology, general internal medicine, family medicine, infectious disease, occupational medicine, oncology, pediatric allergy and pulmonary, and adult pulmonary diseases. Support services include pathology, lab testing, diagnostic radiology and cardio-vascular and thoracic surgery. About 3,000 inpatient admissions and 60,000 outpatient visits were recorded in fiscal year 1991. The institution has more than 25 Ph.D.s working in Biomedical Research, investigating some of today's most important health problems such as lung cancer, cellular and molecular mechanisms of lung injury and Adult Respiratory Distress Syndrome.

Enrollment

The following are the historical headcount enrollment figures at the teaching institutions of the University System during the past five fall-semester and the present fall semester:

| | <u>Fall Enrollment(1)</u> | | | | | <u>1992-93(3)</u> |
|---|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------|
| | <u>1987-88</u> | <u>1988-89</u> | <u>1989-90</u> | <u>1990-91</u> | <u>1991-92</u> | |
| The University of Texas at Arlington | 22,760 | 23,383 | 23,871 | 24,782 | 25,135 | |
| The University of Texas at Austin | 47,743 | 50,107 | 50,245 | 49,617 | 49,961 | |
| The University of Texas at Brownsville(2) | ***** | ***** | ***** | ***** | 1,457 | |
| The University of Texas at Dallas | 7,735 | 7,667 | 8,101 | 8,685 | 8,980 | |
| The University of Texas at El Paso | 14,056 | 14,971 | 15,707 | 16,539 | 16.7% | |
| The University of Texas Pan American (2) | ***** | ***** | 13,566 | 13,680 | 12,466 | |
| The University of Texas of the Permian Basin | 1,955 | 2,131 | 2,111 | 2,044 | 2,107 | |
| The University of Texas at San Antonio | 12,879 | 13,134 | 14,031 | 15,489 | 15,759 | |
| The University of Texas at Tyler | 3,682 | 3,851 | 4,091 | 3,719 | 3,789 | |
| The University of Texas Southwestern Medical Center at Dallas | 1,407 | 1,460 | 1,479 | 1,529 | 1,595 | |
| The University of Texas Medical Branch at Galveston | 1,692 | 1,705 | 1,678 | 1,799 | 1,960 | |
| The University of Texas Health Science Center at Houston | 2,667 | 2,837 | 2,894 | 3,016 | 3,125 | |
| The University of Texas Health Science Center at San Antonio | 2,197 | 2,219 | 2,362 | 2,456 | 2,546 | |
| Total | <u>118,773</u> | <u>123,465</u> | <u>140,136</u> | <u>143,355</u> | <u>145,675</u> | |

(1) The University of Texas M.D. **Anderson** Cancer Center and The University of Texas **Health** Center at Tyler do not have enrolled **students**.

(2) The University of Texas • PM **American** joined the University System as of **September** 1, 1989. The University of Texas at **Brownsville** joined the University System as of **September** 1, 1989 as an upper level institution of The University of Texas • Pan American. As of **September** 1, 1991, The University of Texas at **Brownsville** **became** a separate institution of the University **System**.

(3) The **numbers** in this **column** are based on preliminary **information** reported by each of the listed institutions and are subject to **change**.

Degrees Awarded

Set forth below is a listing of the degrees awarded at the degree granting components of the University System during the past five fiscal years.

Degrees Awarded

| | <u>1987-1988(1)</u> | <u>1988-1989(1)</u> | <u>1989-1990</u> | <u>1990-1991</u> | <u>1991-1992(2)</u> |
|---|---------------------|---------------------|------------------|------------------|---------------------|
| <u>General Academic Institutions</u> | | | | | |
| Associ et.8 | ----- | 88 | 73 | 07 | |
| Baccalaureate | 13,708 | 14,612 | 16,062 | 17,057 | |
| Nester's | 3,875 | 4,155 | 4,463 | 4,698 | |
| Doctoral | 706 | 748 | 805 | 824 | |
| Specie1 Professional | 517 | 890 | 550 | 558 | |
| Total | <u>18,806</u> | <u>20,493</u> | <u>21,953</u> | <u>23,224</u> | |
| <u>Health Institutions</u> | | | | | |
| Certificate | 117 | 184 | 123 | 164 | |
| Baccalaureate | 744 | 779 | 787 | 899 | |
| Hester's | 296 | 224 | 310 | 297 | |
| Doctoral | | | | | |
| Ph.D. | 144 | 102 | 156 | 117 | |
| M.D. | 755 | 753 | 749 | 748 | |
| D.D.S. | 191 | 172 | 178 | 171 | |
| Total | <u>2,267</u> | <u>2,214</u> | <u>2,303</u> | <u>2,396</u> | |

(1) Does not include degrees awarded at The University of Texas • PM American, which joined the University System es of September 1989, end The University of fexu et Brownsville, which joined the University system as a part of The University of Taxes • Pm American es of September 1, 1989 end became • separate institution of the University System • e of September 1991.

(2) Counts for 1991-92 will not be eveileble until October.

Faculty and Employees

The numbers of full-time equivalent faculty and employees employed by the component institutions of the University System as of September 1992, the most recent date for which such information is available, are set forth in the following table:

Full-Time Equivalent Faculty and Employees

| | <u>May 1992</u> | <u>Percent of Total</u> |
|---|-----------------|-------------------------|
| <u>General Academic Institutions</u> | | |
| Faculty | 8,537 | 12.7 |
| All Other Employees | <u>26,030</u> | <u>38.7</u> |
| Subtotal | <u>34,567</u> | <u>51.4</u> |
| <u>Health Institutions</u> | | |
| Faculty | 4,817 | 7.2 |
| All Other Employees | <u>27,413</u> | <u>40.8</u> |
| Subtotal | <u>32,230</u> | <u>48.0</u> |
| University System Administration | <u>399</u> | <u>.6</u> |
| TOTAL | <u>67,196</u> | 100.0 |

The quality of the faculty in the University System is evidenced by a wide range of honors, awards and grants. Currently, the faculty of the component institutions within the University System includes: six Nobel Prize Laureates; two Pulitzer Prize Winners; 26 Members of the National Academy of Sciences; 28 Members of the National Academy of Engineering; 17 Members of the American Academy of Arts and Sciences; and 18 Members of the American Law Institute.

Each year, faculty members throughout the University System conduct research funded by competitive grants from agencies such as the National Science Foundation, the National Institutes of Health, the American **Cancer** Society, the National Endowment for the Humanities, the National Endowment for the Arts and the Coordinating Board. Research expenditures from these and other grants have doubled during the fiscal years 1984 through 1989 from \$235 million to \$474 million.

University System faculty members have received such prestigious awards as the Field Medal in mathematics, Presidential Young Investigator Awards, and numerous fellowships from such organizations as the **McArthur**, Guggenheim, Mellon, Rockefeller, Ford, Sid Richardson, Welch and Meadows Foundations.

FINANCIAL MANAGEMENT OF TEE UNIVERSITY OF TEXAS SYSTEM

Financial management of the University System is the responsibility of the Executive Vice Chancellor for Asset Management and the Vice Chancellor for Business Affairs. The Office of Asset Management includes the Office of Finance, with debt administration responsibility, as well as offices which are responsible for investment management of University System real estate and endowment funds. The Office of Business Affairs coordinates the operational activities of the University System, including budget matters. The Director of the Office of Budget and Fiscal Policy of the University System, reporting to the Vice Chancellor for Business Affairs, prepares an annual budget for the University System, monthly financial reports and an annual unaudited financial report for the Board.

Financing Programs.

Article VII, Section 18 of the State Constitution provides that, except for **cases** of demonstrated need and upon a vote of **two-thirds** of each house of the State Legislature! and except in **cases** of fire or natural disaster, component institutions of the University System (except The University of Texas-Pan American and The University of Texas at Brownsville) may not receive any funds from the general revenues of the State for acquiring, constructing or equipping permanent improvements, or for major repairs or rehabilitations of permanent improvements. The Board, pursuant to constitutional and statutory provisions, is authorized to issue debt in a number of distinct forms for the purpose of financing

capital improvements. These forms are described below and in "APPENDIX D--FINANCIAL STATEMENTS OF THE UNIVERSITY OF TEXAS SYSTEM."

Permanent University Fund Bonds. Permanent University Fund **Bonds** are bonds and notes payable from all or part of the University System's interest in the Available University Fund. Proceeds may be used for the purpose of (i) acquiring land with or without permanent improvements, (ii) constructing and equipping buildings or other permanent improvements, (iii) making major repairs and **rehabilitations** and other permanent improvements, (iv) acquiring capital equipment, library books and library materials, and (v) refunding certain bonds and notes. There are presently **\$626,840,000** of Permanent University Fund Bonds outstanding.

Higher Education Assistance Fund (H.E.A.F.) Bonds. The University of Texas-Pan American is **ineligible** to **receive** proceeds from Permanent University Fund bonds until such time as the State Constitution is amended to provide otherwise. Pursuant to the Higher Education Assistance Fund Program, The University of Texas-Pan American is qualified to receive an annual allocation from amounts constitutionally appropriated to institutions of higher education that are not entitled to participate in Permanent University Fund bond financing in order to fund permanent improvements (except those for auxiliary enterprises). Under this constitutional provision, the Board is authorized **to** issue bonds and notes to finance permanent improvements at The University of Texas-Pan American and to pledge up to 50% of its allocation to secure the payment of principal and interest on the bonds and notes. None of such bonds or notes are presently outstanding.

General Tuition Bonds. In 1971, the Board was authorized pursuant to the Texas **Education** Code to issue, and did issue, **\$150** million of bonds secured by all or any part of the aggregate amount of student tuition charged at University System component institutions. Expenditure of proceeds was authorized to acquire, enlarge and or equip facilities for new University System component institutions, specifically The University of Texas at Dallas, The University of Texas of the Permian Basin, The University of Texas at San Antonio, The University of Texas Health Science Center at Houston and The University of Texas Health Science Center at San Antonio. At that time, Pan American University was similarly authorized to issue, and did issue, tuition bonds to finance facilities in an amount not to exceed \$10 million. Prior to the issuance of the Bonds, **\$66,795,000** of such tuition bonds are outstanding.

Revenue Financing System. In April 1990, the Board restructured its debt program by establishing a "Revenue Financing **System.**" The purpose of the Revenue Financing System is to assemble University System revenue bond debt capacity into a single financing program, to provide a **cost-**

effective debt **program** and to maximize the financing options available to the Board. Pledged Revenues, including the Pledged General Tuition, are not pledged to secure obligations issued under the Revenue Financing System.

All of the institutions currently components of the University System have been included as members of the Revenue Financing System. The Board may make additions to or deletions from the membership of the Revenue Financing System, subject to the satisfaction of certain conditions.

Under Board regulations, administration of the Revenue Financing System is the shared responsibility of the Office of Asset Management, the Office of Business Affairs and each member of the Revenue Financing System.

Presently, **\$300,842,000** of debt is outstanding under this financing program.

Other Obligations. The Board has outstanding obligations totaling **\$8,465,000** secured by certain revenues of The University of Texas M.D. Anderson Cancer Center. Reserve funds, which further secure these bonds, are substantially in excess of the outstanding principal amount of such bonds. In addition, the Board has outstanding **\$28,195,000** in principal amount of The University of Texas at Austin Building Revenue Refunding Bonds, Series 1986, which are secured by and payable from sources other than Pledged Revenues.

Financial Statement8

Annually, not later than December 31, an unaudited financial report dated **as** of August 31, prepared from the books of the University System, must be delivered to the **Governor** and the State Comptroller of Public Accounts. Each year, the State Auditor must certify the financial statements of the State as a whole, inclusive of the University System, and in so doing examines the financial records at each of the University System's component institutions. No outside audit in support of this detailed review is required or obtained by the University System.

The University System's combined financial statements include the System Administration and all component institutions of the University System. Amounts due between component institutions in the same fund **category**, amounts held for component institutions by the System Administration and other duplications in reporting are eliminated in combining the individual financial statements.

The financial statements of the University System are prepared on a modified **accrual** basis consistent with principles recommended in College and University Business Administration, Fourth Edition (1982) .

Attached to this Official Statement as "APPENDIX D--FINANCIAL STATEMENTS OF THE UNIVERSITY OF TEXAS SYSTEM," is a copy of the most recent unaudited Primary Financial Statements of The University of Texas System Combined (with the relevant portion of the Summary of Significant Accounting Policies and Notes to Financial Statements) for the University System's fiscal year ended August 31, 1991, excerpted from the 1991 Annual Report of The University of Texas System. The University System's Primary Financial Statements set forth at APPENDIX D consist of the Combined Balance Sheet at August 31, 1991, the Combined Statement of Changes in Fund Balances for the Year Ended August 31, 1991, and the Combined Statement of Current Funds Revenues, Expenditures and Other Changes for the Year Ended August 31, 1991.

Outstanding Tuition Indebtedness

Following the issuance of the Bonds, the Board will have the following outstanding indebtedness secured by a pledge of, and lien on, Pledged Revenues:

| | |
|--------------------------------|-------------------|
| The Bonds | \$ _____ * |
| The Nonrefunded Tuition Bonds | <u>29,460,000</u> |
| The Pan American Tuition Bonds | <u>6,030,000</u> |
| Total | <u>\$ _____</u> |

● Preliminary, subject to change.

Insurance

Since September 1, 1971, it has been the policy of the State and the Board that property insurance coverage will not be obtained for any buildings or contents under the control of the Board unless such building produces revenues which are pledged to secure bonds and coverage is required by the applicable bond documents.

It is the stated policy of the State and the Board not to acquire commercial general liability insurance for torts committed by employees of the State who are acting within the scope of their employment. One exception to this policy authorizes the Board to acquire commercial automobile insurance for the use and benefit of its employees who operate state-owned motorized vehicles and special equipment. The Board has established a Medical Liability Self-Insurance Fund to provide malpractice insurance coverage for staff physicians, students, residents and fellows at Health Institutions.

Employees of the University System are provided Worker's Compensation coverage under a self-insuring, self-managed program as authorized by State law.

LITIGATION

Except as described in the next paragraph, neither the Board nor the University System is a party to or aware of any litigation, investigation, inquiry or proceeding (whether or not purportedly on behalf of the Board) pending or threatened, in any court, governmental agency, public board or body or before any arbitrator or before any governmental body which, if decided adversely to such parties, would have a material adverse effect on the Pledged Revenues or on the business, properties or assets or the condition, financial or otherwise, of the University System, and no litigation of any nature has been filed or threatened which seeks to restrain or enjoin the issuance or delivery of the Bonds or the collection or application of Pledged Revenues to pay the principal of and interest on the Bonds, or in any manner questioning the validity of the Bonds.

On January 20, 1992, a final judgment was entered by the 107th District Court on Cameron County, Texas (the "District **Court**"), in Cause No. 12-87-5242-A, styled League of United Latin American Citizens ("**LULAC**"), et al. v. Ann Richards, et al., which held that the "**Texas** Higher Education System (the laws, policies, practices, organizations, entities and programs that have created, developed or maintained Texas public universities and professional schools) [(the "**Higher Education System**")] is impermissibly unlawful, violative of, and prohibited by the Constitution and laws of the State of **Texas.**" The judgment states that the Higher Education System is unconstitutional because the named defendants in the case (which include the Governor of the State, other State officials and the members of the boards of regents of most of the State universities and university systems, including members of the Board) have refused to grant benefits to, have imposed unreasonable burdens upon, and have denied equal educational opportunity to the class that the plaintiffs represent (which includes all persons of Mexican (Hispanic) ancestry who reside in an area of 41 contiguous counties along the border of Texas with Mexico and who are now or will be students, or would have been students but for the unlawful practices and policies of the defendants, at Texas public senior colleges and universities or health related institutions) because of their national origin. The judgment further states that the Higher Education System has resulted in the expending of fewer State resources on higher education in geographic areas of significant Mexican American populations than in other areas of the State in violation of the State Constitution.

The judgment includes an injunction prohibiting the defendants from giving any force and effect to provisions of the Texas Constitution and laws relating to the financing of public universities and professional schools from all sources. The injunction, however, is stayed until May 1, 1993 in order to allow the defendants to pursue their appeal and to allow sufficient time for the State Legislature to enact a constitutionally sufficient plan for funding public universities and medical colleges should the District Court's judgment be upheld on appeal. The judgment

also provides that it shall have prospective application only, and shall not affect the validity or enforceability of obligations issued or incurred by a public university or professional school in Texas, such as the Bonds being offered by this document, and the revenues or source of payment of such obligations which are issued or incurred prior to May 1, 1993.

No comprehensive assessment has been made of the potential impact of the judgment on the University System. The Attorney General of Texas and the defendants have stated that they will appeal the judgment.

The opinion of Bond Counsel will state that Bond Counsel has considered such litigation in expressing its opinion that the Bonds are valid and legally binding obligations of the University System.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to approval of legality by the Attorney General of the State and of certain legal matters by McCall, Parkhurst & Horton, L.L.P., Dallas, Texas, Bond Counsel, whose opinion will be printed on the Bonds. Attached hereto as APPENDIX E is the form of opinion that Bond Counsel will render in connection with the Bonds. Bond Counsel was not requested to participate, and did not take part, in the preparation of this Official Statement except as hereinafter noted, and such firm has not assumed any responsibility with respect thereto or undertaken to verify any of the information contained herein, except that, in its capacity as Bond Counsel, such firm has reviewed the information in this Official Statement under the captions "INTRODUCTION," "PLAN OF FINANCING," "ESTIMATED SOURCES AND APPLICATIONS OF FUNDS," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS," "LEGAL MATTERS," "TAX EXEMPTION," "TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE DISCOUNT" and "LEGAL INVESTMENTS IN TEXAS," and in APPENDICES A, B and C (except for financial and statistical data **under** such captions), and such firm is of the opinion that the information contained under such captions and in such appendices is a fair and accurate summary of the information purported to be shown. The payment of legal fees to Bond Counsel in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. Certain legal matters will be passed upon for the Underwriters by Jones, Day, Reavis & Pogue, Austin, Texas, and for the University System by Lannen and Moyé, Dallas, Texas.

TAX EXEMPTION

In the opinion of McCall, Parkhurst & Horton, L.L.P., Dallas, Texas, Bond Counsel, under existing statutes, regulations, published rulings and court decisions, (1) interest on the Bonds is excludable from the gross income of the owners of the Bonds for federal income tax purposes, and (2) the Bonds will not be treated as "private activity bonds" the interest on which would be an

alternative minimum tax preference item under Section **57(a)(5)** of the Internal Revenue Code of 1986 (the "**Code**"). In expressing the foregoing opinions, Bond Counsel will rely on the Board's **no-arbitrage** certificate and the verification report prepared by Ernst & Young and will assume compliance by the Board with certain covenants of the Board with respect to the use and investment of the proceeds of the Bonds. Failure by the Board to comply with these covenants may cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

Interest on the Bonds will be includable in adjusted earnings and profits to calculate alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on corporations by Section 55 of the Code, and for purposes of the environmental tax imposed on corporations by Section 59A of the Code. In addition, certain foreign corporations doing business in the United States may be subject to the new "branch profits **tax**" on their effectively-connected earnings and profits, including **tax-exempt** interest such as interest on the Bonds. Furthermore, in the case of an S corporation, interest on the Bonds is treated as "passive investment **income**" which is subject to the tax imposed by Section **1375** of the Code.

Except as stated above with respect to the exclusion of the interest on the Bonds from gross income, Bond Counsel expresses no opinion as to any other federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds.

The law upon which Bond Counsel has **based** its opinion is subject to change by the Congress and the Department of the Treasury and to subsequent judicial **and** administrative interpretation. There can be no assurance that such law or the interpretation thereof will not be changed in **a** manner which would adversely affect the tax treatment of ownership of the Bonds.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers falling within any of these categories should consult their own tax advisors as to the applicability of these consequences.

LEGAL INVESTMENTS IN TEXAS

Pursuant to Article **717k**, Vernon's Texas Civil Statutes, as amended, the Bonds are legal and authorized investments for banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries, trustees and guardians, and for the interest and sinking funds and

other public funds of counties, municipal corporations, taxing districts, and other political subdivisions or agencies or **instrumentalities** of the State. The Bonds are eligible to secure deposits of public funds of the State, its agencies and political subdivisions, and are legal security for those deposits to the extent of their market value. The Texas Public Funds Investment Act, Article **842a-2**, Vernon's Texas Civil Statutes, as amended, provides that a city, county or **school** district may invest in the Bonds, provided the Bonds have received a rating of not less than "**A**" from a nationally recognized investment rating firm. No investigation **has** been made of other laws, regulations or investment **criteria** which might limit the ability of such institutions or entities to invest in the Bonds, or which might limit the suitability of the Bonds to secure the funds of such entities. No **review** by the Board has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

VERIFICATION OF **MATHEMATICAL** COMPUTATIONS

Issuance of the Bonds will be subject to delivery by Ernst & Young, independent certified public accountants, of a report of the mathematical accuracy of certain computations relating to (a) the adequacy of the maturing principal amounts of the Government Obligations held in the Escrow Fund, together with a portion of the interest income thereon and uninvested cash, if any, to pay, when due, the principal of and any redemption premium and interest on the Refunded Bonds and (b) the actuarial **yields** relied on by Bond Counsel to support, its opinion that the Bonds are not arbitrage bonds under Section 148 of the Code. Such verification of accuracy of such mathematical computations will be based upon information and assumptions supplied by the Board, and such verification, information and assumptions will be relied on by Bond Counsel in rendering its opinion described herein.

RATINGS

Fitch Investors Service, Moody's Investors Service and Standard & Poor's Corporation have assigned ratings of , and , respectively, to the Bonds. An **explanation** of the **significance** of each such rating may be obtained from the company furnishing the rating. The ratings will reflect only the views of such organizations at the time such ratings are given, and the Board makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating companies if, in the judgment of such rating companies, circumstances so warrant. Any such downward revision or withdrawal of either rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Underwriters have agreed, subject to certain customary conditions to delivery, to purchase the Bonds from the Board at an underwriting discount of \$_____ from the initial public offering prices **therefor** set forth on the cover page of this Official Statement. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriters.

OTHER MATTERS

The financial data and other information contained herein have been obtained from the Board's records, financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes and documents contained in this Official Statement are made subject to all of the provisions of such statutes and documents. The summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Executive Vice Chancellor for Business
Affairs of The University of Texas System

The University of Texas System
210 West 6th Street
Austin, Texas 78701

APPENDIX A
SCHEDULE OF REFUNDED BONDS

SCHEDULE OF REFUNDED BONDS

The **Refunded** Bonds consist of the following maturities of the **\$85,365,000** Board of Regents of The University of Texas System General Tuition Revenue Refunding **Bonds**, Series 1986.

| Maturity Date | Principal Amount |
|------------------------|----------------------------|
| August 15, 1998 | \$ 5,320,000 |
| August 15, 1999 | 5,750,000 |
| August 15, 2002 | <u>20,235,000</u> |
| Total | <u>\$31,305,000</u> |

APPENDIX B
GLOSSARY OF TERMS

GLOSSARY OF TERMS

"Additional **Bonds**" means the additional bonds permitted to be issued pursuant to the Resolution, which additional bonds may be secured by a pledge of **and** lien on the Pledged Revenues on a parity with the pledge thereof and lien thereon securing the Bonds.

"Available University **Fund**" means the fund created by the Texas Constitution of 1876 into which is deposited all of the dividends, interest and other income of the Permanent University Fund (less Permanent University Fund expenses);

"**Board**" means the Board of Regents of the University System.

"**Bonds**" means the Board of Regents of The University of Texas System General Tuition Revenue Refunding Bonds, New Series 1992, to be issued pursuant to the Resolution.

"**DTC**" means The Depository Trust Company, New York, New York, the initial securities depository for the Bonds.

"**Interest** and Sinking **Fund**" means the account established pursuant to the Resolution for the purpose of paying the principal of and interest on the Bonds.

"**Nonrefunded** Tuition Bonds" means the following maturities of the **\$85,365,000** Board of Regents of The University of Texas System General Tuition Revenue Refunding Bonds, Series 1986:

| <u>Maturity Date</u> | <u>Principal Amount</u> |
|----------------------|----------------------------|
| August 15, 1993 | \$5,825,000 |
| August 15, 1994 | 6,110,000 |
| August 15, 1995 | 6,385,000 |
| August 15, 1996 | 6,220,000 |
| August 15, 1997 | 4,920,000 |
| Total | <u>\$29,460,000</u> |

"**Pan** American Tuition Bonds" means The University of Texas - Pan American Tuition Revenue Refunding Bonds, Series 1986 of which **\$6,030,000** are presently outstanding.

"Permanent University **Fund**" means the fund created by the Texas Constitution of 1876, the **assets** and earnings of which are dedicated to the uses and purposes of the University System and The Texas **A&M** University System.

"Pledged **General** Tuition" means the aggregate amount of student tuition charges **now or** hereafter required or authorized by law to be imposed on students enrolled at each and every institution, branch and school now or hereafter **operated** by or under the jurisdiction of the Board, except: (a) the amount of tuition scholarships now provided for by law (as set forth in the Texas Education Code) and (b) the tuition fee authorized by Section

55.17, Texas Education Code, imposed on each tuition paying student enrolled at the **institutions** and branches of the University System (except certain health related institutions).

"Pledged Revenues" means (a) the Pledged General Tuition, (b) all interest, income and earnings derived from the deposit and investment of the Interest and Sinking Fund and (c) any additional revenues, income, receipts or other resources whatsoever received or to be received from any public or private source, whether pursuant to an agreement or otherwise, which may be subsequently pledged to the payment of the Bonds or the Additional Bonds.

"Refunded **Bonds**" means the bonds described in Appendix A to this Official Statement.

"**Resolution**" means the "**Resolution** Authorizing the Issuance, Sale, and Delivery of the Board of Regents of The University of Texas System General Tuition Revenue Refunding Bonds, Series 1992, and Approving and Authorizing Instruments and Procedures Relating Thereto" adopted by the Board on October 9, 1992.

"**State**" means the State of Texas.

"University System" means The University of Texas System.

APPENDIX c
SUMMARY OF THE RESOLUTION

APPENDIX D

**FINANCIAL STATEMENTS OF
THE UNIVERSITY OF TEXAS SYSTEM**

APPENDIX E
FORM OF BOND COUNSEL OPINION

5. U. T. Board of Regents: Approval of Resolution Authorizing the Issuance of Replacement Bonds Numbers R1069, R1070, R1086, R1087, and R1088, in the Aggregate Amount of \$25,000, of the Board of Regents of Pan American University Tuition Revenue Bonds, Series 1974, and Coupon Numbers 37 Through 47 for Each of the Bonds in the Aggregate Amount of \$15,950, to Mr. Paul T. Scott, Kyle, Texas, and Authorization for Appropriate Officials to Execute Documents Relating Thereto.--On July 29, 1992, Mr. Paul T. Scott, Kyle, Texas, the bondholder, notified the First National Bank in Edinburg, Texas, the Paying Agent, to stop payment on five \$5,000 Board of Regents of Pan American University Tuition Revenue Bonds, Series 1974, dated January 1, 1974, bearing numbers 1069, 1070, 1086, 1087, and 1088 since they had either been lost or stolen. The actions below related to the reissuance of these bonds are contingent upon Mr. Scott providing an Affidavit of Loss as well as a Surety Bond to indemnify the Board and the Paying Agent for any loss associated with the payment of the bonds if they should be presented.

Upon recommendation of the Business Affairs and Audit Committee, the Board:

- a. Adopted the Resolution substantially in the form set out on Pages 97 - 99 authorizing the issuance of Replacement Bonds R1069, R1070, R1086, R1087, and R1088, \$5,000 each, in the aggregate amount of \$25,000, of the Board of Regents of Pan American University Tuition Revenue Bonds, Series 1974, and Coupon Numbers 37 through 47, \$290 each, for each of the bonds in the aggregate amount of \$15,950, to Mr. Paul T. Scott, Kyle, Texas
- b. Authorized the appropriate officials to execute documents relating thereto.

McCall, Parkhurst & Horton, the bond counsel, will prepare documentation relating to the issuance of replacement bonds. All costs incurred relating to the issuance of the replacement bonds will be borne by Mr. Scott.

RESOLUTION

AUTHORIZING THE ISSUANCE OF REPLACEMENT BONDS FOR BOARD OF REGENTS OF PAN AMERICAN UNIVERSITY TUITION REVENUE BONDS, SERIES 1974, BOND NUMBERS 1069, 1070, 1066, 1067 AND 1096 WITH COUPONS ATTACHED, AND OTHER MATTERS RELATED THERETO

WHEREAS, the Board of Regents of Pan American University (the "University") by resolution passed January 9, 1974 (the "1974 Resolution"), provided for the issuance of its Board of Regents of Pan American University Tuition Revenue Bonds, Series 1974 in the aggregate principal amount of \$6,500,000 dated January 1, 1974 and

WHEREAS, pursuant to Section 77.11 of the Texas Education Code, the University is a component institution of The University of Texas System ("System") under the governance, management and control of the Board of Regents of the University of Texas System (the "Board"); and

WHEREAS, five (5) bonds of the above described series of bonds (collectively, the "Lost Bonds"), to-wit:

Bond Numbers 1069, 1070, 1096, 1067 and 1099, in the denomination of \$5,000, bearing interest at a rate of 5.80% per annum, payable semi-annually on each July 1 and January 1 (Interest Coupon No. 37 and 38 coupons appertaining thereto unpaid), and maturing January 1, 1997 (the "Lost Bonds") are outstanding and unpaid; and

WHEREAS, a notarized affidavit of Gould T. Scott, the owner of Lost Bonds ("Scott"), states that the bonds and coupons or portions thereof sometime between January 3, 1992 and July 1, 1992, are on file in the offices of the University of Texas System (the "System") and such portions have been accepted by the Board as sufficient evidence that the Lost Bonds have been lost, within the meaning of Article 715a of the Texas Revised Civil Statutes Annotated, and a certified copy of such statement is attached hereto and is a permanent part hereof; and

WHEREAS, at the time of their loss, the Lost Bonds each had Coupon No. 17, coming due on July 1, 1992, and subsequent coupons attached, and therefore, none of said coupons have been presented for payment; and

WHEREAS, the owner of the Lost Bonds desires that replacement bonds be issued to replace the aforesaid lost Bonds and appurtenant coupons; and

WHEREAS, by Act 8 1965 of the 59th Legislature of the State of Texas, Chapter 334, commonly known as Article 715a of the Texas Revised Civil Statutes Annotated, the Board is authorized to issue,

• Statement not provided to the Office of the Board of Regents.

without an election, bondm to replace my bondm theretofore lawfully issued which are outstanding and which have been destroyed, lost or ● tolon, provided that much replacement bondm may be issued only upon indemnification satisfactory to the Board ● mtablmlhng proof of ownership and the circumstances of the loss, theft or destruction of the bonde for which the replacement bonds arm being ● ought: and

WHEREAS, relating to the Lost Bonds, a Lost Instrument Bond, Number _____ dated _____, ● xmcuted by an authorized representative of _____, as obligor, ham boon received and is on file in the off ices of the System, and much Lost Instrument Bond is acceptable to the Board am ● ◆x◆m)H◆ indemnity under the provisions of Article 715a of the Texas Revised Civil Statutes Annotated, and a certified copy of ● uch*|#t Instrument Bond is attached hereto am a permanent part hereof; and

THEREFORE, BB IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM:

Section 1. That there is heraby authorized to be issued five (5) replacement bond8 to replace the Lost bondm. Said replacement bonds and Me interest coupons appertaining thereto shall be in the same form and in all respects of like tenor and effect am the Lost Bonds and interest coupons appertaining thereto, as ● *t forth in the 1974 Resolution, except that such replacement bonds and the interest coupons appertaining thereto shall be ● ignod manually, or in facsimile, am provided by law, by the proper officials of the System holding office at the time of their issuance.

Section 2. That said replacement bondm ● hall be dated January 1, 1974, which is the data of the Lost Bonds.

Section 3. That maid replacement bonds and all interest coupon appertaining thereto ● hall have the letter ● Rn proceeding the Bond Number and following the Interest Coupon Number.

Section 4. That after ● id replacement bonds have bean executed, it ● hall be the duty of the Chancellor of the Board or some other officer, employee or attorney of the System acting through System from him, to deliver the replacement bonds to the Attorney General of thr State of Texas for examination and approval. After approval by the Attorney General of thr State of Texas, the replacement bon& mhall be delivered to the Comptroller of public Accounts of the State of Texas for registration. The replacement bondm thum registered shall remain in custody of the Chancellor of the System, or Subject to hi8 order, until the delivery thereof to the respective owner of the original Bonds being replaced thereby.

Section 5. That the Comptroller of public Accounts of the State of Texas is hereby authorized and directed to register the replacement bond8 in the same manner as the Lost Bonds were

* Lost Instrument Bond not provided to the Office of the Board of Regents.

registered, giving them the same registration numbers as the Lost Bonds except that such numbers shall be preceded by the letter "L". The Comptroller shall date his registration certificate as of the date of registration of the replacement bonds.

Section 6. That all provisions of the 1974 Resolution providing for the issuance of the series of bonds of which the Lost Bonds were a part and which are not in conflict with this resolution are hereby adopted by reference and shall be a part of this resolution.

Section 7. That the preparation and passage of this resolution by the Board and the performance of each and every, all and singular, the acts ordered hereby and all acts and expenditures incidental thereto shall be at no cost to the System and shall be borne entirely by and be the sole liability of the owner of the Lost Bonds who have requested the issuance of replacement bonds as provided herein.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 100 - 197).--Committee Chairman Barshop reported that the Academic Affairs Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Academic Affairs Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. Arlington: Approval of Agreements of Cooperation with (a) The Universidad Autónoma de Nuevo León, Monterrey, México; (b) The Latvian Academy of Sciences, Riga, Latvia; and (c) Shandong Polytechnic University, Jinan, The People's Republic of China, and Authorization for Executive Vice Chancellor for Academic Affairs to Execute Agreements.--Approval was given to three agreements of cooperation between The University of Texas at Arlington and the following international institutions:
 - a. The Universidad Autónoma de Nuevo León, Monterrey, México (Pages 101 - 105)
 - b. The Latvian Academy of Sciences, Riga, Latvia (Pages 106 - 110)
 - c. Shandong Polytechnic University, Jinan, The People's Republic of China (Pages 111 - 115).

Further, the Executive Vice Chancellor for Academic Affairs was authorized, on behalf of the U. T. Board of Regents, to execute these agreements with the understanding that any and all specific agreements arising from each agreement are to be submitted for prior administrative review and approval as required by the Regents' Rules and Regulations.

Each agreement is designed to promote academic, cultural, and research cooperation between U. T. Arlington and these international institutions.

AGREEMENT OF **COOPERATION**
BETWEEN
THE **UNIVERSIDAD** AUTONOMA DE NUEVO LEON
(Monterrey, Nuevo León, México)
AND
THE **UNIVERSITY** OF TEXAS AT **ARLINGTON**
(Arlington, Texas, USA)

The Universidad Autdnoma de Nuevo **León** (Monterrey, Nuevo **León**, Mexico) and The University of Texas at Arlington (Arlington, Texas, United States of America) have expressed the desire to do joint research in priority fields including science, engineering and technology, and other fields that are of mutual interests to them, to hold joint conferences, symposiums, seminars, exchange of personnel and students, and to prepare collective monographs and publications.

Both parties **recognize** the great potential of mutual interests and benefits in the various fields of interest such as scientific and technological development, joint research and publications and international scientific exchange.

Taking into consideration the above mentioned interests and benefits, THE PARTIES **MUTUALLY** AGREE AS FOLLOWS:

Article 1: PARTICIPANTS IN PROGRAM OF **COOPERATIVE** AGREEMENT

- 1.1 The participants in programs developed pursuant to this Agreement may be:
- (1) The University of Texas at Arlington (**UTA**) and other institutions which have been invited by UTA and who choose to participate; and
 - (2) The Universidad Autdnoma de Nuevo **León** (**UANL**) and other institutions which have been invited by the UANL and who choose to participate.
- 1.2 Participating institutions shall be designated as either “sending” or “host” organizations in the specific, written program agreements. Type of cooperation and number of institutions involved in the program may be increased under mutual written agreement.

Article 2: SCOPE OF PROGRAMS

- 2.1 Participating institutions may exchange faculty members, faculty adjuncts, graduate students and undergraduate students, and may share scientific and non scientific materials, methods of teaching, and scientific and technical information, under specific written agreements to be formulated by mutual agreement. Exchange programs on each side shall **be** equal.
- 2.2 Both institutions may develop a Specific Program Agreement including **scope** of specific activities and form of cooperation for five (5) years to support each article of this Agreement.
- 2.3 This cooperation program may include long-term and short-term scientific, non scientific and engineering research, and exchange of faculty and students to study any discipline mutually agreed upon.

Article 3: QUALIFICATIONS OF PARTICIPANTS

- 3.1 The exchange participants shall be selected by the sending institution, provided that the host institution gives its consent with respect to each candidate.
- 3.2 Each participating institution shall establish its own procedures for selecting individual participants for the program. However, applications for individual participants **shall** include certain biographical data that shall be sent to the prospective host institution. The form of this biographical information shall be mutually agreed upon by the administrators of the program, and shall be printed both **in** English and Spanish. Applicants may complete the form in either language desired. After acceptance into the program, the host institution will assist in visa procurement, if necessary, for the approved participants.

Article 4: **RESPONSIBILITIES AND RIGHTS**

- 4.1 UTA and **UANL** shall annually negotiate the specific program of mutual cooperation for the next academic year through official representatives. During **any** type of cooperation the host institution shall **be** responsible for ensuring the academic and research program.
- 4.2 Each party will retain ownership of **intellectual** property' rights in their respective data, inventions or works of authorship (collectively referred to as "creations"). Jointly developed creations will be jointly owned and use thereof by third parties will be allowed only by mutual agreement of the participating parties (owners).
- 4.3 Notwithstanding any provision to the contrary, this Agreement may be canceled without penalty by sixty (60) days notice being given in writing by authorized representatives of the parties. Cancellation becomes effective following fulfillment of the Cooperative Agreement in effect at that time.
- 4.4 If this agreement is canceled prior to the end of its term, UTA and UANL agree not to hold the other institution liable for any resulting monetary losses.

Article 5: **FINANCIAL MATTERS**

- 5.1 During any type of cooperation the sending institution shall be responsible for **all** accommodation and stipend expenses associated with their participants throughout the duration of visit at the host institution.
- 5.2 UTA shall be responsible for ensuring round-trip transportation of the UTA participants from their home to the academic facility where the exchange will take place in the host institution's country.
- 5.3 **UANL** shall be responsible for ensuring round-trip transportation of the participants from their home to the academic facility where- the exchange will take place in the host institution's country.

- 5.4 If any participant family members from the sending institution plan to visit the host institution's country, the cost of their transportation, accommodations, and living expenses shall be at the individual participant's own expense.

Article 6: MISCELLANEOUS PROVISIONS

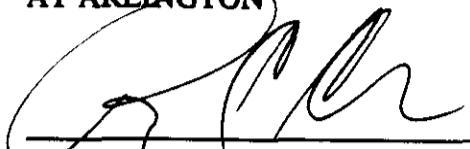
- 6.1 This Agreement, which shall become effective on _____, 1992, shall be in effect for five **(5)** years thereafter unless one of the parties notifies the other in writing of its desire to terminate the Agreement no later than one year before its expiration.
- 6.2 This agreement has been translated into Spanish and English and **both** parties are fully satisfied that both translations are correct. The present agreement, having been read and understood completely by the corresponding parties, it is signed in quadruplicate, with each copy considered as an original.
- 6.3 **Agreement Subordinate.** Anything **to** the contrary herein notwithstanding, this Agreement shall be subject to the Rules and Regulations of the **Board** of Regents of The University of Texas System and the Handbook of Operating Procedures of UTA, and equivalent documents of the UANL.

ATTEST:

POR
LA UNIVERSIDAD AUTONOMA
DE NUEVO LEON

FOR
THE UNIVERSITY OF TEXAS
AT ARLINGTON

Dr. Manuel Silos **Martínez**
President



Dr. Ryan C. Amacher
President

Date: _____

Date: 7/21/92

FORM APPROVED:

APPROVED

By: _____
Office of General Counsel

By: _____
Dr. James P. Duncan
Executive Vice Chancellor
for Academic Affairs
The University of Texas System

Date: _____

Date: _____

CERTIFICATE OF APPROVAL:

I hereby certify that the foregoing agreement was **app**roved by The Board of Regents of The University of Texas System on the _____ **day of** _____, 1992 and that the person whose signature appears above is **authorized to** execute such **agreement** on behalf of the Board.

Mr. Arthur H. Dilly
Executive **Secretary**
U.T. Board of Regents

**AGREEMENT OF COOPERATION
BETWEEN
THE LATVIAN ACADEMY OF SCIENCES
(Riga, Latvia)
AND
THE UNIVERSITY OF TEXAS AT ARLINGTON
(Arlington, Texas, USA)**

The Latvian Academy of Sciences (**Riga, Latvia**) and The University of Texas at Arlington (Arlington, Texas, United States of America) have expressed the desire to do joint research in priority fields including **science**, engineering and technology, and other fields that are of mutual interest to them, to hold joint conferences, symposiums, seminars, exchange of personnel and students, and to prepare collective monographs and publications.

Both parties recognize the great potential of mutual interests and benefits in the various fields of interest such as scientific and technological development, joint research and publications and international scientific exchange.

Taking into consideration the above-mentioned interests and benefits, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

Article 1: PARTICIPANTS IN PROGRAM OF **COOPERATIVE AGREEMENT**

- 1.1 The participants in programs developed pursuant **to** this Agreement may be:
 - (1)** The University of Texas at Arlington (**UTA**) and other institutions which have been invited by **UTA and** who choose to participate; and
 - (2)** Latvian Academy of Sciences (LAS) and other institutions which have been invited by the LAS and who choose to participate.

- 1.2 Participating institutions shall be designated as either “sending” or “host” organizations in the specific, written program agreements. Type of cooperation and number of institutions involved in the program may be increased under mutual written agreement.

Article 2: SCOPE OF PROGRAMS

- 2.1 Participating institutions may exchange research fellows, faculty members, faculty adjuncts, and graduate students, and may share scientific and non-scientific materials, methods of research and teaching, and scientific and technical information, under specific written agreements to be formulated by mutual agreement. Exchange programs on each side shall be equal.
- 2.2 Both institutions may develop a Specific Program Agreement including scope of specific activities and form of cooperation for five (5) years to support each article of this Agreement.
- 2.3 This cooperation program may include long-term and short-term scientific, non-scientific and engineering research, and exchange of, faculty and students to study any discipline mutually agreed upon.

Article 3: QUALIFICATIONS OF PARTICIPANTS

- 3.1 The exchange participants shall be selected by the sending institution, provided that the host institution gives its consent with respect to each candidate.
- 3.2 Each participating institution shall establish its own procedures for selecting individual participants for the program. However, applications for individual participants shall include certain biographical data that shall be sent to the prospective host institution. The form of this biographical information shall be mutually agreed upon by the administrators of the program, and shall be printed both in English and Latvian. **Applicants** may complete the form in either language desired. After acceptance into the program, the host institution will assist in visa procurement, if **necessary**, for the approved participants.

Article 4: **RESPONSIBILITIES** AND RIGHTS

- 4.1 UTA and LAS shall annually negotiate the specific program of mutual cooperation for the next academic year through official representatives.

- 4.2 Both parties shall have an equal right to make use. of the results of their joint work, but the use of the results by third parties will be. allowed only under mutual agreement of both participating **parties**.
- 4.3 Notwithstanding any provision to the contrary, this Agreement may be cancelled without penalty by sixty (60) days notice being given in writing by authorized representatives of the parties. Cancellation become effective following **fulfillment** of the Cooperative Agreement in effect at that time.
- 4.4 If this Agreement is cancelled prior to the end of its term, UTA and LAS agree not to hold the other institution liable for any resulting monetary losses.

Article 5: FINANCIAL **MATTERS**

- 5.1 During any type of cooperation the host institution shall be responsible for ensuring the academic and research program and accommodations at a level mutually agreed upon.
- 5.2 UTA shall be responsible for ensuring round-trip transportation of the UTA participants from **their** home to the academic facility where the exchange will take place in the host institution's country.
- 5.3 LAS shall be **responsible** for ensuring round-trip transportation of the participants from their home to the academic facility where the exchange will take place. in the host institution's country.
- 5.4 If any participant family members plan to visit the host institution's country, the cost of their transportation, accommodations, and living cost shall be at the individual participant's own expense.

Article 6: MISCELLANEOUS PROVISIONS

- 6.1 This Agreement, which shall become effective on _____ 1992, shall be in effect for five **(5)** years thereafter unless one of the parties notifies the other in writing of its desire to terminate the Agreement no later than one year before its expiration.
- 6.2 **Agreement Subordinate.** Anything to the contrary herein notwithstanding, this Agreement shall be construed consistent with the **Rules** and Regulations of the Board of Regents of The University of Texas System and the Handbook of Operating Procedures of UTA, and the **equivalent** documents of the LAS
- 6.3 This agreement has been translated into Latvian and English and both parties are fully satisfied that both translations are correct. The present agreement, having been read and understood completely by the **corresponding** parties, it is signed in quadruplicate, with each copy considered as an original.

ATTEST:

FOR
THE **LATVIAN** ACADEMY OF
SCIENCES

Academician **J. Liepleteris**
President

Date: _____

FOR
THE **UNIVERSITY** OF TEXAS
AT **ARLINGTON**



Dr. **Ryan C. Amacher**
President

Date: 2/24/92

FORM APPROVED:

By: _____
Office of General Counsel

Date: _____

APPROVED

By: _____
Dr. James P. Duncan
Executive Vice Chancellor
for Academic **Affairs**
The University of Texas System

Date: _____

CERTIFICATE OF APPROVAL:

I hereby certify that the foregoing agreement was **approved** by The Board of Regents of The University of Texas System on the _____ **day of** _____, 1992 and that the person whose signature appears above is **authorized to** execute such agreement on behalf of the Board.

Mr. Arthur H. Dilly
Executive Secretary
U.T. Board of Regents

AGREEMENT OF **COOPERATION**
BETWEEN
SHANDONG POLYTECHNIC **UNIVERSITY**
(Jinan, The People's Republic of China)
AND
THE **UNIVERSITY** OF TEXAS AT ARLINGTON
(Arlington, Texas, USA)

This **COOPERATIVE** AGREEMENT is entered into by and **between** The University of Texas at Arlington ("UT Arlington"), a component institution of The **University** of Texas System ("System"), which is located in Arlington, Texas, United States of America, with and after the approval of Shandong Poly**technic** University, **Jinan**, The People's Republic of China. The Agreement shall be effective as of the **date** of the signature of the last **authorized** representative to execute the Agreement below.

RECITALS

WHEREAS, both **parties** have expressed the desire to do joint research in priority fields of science and technology that are of mutual interests to them, to hold joint scientific **conferences**, symposiums, seminars and workshops, and to prepare collective monographs and publications; and

WHEREAS, both parties recognize the great potential of mutual interests and benefits in the fields of scientific and **technological** development, joint research and publications in the fields of area studies and international scientific exchange; and

WHEREAS, both parties desire to **memorialize** their previous verbal agreements,

NOW, THEREFORE, **THE PARTIES MUTUALLY AGREE** AS FOLLOWS:

ARTICLE 1: PURPOSE

The purpose of this Agreement is to formulate a **cooperative agreement** concerning an Exchange Program between Shandong Polytechnic **University, Jinan**, P.R. China and The University of Texas at Arlington, USA.

ARTICLE 2: RESPONSIBILITIES AND RIGHTS

- (a) Both **parties** shall cooperate in the field of **Electrical** Power System, Power **Electronics** and all aspects of science and technology on the basis of jointly negotiated, subsequently approved programs of cooperation.
- (b) Both parties shall have equal right to make use of the results of their joint work.

- (c) UT Arlington and Shandong Polytechnic University shall annually negotiate **the** agreements necessary for students and faculties exchange, research projects, and related procedures, through official representatives.
- (d) Notwithstanding any provision to the contrary, this Agreement may be canceled without penalty by six (6) months notice being given in writing by authorized representatives of the parties.
- (e) If the Agreement is canceled prior to the end of its term, UT Arlington and Shandong Polytechnic University **agree** not to hold the other institution liable for any resulting monetary losses.

ARTICLE 3: PARTICIPANTS IN EXCHANGE PROGRAM

- (a) The participants in exchange programs developed pursuant to this Agreement may include other institutions of higher education invited by U.T. Arlington and Shandong Polytechnic University and who choose to participate.
- (b) Participating institutions shall be designated **as** either “sending” and/or “host” **organizations** in a **specific**, written program agreement.
- (c) Participants may be asked to be involved in research projects and engaged in classroom activities. Such activities shall be arranged to the mutual **satisfaction** of the participating institutions concerned.

ARTICLE 4: QUALIFICATIONS OF PARTICIPANTS

Each participating institution shall establish its own procedure(s) for selecting each individual **participant** for the program. However, the biographical data of each individual **qualified** applicant shall be sent to the prospective host institution. The form for this biographical information shall be **mutually** agreed upon by the **administrators** of the program, and shall be printed both in **English** and in Chinese. Applicants may fill the form in either language as desired. However, it is expected that the applicants will have at least a rudimentary or working knowledge of Chinese or English languages. After acceptance into the program, the host institution will assist in visa procurement for the approved participant(s).

ARTICLE 5: SCOPE OF EXCHANGE PROGRAM

- (a) Participating institutions may exchange faculty members, faculty adjuncts, graduate students, and undergraduate students, may share scientific materials, methods of teaching, and scientific and technical information and may also cooperate in laboratory construction and development and high technology exploitation, under specific written agreements to be formulated by mutual agreement.
- (b) **The** number of participants in exchange programs on each side shall be equal, unless otherwise determined by **mutual** agreement, and may include up to ten (10) individual for the first year. Upon mutual agreement, this number can be changed. It is contemplated that the length of time of the participants' stay will be from two (2) to twelve (12) months. Upon mutual agreement,

extension may be approved. Without the permission of sending institution, the participants' stay in host institution country can not be extended in any form for any reason.

- (c) The exchange programs may include the following types of academic and research activities:
 - (1) long-term, in-depth, scientific research;
 - (2) short-term, in-depth, scientific research;
 - (3) exchange of students to study any discipline mutually agreed upon.
- (d) The exchange participants shall be selected by sending institution, provide that the host institution gives its content with respect to each candidate.
- (e) **The** scope of the cooperation and the number of institutions involved may be expanded by future **written** agreements.

ARTICLE 6: FINANCIAL MATTERS

- (a) **In any exchange program, the sending institution shall be responsible for ensuring round-trip transportation of the participants from their home to the academic faculty where the exchange will take place in the host institution's country. The host institution shall be responsible for ensuring the academic and research program, accommodation and stipend at a level mutually agreed upon.**
- (b) If any participants' family members plan to visit the host institution's country, the cost of their transportation, accommodation, and living expenses shall be covered by the individual participants of the exchange, and not by the participating institutions.

ARTICLE 7: VISITS AND INSPECTION OF PROGRAM AGREEMENTS

Visits and inspection in the host institution's country of a program, the facilities, and the academic arrangements provided for by this Agreement may be made through mutual exchanges of program site-visit teams. Dates of such **visits** and number of members in **each site-visit** team **shall be** mutualll **agreed upon. The** host institution shall be **responsible** for **giving** the **site-visit** teams **e** **financial support.**

ARTICLE 8: SPECIFIC PROGRAM AGREEMENTS

Specific actions of cooperation, their time length, the number of participants, specific aspects of implementing the exchange program by the sending and host institutions shall be reduced to writing in program agreements of **cooperation** through mutual coordination by both parties six months before the beginning of the academic year.

ARTICLE 9: MISCELLANEOUS PROVISIONS

(a) **TERM**

This Agreement, which shall become effective on _____, 1992, shall be effected for five (5) years thereafter **unless** one **of the parties** notifies the other in writing of its desire to terminate the Agreement.

(b) **NOTICES**

IF TO THE SHANDONG POLYTECHNIC UNIVERSITY

Shandong Polytechnic University
33 Wenhua Road, Jinan, Shandong 250014
P.R. China

IF TO THE UT ARLINGTON

The University of Texas at Arlington
P.O. Box 19125 UTA Station
Arlington, TX 76019, USA

(c) **TRANSLATION**

This Agreement has been translated into Chinese and English in such manner that, prior to their execution, UT Arlington and Shandong Polytechnic University are **fully** satisfied that both translations are correct and can represent the terms of agreement arrived at through **all** previous discussions.

(d) **SAVINGS CLAUSE**

If any of this Agreement is found to be invalid for any reason, the remaining **parts continue** in effect.

(e) **AGREEMENT SUBORDINATE**

Anything to the **contrary** herein notwithstanding, this Agreement shall be construed consistent with the RULES and REGULATIONS of the **Board** of Regents of the University of Texas System and the Handbook of Operating Procedures of UT Arlington, and the equivalent documents of Shandong Polytechnic university.

ATTEST:

FOR
SHANDONG POLYTECHNIC
UNIVERSITY

FOR
THE UNIVERSITY OF TEXAS
AT ARLINGTON


Official Representative

Official Representative

Date: _____

Date: _____

President



Dr. Ryan C. Amacher
President

Date: _____

Date: 2/21/92

FORM APPROVED:

APPROVED

By: _____
Office of General Counsel

By: _____
Dr. **James** P. Duncan
Executive Vice Chancellor
for Academic Affairs
The University of Texas System

Date: _____

Date: _____

CERTIFICATE OF APPROVAL:

I hereby certify that the foregoing agreement was **approved by The Board of Regents of The University of Texas System on the ____ day of ____, 1992 and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.**

Mr. Arthur **H.** Dilly
Executive Secretary
U.T. Board of Regents

2. U. T. Austin: Appointment of Dr. Gerhard J. Fonken and Dr. James W. Vick as Ashbel Smith Professors Effective Immediately.--Upon recommendation of the Academic Affairs Committee, Dr. Gerhard J. Fonken, Executive Vice President and Provost, and Dr. James W. Vick, Vice President for Student Affairs, were appointed Ashbel Smith Professors at The University of Texas at Austin effective immediately.

Although Ashbel Smith type professorships do not normally include a salary stipend for the holder, the institution has the option of providing additional remuneration from other institutional fund sources if available. Additional stipends will be provided by U. T. Austin for both these appointees via separate budgetary action.

3. U. T. Austin: Redesignation of the Sun Exploration and Production Company Advanced Petrophysics Laboratory in the College of Engineering as the Oryx Energy Company Advanced Petrophysics Laboratory.--Authorization was given to redesignate the Sun Exploration and Production Company Advanced Petrophysics Laboratory in the College of Engineering at The University of Texas at Austin as the Oryx Energy Company Advanced Petrophysics Laboratory in response to a request by the donor company.

See Page 214 regarding redesignation of the endowment to support the laboratory.

4. U. T. Austin: Mr. Max R. Sherman Appointed Initial Holder of the J. J. "Jake" Pickle Regents Chair in Public Affairs in the Lyndon B. Johnson School of Public Affairs Effective Immediately.--The Board approved the appointment of Mr. Max R. Sherman, Dean of the Lyndon B. Johnson School of Public Affairs, as the initial holder of the J. J. "Jake" Pickle Regents Chair in Public Affairs in the Lyndon B. Johnson School of Public Affairs at The University of Texas at Austin effective immediately.

5. U. T. Austin - Brackenridge Tract: Approval to Designate a Portion of the Endowment Account to Fund The Brackenridge Matching Program #2.--Following explanatory comments by Acting President Livingston and upon recommendation of the Academic Affairs Committee, the Board authorized the use of \$4,712,084.95 of the total net sale proceeds (\$5,212,084.95) from the sale of a portion of the property held in the Brackenridge Tract endowment known as Sections I, II, and III of the Stratford Hills Subdivision, Austin, Travis County, Texas (less and except Lot 7 in Section III), comprised of \$1,232,190.95 from Section I and \$3,479,894.00 from Sections II and III to fund The Brackenridge Matching Program #2 at The University of Texas at Austin to be administered pursuant to the guidelines set forth on Pages 117 - 118.

Further, all income earned on the sale proceeds from the property listed above will be reinvested in the Brackenridge Tract endowment to be used for The Brackenridge Matching Program #2.

At the October 1990 meeting, the U. T. Board of Regents authorized the lease of an additional nine (9) acres of land in the Park Street portion of the Brackenridge Tract to the Lower Colorado River Authority (LCRA) on behalf of

U. T. Austin with a total lease payment of \$3,440,074.20. At the June 1991 meeting, the U. T. Board of Regents approved a recommendation that \$3,000,000 of the total lease income from the LCRA lease be set aside and reinvested to match student fellowship and scholarship endowments. Guidelines for the matching program were to be promulgated by U. T. Austin Administration and approved by the Executive Vice Chancellor for Academic Affairs. These guidelines were amended as The Brackenridge Matching Program #1 in August 1992 and reported in Executive Committee Letter No. 92-19.

At the October 1991 meeting, the U. T. Board of Regents authorized the sale of Section I of the Stratford Hills Subdivision, and sale proceeds of \$1,732,827.24 were reported at the February 1992 meeting. At the June 1992 meeting, the U. T. Board of Regents approved use of \$500,000 of proceeds from the Brackenridge Tract sales for the establishment of the Fleur Cowles Endowment Matching Fund as a match for an impending \$1,000,000 gift from the Fleur Cowles Charitable Foundation, London, England. Authorization to sell Section II and Section III (with the exception of Lot 7) was given at the April 1992 meeting and that sale with net proceeds of \$3,479,894 was reported at the August 1992 meeting. The Brackenridge Matching Program #2 will use the remaining \$4,712,084.95 of the net sale proceeds of these Sections of the Brackenridge Tract.

See Page 5 related to The Brackenridge Matching Program 1.

GUIDELINES FOR MATCHING GRANTS UNDER
THE BRACKENRIDGE MATCHING PROGRAM #2
THE UNIVERSITY OF TEXAS AT AUSTIN

Subject to the availability of funds, the President of U. T. Austin, the Executive Vice Chancellor for Academic Affairs, and the Chancellor of the U. T. System shall make recommendations to the U. T. Board of Regents for the matching of contributed monies to endow or to function as endowments to benefit academic positions, student scholarships and fellowships, and library support under The Brackenridge Matching Program #2, as authorized by the U. T. Board of Regents in October 1992 pursuant to the following guidelines:

- (1) matching funds will be available only for endowments or contributions functioning as endowments if a minimum of \$50,000 has been contributed for a new academic position endowment, \$25,000 has been contributed for a new fellowship or scholarship endowment or a new library support endowment or if a minimum of \$10,000 has been contributed for any existing endowment;
- (2) the ratio of matching funds to contributed monies will be recommended to the U. T. Board of Regents by the President of U. T. Austin with the concurrence of the Executive Vice Chancellor for Academic Affairs and the Chancellor but in no case will the ratio of matching funds to contributed monies exceed one dollar for two dollars;

- (3) subject to the institutionally established academic objectives of the school or college, it is the goal of U. T. Austin to match all eligible contributed monies to a school or college until the funds used to match these eligible contributed monies to the school or college reach a level which shall be determined annually by the President, at which point, eligible contributed monies to a school or college beyond this amount will have priority for matching as may be recommended by the President of U. T. Austin;
- (4) matching funds may be used to increase the amount of the contributed monies which established or added to an existing endowment or create a new endowment when funds match contributed monies for a new or existing academic position endowment;
- (5) to the extent possible, the wishes of the donor will be considered within these overall guidelines;
- (6) the income from endowments participating in matching under these guidelines shall be distributed pursuant to applicable provisions of the Regents' Rules and Regulations, as those regulations now read or as they later may be amended;
- (7) the investment procedures for the endowments established under this Program will be the same as those established for other endowments;
- (8) the Program shall be effective for contributed monies or pledges received on or after September 1990;
- (9) matching funds made available under this Program may be available for matching testamentary and other deferred gifts, insofar as the terms of the donative instrument, the wishes of the donor as determined by the donative instrument and these guidelines are in harmony; and
- (10) pledges eligible for matching funds will be matched as received beginning when the cumulative total of payments is at least \$50,000 for new academic position endowments and \$10,000 for all other endowments.

6. U. T. Austin and U. T. Pan American: Authorization to Offer Cooperative Doctoral Programs in Educational Administration and to Submit the Degree Programs to the Coordinating Board for Approval (Catalog Change).--Following opening remarks by President Nevarez, the Board authorized The University of Texas at Austin to offer its existing doctoral programs in Educational Administration cooperatively with The University of Texas - Pan American and to submit these degree programs to the Texas Higher Education Coordinating Board for approval. The cooperative offering is consistent with the Coordinating Board's guidelines for offering cooperative programs.

In accordance with U. T. Pan American's strategic plan, this cooperative program will be the first step toward U. T. Pan American offering the doctoral programs independently at such time as U. T. Pan American has gained sufficient experience and faculty resources.

U. T. Austin now offers the Ed.D. and Ph.D. in Educational Administration on its own campus. The cooperative program to be offered in the Rio Grande Valley will be administered by U. T. Austin and the degree awarded in the name of U. T. Austin. All of the quality standards of the regular U. T. Austin degree will apply, except that students may meet the residency requirement on the U. T. Pan American campus. Applicable doctoral level courses in the U. T. Austin inventory will be taught on the U. T. Pan American campus by U. T. Austin faculty who travel to the Valley and/or teach by interactive television linkage. U. T. Austin will also select U. T. Pan American faculty to teach some of those courses and may use selected U. T. Pan American courses as a part of the students' doctoral program curriculum. It is anticipated that a cohort of approximately ten students will enter the program each year. Students will be provided the opportunity to enroll in two courses each fall and spring semester and four courses during the summer.

At the state and national level, the need for Hispanic educational leaders is unmistakable. Very few Hispanic educators hold a doctorate in educational leadership. The need in Texas is great and rapidly growing. Most of the students from the Rio Grande Valley who enter the program are expected to be Hispanic professionals in the public schools of the four-county area.

The program will incur some incremental costs associated with travel and communication between the two institutions. Those costs are being covered by a Special Item appropriation specifically for the development of this program. In addition, telecommunications equipment purchased with an allocation of PUF Bond Proceeds reserves allocated by the U. T. Board of Regents in June 1992 will facilitate the use of interactive television to connect the two locations.

Upon approval by the Coordinating Board, the next appropriate catalogs published at U. T. Austin and U. T. Pan American will be amended to reflect this action.

7. U. T. Austin and U. T. Pan American: Authorization to Offer a Cooperative Ph.D. in International Business Degree Program at U. T. Pan American and to Submit the Proposal to the Coordinating Board for Approval (Catalog Change).--President Nevarez reported that there is a growing need for research specialists to facilitate trade and other international business arrangements and for faculty who can teach the international dimensions of business administration. Following his explanatory comments, authorization was given for The University of Texas at Austin to implement the cooperative Ph.D. in International Business at The University of Texas - Pan American and to submit the proposal to the Texas Higher Education Coordinating Board for approval. The degree will be awarded in the name of and on behalf of U. T. Pan American but will be delivered cooperatively by U. T. Pan American and U. T. Austin.

U. T. Pan American's long-range strategic plan calls for this program to eventually become a completely free-standing U. T. Pan American degree program. It will be implemented within Coordinating Board guidelines for cooperative degree programs with the exception that, even in stage one, the degree will be awarded in the name of U. T. Pan American rather than U. T. Austin.

U. T. Austin offers the Ph.D. in Business Administration with a variety of specialties, including a specialty in International Marketing. Admission to this international marketing program is exceedingly selective. The Ph.D. in International Business for U. T. Pan American will substantially expand the opportunities for students to obtain a Ph.D. in business with an international, specifically Latin and South American, emphasis. The program is designed to meet the same general standards as the Ph.D. in Business at U. T. Austin, although the curriculum is unique to the U. T. Pan American International Business specialization. The majority of the instruction will be delivered by U. T. Pan American faculty under the general guidance and oversight of the U. T. Austin faculty.

The responsibility for ensuring the quality of the program falls upon U. T. Austin. A special organizational structure has been created to ensure that the quality control function is adequately performed. The individual courses which make up the program will, for the most part, be taught by existing U. T. Pan American faculty. A few courses will be taught by U. T. Austin faculty. U. T. Pan American currently has a group of 17 graduate faculty members whose qualifications to teach in this program and participate on doctoral committees have been verified by U. T. Austin. Additional faculty will be recruited by U. T. Pan American over the next few years, as needed.

Most of the students in this program are anticipated to be Hispanic or to have special cultural sensitivities to Hispanic populations. A growing need exists for research specialists to facilitate trade and other international business arrangements. In addition, a very great need exists for business administration faculty who can teach the international dimensions of business administration and who can serve as role models for Hispanic students.

U. T. Pan American's location near the U. S.-Mexico border and in the midst of a large bilingual, bicultural community provides a unique opportunity for meeting these needs.

The Texas Legislature has appropriated Special Item funding to initiate this program and to nurture it through the early years of development. Because all formula funding for this program will accrue to U. T. Pan American, U. T. Pan American has agreed to compensate U. T. Austin for the special role which it will play in developing the program.

Upon approval by the Coordinating Board, the next appropriate U. T. Pan American catalog will be changed to reflect this action.

8. U. T. Brownsville: Approval of Initial Constitution of the Student Government Association.--Upon recommendation of the Academic Affairs Committee, approval was given to the initial Constitution of the Student Government Association of The University of Texas at Brownsville as set out on Pages 122 - 132.

The Constitution was endorsed by a campus-wide election in September 1992.

Constitution
of the
Student Government Association
of
The University of Texas
at Brownsville

STATEMENT OF PURPOSE

It is the purpose of the Student Government Association of The University of Texas at Brownsville to represent the student body and to provide a voice in student dealings with individuals and agencies outside of that body. This includes, but is not limited to, the following:

1. Providing an official student organization to receive student questions and to serve as a forum for the presentation of student interests and problems.
2. Providing an official voice through which student opinion may be expressed.
3. Providing a means for responsible student participation.
4. Advising the administration of student opinions on proposed university programs.

ARTICLE I NAME AND MEMBERSHIP

Section 1. Name

- A. The name of this organization shall be the Student Government Association (SGA) of The University of Texas at Brownsville.

Section 2. Membership

- A. All students enrolled at The University of Texas at Brownsville shall be nonvoting members of the Student Government Association.
- B. The Student Government Association shall consist of six (6) officers; two (2) upper division undergraduate representatives from each school/college which has an upper division program; two (2) lower division undergraduate representatives from each school/college which has a lower division program; one (1) graduate representative from each school/college which has a graduate program; and one (1) representative each from the student classifications of freshman, sophomore, junior, senior, special, and graduate/special graduate.
- C. Requirements for representative membership
 - 1) Representatives
 - a) All undergraduate representatives must be enrolled and remain enrolled during his/her term of office for at least six (6) academic hours or the equivalent clock hours at The University of Texas at Brownsville and be in good academic standing, having a cumulative grade point average of no less than 2.0 on a 4.0 scale.
 - b) All graduate representatives must be enrolled and remain enrolled during his/her term of office for at least three (3) graduate hours and have a cumulative graduate grade point average of 3.0 on a 4.0 scale.

- 2) Officers
 - a) All undergraduate officers must be enrolled and remain enrolled during his/her term of office for at least six (6) semester hours or the equivalent clock hours at The University of Texas at Brownsville and have a cumulative grade point average of at least a 2.5 on a 4.0 scale.
 - b) All graduate officers must be enrolled and remain enrolled during his/her term of office for at least three (3) graduate hours at The University of Texas at Brownsville and have a cumulative graduate grade point average of at least a 3.0 on a 4.0 scale.

D. Terms of office

- 1) Each representative and officer shall serve no more than two (2) consecutive terms in the same office.
- 2) Term of office will be one (1) year from the date elected or until the next general election (if elected mid-year).

ARTICLE II
THE EXECUTIVE BOARD AND OFFICERS

Section 1. Membership

The Executive Board of the Student Government Association shall consist of the President, Vice President, Treasurer, Secretary, Historian, Parliamentarian, and one Representative to the U. T. System Student Advisory Group.

Section 2. Duties and Responsibilities

A. Executive Board

- 1) Meet as a group prior to the regular Student Government Association meetings to set the agenda for the next meeting.
- 2) Appoint members of the Student Fee Advisory Committee and standing and ad hoc committees as described in Article IV, Section 7 of this Constitution.

B. President

- 1) Serve as the official representative of the Student Body and the Student Government Association.
- 2) Preside at all meetings of the Student Government Association.
- 3) Have authority to call emergency meetings of the SGA as per Article III, Section 3 of this Constitution.

- 4) Exercise the option of voting in case of tie.
- 5) Have authority to call an emergency meeting of the Executive Board.

C. Vice President

- 1) Perform the duties of the President in the case of absence or disability of the President, including exercising the option to vote in case of a tie vote.
- 2) Assist the President in the execution of duties.
- 3) Should the office of President become vacant, shall assume the office of President and shall call a Student Government Association meeting within two (2) weeks for the purpose of appointing a new Vice President with two-thirds (2/3) approval of the SGA until the next general election.
- 4) Exercise the option of voting on any proposal of the Student Government Association.
- 5) Serve as chair of the Student Life Committee.

D. Secretary

- 1) Maintain a record of all proceedings of the Student Government Association.
- 2) Be responsible for all correspondence with other universities and organizations.
- 3) Post in designated locations the minutes of each Student Government Association meeting.
- 4) Distribute a copy of the minutes of the Student Government Association meeting to each Representative and to the Student Government Association faculty advisor(s) within seventy-two (72) hours of the meeting.
- 5) Exercise the option of voting on any proposal of the Student Government Association.
- 6) Serve as chair of the Public Relations Committee.

E. Treasurer

- 1) Report orally at each meeting of the Student Government Association on the financial status of that organization.
- 2) Be responsible for the keeping of a journal of the financial transactions of the Student Government Association.
- 3) Prepare an end-of-the-year financial report and submit to the chief business officer, with a copy to the chief student affairs officer.

- 4) Be prepared to report to the chief business officer and/or the chief student affairs officer the financial status of the SGA when called.
- 5) Exercise the option of voting on any proposal of the Student Government Association.
- 6) Serve as chair of the Finance Committee.

F. Parliamentarian

- 1) Advise the President of basic parliamentary procedures as outlined in Robert's Rules of Order.
- 2) Assist the President and Vice President in their duties whenever necessary.
- 3) At the request of the President, rule on any question of parliamentary procedure.
- 4) Serve as chair of the Student Services and Campus Operations Committee.
- 5) Exercise the option of voting on any proposal of the Student Government Association.

G. Historian

- 1) Keep the official historical archives for the Student Government Association.
- 2) Assist the President, Vice President, and Secretary in their duties whenever necessary.
- 3) Exercise the option of voting on any proposal of the Student Government Association.

ARTICLE III MEETINGS

Section 1. Quorum

One over one-half (1/2) of the voting Student Government Association shall constitute a quorum.

Section 2. Scheduled Meetings

The Student Government Association must meet at least twice a month or more often as deemed necessary and scheduled by a majority of the Executive Board.

Section 3. Emergency Meetings

The President may call the Student Government Association into emergency session when he or she has notified two-thirds (2/3) of the current Association membership and has a two-thirds (2/3) quorum present for the emergency meeting.

Section 4. Executive Board

Executive Board meetings will be prior to each meeting of the Student Government Association. The President may call the Executive Board into emergency session when less than one week is available to prepare for a Student Government Association meeting.

Section 5. All meetings will be conducted pursuant to Robert's Rules of Order.

ARTICLE IV
COMMITTEES

Section 1. Composition and Membership

- A. Standing committees of the Student Government Association shall be the Student Services and Campus Operations Committee, the Public Relations Committee, the Student Life Committee, the Finance Committee, and the Student Fee Advisory Committee.
- B. Chairpersons of these committees shall be the Vice President, the Secretary, the Treasurer, and the Parliamentarian as described in their Duties and Responsibilities.
- C. No member of the Student Government Association shall serve on more than two (2) standing committees.
- D. No standing committee shall be composed of less than four (4) members.
- E. All standing committee members shall be appointed by the Executive Board and approved by a majority vote of the SGA.
- F. Each standing committee chair shall prepare a written report to be submitted to the SGA at each meeting consisting of any activities in their respective committees.

Section 2. Student Services and Campus Operations Committee

- A. The Student Services and Campus Operations Committee shall be concerned with student grievance and disciplinary hearing policies, health services, counseling, open records, financial aid, and all other areas of student concern relating to Student Services. This Committee shall also be concerned with physical facilities and buildings, projected needs of the campus, parking, cafeterias, classroom facilities and equipment, and any other areas of concern related to operations of the campus.
- B. The Student Services and Campus Operations Committee shall be chaired by the Parliamentarian.

Section 3. Public Relations Committee

- A. The Public Relations Committee shall be responsible for the development and implementation of strategies for the promotion of the Student Government Association and The University of Texas at Brownsville.
- B. The Public Relations Committee shall be chaired by the Secretary.

Section 4. Student Life Committee

- A. The Student Life Committee shall be responsible for investigating and improving the curricular and extracurricular concerns of the student body and be responsible for coordination of all Student Government Association activities.
- B. The Student Life Committee shall be chaired by the Vice President.

Section 5. Finance Committee

- A. The Finance Committee shall be responsible for administering the expenditures of the Student Government Association funds under the outlines of the laws of the State of Texas, the Rules and Regulations of the Board of Regents, and the Handbook of Operating Procedures of the institution with the approval of the majority of the SGA and shall also be responsible for preparing the annual budget for the SGA.
- B. The Finance Committee shall be chaired by the Treasurer.

Section 6. Student Members of the Student Fee Advisory Committee

- A. The student members of the Student Fee Advisory Committee along with the members appointed by the President of the institution shall be responsible for recommending the allocation of the Student Services Fee in compliance with the Texas Education Code.
- B. The Student Fee Advisory Committee shall be comprised of members in compliance with the Texas Education Code.

Section 7. Ad Hoc Committees

- A. Ad hoc committees may be formed at the request of the SGA members and/or of the Executive Board with the majority approval of the SGA.
- B. The chair for ad hoc committees will be selected by the Executive Board.

Section 8. Institutional Partnership Advisory Committees

- A. The Student Government Association may have representation on The University of Texas at Brownsville Institutional Partnership Advisory Committees, as called for by the institution.
- B. Representatives will be appointed by the President of The University of Texas at Brownsville upon recommendation of the President of the SGA and approval by two-thirds (2/3) of the Student Government Association.

ARTICLE V
ADVISORS

Section 1. Advisor(s)

- A. The Student Government Association must have at least two (2) advisors who are full-time members of either the university staff or faculty.

B. Selection Process

The advisor(s) shall be appointed by the President of The University of Texas at Brownsville to serve a term of one (1) year, beginning in the Fall Semester. A two-thirds (2/3) vote is needed by the SGA in order to petition the President of The University of Texas at Brownsville that an advisor be removed.

C. Duties and Responsibilities of the Advisor(s)

- (1) Attend group meetings.
- (2) Assist in program and/or project development.
- (3) Serve as a resource to the organization regarding university policy and regulations.
- (4) Advise the organization regarding financial matters. For the purpose of financial accounting, the advisor should ensure that adequate accounting procedures be established and followed upon change of the Executive Board.
- (5) Advise and counsel the organization toward its goals or organizational growth in meeting its objectives.

ARTICLE VI
VOTING AND ELECTIONS

Section 1. Voting

- A. Officers - Any member of the student body may vote in the officer elections.
- B. School/College Representatives - Students will only be allowed to vote for candidates in their respective class and school or college.

Section 2. Elections for officers will be held in the 11th week of the Spring Semester.

Section 3. Elections for representatives and any vacant officer positions will be held in the third week of the Fall Semester.

Section 4. Applications shall be submitted to the Election Monitor/Director of Student Activities for verification at least seven (7) school days prior to the election.

Section 5. The candidate receiving the greatest number of the total votes cast shall be declared the winner.

Section 6. In the case of a tie, a runoff election will be held within one week between the two candidates.

Section 7. Voting hours will be from 7:30 a.m. to 9:00 p.m.

Section 8. Monitors

- A. The Election Monitor will be the Director of Student Activities. Election judges will consist of faculty sponsors and general members of the student body, as selected by the Election Monitor.
- B. Each candidate has the right to have a single monitor to watch the elections. The monitor will be seen but not heard, and if the monitor believes that he or she notices an illegality in the election procedure, he/she has the right to protest to the election judge of the illegality. The election judge will determine if an illegality has occurred and, if so, will correct the procedure. This monitor will not be allowed to campaign.

Section 9. Posting of the results

- A. Results will be posted by 12 noon the next day at the Student Activities Office. SGA members will be sworn in one week after the completion of elections.

Section 10. Absentee Voting

- A. Absentee voting will take place three (3) days prior to an election.
- B. Hours for absentee voting will be the regular hours of operation of the Student Activities Office.
- C. Absentee voting will be monitored by the staff of the Student Activities Office.

Section 11. Special Elections

In the case of vacancy, elections will be held two (2) weeks after the vacancy and members will be sworn in one (1) week after election, following the same rules as the general elections. All members elected by special elections will be subject to the provisions of this Constitution.

ARTICLE VII REMOVAL FROM OFFICE

- Section 1. Any member or officer of the Student Government Association may be removed from office for not meeting the qualifications or fulfilling the duties and responsibilities of their respective offices, as determined by this Constitution, by a two-thirds (2/3) vote.
- Section 2. Any Representative or officer who has three (3) absences per semester may be removed by a two-thirds (2/3) vote of the total voting membership of the Student Government Association.

ARTICLE VIII
STUDENT PROPOSALS AND REFERENDUMS

Section 1. Proposals

Any member of the Student Body may present a proposal to a Student Government Association Representative. The Representative is then required to take this proposal before the Student Government Association.

Section 2. Referendum

Any referendum issue presented to the Student Government Association, which is accompanied by a petition bearing the signatures and identification number of fifty (50) members of the Student Body, must be placed on the ballot of the next general student election.

ARTICLE IX
RATIFICATION AND AMENDMENT

Section 1. Student Government Association-Initiated Amendment

Any voting member of the Student Government Association may propose amendments to this Constitution. The proposed amendment must lie on the table for thirty (30) days, after which the Student Government Association must vote on the proposed amendment. If three-fourths (3/4) of the total membership of the Student Government Association favor the amendment, the Student Government Association must call an election within thirty (30) days for approval or disapproval of said amendment.

Section 2. Student Body-Initiated Amendment

If ten percent (10%) of the Student Body petition the Student Government Association to amend the Constitution, the Student Government Association must call an election within thirty (30) days for approval or disapproval of said amendment.

Section 3. Ratification

A. Amendments

- (1) Amendments to this Constitution shall become effective after ratification by two-thirds (2/3) of the Student Body voting on said amendments in an election, and after it is transmitted to and acted upon by the chief student affairs officer, the chief administrative officer, the Executive Vice Chancellor for Academic Affairs and Chancellor and approved by the U. T. System Board of Regents.
- (2) Amendment or Repeal by Regents. The U. T. System Board of Regents shall amend or repeal any portion of this Constitution when, in the judgment of the Board, the interests of U. T. Brownsville shall require it.
- (3) Amendment or Repeal by the Chief Student Affairs Officer. The chief student affairs officer has the power when, in his or her

judgment, the interests of the institution require it, to amend or repeal any provision in this Constitution, but such an action shall be in force only until the next meeting of the U. T. System Board of Regents when Item (1) above shall become applicable.

- B. In the case of rejection of ratification by the U. T. System Board of Regents, the amendments shall be returned to the SGA at which point the SGA will act in the best interest of the student body and collect the necessary data to justify and substantiate the need for such an amendment and may resubmit the amendments to the U. T. System Board of Regents through appropriate channels for reconsideration.

Section 4. Permanent Copy

Amendments shall be attached to the permanent copy of this Constitution preserved in the records of the Student Government Association.

Section 5. Ex Post Facto

No proposed amendment or act of the Student Government Association shall violate the rules of ex post facto, concerning present individuals or organizations so named in this Constitution.

- Section 6. Nothing contained in this Constitution of the student body shall in any way limit the final authority of The University of Texas at Brownsville or the Board of Regents of The University of Texas System.

9. U. T. Dallas: Authorization of Sculpture Project for Callier Center for Communication Disorders and Acceptance of Gift from the Rupe Foundation, Dallas, Texas, to Reimburse Associated Costs.--The Board approved a sculpture project entitled "The Joy of Sound" for installation in the courtyard of The University of Texas at Dallas Callier Center for Communication Disorders and accepted a gift in the amount of \$20,000 from the Rupe Foundation, Dallas, Texas, to fund all costs associated with the project.

The sculpture project, which will be completed by Ms. Annette Davis, Dallas, Texas, will include the bronze cast life-sized figures of three children. President Rutford displayed a scale model of the sculpture for review by the Board.

The Rupe Foundation is funding this project in honor of Miss Nelle C. Johnston, Dallas, Texas, who has devoted herself to supporting the Callier Center since its early beginnings.

10. U. T. Pan American: Approval of Revisions to Student Government Association Constitution and Bylaws.--To acknowledge the merger of Pan American University with The University of Texas System and to make significant changes in organizational structure and procedures, approval was given to amend the Student Government Association Constitution and Bylaws of The University of Texas - Pan American to read as set out on Pages 134 - 185.

The Constitution and Bylaws were endorsed by a campus-wide election in September 1992.

CONSTITUTION
OF THE
STUDENT GOVERNMENT ASSOCIATION
OF
THE UNIVERSITY OF TEXAS - PAN AMERICAN

PREAMBLE

We, the students of The University of Texas - Pan American, in order to provide an official student representative body to receive questions and suggestions, promote the rights of each student of the University, provide the official voice through which student opinion may be expressed, participate in the overall policy and decision-making processes of the University community, foster awareness of the students' role in the academic community, assist in enhancing the quality and scope of education at The University of Texas - Pan American, provide means for responsible and effective participation in all facets of campus life, and provide identified services to students, do establish this Constitution for the Student Government Association of The University of Texas - Pan American.

STUDENT RIGHTS

Student rights are detailed in the Student Guide, the Catalog, and in the Handbook of Operating Procedures of The University of Texas - Pan American and in the Rules and Regulations of the Board of Regents of The University of Texas System.

ARTICLE I: MEMBERSHIP

1.1 The representative structure for the students of The University of Texas - Pan American shall be known as the Student Government Association, The University of Texas - Pan American, herein referred to as the Student Government Association.

- 1.2 All full-time and part-time students enrolled and attending The University of Texas - Pan American are members of the Student Government Association.

ARTICLE II: STRUCTURE

- 2.1 The student representative structure of the Student Government Association shall consist of three (3) branches: the Legislative Branch, the Executive Branch, and the Judicial Branch.
- 2.2 A student may not serve in more than one branch nor be the incumbent of more than one elected or appointed position within the Student Government Association at the same time, with the exception of membership in standing, ad hoc or temporary committees.

ARTICLE III: THE LEGISLATIVE BRANCH

- 3.1 The Legislative Branch of the Student Government Association shall be the Student Senate.
 - 3.1.1 All legislative authority is vested in the Student Senate.
 - 3.1.2 The **total number** of the Student Senate is as stipulated in Sections 3.4.2 through 3.4.6.
 - 3.1.3 The **actual number** of the Student Senate refers to the Student Senators currently in office.

3.2 Authority and Responsibilities

- 3.2.1 Sponsor all legislation and take appropriate action which shall be necessary and proper for executing the authority vested in the Student Senate. Legislation must be sponsored by a Student Senator and must be approved by two-thirds (2/3) of the actual number of Student Senators.
- 3.2.2 Research and evaluate legislation, programs, reports, and available information so as to provide the Executive Branch officers with well-developed proposals.
- 3.2.3 Review and/or amend, as deemed necessary, the proposed budget of the Student Government Association, and submit it to the Student Fees Allocations Committee. No appropriation of funds shall exceed the total amount budgeted. Approval shall be by two-thirds (2/3) of Student Senators present and voting.
- 3.2.4 Approve or reject nominees for appointments made by the President.
- 3.2.5 Offer and accept input through legislation developed so as to provide a consensus of student opinion in the University community.

- 3.2.6 Initiate research necessary to provide an effective student representative body; this may include research of all aspects of the University community.
- 3.2.7 Formulate suggestions and submit proposed revisions to the Student Guide.
- 3.2.8 Keep minutes of Student Senate meetings and proceedings current and available in the Student Government Association office, minutes herein referred to as the Student Senate Journal. Copies of these minutes will be submitted to the Office of Student Development.
- 3.2.9 Meet at least once during the Fall and Spring Semesters with constituents at previously publicized times and places.
- 3.2.10 Consider and initiate amendments to this Constitution and approve amendments to Bylaws with a two-thirds (2/3) vote of the total number of Student Senators.
- 3.2.11 Maintain the right to override a Presidential veto by two-thirds (2/3) vote of the total number of Student Senators.
- 3.2.12 Faithfully execute all authorities, duties, and responsibilities as outlined by the Student Government Association Constitution and Bylaws.

- 3.2.13 Review, approve, modify, and/or disapprove recommendations as submitted by the President on such measures as he or she shall have deemed necessary and expedient in areas of student and organizational concerns. (SEE Section 4.4.14.)
- 3.2.14 Place into nomination appointments to vacancies existing in the Legislative and/or Judicial Branches, University committees, and to the offices of Vice President and Chief of Staff, should the President fail to meet the responsibility stated in Section 4.4.6 of this Constitution.
- 3.2.15 Elect a temporary chair to preside at Senate meetings in the absence of the Vice President.
- 3.3 Student Senators will be elected by a plurality of the votes cast.
- 3.4 Membership
- 3.4.1 An undergraduate Student Senator shall be a student enrolled at The University of Texas - Pan American for no less than one long semester or two consecutive summer sessions, shall have and maintain a minimum GPA of 2.0 throughout his or her term of office, and shall not be on disciplinary probation. Except for Senators-at-Large, Student Senators must be enrolled in the college or school that they represent at the time of filing and while holding office.

All undergraduate Student Senators must be registered for at least six (6) semester hours at the time of filing and while holding office, and all graduate Student Senators must be registered for at least three (3) semester hours at the time of filing and while holding office.

- 3.4.2 Each undergraduate college and school shall have one Senator for each eight hundred (800) undergraduate students enrolled to be elected by the students enrolled in each undergraduate college or school. Graduate students shall have one Senator for each eight hundred (800) students enrolled in graduate school to be elected by the students enrolled in graduate school. Enrollment figures from the preceding Fall Semester shall be used to determine the number of Senators each college or school shall have for the following year. For the determination of this figure, a majority portion of eight hundred (800) (i.e. 401) shall be used.
- 3.4.3 Each undergraduate college, school, and the graduate student body shall be allotted at least one (1) Senator.
- 3.4.4 Four (4) students shall serve as Senators-at-Large, to be elected by the students of The University of Texas - Pan American.
- 3.4.5 One Student Senator will be elected by the University Program Board Executive Council.

Only one member of the University Program Board Executive Council may serve as a member of the Student Senate at any one time.

3.4.6 One Student Senator shall be elected by the Council of Student Organizations.

3.5 Student Senators, elected in March, shall serve a one-year term, beginning on the 15th day of April and ending on the 14th day of April of the following year.

3.6 Vacancies

3.6.1 Student Senate vacancies will occur in the following circumstances:

- A. Resignation or graduation during term of office
- B. Removal from office for three (3) unexcused absences from the Student Senate meetings and/or Senate Committee meetings in one (1) semester or four (4) absences in one year, or for failing to meet the qualifications for office outlined in Section 3.4.1.

3.6.2 Senators who are removed from office on the basis of Section 3.6.1.B may appeal their removal to the Student Senate.

3.6.3 Student Senate vacancies occurring during a term of office shall be filled by Presidential appointment with the advice and approval of two-thirds (2/3) of the Student Senate present and voting.

3.6.4 Until approved by the Student Senate, the nominee for appointment shall not function as the official representative to the assigned position.

3.6.5 A student, once appointed and approved to fill a Student Senate vacancy, shall complete that term of office.

3.7 Meetings of the Student Senate

3.7.1 The Student Senate shall assemble to initiate its session the third week in April.

3.7.2 Meetings of the Student Senate shall be called by the Vice President as presiding officer of the Student Senate or by written request of a majority of the actual number of the Student Senate.

3.7.3 The Student Senate shall meet at least once a month during the Fall and Spring Semesters.

3.7.4 A quorum shall consist of one (1) more than one-half (1/2) of the actual membership of the Student Senate.

3.7.5 No official business of the Student Senate shall be conducted at any meeting when a quorum is not present. The meeting may be called to order, the roll called, and in the absence of a quorum, the meeting recessed or adjourned. Any Student Senate meeting that begins with a quorum, but later loses a quorum, is a valid meeting until the absence of a quorum is recognized. At that point, the only motions in order are to call the roll and to recess or adjourn.

3.8 Voting

Each Student Senator shall have one vote, and no proxy votes shall be allowed.

3.9 Parliamentary Authority

Unless otherwise noted by the Student Government Association Constitution and/or Bylaws, Robert's Rules of Order shall be used as parliamentary authority.

3.10 Student Senate Officers

3.10.1 The Vice President shall serve as presiding officer of the Student Senate.

3.10.2 The Sergeant-at-Arms shall be elected by a majority of votes cast from among the Student Senators at a Student Senate meeting, shall serve as parliamentarian of the Student Senate,

and shall monitor absences of Senators and the Vice President at Senate and committee meetings. The Sergeant-at-Arms shall remain a member of the Student Senate, shall retain all rights and privileges of such a position, and shall be a member of the Student Government Association Advisory Council.

3.10.3 The Secretary shall be elected by a majority of votes cast from among the Student Senators at a Student Senate meeting and shall record Student Senate minutes. The Secretary shall remain a member of the Student Senate, shall retain all rights and privileges, and shall be a member of the Student Government Association Advisory Council.

3.10.4 The Student Senate officers shall perform all duties and responsibilities as outlined by this Constitution and Bylaws.

3.11 Student Senate Standing Committees

3.11.1 The following committees shall be known as the Standing Committees of the Student Senate:

- A. Fiscal Operations
- B. Personnel
- C. University and Community Affairs
- D. Housing
- E. Special Student Groups

3.11.2 Membership, chairmanship, and the duties, responsibilities, and procedures of the Student Senate Standing Committees are outlined in the Legislative Bylaws.

ARTICLE IV: THE EXECUTIVE BRANCH

4.1 The Executive Branch officers are the President, Vice President, and Chief of Staff.

4.2 The executive and administrative duties of the Student Government Association are vested in the Executive Branch officers.

4.3 The President and Vice President shall be elected as a ticket in University-wide elections by a majority of the votes cast as stipulated by election procedures, under the supervision of the Office of Student Development.

4.3.1 The President and Vice President shall be students enrolled at The University of Texas - Pan American for no less than one long semester or two consecutive summer sessions at the time of filing.

4.3.2 The President and Vice President shall each have and maintain a minimum cumulative GPA of 2.5 at the time they file and maintain no lower than a cumulative GPA of 2.25 while holding office.

4.3.3 Candidates for President and Vice President must have completed at least thirty (30) semester hours at the time of filing.

4.4 The President is vested with the following authority and responsibilities:

4.4.1 To serve as the chief executive officer.

4.4.2 To officially represent the Student Government Association at all meetings, functions, and activities affecting the interests of the Student Government Association.

4.4.3 To appoint and remove, subject to Senate approval by simple majority of those present and voting, the Chief of Staff, executive aides, and student representatives of the standing and ad hoc University committees and councils having student membership. The only exceptions to this appointive authority of the President will be the student membership of the Publications Committee which consists of the two editors of Student Publications, two students elected by the student body, and two students appointed by the President of the Student Government Association, and the U. T. Pan American members of the U. T. System Student Advisory Group who are selected through a process specified by the U. T. Pan American President.

- 4.4.4 To deal with nonpolicy matters in a manner consistent with this Constitution and its Bylaws until such times as the Student Senate establishes policy on the matter in question.
- 4.4.5 To appoint executive aides as deemed necessary for research and assistance purposes.
- 4.4.6 To place into nomination appointments to vacancies existing in the Legislative Branch, the Judicial Branch, and University committees, as well as to the offices of Vice President and Chief of Staff within twenty (20) class days after a vacancy occurs.
- 4.4.7 To participate in activities with agencies or groups outside the University by and with approval of two-thirds (2/3) vote of the Student Senate present and voting and the Office of the Dean of Students.
- 4.4.8 To sign and execute legislation passed by the Student Senate or to veto such legislation.
- 4.4.9 To prepare, authorize, and submit all Student Government Association requisitions required by state law or University procedures to the Office of Student Development.
- 4.4.10 To negotiate and formulate a Student Government Association budget through University administrative channels. The President shall present

the proposed budget to the Student Senate for consideration and approval prior to submission to the Dean of Students.

- 4.4.11 To submit recommendations on the allocation of Student Service Fees through the Student Fees Allocations Committee.
- 4.4.12 To ensure that all provisions of this Constitution, the Bylaws, and statutory enactments of the Student Senate are faithfully executed and adhered to.
- 4.4.13 To require written submission of all actions taken by the Judicial Branch on any Constitution or Bylaws provisions, or any statutory enactment that is in question.
- 4.4.14 To present to the Student Senate, on a monthly basis during the Fall and Spring Semesters, information concerning the state of the Student Government Association and recommend for consideration such measures as he or she deems necessary and expedient.
- 4.4.15 To submit to the Student Senate during the first regular meeting of the Fall Semester a presentation of goals of the Executive Branch.
- 4.4.16 To serve as presiding officer and call meetings of the Student Government Association Advisory Council (referenced in Section 4.10.1).

4.5 The Vice President shall have the following authority and responsibilities:

- 4.5.1 To call meetings and preside over the Student Senate.
- 4.5.2 To determine the items of business to be placed before the Student Senate.
- 4.5.3 To appoint and remove the members of the Student Senate Standing Committees and the chairs and members of ad hoc and temporary committees.
- 4.5.4 To add such duties as he or she deems necessary to any committee, provided that such duties do not conflict with the established duties of another committee.
- 4.5.5 To coordinate the Student Senate Standing Committees and ad hoc and temporary committees and see that the Student Senate responsibilities are faithfully executed.
- 4.5.6 To assist the President in fulfilling the executive and administrative functions of the Student Government Association.
- 4.5.7 To assume the duties of the President when so directed by the President.

- 4.5.8 To succeed as President if the office becomes vacant and to temporarily assume the authority and responsibilities of President if the President is absent.
 - 4.5.9 To appoint such legislative aides as he or she shall deem necessary and expedient for research and assistance purposes.
 - 4.5.10 To serve as student representative and liaison to the Faculty Senate or to delegate this function to a Student Senator.
 - 4.5.11 To be a member and attend meetings of the Student Government Association Advisory Council.
 - 4.5.12 To vote in the Student Senate only to break a tie.
- 4.6 The Chief of Staff shall have the following authority and responsibilities:
- 4.6.1 Represent the Student Government Association before the Student or Student Supreme Court when a complaint by a student is issued regarding violation of this Constitution or Bylaws, if so requested by the President.
 - 4.6.2 Receive and forward all complaints to the appropriate presiding official of a judicial body; ensure that copies are forwarded to each member of the respective judicial body to which

the complaint has been referred, as well as to the President, Dean of Students, plaintiff(s), and defendant(s).

4.6.3 Advise the President and Advisory Council on judicial matters and be available to render advisory opinions relating to the Student Government Association when requested in writing by a U. T. Pan American student(s).

4.6.4 Assist the President in fulfilling the executive and administrative functions of the Student Government Association.

4.7 The term of office for Executive Branch officers shall be for one year, beginning on the fifteenth day of April and ending on the fourteenth day of April.

4.8 Vacancies

4.8.1 Vacancies in the office of President or Vice President will occur in the following circumstances:

- A. Resignation or graduation during term of office
- B. Removal from office for failure to meet the qualifications outlined in the Constitution or
- C. Through impeachment.

- 4.8.2 A vacancy in the office of Vice President shall be filled by appointment by the President as outlined by this Constitution and Bylaws, with the advice and approval of two-thirds (2/3) of the Student Senate present and voting.
- 4.8.3 Until approval by the Student Senate, the nominee for appointment shall not function as Vice President.
- 4.8.4 A student, once appointed and approved to fill a vacancy in the office of the Vice President, shall complete that term, unless a vacancy occurs as stipulated in Section 4.8.1.
- 4.9 The President and Vice President are each entitled to a salary, stipend or grant, as stipulated in the Student Government Association budget for the fiscal year.
- 4.10 The Student Government Association Advisory Council shall serve as a forum of communication between the Legislative, Judicial, and Executive Branches.
- 4.10.1 Membership on the Student Government Association Advisory Council shall consist of the President, Vice President, Chief of Staff, Secretary, Sergeant-At-Arms, Chief Justice, and Judge Advocate.

4.10.2 The President shall call meetings as he or she deems necessary and expedient to promote the efficiency of the Student Government Association.

4.10.3 The purpose and sole authority of the Student Government Association Advisory Council is to offer reflections, opinions, and suggestions in all matters affecting the Student Government Association and to aid in carrying out those functions necessary to promote efficiency in all aspects of the Student Government Association.

ARTICLE V: THE JUDICIAL BRANCH

5.1 The Judicial Branch shall be composed of a Student Court and a Student Supreme Court.

5.2 All judicial authority shall be vested in the Student Court and the Student Supreme Court.

5.3 Authority of the Student Court

5.3.1 Original jurisdiction to hear and rule on cases involving this Constitution, its Bylaws, and the constitutionality of statutory enactments when so requested in writing by a U. T. Pan American student(s).

5.3.2 Hear and rule on appeals from plaintiffs regarding an election decision of the Office of Student Development.

- 5.3.3 Hear and rule on all original cases from plaintiffs on complaints against the Student Government Association and/or its officers.
 - 5.3.4 Hear and rule on all original cases referred from the Office of Student Development regarding candidates' alleged violations of election procedures as promulgated by the Office of Student Development.
 - 5.3.5 Determine the validity of signatures on petitions, as specified in the Judicial Bylaws, Section 1.
- 5.4 Authority of the Student Supreme Court: To act as the final level of appeal for decisions made by the Student Court.
- 5.5 Membership in the Judicial Branch
- 5.5.1 The Student Court will consist of a Judge Advocate and four (4) Judges.
 - 5.5.2 The Student Supreme Court shall consist of a Chief Justice and four (4) Associate Justices, including two (2) students and two (2) faculty members. The position of Chief Justice will be filled by a student appointed by the President.
 - 5.5.3 Judges and Associate Justices will be nominated for appointment by the President with the advice and approval of two-thirds (2/3) of the

Student Senate present and voting. Faculty Associate Justices will be appointed by the Faculty Senate for two-year staggered terms.

Appointments to the Judicial Branch must be made within twenty (20) class days after the first day of the Fall Semester.

5.5.4 The Chief Justice and Judge Advocate must have a minimum cumulative GPA of 2.5 at the time of appointment and maintain no lower than a cumulative GPA of 2.25 while holding office.

5.6 Terms of Office for Members of Judicial Branch

5.6.1 The Chief Justice's and the Judge Advocate's terms of office shall be concurrent with the Executive and Legislative Branches under which they were appointed.

5.6.2 The terms of office for Judges and for Associate Justices shall be designated as follows: In each respective judicial body, half of the Associate Justices' and Judges' terms will begin in an odd year and end concurrently with the terms of the Executive and Legislative Branches in the next odd year; the remaining Associate Justices' and Judges' terms will begin in an even year and end concurrently with the terms of the Executive and Legislative Branches in the next even year.

5.7 Qualifications

Associate Justices and Judges must have a minimum cumulative GPA of 2.25 at the time of appointment and maintain no lower than a cumulative GPA of 2.0 while holding office.

5.8 Vacancies

5.8.1 Vacancies will occur for the following reasons in the Judicial Branch:

- A. Resignation or graduation during term of office or
- B. Removal from office for two (2) unexcused absences or three (3) absences for any reason or for failure to meet qualifications outlined in this Constitution.

5.8.2 Vacancies in the Student Court will be filled by appointment by the President based upon the qualifications and process as outlined by this Constitution and Bylaws, with the advice and approval of two-thirds (2/3) of the Student Senate present and voting; vacancies in the Student Supreme Court shall be filled in the same manner as they were originally filled. Should a student vacancy exist for more than twenty (20) class days, the Student Government

Association Advisory Council shall fill that vacancy with approval of a majority of the Student Senate present and voting.

5.8.3 Until approval of the Student Senate and other appropriate parties, the nominee for appointment shall not function as the official representative to the assigned position.

5.9 Hearings of the Judicial Branch

5.9.1 All Judicial Branch records shall be kept at the Student Government Association office, easily accessible to all students.

5.9.2 Judicial Branch hearings, with exception of deliberation, shall be open to the University community.

5.9.3 Notice of Judicial Branch hearings shall be posted with the following information at the Student Government Association office at least three class days before convening:

Place and Time of Meeting

Date of Meeting

Nature of Meeting.

5.9.4 Five (5) members shall constitute a quorum for the Student Court and three (3) members,

including at least one (1) faculty member, shall constitute a quorum for the Student Supreme Court.

5.9.5 The Defendant is considered innocent until proven guilty by a preponderance of evidence.

5.9.6 A. The Judicial Branch body will administer appropriate penalties and sanctions to candidates who fail to abide by election procedures of the Office of Student Development.

B. The Judicial Branch body will refer any perceived violations of University rules to the Dean of Students.

5.9.7 Within ten (10) class days after the Judicial Branch body has concluded its hearing, all parties concerned shall be notified of the decision by certified mail (or by hand delivery, with a signed receipt required). A copy will be kept in the Student Government Association office for public inspection.

One class day is any day in which at least three (3) consecutive class periods are scheduled.

5.9.8 No official business will be conducted at any hearing or meeting when a quorum is not present.

- 5.9.9 All decisions and authority of the Judicial Branch shall reside in a majority vote of the respective judicial body.
- 5.9.10 After a case has been heard, but before a ruling is made by a judicial body, advice and recommendations may be sought from the Dean of Students or his or her designee.
- 5.9.11 After a case has been heard and ruled on by the Student Court, an appeal may be presented, within five (5) class days, to the Student Supreme Court.
- 5.9.12 The Student Supreme Court shall rule on the appeal within ten (10) class days after receiving the appeals request. The Student Supreme Court's decision shall be final.
- 5.9.13 Should the Student Supreme Court require more than the stipulated ten (10) class day time limit to rule on an appeal, notification should be given to all interested parties with the date when a decision is to be expected. This extended deadline must not exceed twenty (20) class days.

5.10 Voting

- 5.10.1 Each member of the Judicial Branch shall have one (1) vote, and no proxy or absentee votes shall be allowed.

5.10.2 The manner in which a vote is cast shall be duly noted in the respective Student Court or Student Supreme Court official records.

5.11 Presiding Judicial Officials

5.11.1 The Chief Justice shall be the chief administrator of the Judicial Branch. He or she shall preside over meetings and hearings of the Student Supreme Court. The Judge Advocate shall preside over meetings and hearings of the Student Court.

5.11.2 The Chief Justice and Judge Advocate shall be responsible for a complete record of all judicial action, copies of which must be filed regularly in the Student Government Association office and with the Dean of Students.

5.11.3 The Chief Justice or the Judge Advocate shall be responsible for seeing that the respective judicial body conducts its business according to the provisions of this Constitution, Bylaws, and additional procedures adopted by said judicial body.

5.11.4 The Chief Justice or Judge Advocate shall have the authority to summon witnesses, or a majority vote of the respective judicial body shall require the presiding judicial official to exercise this authority.

5.11.5 The Chief Justice or Judge Advocate shall act as the official spokesperson and preside over meetings of the respective judicial body, coordinate work within the judicial body, and designate a member from their respective judicial body to record the meetings and hearings.

5.11.6 The Chief Justice may remove any Justice or Judge for having two (2) unexcused absences or any three (3) absences to meetings or hearings, provided that a minimum of three (3) class days prior notice of such a meeting or hearing has been given.

The Chief Justice shall decide, based on the valid reasons provided below, whether the Justice or Judge is excused or unexcused:

- A. Death, accident, or illness in the family
- B. Personal illness or accident
- C. Student Government Association official business
- D. Official University business or scheduled classes.

ARTICLE VI: OATH OF OFFICE

The Oath of Office, administered by the outgoing Student Government Association Chief Justice, shall be given to the Student Government Association President, Vice President, and Student Senators:

"I solemnly swear (or affirm) that I will faithfully execute the duties of my office and will, to the best of my ability, preserve, protect and defend the Constitution of the Student Government Association."

Associate Justices, Judges, the Judge Advocate, and the Chief of Staff, once approved by the Student Senate, shall take this Oath of Office. The Student Government Association Chief Justice shall administer it at a meeting of the Student Senate. The President shall administer the oath at a meeting of the Student Senate to the Chief Justice once he or she has been approved by the Student Senate.

ARTICLE VII: AMENDMENT PROCESS

- 7.1 Amendments to this Constitution may be sponsored by a Student Senator or by petition of amendments signed by an equivalent of one-third (1/3) of the total number of students voting in the last General Election.
- 7.2 Constitutional amendments proposed by the Student Senate must be passed by a two-thirds (2/3) majority of the total number of the Student Senate in order to be placed on the ballot for consideration in a duly authorized election or referendum.
- 7.3 If an amendment is introduced by the students, the petition of amendment shall contain the required signatures and shall be submitted to the Judge Advocate so that it may be presented to the Student Court. Upon validation and certification of required signatures, the proposed amendment shall be placed before the students.
- 7.4 Amendments shall be adopted as part of this Constitution when ratified by an affirmative vote of a majority of the students voting in a duly authorized election. However,

the change shall not become effective until transmitted to and acted upon by the Dean of Students, the President of U. T. Pan American, the Executive Vice Chancellor for Academic Affairs, and the Chancellor and approved by the Board of Regents of The University of Texas System.

7.5 Amendments to the Bylaws must be sponsored by a Student Senator and approved by a two-thirds (2/3) vote of the total number of Student Senators.

7.6 A. The Board of Regents of The University of Texas System shall amend or repeal any portion of the Constitution and Bylaws of the Student Government Association when, in the judgment of the Board, the interests of U. T. Pan American shall require it.

B. The Dean of Students shall have the power, when in his or her judgment the interests of the institution require it, to amend or repeal any provision in the Constitution or Bylaws of the Student Government Association, but such action shall be in force only until the next meeting of the Board when Section A, above, shall become applicable.

ARTICLE VIII: RATIFICATION

8.1 This Constitution and Bylaws, shall be the official legal documents of the Student Government Association of The University of Texas - Pan American upon ratification by an affirmative vote of at least a majority of the students voting in a constitutional referendum, and when

acted upon by the Dean of Students, the U. T. Pan American President, the Executive Vice Chancellor for Academic Affairs, and the Chancellor and approved by the Board of Regents of The University of Texas System.

- 8.2 All officials elected or appointed under the requirements of the previous Constitution, which this Constitution supersedes, shall remain in their corresponding offices and exercise their corresponding duties and responsibilities as set forth within this Constitution until their terms of office expire.

BYLAWS
OF THE
STUDENT GOVERNMENT ASSOCIATION
OF
THE UNIVERSITY OF TEXAS - PAN AMERICAN

I. LEGISLATIVE BYLAWS

1. ADVISOR

It shall be the duty and responsibility of the Advisor(s) to: be a nonvoting member(s) of the Student Government Association; aid and advise officers and legislative bodies of the Student Government Association; aid in providing beneficial relations between administrators and students; and act as representative(s) at Student Government Association functions. The Advisor shall act as the official University account manager for Student Government Association funds.

2. STUDENT SENATE MEMBERSHIP

2.1 The members of the Student Senate shall be those students duly elected or appointed according to those provisions outlined in the Constitution.

2.2 No Student Senator shall be absent from meetings of the Student Senate or his or her committee without valid excuse.

A. The Sergeant-at-Arms, as an officer of the Student Senate and bestowed with those duties delegated to him or her by the Constitution, shall keep a permanent record of the Student Senate roll attendance.

- B. The Sergeant-at-Arms shall decide, based on the valid reasons provided below, whether the absence of a Student Senator is excused or unexcused. The following circumstances shall constitute an excused absence:
1. Death, accident, or illness in the family
 2. Personal illness or accident
 3. Student Government Association official business
 4. Official University business or scheduled classes.
- C. A Student Senator who has accumulated a total of three (3) unexcused absences in one semester or a total of four (4) absences in one (1) year, or fails to meet those qualifications outlined in Section 3.4.1 of the Constitution shall be removed as a Student Senator and a vacancy shall occur. This includes all committee and regular and special Student Senate meetings, provided that a minimum of three (3) class days prior notice of such a meeting has been given. Notification of removal must be in writing.
- D. After two unexcused absences or three absences of any kind, the Student Senator must be officially notified in writing of the impending action by the Vice President and the Sergeant-at-Arms. A signed receipt of this notification is required.

E. In the case of removal, a Student Senator may appeal the decision within five (5) class days to the Student Senate Judiciary Committee who shall introduce its recommendation before the Student Senate for a vote.

F. A two-thirds (2/3) vote of the actual number of Student Senators is required to overrule a Sergeant-at-Arms' decision.

3. OBSERVERS

3.1 Observers shall be all students who are not Student Senators or officers of the Student Senate, as well as members of the faculty, staff, and administration and other invited guests as determined by the Vice President.

3.2 In all meetings of the Student Senate, or its committees, observers shall have the privilege of addressing such meetings when so allowed by the Vice President. A time limit may be imposed.

3.3 Any person attending a meeting of the Student Senate or a meeting of a Student Senate committee, or having been granted the privileges of addressing such a meeting, shall conform to, abide by, and be subject to all rules, laws, and regulations as adopted by either body for governing the conduct of its members and business.

4. STANDING COMMITTEES OF THE STUDENT SENATE

4.1 No Student Senator may serve as a voting member on more than two (2) Standing Committees of the Student Senate.

- 4.2 A quorum must be present before any committee may conduct the duties and responsibilities as provided by these Bylaws.
- 4.3 Meetings may be called by the chairperson of each committee as he or she shall deem necessary, or by a majority of committee members.
- 4.4 Each committee shall keep a complete record of attendance and all committee action, and such copies must be filed regularly with the Vice President.
- 4.5 Each committee shall elect its own chairperson.
- 4.6 It shall be the duty of the chairperson of each Student Senate Standing Committee to report or cause to report promptly to the Student Senate, in writing, any measure approved by a majority of the committee.
- 4.7 The chairperson of each committee shall be responsible for seeing that the committee conducts its business according to the provisions of the Constitution, the Bylaws, and additional procedures adopted by that committee.
- 4.8 No measure or recommendation shall be reported to the Student Senate unless the measure or recommendation was approved by a majority of that committee.
- 4.9 Each Standing Committee shall determine its own rules of procedure as long as they do not conflict with provisions of the Constitution, Bylaws, and procedural rules.

4.10 The following committees shall be known as the Standing Committees of the Student Senate:

A. Fiscal Operations

All legislation concerning expenditures must go through this committee. The committee may recommend approval, modification, or rejection of legislation concerning expenditures. Its jurisdiction shall include matters relating to the following areas: appropriations and Student Government Association budget.

B. Personnel

This committee may recommend to the Student Senate approval or disapproval of Presidential nominations for appointments. This committee shall present the case to the Student Senate against a Student Senator for failure to perform his or her duties and may recommend sanctions against that senator. It may also hear Student Senatorial appeals regarding unexcused absences.

C. University and Community Affairs

This committee shall have jurisdiction over the planning and conducting of all Student Senate-sanctioned University special events. This committee shall promote public relations with students, faculty, administration, and the community.

D. Housing

This committee's purpose will be to protect the interests of the Residence Hall constituents. Its

membership shall include two (2) dorm residents, one elected from each residence hall, to serve as ex officio members of this committee. The Housing Committee may review Residence Hall budgets.

E. Special Student Groups

This committee shall consider any requests for Student Government Association assistance from any special student group, as recognized by the Office of Student Development.

5. STUDENT SENATE PROCEDURAL RULES

5.1 Order of Business

- A. Call to order by the presiding officer
- B. Call of the roll by the Sergeant-at-Arms
- C. Reading and approval of the Student Senate minutes from the previous meeting by the Secretary
- D. President's Report
- E. Reports of the Standing Committees
- F. Reports of Special (Select or Ad Hoc) Committees
- G. Unfinished business
- H. New business
- I. Comments and announcements
- J. Adjournment

5.2 Legislation

- A. Legislation may be proposed by several means, including reports from the Officers, from Student Senate committees, and from the faculty, administration, staff, or students.

B. Legislative Process

1. All legislation to be considered by the Student Senate must be sponsored and read by title (first reading) on the Student Senate floor by one or more Student Senators. Such legislation may include, but is not limited to, budget changes, resolutions, constitutional amendments, etc.
2. At least three (3) class days before the next session in which the legislation is to be introduced, the Student Government Association office shall furnish at least one copy for each member, and at least one copy shall be filed with the Secretary.
3. Following introduction, the Vice President shall refer legislation to the proper Standing Committee.
4. Following referral, said committee shall proceed to consider such legislation, and shall have the authority to take any of the following actions:
 - a. Report the legislation out of committee, recommending its adoption as referred.
 - b. Report the legislation out of committee, making no recommendations.

- c. Report the legislation out of committee, recommending its rejection.
- d. Report the legislation out of committee, recommending amendment or a substitute.

5.3 Debate

- A. When the Student Senate is ready to consider a measure, the procedure shall be as follows:
 - 1. One opening speech each in favor and opposed, not exceeding four (4) minutes each
 - 2. General debate
 - 3. Closure of debate
 - 4. Statement of the question by the presiding officer
 - 5. Vote on the measure.
- B. Debate shall be limited to no more than one hour on any piece of legislation, unless the Student Senate provides otherwise by a two-thirds (2/3) vote of Student Senators present.
- C. Debate shall be limited to three (3) minutes per argument, unless the Student Senate, by a two-thirds (2/3) vote of Student Senators present, provides otherwise.
- D. The presiding officer shall call for debate three (3) times at five (5) second intervals before closing debate.

1. Debate may be ended in three ways:
 - a. By the presiding officer, when debate appears to be finished, inquiring if the Student Senate is ready for the question. If after a reasonable pause, no one rises to claim the floor, the presiding officer shall assume that no member wishes to speak and will proceed to put the question.
 - b. By a member moving the previous question and the Student Senate approving by a majority vote of Student Senators present.
 - c. By the exhaustion of the limits of debate.
2. If there is objection to a motion for the previous question before there has been at least one speaker in favor of and one speaker opposed to the matter under debate, the motion for the previous question shall not be entertained.

5.4 Voting

- A. Votes shall be taken in one or more of the following ways:
 1. A roll call vote of the members shall be ordered unless a majority of members object, and the results shall be entered by the Secretary on the record of the Student Senate Journal.

2. Division of the Student Senate (members raise their hands, or stand).
3. Voice vote (affirming answer aye, negative answer no).
4. A vote by ballot shall not be in order, except in the following cases:
 - a. Elections
 - b. Appeals on removal of members.

B. Recorded Votes

Any member may request that his or her vote be entered on the record of the Student Senate Journal, and in all such cases the presiding officer shall instruct the Secretary to do so.

5.5 Reconsideration

- A. A motion to reconsider shall be in order at any time during the meeting at which the vote to be reconsidered was taken or at the next meeting of the Student Senate.
- B. The motion to reconsider must be made by a member who voted with the prevailing side.

5.6 Elections

- A. All nominations shall come from the floor when the election is pending.
- B. In the case of pending elections for different offices, when nominations for one office have been completed, votes are cast for the office and the result is announced before the presiding officer calls for nominations for the next office.
- C. A majority vote is required for election.

5.7 The rules contained in the most recent edition of Robert's Rules of Order, Revised shall govern in all cases in which they are applicable and in which they are not inconsistent with the Constitution and the Bylaws and Statutes of the Student Government Association, The University of Texas - Pan American.

II. EXECUTIVE BYLAWS

1. IMPLEMENTATION OF LEGISLATION

- 1.1 Legislation pursuant to a fundamental policy or principle of the Student Government Association and any official action or position that is to be undertaken by the student representative structure of the Student Government Association shall, in the form of written legislation and before it becomes a statutory enactment, be presented by the Vice President to the President within five (5) class days after approval by the Student Senate.

- 1.2 If the President approves the legislation, he or she shall sign and officially certify the legislation as a statutory enactment.
- 1.3 If the President vetoes the legislation, he or she shall return the legislation to the Vice President to be placed on the next Student Senate agenda. The President shall provide written objections which shall be entered in the Student Senate Journal. The Student Senate may then proceed to reconsider the legislation. If after such reconsideration two-thirds (2/3) of the total number of Student Senators shall vote in favor of overriding the President's veto, then the legislation shall become a statutory enactment without his or her signature.
- 1.4 If no action has been taken by the President within ten (10) class days after his or her notification that the legislation was approved by the Student Senate, the legislation shall become a statutory enactment without his or her signature.

2. APPOINTIVE PROCEDURE

2.1 General Information for Applicants

Nominations for appointment by the President to the Legislative and Judicial Branches, and to fill a vacancy in the Vice Presidency or for Chief of Staff, shall be publicized through the campus media and a notice in each academic building of The University of Texas - Pan American campus, on the University Center bulletin board, and outside the Student Government Association office

indicating the following information at least five (5) class days prior to the filing deadline as set by the President:

1. Position(s) available
2. How and where to file
3. Filing deadline
4. General information on appointive position
5. Any other information that may be necessary.

The Secretary will assist the President in providing this information to the students.

2.2 Nomination for Appointment

- A. Any student wishing to file for consideration to an appointive position should file an application at the Student Government Association office or at the Office of Student Development.
- B. The President shall review the applicants and make a nomination for appointment to the position and/or reopen the application process, as deemed appropriate.

2.3 Student Senate Consideration

- A. The nomination(s) for appointment shall be submitted to the Vice President to be submitted to the Student Senate Judiciary Committee.

- B. The procedure for approving or disapproving the nomination(s) for appointment by the Student Senate is outlined in the Constitution, Sections 3.2.4, 3.6.3, and 4.4.3.

III. JUDICIAL BYLAWS

1. PETITIONS

1.1 The following criteria shall be used to determine the validity of signatures on all petitions submitted to the Student Court requiring action on the part of the Student Government Association:

- A. The complete text of all petitions shall be attached to the petition at the time the petition is being presented for signatures.
- B. Beside each signature on the petition, the Student's printed name and social security number shall appear.
- C. Signatures must be those of currently enrolled students at The University of Texas - Pan American.

1.2 It shall be the duty of the Student Court to determine the validity of all signatures on the petitions. This shall be accomplished within ten (10) class days after the petition(s) is submitted to the Student Court.

- A. Signatures found to be invalid shall be removed from the petition.
 - B. Petitions found to have an insufficient number of valid signatures will be rejected but may be resubmitted when sufficient signatures are obtained.
- 1.3 Petitions calling for constitutional amendments or referendums must be presented to the Student Court. If the required signatures are present and valid, the Student Court shall then refer the petition to the Office of Student Development for implementation of referendum procedures.

2. HEARINGS

- 2.1 Defendants shall be notified of charges, person(s) who levied charges, time, place, and date at least three (3) class days prior to the hearing; if he or she needs more time to prepare a defense, he or she may petition the Chief Justice or Judge Advocate where applicable.
- 2.2 Both sides shall have the right to cross-examine witnesses.
- 2.3 Both Defendant and Plaintiff may enter any documentary evidence, provided opposing sides are given copies at least twenty-four (24) hours prior to the beginning of the hearing. Any evidence presented after this deadline will not be admitted by the hearing body unless adequate proof is furnished that this evidence was not accessible in time to meet the deadline.

2.4 Copies of transcripts or tapes of Judicial Branch hearings will be provided for anyone at his or her expense.

2.5 Plaintiff will present evidence first, followed by Defendant.

3. CODE OF ETHICAL JUDICIAL CONDUCT

The following Code of Ethical Judicial Conduct is adopted and set forth as a proper guide for all members of the Student and Student Supreme Courts as an indication of what the campus community has a right to expect of these individuals. Any violations of this Code of Ethical Judicial Conduct can result in removal.

Canon 1

A Member of the Judicial Branch
Should Uphold the Integrity and
Independence of the Judiciary

An independent and honorable judiciary is indispensable to justice in our University. A member of the Judicial Branch should participate in establishing, maintaining, enforcing, and observing high standards of conduct so that the integrity and independence of the Judiciary may be preserved. The provisions of this Code should be construed and applied to further that objective.

Canon 2

A Member of the Judicial Branch Should Avoid Impropriety and the Appearance of Impropriety

- 2.1 A member of the Judicial Branch should respect and comply with the Student Government Association Constitution and Bylaws and conduct himself or herself at all times in a manner that promotes public confidence in the integrity and impartiality of the Judiciary.
- 2.2 A member of the Judicial Branch should not allow family, social, or other relationships to influence judicial conduct or judgment. A member should not lend the prestige of his or her office to advance the private interests of others nor convey or permit others to convey the impression that they are in a special position of influence. A member should not testify voluntarily in an adjudicative proceeding as a character witness.

Canon 3

A Member of the Judicial Branch Should Perform the Duties Impartially and Diligently

The judicial duties of a member of the Judicial Branch take precedence over all activities. Judicial duties include the

duties prescribed by the Student Government Association Constitution and Bylaws. In the performance of these duties, the following standards apply:

3.1 Adjudicative Responsibilities.

- A. A member of the Judicial Branch should be faithful to the Constitution. He or she should be unswayed by partisan interests, public clamor, or fear of criticism.
- B. A member of the Judicial Branch should maintain order and decorum in proceedings.
- C. A member of the Judicial Branch should be patient, dignified, and courteous to litigants, witnesses, and others with whom he or she deals in his or her official capacity, and should require similar conduct of staff, court officials, and others subject to his or her direction and control.
- D. A member of the Judicial Branch should accord to every person who is legally interested in a proceeding full right to be heard according to law, and, except as authorized by law, neither initiate nor consider ex parte or other private communications concerning a pending or impending proceeding.
- E. A member of the Judicial Branch should dispose promptly of the business of the Court.

- F. A member of the Judicial Branch should abstain from public comment about a pending or impending proceeding in any court and should require similar abstention on the part of court personnel subject to his or her directions and control. This subsection does not prohibit a member of the Judicial Branch from making public statements in the course of his or her official duties or from explaining for public information the procedures of the Court.
- G. A member of the Judicial Branch should prohibit broadcasting, televising, recording, or taking photographs in the courtroom and areas adjacent thereto during sessions of court or recesses between sessions, except when the authority of the Judicial Branch authorizes:
1. The use of electronic or photographic means for the presentation of evidence, for the perpetuation of a record, or for other purposes of judicial administration;
 2. The broadcasting, televising, recording, or photographing of investigative or ceremonial proceedings.
- H. The photographic or electronic recording and reproduction of appropriate court proceedings will be approved under the following conditions:
1. The means of recording will not distract participants or impair the dignity of the proceedings;

2. The parties have consented, and the consent to being depicted or recorded has been obtained from each witness appearing in the recording and reproduction;
3. The reproduction will not be exhibited until after the proceeding has been concluded and all direct appeals have been exhausted, and
4. The reproduction will be exhibited only for instructional purposes in educational institutions.

3.2 Administrative Responsibilities

- A. A member of the Judicial Branch should diligently discharge the administrative responsibilities, maintain professional competence in judicial administration, and facilitate the performance of the administrative responsibilities of other members and court officials.
- B. A member of the Judicial Branch should require the staff and court officials subject to his or her direction and control to observe the standards of fidelity and diligence.
- C. A member of the Judicial Branch may initiate appropriate disciplinary measures against a student through referral to the Dean of Students for misconduct of which the member may become aware.

- D. A member of the Judicial Branch should not make unnecessary requests. He or she should exercise his or her authority only on the basis of merit, avoiding nepotism and favoritism.

3.3 Disqualification

- A. A member of the Judicial Branch should disqualify himself or herself in a proceeding in which his or her impartiality might reasonably be questioned, including, but not limited to, instances where:
 - 1. He or she has a personal bias or prejudice concerning a party, or personal knowledge of disputed evidentiary facts concerning the proceeding;
 - 2. He or she knows that he or she, individually, or his or her relatives or acquaintances have an interest in the subject matter in controversy or in a party to the proceeding, or any other interest that could be substantially affected by the outcome of the proceeding.
- B. A member of the Judicial Branch should inform himself or herself about personal interests, and make a reasonable effort to inform himself or herself about personal interests of his or her spouse, relatives, or acquaintances.

Canon 4

A Member of the Judicial Branch Should Regulate Activities to Minimize the Risk of Conflict

- 4.1 Avocation Activities. A member of the Judicial Branch may write, lecture, teach, and speak on nonlegal subjects and engage in the arts, sports, and other social and recreational activities, if such avocational activities do not detract from the dignity of his or her office or interfere with the performance of his or her judicial duties.
- 4.2 Membership in Student Organizations. A member of the Judicial Branch should not serve if it is likely that a student organization of which he or she is a member will be engaged in proceedings that would ordinarily come before himself or herself or will be regularly engaged in adversary proceedings in any court.

11. U. T. Permian Basin: Approval of Changes in Parking Permit and Enforcement Fees Effective Immediately (Catalog Change).--In order to include the addition of an administration designation for those parking in the covered parking areas under the Mesa Building at The University of Texas of the Permian Basin, the Board approved changes in parking permit and enforcement fees effective immediately as set out below:

| | <u>1992-93</u> <u>Fees</u> |
|---|-------------------------------|
| <u>Parking Permits and Fees</u> | |
| Administration | \$30.00 |
| Faculty/Staff | 15.00 |
| Students | 15.00 |
| Motorcycles, motorscooters, mopeds, and motor-assisted bicycles | 15.00 |
| Temporary (monthly) | 3.00 |
| Replacement or additional vehicle permit | 5.00 |
| <u>Enforcement Fees</u> | |
| Code 1000 Nonmoving Violations | |
| First Offense | 5.00 |
| Second Offense | 10.00 |
| Third or Subsequent Offense | 15.00 |
| Code 2000 Nonmoving Violations | 15.00 |
| Code 3000 Moving Violations | 15.00 |
| Late Charge (if not paid within ten calendar days) | 3.00 |

Annual parking permit fees are prorated if purchased for the Spring Semester and/or Summer Session only.

It was noted that the next appropriate catalog published at U. T. Permian Basin will be amended to conform to this action.

12. U. T. Permian Basin: Approval of Replacement for Student Senate Constitution (Previously Referred to as Constitution of the Student Body and the Student Senate).--The Academic Affairs Committee recommended and the Board approved a replacement for the Student Senate Constitution of The University of Texas of the Permian Basin (previously referred to as Constitution of the Student Body and the Student Senate) as set out on Pages 187 - 197.

The replacement Constitution was developed by the Student Senate and was approved by more than two-thirds of the students voting in a campus-wide election held on April 21-22, 1992.

**CONSTITUTION
OF THE STUDENT SENATE**

The University of Texas of the Permian Basin

OCTOBER 1992

STATEMENT OF PURPOSE

The purpose of the Student Senate of The University of Texas of the Permian Basin shall be to represent the student body in any area of concern deemed appropriate for student opinion. The Student Senate shall serve as the liaison between the student body and the administration of the University. This includes, but is not limited to, the following:

1. Providing an official student organization to receive student questions and issues for review and recommendations.
2. Providing an official forum for student concerns regarding university and/or community affairs.
3. Providing a means for responsible student participation in the formulation of policy within the university.
4. Advising the administration of student opinion regarding university programs.
5. Appointment of five members to the institutional student service fee advisory committee to make recommendations on proposed increases in and allocation of student services fees as mandated by state legislation.

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ARTICLE I : DEFINITIONS

1. **STUDENT BODY:** The Student Body shall consist of all students enrolled at The University of Texas of the Permian Basin (U. T. Permian Basin).
2. **STUDENT SENATE:** The Student Senate shall consist of two student body representatives from each of the academic (Behavioral Science and Kinesiology, Business, Education, Humanities and Fine Arts, and Science and Engineering) divisions and as many at-large candidates as there are regularly constituted divisions, as well as the Executive Board.
3. **EXECUTIVE BOARD:** The Executive Board shall consist of the President, Vice-President, Secretary, and Treasurer.
4. **FACULTY ADVISOR:** The Faculty Advisor shall be a member of the faculty of The University of Texas of the Permian Basin.
5. **COMMITTEE CHAIR:** A committee chair shall be the duly elected member of the Student Senate who will preside over all meetings of the committee and present all proposals of that committee.
6. **QUORUM:** A quorum shall consist of fifty percent, plus one (50% + 1) senators. The Executive Board may be counted for the purposes of attaining a quorum.
7. **EMERGENCY SESSION:** An Emergency Session meeting may be called by the president and/or two-thirds of the senators. All senators and the Executive Board must be notified and a quorum present for the Emergency Session.
8. **PARLIAMENTARY PROCEDURE:** Parliamentary procedure utilized to conduct meetings shall be according to the guidelines listed in the Student Senate Guide and approved by a majority vote at the first regular fall meeting of the Student Senate [Robert's Rules, abbreviated].
9. **PROPOSALS:** Proposals shall consist of recommendations from the Student Body and the Student Senate:
 - a. **Informal:** areas of concern referred by a member of the Student Body.
 - b. **Formal:** recommendations of the Student Senate.
10. **REFERENDUM:** A referendum is any issue presented to the Student Senate which is accompanied by a petition bearing the signature and identification numbers of ten percent (10%) of the Student Body and will thus be placed on the ballot of the next Student Senate election.
11. **COMMITTEE:** Committees will be formed to conduct the formal research and advising procedures of the Student Senate.
 - a. **Standing:** shall consist of:
 1. Student Affairs
 2. Public Affairs
 3. Minority Affairs
 4. Election Committee
 5. Nominating Committee
 - b. **Ad hoc:** committee to develop a temporary issue as appointed by the President.
12. **CHIEF/ASST. CHIEF STUDENT PERSONNEL OFFICER:** The Chief/Asst. Chief Student Personnel Officer shall be an appointed University advisor to the Student Senate on matters relating to procedure, personnel, and administration.

ARTICLE II: STUDENT SENATE

SECTION I: MEMBERSHIP

- A. **Executive Board:**
President, Vice-President, Secretary, and Treasurer.
- B. **Senators:**
Two senators per division from the upper level (junior, senior and graduate students) and as many at-large senators (freshmen through graduate students) as there are academic divisions (freshmen-graduate students).
- C. **Advisors:**
One nonvoting faculty advisor; one nonvoting Chief/Asst. Chief Student Personnel Officer.

SECTION II: QUALIFICATIONS

- A. **Executive Board:**
Candidates for Executive Board must maintain 9 undergraduate or 6 graduate hours per semester at U. T. Permian Basin, with a minimum GPA of 2.75 on a 4.0= "A" scale per semester at U. T. Permian Basin. Candidates must have completed one semester at U. T. Permian Basin prior to the election.
- B. **Senators:**
Candidates for Student Senator must maintain 6 hours per Fall and/or Spring semester at U. T. Permian Basin, with a minimum GPA of 2.5 on a 4.0= "A" scale per semester at U. T. Permian Basin.

SECTION III: ELECTION PROCEDURES

- A. **Executive Board:**
The President, Vice-President, Secretary, and Treasurer shall be elected from the Student Body at least four (4) weeks prior to the final day of classes of the Spring semester. The term of office shall begin on the first day of classes the following Fall semester and serve for one year until the first day of the subsequent Fall semester.
- B. **Senators:**
 - 1. **Division:**
Division senators shall be elected by the student constituencies of each candidate's academic division on the final Tuesday and Wednesday of September.
 - 2. **At-Large:**
At-Large senators shall be elected by the entire student body on the final Tuesday and Wednesday of September.
- C. **Orientation:**
All applicants for spring and fall elections are required to attend an orientation session conducted by the Executive Board and Election Committee to be scheduled prior to the spring and fall elections. Orientation will consist of determination of eligibility and introduction to senate responsibilities and functions.
- D. **Procedure:**
 - 1. All applications for senate positions shall be submitted to Student Life Office Personnel who will mark the date received and initial. The name of each qualified applicant shall be placed on the ballot in his/her respective or at-large division, and the order of placement shall be at random.
 - 2. The Election Committee shall write the ballot for senate elections making a ballot for each division with the division candidates and all at-large candidates listed separately.
 - 3. The Election Committee shall write one ballot for Executive Board elections listing all candidates for officer positions.

4. Elections shall be conducted through the PASS office or alternate election site. The Election Committee or members of the Student Senate (Executive Board or senators) **NOT** seeking re-election may assist with alternate election sites. Each student must be verified through student ID number prior to receiving a ballot.
5. In senatorial elections, students shall vote for two senators in his/her division and for five at-large senators. If more than two choices are indicated for division candidates, or more than five choices are indicated for at-large candidates, the incorrect ballot(s) shall not be counted.
6. **Winning write-in candidates** shall be notified by an Executive Board member to verify intent/eligibility. If the write-in candidate does not wish to serve or does not meet eligibility requirements, the candidate receiving next highest votes shall be contacted.

E. Election Results:

Votes shall be counted by the Election Committee after the above requirements have been met and will post the results in designated areas not later than noon of the day following the close of the election.

SECTION IV: VACANCIES

A. Officers:

1. **President:** Should the office of President become vacant, the Vice-President shall assume the presidency and shall call a senate meeting for the purpose of electing a new Vice-President.
2. **Vice-President, Secretary, Treasurer:** Should the offices of Vice-President, Secretary, or Treasurer become vacant, the President shall call for nominations from the senate. A confirmation vote shall be conducted at the next meeting of the senate.

B. Senators:

1. If a vacancy occurs in a respective academic or at-large division in the Student Senate, the candidate receiving the next highest vote total from their division in the Student Senate fall election shall be contacted. If the student declines, the next student with the most votes will be contacted. This procedure will be followed until the position is filled. If the seat is not filled through said procedure, the senate will elect an eligible student to fill the vacancy. The senate shall offer a list of potential candidates from the appropriate academic division, and a vote will be taken by secret ballot or voice vote as deemed appropriate by the President, with a simple majority necessary for confirmation.

C. Faculty Advisor:

1. If a vacancy occurs in the office of Faculty Advisor, the Executive Board shall recommend a faculty member to the senate for confirmation at the next meeting of the senate.

D. Committee Chair:

1. If a vacancy occurs in the office of Committee Chair, the President shall appoint a replacement subject to confirmation by a simple majority vote of the senate.

SECTION V: TERMINATION OF DUTIES

A. Executive Board:

1. **Resignation:** Resignations will be accepted by any Executive Board member and brought before the senate at the next meeting for appropriate replacement and confirmation.
2. **Removal:**
 - a. **IMPEACHMENT:** A motion for impeachment may be brought before the senate during a regularly scheduled or emergency session of the senate. Said motion must include specific charges relating to failure to fulfill the function of the office held. A two-thirds vote of the senate is required to impeach an officer.

- b. **ABSENCES:** An Executive Board member is subject to removal if absent for two regularly scheduled meetings of the senate *without notice*. After two consecutive, unexcused absences have been recorded and announced by the Secretary, the President shall make notification in writing to the member. Removal following said procedure is subject to a two-thirds vote of the senate during a regular or emergency session meeting.
 - 3. **Appeal:** An Executive Board member has the right to appeal to the Dean of Students. An appeal must be received within two (2) weeks following removal from the senate.
- B. Senators:**
- 1. **Resignation:** Resignations will be accepted by any Executive Board member and brought before the senate at the next meeting.
 - 2. **Removal:**
 - a. **IMPEACHMENT:** A motion for impeachment may be brought before the senate during a regularly scheduled or emergency session of the senate. Said motion must include specific charges relating to failure to fulfill the function of the office held. A two-thirds vote of the senate is required to impeach a senator.
 - b. **ABSENCES:** A senator is subject to removal if absent for two regularly scheduled meetings of the senate *without notice*. After two consecutive, unexcused absences have been recorded and announced by the secretary, the President shall make notification in writing to the member. Removal following said procedure is subject to a two-thirds vote of the senate during a regular or emergency session meeting.
 - 3. **Appeal:** A senator has the right to appeal to the Dean of Students. An appeal must be received within two (2) weeks following removal from the senate.
- C. Standing Committee Chair:**
- 1. **Resignation:** Resignations will be accepted by any Executive Board member and brought before the senate at the next meeting.
 - 2. **Removal:** A Standing Committee Chair will be subject to removal for absenteeism or failure to fulfill responsibilities of the chair. A motion for removal is subject to a two-thirds vote of the senate.
- D. Faculty Advisor:**
- 1. **Resignation:** Resignation will be accepted by any Executive Board member and brought before the senate at the next meeting.
 - 2. **Removal:** A motion for removal of the faculty advisor is subject to a two-thirds vote of the senate.

ARTICLE III: POWERS, FUNCTIONS, AND TERMS OF OFFICE

SECTION I: EXECUTIVE BOARD

- A. Executive Board:** The Executive Board shall:
 - 1. Assist the President in selection of the Faculty Advisor.
 - 2. Assist in the Fall election of senators.
 - 3. Prepare the agenda for each meeting.
 - 4. Maintain minutes of all Executive Board meetings.

B. President: The President shall:

1. Serve as the official representative of the student body and the Student Senate.
2. Preside at all meetings of the Student Senate, Executive Board, and student body.
3. Advise the Executive Board on the selection of the Faculty Advisor.
4. Appoint and replace ad hoc committees and chairs deemed necessary to conduct the business of the senate.
5. Be responsible for the final draft of all proposals passed by the senate.
6. Serve as the liaison between the administration, faculty, and staff of the University.
7. Serve as the liaison to the Student Affairs chair of the Faculty Senate.
8. Exercise the option to vote **only** in case of a tie.
9. Serve a term of one (1) year from Fall semester to Fall semester.

C. Vice-President: The Vice-President shall:

1. Perform the duties of the President in the event of absence or disability of the President to include the option of a vote **only** in case of a tie.
2. Assist the President in the execution of senate duties and functions.
3. Call a meeting of the senate in the event of a vacancy in the office of President.
4. Vote on all matters before the senate.
5. Serve a term of one (1) year from Fall semester to Fall semester.

D. Treasurer: The Treasurer shall:

1. Report at each meeting of the senate on the financial status of the senate.
2. Be responsible for the financial transactions of the senate.
3. Assist the President in the execution of senate duties and functions.
4. Vote on all matters before the senate.
5. Serve a term of one (1) year from Fall semester to Fall semester.

E. Secretary: The Secretary shall:

1. Maintain a record of all proceedings of the senate, Executive Board, and student body.
2. Be responsible for correspondence with other organizations and universities.
3. Post minutes of all proceedings of the senate in designated locations of the University.
4. Distribute a copy of the minutes of all proceedings to each senator, Executive Board member, advisors, and all academic administrators within seventy-two hours of the meeting.
5. Vote on all matters before the senate.
6. Serve a term of one (1) year from Fall semester to Fall semester.

SECTION II: SENATORS

A. Division and At-Large: All Student Senators shall:

1. Function as the liaison between the division/student body and the senate in matters of student concern.
2. Be a member of at least one standing or ad hoc committee.
3. Bring issues of concern in the form of proposals to the senate for referral to committee.
4. Attend all meetings of the senate and advise any Executive Board member of absences **prior** to any meeting.
5. Maintain and review individual senator mailboxes in the Student Life office.
6. Submit items for the agenda to the President.
7. Maintain and return Student Senate Guide.
8. Serve a term of one (1) year from September to September.

B. Committee Chair: The Committee Chair shall:

1. Be responsible for the final draft of all referred proposals to the committee.
2. Maintain a file of all proposals submitted to the committee with action taken on each proposal.
3. Appoint committee or Executive Board member to present proposals in case of absence.
4. Serve a term of one (1) year from September to September.

SECTION III: FACULTY ADVISOR

- A. Faculty Advisor: The Faculty Advisor shall:
1. Act in an advisory capacity to the senate with regard to University policy.
 2. Attend all meetings of the senate.
 3. Serve a term of one (1) year from September to September.

SECTION IV: CHIEF/ASST. CHIEF STUDENT PERSONNEL OFFICER/ADVISOR

- A. Chief/Asst. Chief Student Personnel Officer/Advisor: The Advisor shall:
1. Act in an advisory capacity to the senate with regard to University policy and procedure.
 2. Assist in the preparation of travel authorizations, student services fee advisement statements, and official disbursements of funds according to University policy.
 3. Attend all meetings of the senate.
 4. Serve continuously as designated by University appointment.

ARTICLE IV: MEETINGS

SECTION I: EXECUTIVE BOARD

- A. Executive Board Meetings: Shall be called by the President as necessary for planning the agenda or other pertinent business of the senate.

SECTION II: STUDENT SENATE

- A. Student Senate Meetings: Shall be held not less than twice monthly with the final meeting to be held two weeks prior to the conclusion of each semester.

SECTION III: COMMITTEES

- A. Committee Meetings: Meetings of standing and ad hoc committees will be called by the Committee Chair as necessary.

SECTION IV: EMERGENCY SESSION

- A. Emergency Session Meetings: May be called by the President (or Vice-President if presidency vacant) and/or two-thirds of the senators. All senators and Executive Board members must be notified and a quorum present for the Emergency Session.

ARTICLE V: COMMITTEES

SECTION I: STANDING COMMITTEES

- A. Student Affairs: The Student Affairs Committee shall be responsible for investigating and advising on issues related to the general welfare of the student body.
- B. Public Affairs: The Public Affairs Committee shall be responsible for investigating and advising on issues related to the general improvement of community/University relations and community activities held within the University.

- C. **Minority Affairs:** The Minority Affairs Committee shall be responsible for investigating and advising on issues related to the general welfare of minority students.
- D. **Election:** The Election Committee shall be responsible for carrying out all election activities.
- E. **Nominating:** The Nominating Committee shall be responsible for seeking candidates for election.

SECTION II: AD HOC COMMITTEES

- A. **Ad hoc Committees:** Ad hoc Committees shall be appointed by the President to investigate and advise on issues deemed necessary to conduct the business of the senate.

SECTION III: COMMITTEE PROCEDURE

- A. **Committee Procedure:** The committee shall be responsible for recommendations and proposals referred by and to the senate. The Committee Chair or designated member shall present proposals to the senate during scheduled or emergency sessions of the senate.

SECTION IV: COMMITTEE CHAIR SELECTION

- A. **Standing Committee Chair Selection Procedure:** The President shall call for nominations for committee chair for each of the standing committees of the senate, subject to a simple majority vote of the senate.
- B. **Ad hoc Committee Chair Selection Procedure:** The President shall appoint and replace the chair for all ad hoc committees.

ARTICLE VI: FACULTY ADVISOR

SECTION I: APPOINTMENT, REMOVAL, AND RESPONSIBILITIES

- A. **Appointment:** The Faculty Advisor shall be recommended to the senate by the President at the first meeting of the Fall semester and subject to confirmation by a two-thirds vote of the senate.
- B. **Removal:** As designated in Article II, Section IV-C and Section V-D.
- C. **Responsibilities:** As designated in Article III, Section III.

ARTICLE VII: RULES OF ORDER

SECTION I: QUORUM AND PARLIAMENTARY PROCEDURE

- A. **Quorum:** A quorum shall consist of fifty percent, plus one (50% + 1) senators. The Vice-President, Secretary, and Treasurer may be counted for the purposes of attaining a quorum. A quorum is required to pass any proposals or recommendations of the senate.
- B. **Parliamentary Procedure:** All meetings of the senate and Executive Board shall be conducted according to Robert's Rules, abbreviated, as specified in the Student Senate Guide. Confirmation of said procedure is subject to a majority vote of the senate during the first regular fall meeting of the senate.

ARTICLE VIII: PROPOSALS AND REFERENDUM

SECTION I: PROPOSALS

A. Proposals:

1. **Informal:** A member of the student body may present any issue of concern to a Student Senator. Informal proposals shall be referred to the appropriate committee and presented to the senate subject to a majority vote of the senate.
2. **Formal:** Recommendations of the senate may be presented by any member of the senate or Executive Board and referred to the appropriate committee. Presentation shall be made by the committee chair, designated committee member, or designated Executive Board member. Formal proposals are subject to a majority vote of the senate.

SECTION II: REFERENDUM

- A. **Referendum:** Any referendum issue presented to the senate which is accompanied by a petition bearing the signatures and identification numbers of ten percent (10%) of the student body must be placed on the ballot of the next student senate election subject to a two-thirds vote of the total number of votes cast. If the issue passes said election, the item shall be placed on the agenda of the next meeting of the student senate.

ARTICLE IX: CONSTITUTIONAL RATIFICATION AND AMENDMENT

SECTION I: STUDENT-SENATE INITIATED AMENDMENT

- A. **Procedure:** A member of the student senate may propose amendments to the Constitution. The proposed amendment shall receive two consecutive readings after which the amendment is subject to a three-fourths vote of the senate.
- B. **Ratification:** The President shall appoint an Election Committee and Chair to conduct the vote of the student body to amend the Constitution. Amendments are subject to a two-thirds vote of the student body voting on said amendments.

SECTION II: STUDENT-BODY INITIATED AMENDMENT

- A. **Procedure:** A member of the student body may submit a proposed amendment to the Constitution if accompanied by a petition bearing the signatures and identification numbers of ten percent (10%) of the student body.
- B. **Ratification:** The President shall appoint an Election Committee and Chair to conduct the vote of the student body to amend the Constitution. Amendments are subject to a two-thirds vote of the student body voting on said amendments.

SECTION III: FORMAL APPROVAL, AMENDMENT, AND REPEAL

- A. **Approval:** Amendments will become effective with the approval of the Chief Student Personnel Officer, the President of U. T. Permian Basin, the Executive Vice Chancellor for Academic Affairs, Chancellor, and the U. T. System Board of Regents.
- B. **Amendment or Repeal:**
1. **Chief Student Personnel Officer:** The Chief Student Personnel Officer may amend or repeal any amendment to the Constitution when in conflict with policies of the University or U. T. System Board of Regents or when the interests of the institution require it. Notification will be made to the senate regarding any action taken to amend or repeal. Such action shall be in force only until the next meeting of the U. T. System Board of Regents.

- 2. U. T. Board of Regents:** The U. T. System Board of Regents may amend or repeal any amendment to the Constitution when in conflict with the policies or interests of the University or Regents' Rules and Regulations. Notification will be made to the university and the senate regarding any action taken to amend or repeal.
- C. Permanent Copy:** Amendments receiving the required approval shall be attached to this Constitution and preserved in the records of the senate.
- D. Deletion and Substitution:** Amendment by deletion and substitution is permitted.
- E. Procedural Conformity:** All provisions of this Article shall be conducted in accordance with all other provisions set forth in this Constitution. No provision of this Constitution shall be interpreted to conflict with or contradict the Rules and Regulations of the Board of Regents of The University of Texas System.

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 198 - 201).--Committee Chairman Ramirez reported that the Health Affairs Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Health Affairs Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. System: Amendment to Article II (Definitions) of the Plan for Professional Medical Liability Self-Insurance.--Upon recommendation of the Health Affairs Committee, the Board amended the Plan for Professional Medical Liability Self-Insurance for The University of Texas System by deleting paragraph (m) from Article II (Definitions) of the Plan which refers to "Special Reserve Fund."

2. U. T. Southwestern Medical Center - Dallas: Appointment of S. Clifford Schold, Jr., M.D., as Initial Holder of the Dorothy Rogers Cullum Distinguished Chair in Neuro-Oncology Effective Immediately.--The Board appointed S. Clifford Schold, Jr., M.D., Professor and Chairman of the Department of Neurology, as initial holder of the Dorothy Rogers Cullum Distinguished Chair in Neuro-Oncology at The University of Texas Southwestern Medical Center at Dallas effective immediately.

See Page 221 related to the establishment of this Chair.

3. U. T. Medical Branch - Galveston: Approval to Appoint (a) William E. Johnston, M.D., as Initial Holder of the James F. Arens Chair in Anesthesiology and (b) Robert L. Safirstein, M.D., as Initial Holder of the Paul R. Stalnaker, M.D. Professorship in Internal Medicine Effective Immediately.--Approval was granted for the following initial appointments to endowed academic positions at The University of Texas Medical Branch at Galveston effective immediately:
 - a. William E. Johnston, M.D., Professor in the Department of Anesthesiology, to the James F. Arens Chair in Anesthesiology

 - b. Robert L. Safirstein, M.D., Professor in the Department of Internal Medicine, to the Paul R. Stalnaker, M.D. Professorship in Internal Medicine.

4. U. T. Health Science Center - Houston (U. T. Medical School - Houston): Authorization for the Administrative Reorganization of the Division of Neurosurgery within the Department of Surgery to the Department of Neurosurgery and to Submit the Proposal to the Coordinating Board for Approval (Catalog Change).--Authorization was granted to reorganize the administrative structure of the U. T. Medical School - Houston at The University of Texas Health Science Center at Houston by converting the Division of Neurosurgery, presently within the Department of Surgery, to the Department of Neurosurgery and to submit the proposal to the Texas Higher Education Coordinating Board for approval.

Neurosurgery has evolved from a limited clinical discipline to a medical and surgical specialty of broad scope and will continue to develop, requiring flexibility and independence. This administrative reorganization will enable the U. T. Medical School - Houston to achieve its academic and clinical goals in neurosurgery and will enhance the recruitment and retention of qualified faculty.

Funding to support this reorganization and the growth associated with this activity will require no new state funds. Resources currently supporting the Division of Neurosurgery will be transferred to support the new department.

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

5. U. T. Health Science Center - Houston (U. T. Allied Health Sciences School - Houston): Establishment of a Bachelor of Science Degree in Cytotechnology and Authorization to Submit the Proposal to the Coordinating Board for Approval (Catalog Change).--The Board established a Bachelor of Science degree in Cytotechnology in the U. T. Allied Health Sciences School - Houston at The University of Texas Health Science Center at Houston and authorized submission of this proposal to the Texas Higher Education Coordinating Board for approval.

Since 1978, the U. T. Allied Health Sciences School - Houston has been authorized by the Coordinating Board to grant a certificate in Cytotechnology. A Bachelor of Science degree is now a requirement for students to be eligible to take the Board of Registry examination. This degree program will provide didactic training and clinical experiences in order to address the critical shortage of cytotechnologists in the state and nation. Clinical sites will include Lyndon B. Johnson General Hospital of the Harris County Hospital District, Hermann Hospital, The University of Texas M.D. Anderson Cancer Center, and St. Luke's Hospital. In addition, training will be integrated with that of the residents in the Department of Pathology and Laboratory Medicine.

The program in Cytotechnology will be administered by the Department of Pathology and Laboratory Medicine in conjunction with the U. T. Allied Health Sciences School - Houston. Therefore, no new state funds will be needed to support this program. Faculty are available and funded through the Department of Pathology and Laboratory Medicine. The Harris County Hospital District will provide faculty salary support as well as space for the didactic portion of the curriculum. The one-time purchase of microscopes for students will be funded by the Department of Pathology and Laboratory Medicine.

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

6. U. T. Health Science Center - Houston (U. T. Nursing School - Houston): Approval for an Off-Campus Expansion of the Master of Science in Nursing Degree with a Specialty in Nurse Anesthesia and Authorization to Submit the Proposal to the Coordinating Board for Approval (Catalog Change).--Following President Low's comments on the shortage of nurse anesthetists throughout Texas and upon recommendation of the Health Affairs Committee, the Board granted approval for the U. T. Nursing School - Houston of The University of Texas Health Science Center at Houston to expand its Master of Science in Nursing degree program in Nurse Anesthesia off-campus by offering the program in cooperation with the Academy of Health Sciences, United States Army, Fort Sam Houston, Texas, and authorized submission of the proposal to the Texas Higher Education Coordinating Board for approval.

The M.S.N. degree with a specialty in Nurse Anesthesia will be a cooperative program with the Academy of Health Sciences, United States Army, with the degree awarded by the U. T. Health Science Center - Houston. The U. T. Nursing School - Houston will administer the program, and no changes in the curriculum other than sequencing of didactic courses are anticipated. The curriculum will be taught by faculty at the Academy of Health Sciences who have an academic appointment at the U. T. Nursing School - Houston. The U. T. Health Science Center - Houston will assume administrative responsibility for the Nurse Anesthesia clinical major, including admission, progression and graduation of students, course scheduling and offerings. The Academy of Health Sciences will enroll a maximum of 50 Army and Texas civilian students per class in this graduate program. Students will be admitted into the program in October 1992 for a January 1993 start-up date. Currently, the program in Nurse Anesthesia at the U. T. Health Science Center - Houston is only able to admit a maximum of 12 new students each year due to limited clinical resources.

This collaborative effort between the nationally accredited program in Nurse Anesthesia at the U. T. Health Science Center - Houston and the U. S. Army Academy of Health Sciences at Fort Sam Houston will have a positive impact on the shortage of certified registered Nurse Anesthetists throughout Texas.

There will be no additional costs to the U. T. Health Science Center - Houston for this collaborative degree program. All expenses will be paid by the United States Army.

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

On behalf of the Board, Regent Cruikshank commended the Health Affairs Committee and President Low on this expanded program and noted that the current admission of 12 new students each year due to limited clinical resources was being enhanced to allow the enrollment of approximately 50 students at no increase in the U. T. Health Science Center - Houston's operational costs.

7. U. T. M.D. Anderson Cancer Center: Milam Leavens, M.D., Appointed Ashbel Smith Professor Effective Immediately.--
The Board appointed Milam Leavens, M.D., Professor of Surgery at The University of Texas M.D. Anderson Cancer Center, as Ashbel Smith Professor effective immediately.

8. U. T. M.D. Anderson Cancer Center: Permission for
(a) Thomas S. Harle, M.D., to Serve on the Texas Board of Licensure for Professional Medical Physicists and
(b) James D. Cox, M.D., to Serve on the Texas Radiation Advisory Board [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was granted for the following faculty members at The University of Texas M.D. Anderson Cancer Center to serve as indicated:
 - a. Thomas S. Harle, M.D., Professor of Radiology, to the Texas Board of Licensure for Professional Medical Physicists for a term to expire on February 1, 1997
 - b. James D. Cox, M.D., Professor of Radiotherapy, to the Texas Radiation Advisory Board for a term to expire on April 16, 1997.

It was noted that these individuals will serve in these capacities without compensation.

Governor Richards' appointment of these individuals is of benefit to the State of Texas, creates no conflict with their regular duties at the U. T. M.D. Anderson Cancer Center, and is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes, and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 202 - 208).--Committee Chairman Moncrief reported that the Facilities Planning and Construction Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, all actions set forth in the Minute Orders which follow were recommended by the Facilities Planning and Construction Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. Austin - Balcones Research Center - Hypervelocity Launch Facility: Request for Project Authorization; Appointment of Project Architect for Preparation of Final Plans; and Appropriation Therefor (Deferred).--Committee Chairman Moncrief reported that the item related to a proposed Hypervelocity Launch Facility at The University of Texas at Austin Balcones Research Center was deferred for consideration at a future meeting.

2. U. T. Southwestern Medical Center - Dallas - Aston Ambulatory Care Center - Ninth Floor Finish Out: Authorization for Project; Appointment of HKS, Inc., Dallas, Texas, as Project Architect to Prepare Final Plans; Authorization to Submit Project to Coordinating Board; and Appropriation Therefor.--The Board, upon recommendation of the Facilities Planning and Construction Committee:
 - a. Authorized a project for the Aston Ambulatory Care Center Ninth Floor Finish Out at The University of Texas Southwestern Medical Center at Dallas at an estimated total project cost of \$3,055,000
 - b. Appointed the firm of HKS, Inc., Dallas, Texas, as Project Architect to prepare final plans and specifications to be submitted to the U. T. Board of Regents for consideration at a future meeting
 - c. Authorized submission of the project to the Texas Higher Education Coordinating Board
 - d. Appropriated \$170,000 from U. T. Southwestern Medical Center - Dallas Unexpended Plant Funds for fees and administrative expenses through preparation of final plans and specifications. These funds will be reimbursed from Tax-Exempt Revenue Financing System Bond Proceeds to be issued at a later date.

In April 1991, the U. T. Board of Regents awarded a construction contract for Additions and Renovations to the Aston Ambulatory Care Center at the U. T. Southwestern Medical Center - Dallas which included constructing floor levels eight and nine as shell space. The eighth floor level is currently being finished out under a separate contract. The completion of the ninth floor is made necessary by an estimated 18 percent increase in patient

volume in 1992 over 1991, as well as the development of new programs in cancer, bone and joint disease, and a center for pain control.

This project is included in The University of Texas System Capital Improvement Plan approved in June 1991 and the Capital Budget approved in June 1992.

3. U. T. Southwestern Medical Center - Dallas - Research Building - Phase II North Campus Expansion (Project No. 303-755): Approval of Final Plans for Stage Two; Authorization to Advertise for Bids and for the Executive Committee to Award Contracts; Appropriation Therefor; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--Upon recommendation of the Health Affairs and Facilities Planning and Construction Committees, the Board:
 - a. Approved final plans and specifications for the second stage of construction of the Research Building - Phase II North Campus Expansion at The University of Texas Southwestern Medical Center at Dallas at an estimated total project cost of \$67,800,000, for all stages, exclusive of institutional equipment
 - b. Authorized the Office of Facilities Planning and Construction to advertise for bids upon completion of final review
 - c. Authorized the Executive Committee to award all contracts associated with this project within the authorized total project cost
 - d. Appropriated \$20,000,000 from Permanent University Fund Bond Proceeds and \$42,300,000 from Revenue Financing System Bond Proceeds for total project funding. Previous appropriations of \$5,500,000 from U. T. Southwestern Medical Center - Dallas Interest on Designated Funds Time Deposits were made to cover the cost of the Inter-campus Connector. In addition, the advanced funding totaling \$5,600,000 from Interest on Designated Funds Time Deposits for fees, administrative expenses, and prepurchase of thermal energy plant equipment is to be reimbursed as previously approved.

Following a presentation by Mr. John Roan, Executive Director of Finance for The University of Texas System, related to the qualifications of this project for the U. T. System Revenue Financing System and in compliance with Section 5 of the Master Resolution Establishing The University of Texas System Revenue Financing System,

approved by the U. T. Board of Regents in April 1990 and amended October 1990, and upon the delivery of the Certificate of an Authorized Representative set out on Page 206, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost including any project costs paid 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. 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 amount of \$42,300,000 for the construction of Research Building - Phase II North Campus Expansion
- d. This resolution satisfies the official intent requirement set forth in Section 1.103-18 of the Treasury Regulations.

This second stage of work consists of a general construction contract for Research Building NA, Support Building NG, and expansion of the Thermal Energy Plant Building NJ.

Research Building NA will be the second research building constructed on the North Campus. It will be a ten-level facility consisting of approximately 182,913 gross square feet of research space (6 levels); 30,333 gross square feet of research support space (1 level); and 88,933 gross square feet of parking (3 levels). Support Building NG will provide an additional 137,700 gross square feet of parking (3 levels) and a plaza area of 45,900 gross square feet. The Thermal Energy Plant Building NJ will also be expanded to accommodate the Phase II construction.

The 6 levels of research space in Research Building NA will be constructed as shell space to be finished out in the third stage of construction. Request for approval of the final plans for stage three will be presented to the U. T. Board of Regents at a future date.

Award of the first stage of work for the prepurchase of thermal energy plant equipment was made by the U. T. Board of Regents through Executive Committee Letter No. 92-18 as set out on Page 7.

This project is included in the U. T. System Capital Improvement Plan approved in June 1991 and the Capital Budget approved in June 1992 for a total project cost of \$67,800,000 including the Intercampus Connector.

Final project funding will be \$20,000,000 from Permanent University Fund Bond Proceeds, \$42,300,000 from Revenue Financing System Bond Proceeds, and \$5,500,000 for the Intercampus Connector project as previously appropriated from U. T. Southwestern Medical Center - Dallas Interest on Designated Funds Time Deposits.

This project was approved by the Texas Higher Education Coordinating Board in October 1991.

Committee Chairman Moncrief pointed out that in addition to the funds being authorized by this action within the past twelve months generous philanthropic sources contributed over \$100 million to support the research that will be done in this building. He noted that this is a magnificent example of the public/private partnership that will be essential for the U. T. System as it moves into the 21st Century.

Mr. Moncrief commended Chairman Beecherl and Presidents Wildenthal and Rutford for their efforts in increasing the private fund support for U. T. Southwestern Medical Center - Dallas and U. T. Dallas.

Chairman Beecherl reemphasized that, as the revenue financing system is used for some construction projects, it is imperative for the Board to review the component institutions' ability to pay these revenue bonds and to look carefully at the debt issue so that the integrity of the U. T. System is not damaged by those components not able to finance their projects.

In response to Chairman Beecherl's comments, Executive Vice Chancellor Burck assured the Board that the Offices of Business Affairs and Asset Management independently assess and jointly review those construction projects wherein "parity debt" is recommended to finance the cost of a project.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on April 12, 1990 (the "Master Resolution"), do hereby execute this certificate for the benefit of the Board of Regents pursuant to Section 5(a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" pursuant to the Master Resolution to finance the cost of the North Campus, Phase II project at the University of Texas Southwestern Medical Center at Dallas, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplementary Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution.

EXECUTED this 9th day of October, 1992


 Executive Vice Chancellor for Business Affairs

4. U. T. M.D. Anderson Cancer Center - Bertner Complex (Project No. 703-772) and Clinical Services Facility (Project No. 703-773): Approval of Final Plans for Bertner Complex Phase I; Authorization to Advertise for Bids and for the Executive Committee to Award Contracts; and Appropriation Therefor.--The Facilities Planning and Construction Committee recommended and the Board:
- a. Approved the final plans and specifications for Phase I of the Bertner Complex at The University of Texas M.D. Anderson Cancer Center at an estimated construction cost of \$59,500,000
 - b. Authorized the Office of Facilities Planning and Construction to advertise for bids upon completion of final review and approval of the Coordinating Board and the Executive Committee to award all contracts associated with this Phase I project within the authorized total project cost
 - c. Appropriated \$62,355,000 from U. T. M.D. Anderson Cancer Center Educational and General Funds for total Phase I funding. Previous appropriations had been \$20,250,000 from the same source bringing the total amount appropriated to date to \$82,605,000 for Phase I construction, including fees and administrative expenses through preparation of final plans for the Bertner Complex and Clinical Services Facility. Approval of this item will amend the FY 1991 Capital Improvement Plan and the FY 1993 Capital Budget with regard to source of funds.

An evaluation of construction of the Bertner Complex in one or more phases has been underway for some time resulting in a recommendation that phased construction beginning in early 1993 is the most prudent and best option. Most persuasive is a potential cost savings of \$3 million if contracts are awarded prior to the beginning of an anticipated inflationary cycle in the building industry. Secondly, other institutions in the Texas Medical Center have construction plans to begin in 1993/1994 which total approximately \$300 million. Award of these contracts prior to this project could result in upward pressure on prices and a shortage of skilled construction labor. Thirdly, the U. T. M.D. Anderson Cancer Center is experiencing increased utilization of patient services beyond earlier projections, thus increasing demand for additional capacity earlier than anticipated. Phased construction beginning early could reduce the total duration of construction and favorably affect earned income. In addition, there may be other benefits realized from beginning construction earlier such as: ease of construction traffic and congestion within the Texas Medical Center; greater on-site staging for subsequent phases by providing a ground-level structural deck; and less interference with Texas Medical Center and utility improvements planned along Bertner Avenue.

The scope of the work included in this \$59.5 million first phase of the Bertner Complex involves preconstruction activities, site preparation, and construction of the foundation, superstructure, exterior walls, and glass and roof for both the Bertner Complex and the Clinical Services Facility. Elevators, escalators, and stairs will also be included. The scope of work also includes construction of an additional transformer vault and a mechanical upgrade for the Gimbel Building.

The completed Bertner Complex will ultimately contain a total of 779,400 gross square feet and include the Bertner Patient Care Facility and the Bertner Research Building at a total project cost of \$206.2 million. The Clinical Services Facility totals 174,085 gross square feet of space on ten levels and a basement at a total project cost of \$42.4 million.

This project has been included in the FY 1991 Capital Improvement Plan and the FY 1993 Capital Budget. Approval of this item will amend the funding sources as follows:

| | |
|---|----------------------|
| U. T. M.D. Anderson Cancer Center Revenue Bonds | \$ 65,400,000 |
| Philanthropy | 100,595,000 |
| U. T. M.D. Anderson Cancer Center Educational and General Fund Balances | <u>82,605,000</u> |
| Total | <u>\$248,600,000</u> |

REPORT AND RECOMMENDATIONS OF THE ASSET MANAGEMENT COMMITTEE (Pages 208 - 223).--Committee Chairman Cruikshank reported that the Asset Management Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, all actions set forth in the Minute Orders which follow were recommended by the Asset Management Committee and approved in open session and without objection by the U. T. Board of Regents.

I. PERMANENT UNIVERSITY FUND

OCT -9 1992

INVESTMENT MATTER

Report on Clearance of Monies to the Permanent University Fund for July and August 1992 and Report on Oil and Gas Development as of August 31, 1992.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for July and August 1992 and (b), Oil and Gas Development as of August 31, 1992, were submitted by the Executive-Vice Chancellor for Business Affairs:

| Permanent University Fund | July 1992 | August 1992 | Cumulative Through August of this Fiscal Year (1991-1992) | Cumulative Through August of Preceding Fiscal Year (1990-1991) | Per Cent Change |
|---|------------------------|------------------------|---|--|-----------------|
| Royalty | | | | | |
| Oil | \$ 4,125,524.78 | \$ 3,906,733.53 | \$ 47,991,203.69 | \$ 66,431,980.71 | -27.76% |
| Gas | 1,135,966.41 | 1,287,700.86 | 13,378,547.88 | 18,617,455.42 | -28.14% |
| Sulphur | 0.00 | 0.00 | (10,598.69) | 0.00 | |
| Water | 76,724.51 | 111,874.11 | 693,402.44 | 997,131.00 | -30.46% |
| Brine | 2,522.41 | 3,477.10 | 50,816.51 | 55,831.52 | -8.98% |
| Trace Minerals | 0.00 | 0.00 | 0.00 | 0.00 | -- |
| Rental | | | | | |
| Oil and Gas Lease | 5,765.94 | 685.29 | 564,767.56 | 681,248.04 | -17.10% |
| Other | 6,000.00 | 4,897.65 | 27,964.65 | 25,717.65 | 8.74% |
| Sale of Sand, Gravel, Etc. | 1,140.00 | 600.00 | 10,050.00 | 24,360.75 | -58.75% |
| Total University Lands Receipts Before Bonuses | 5,353,644.05 | 5,315,968.54 | 62,706,154.04 | 86,833,725.09 | -27.79% |
| Bonuses | | | | | |
| Oil and Gas Lease Sales Amendments and Extensions to Mineral Leases | 0.00 | 0.00 | 1,932,665.52 | 2,383,107.90 | -18.90% |
| | 0.00 | 0.00 | 2,506.03 | 91,413.64 | -97.26% |
| Total University Lands Receipts | 5,353,644.05 | 5,315,968.54 | 64,641,325.59 | 89,308,246.63 | -27.62% |
| Gain or (Loss) on Sale of Securities | 7,448,323.65 | 6,341,446.20 | 57,920,495.53 | 10,876,029.89 | 432.55% |
| TOTAL CLEARANCES | \$12,801,967.70 | \$11,657,414.74 | \$122,561,821.12 | \$100,184,276.52 | 22.34% |

Oil and Gas Development - August 31, 1992

Acreage Under Lease - 646,950

Number of Producing Acres - 534,133

Number of Producing Leases - 2,513

II. TRUST AND SPECIAL FUNDS

Gifts, Bequests and Estates

1. U. T. Austin - James T. Doluisio Chair in Pharmacy in the College of Pharmacy: Allocation of Matching Funds Under The Regents' Endowment Program and Redesignation as the James T. Doluisio Regents Chair in Pharmacy.--Upon recommendation of the Asset Management Committee, the Board allocated \$75,000 in matching funds under The Regents' Endowment Program to increase the James T. Doluisio Chair in Pharmacy in the College of Pharmacy at The University of Texas at Austin for a total endowment of \$575,000 and redesignated the Chair as the James T. Doluisio Regents Chair in Pharmacy.

2. U. T. Austin: Acceptance of Gifts from Various Donors for Addition to the George H. Hitchings Professorship in Drug Design in the College of Pharmacy; Redesignation as the George H. Hitchings Regents Chair in Drug Design; and Eligibility for Matching Funds Under The Regents' Endowment Program.--The Asset Management Committee recommended and the Board accepted \$50,000 in gifts from various donors for addition to the George H. Hitchings Professorship in Drug Design in the College of Pharmacy at The University of Texas at Austin for a total endowment of \$691,750 and redesignated the Professorship as the George H. Hitchings Regents Chair in Drug Design.

Further, \$25,000 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$716,750.

3. U. T. Austin: Acceptance of Gift from Hoechst-Roussel Pharmaceuticals, Inc., Somerville, New Jersey, for Addition to The Hoechst-Roussel Centennial Endowed Professorship in Pharmacy in the College of Pharmacy and Eligibility for Matching Funds Under The Regents' Endowment Program.--The Board, upon recommendation of the Asset Management Committee, accepted a \$50,000 gift from Hoechst-Roussel Pharmaceuticals, Inc., Somerville, New Jersey, for addition to The Hoechst-Roussel Centennial Endowed Professorship in Pharmacy in the College of Pharmacy at The University of Texas at Austin for a total endowment of \$645,000.

Further, \$25,000 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$670,000.

4. U. T. Austin: Acceptance of Pledge from Mr. Rom Rhome, Houston, Texas, for Addition to the International Professional Development Fund in the College of Natural Sciences; Redesignation as the Rom Rhome International Professional Development Fund; and Approval to Broaden Use of Endowment Income.--In accordance with the donors' requests, the Board accepted a \$50,000 pledge, payable by August 31, 1993, from Mr. Rom Rhome, Houston, Texas, for addition to the International Professional Development Fund in the College of Natural Sciences at The University of Texas at Austin and redesignated the Fund as the Rom Rhome International Professional Development Fund.

Further, use of income earned from the endowment was broadened to include travel for students formally participating in international professional meetings. The University of Texas System Office of General Counsel rendered an opinion that this modification is permissible under Section 65.36(f) of the Texas Education Code.

5. U. T. Austin: Approval to Accept Gifts and Pledges from Various Donors; Establishment of Six Endowments in the School of Law; and Eligibility for Matching Funds Under The Regents' Endowment Program.--Approval was given to accept gifts, a pledge, and pledges of matching funds from The University of Texas Law School Foundation (LSF) and to establish six endowments in the School of Law at The University of Texas at Austin as set out below. The funds for the endowments are currently held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations.

Further, a total of \$88,000 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowments, respectively, as set out below. Upon approval of the matching allocation, the Law School Foundation will transfer all funds held for these endowments to the U. T. Board of Regents.

| | |
|--------------------|---|
| ENDOWMENT: | Gus Macey Hodges Endowed Presidential Scholarship in Law |
| Donor: | Mr. and Mrs. Harry Reasoner (Macey Hodges), Houston, Texas |
| Gift Amount: | \$22,665 |
| LSF Matching: | \$12,500, payable by August 31, 1995 |
| Regents' Matching: | \$12,500 |
| Total Endowment: | \$47,665 |

| | |
|--------------------|--|
| ENDOWMENT: | Judge Harry Lee Hudspeth Endowed Presidential Scholarship in Law |
| Donor: | Various friends and colleagues of Judge Hudspeth |
| Gift Amount: | \$13,000 |
| LSF Matching: | \$13,000, payable by August 31, 1995 |
| Regents' Matching: | \$13,000 |
| Total Endowment: | \$39,000 |

ENDOWMENT: Sarah and Jack Gurwitz Endowed
 Presidential Scholarship in Law
 Donor: Mr. Gary Gurwitz, McAllen, Texas
 Gift Amount: \$6,250
 Pledge Amount: \$6,250, payable by
 August 31, 1993
 Donor: Mr. Morris Atlas, McAllen, Texas
 Gift Amount: \$1,500
 LSF Matching: \$12,500, payable by
 August 31, 1995
 Regents' Matching: \$12,500
 Total Endowment: \$39,000

ENDOWMENT: Thomas H. Godfrey Endowed Presi-
 dential Scholarship in Law
 Donor: Mr. H. Lee Godfrey, Houston,
 Texas
 Gift Amount: \$12,500
 LSF Matching: \$12,500, payable by
 August 31, 1995
 Regents' Matching: \$12,500
 Total Endowment: \$37,500

ENDOWMENT: James R. Alexander Endowed Pres-
 idential Scholarship in Law
 Donor: Mr. James R. Alexander, Dallas,
 Texas
 Gift Amount: \$12,500
 LSF Matching: \$12,500, payable by
 August 31, 1995
 Regents' Matching: \$12,500
 Total Endowment: \$37,500

Income earned from these five endowments will be used to award scholarships to law students selected at the discretion of the Dean of the School of Law or the Dean's designee, based on merit or need.

ENDOWMENT: Orlando Letelier and Ronni
 Karpen Moffitt Endowed Presiden-
 tial Scholarship in Law
 Donor: Mr. Michael E. Tigar, Austin,
 Texas
 Gift Amount: \$25,000
 LSF Matching: \$25,000, payable by
 August 31, 1995
 Regents' Matching: \$25,000
 Total Endowment: \$75,000

Recipient
 Criteria: Students who engage without
 other recompense in pro bono
 legal work in the area of human
 rights by working with privately
 supported human rights entities.
 Additional selection criteria
 may be based on merit or need.

Income earned from this endowment will be used to award scholarships to law students selected at the discretion of the Dean of the School of Law or the Dean's designee, taking into consideration special criteria requested by the donor, as indicated above for this endowment.

6. U. T. Austin: Acceptance of Gifts from Various Members of the Family of Mr. Randal B. McDonald, Sr., Houston, Texas, and Pledges from Various Donors and Establishment of the Randal B. McDonald Endowed Professorship in Auditing in the College of Business Administration.--Authorization was given to accept \$20,000 in gifts from various members of the family of Mr. Randal B. McDonald, Sr., Houston, Texas, and \$80,000 in pledges, payable by August 31, 1995, from various donors for a total of \$100,000, and to establish the Randal B. McDonald Endowed Professorship in Auditing in the Department of Accounting, College of Business Administration, at The University of Texas at Austin.

Income earned from the endowment will be used to support the Professorship.

7. U. T. Austin: Authorization to Redesignate the Marlene and Morton Meyerson Centennial Visiting Professorship in Japanese Art in the College of Fine Arts as the Marlene and Morton Meyerson Centennial Visiting Professorship in Japanese and Asian Art and to Broaden Use of Endowment Income.--To clarify the original intent of the donor, the Marlene and Morton Meyerson Centennial Visiting Professorship in Japanese Art in the College of Fine Arts at The University of Texas at Austin was redesignated as the Marlene and Morton Meyerson Centennial Visiting Professorship in Japanese and Asian Art.

Further, use of the income earned from the endowment was broadened to include support for visiting scholars and lecturers in the broad realm of Asian art, as well as Japanese art.

8. U. T. Austin: Acceptance of Gift from Mr. and Mrs. George O. Nokes, Jr., Austin, Texas, and Transfer of Funds for Addition to the Virginia Nokes Endowed Scholarship in Women's Athletics in Intercollegiate Athletics for Women and Redesignation as the Virginia Nokes Endowed Presidential Scholarship in Women's Athletics.--In accordance with the donors' request, the Board accepted U. S. Treasury Bonds, valued at \$29,641.06, from Mr. and Mrs. George O. Nokes, Jr., Austin, Texas, and a \$14,820.53 transfer of matching funds from the Second Century Fund for a total of \$44,461.59 for addition to the Virginia Nokes Endowed Scholarship in Women's Athletics in Intercollegiate Athletics for Women at The University of Texas at Austin. These contributions will increase the endowment to a total in excess of \$58,000, and the Scholarship was redesignated as the Virginia Nokes Endowed Presidential Scholarship in Women's Athletics.

9. U. T. Austin - Gustavus and Louise Pfeiffer Professorship in Toxicology in the College of Pharmacy: Eligibility for Matching Funds Under The Regents' Endowment Program.--The Asset Management Committee recommended and the Board allocated \$10,000 in matching funds under The Regents' Endowment Program to increase the Gustavus and Louise Pfeiffer Professorship in Toxicology in the College of Pharmacy at The University of Texas at Austin for a total endowment of \$161,046.

10. U. T. Austin: Approval to Accept Pledges from Mr. Kenneth Roberts, Houston, Texas, and The University of Texas Law School Foundation and Corporate Matching Funds Pledge from Exxon Education Foundation, Irving, Texas, for Addition to The Cary and Kenneth Roberts Endowed Presidential Scholarship in Law in the School of Law and Eligibility for Matching Funds Under The Regents' Endowment Program.--Approval was given to accept the following pledges for a total of \$95,000 for addition to The Cary and Kenneth Roberts Endowed Presidential Scholarship in Law in the School of Law at The University of Texas at Austin:
- a. \$10,000 pledge, payable by December 31, 1994, from Mr. Kenneth Roberts, Houston, Texas
 - b. \$30,000 corporate matching funds pledge, payable by December 31, 1994, from Exxon Education Foundation, Irving, Texas
 - c. \$55,000 pledge, payable by August 31, 1995, from The University of Texas Law School Foundation, contingent upon receipt of the above two pledges.

The \$55,000 in Law School Foundation funds will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations.

Further, \$65,000 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$240,000. Upon approval of the matching allocation, the Law School Foundation will transfer all funds held for this endowment to the U. T. Board of Regents.

11. U. T. Austin: Authorization to Redesignate Titles of Three Previously Established Endowments in the College of Engineering.--In accordance with the donor's request to reflect the company's new name, authorization was given to redesignate three previously established endowments in the College of Engineering at The University of Texas at Austin as follows:

| | <u>From</u> | <u>To</u> |
|----|--|---|
| a. | Sun Exploration and Production Company Centennial Fellowship #1 in Petroleum Engineering established 12/3/82 | Oryx Energy Company Centennial Fellowship #1 in Petroleum Engineering |
| b. | Sun Exploration and Production Company Centennial Fellowship #2 in Petroleum Engineering established 12/3/82 | Oryx Energy Company Centennial Fellowship #2 in Petroleum Engineering |
| c. | Sun Exploration and Production Company Advanced Petrophysics Laboratory established 8/9/84 | Oryx Energy Company Advanced Petrophysics Laboratory |

See Page 116 related to the renaming of the Sun Exploration and Production Company Advanced Petrophysics Laboratory in the College of Engineering at U. T. Austin.

12. U. T. Austin: Acceptance of Gifts from Various Donors and Pledge from The University of Texas Law School Foundation for Addition to the Heman Sweatt Memorial Scholarship in the School of Law; Approval to Redesignate as the Heman Sweatt Endowed Presidential Scholarship in Law; and Eligibility for Matching Funds Under The Regents' Endowment Program.--Upon recommendation of the Asset Management Committee, the Board accepted \$10,603 in gifts from various donors and a \$4,397 pledge, payable by August 31, 1995, from The University of Texas Law School Foundation for a total of \$15,000 for addition to the Heman Sweatt Memorial Scholarship in the School of Law at The University of Texas at Austin and redesignated the Scholarship as the Heman Sweatt Endowed Presidential Scholarship in Law. The funds for the endowment are currently held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations.

Further, \$7,500 in matching funds will be allocated under The Regents' Endowment Program and will be used to increase the endowment to a total of \$32,500. Upon approval of the matching allocation, the Law School Foundation will transfer all funds held for this endowment to the U. T. Board of Regents.

13. U. T. Austin: Authorization to Redesignate the Texas Real Estate Research Center Professorship in the College of Business Administration as the William C. Jennings, Sr. Professorship of Real Estate.--Authorization was given to redesignate the Texas Real Estate Research Center Professorship in the College of Business Administration at The University of Texas at Austin as the William C. Jennings, Sr. Professorship of Real Estate.

This redesignation was made in accordance with the donor's request.

14. U. T. Austin: Acceptance of Gifts from Various Donors and Transfer of Funds; Establishment of the Logan Wilson Regents Graduate Fellowship in Academic Administration; and Eligibility for Matching Funds Under The Regents' Endowment Program.--The Asset Management Committee recommended and the Board accepted \$12,690 in gifts from various donors and a \$25,000 transfer of funds from The President's Associates for a total of \$37,690 and established the Logan Wilson Regents Graduate Fellowship in Academic Administration at The University of Texas at Austin.

Further, \$18,845 in matching funds will be allocated under The Regents' Endowment Program to increase the endowment to a total of \$56,535.

Income earned from the endowment will be used to provide support to outstanding graduate students concentrating in higher education administration.

15. U. T. Austin: Authorization to Allocate Matching Funds from The Brackenridge Matching Program #2 for Addition to Seventeen Previously Established Endowments.--The Board allocated matching funds totalling \$1,051,055 from The Brackenridge Matching Program #2 to increase seventeen previously established endowments at The University of Texas at Austin as set out below:

| <u>Eligible Endowment and Date of Establishment</u> | <u>Qualifying Gift</u> | <u>Matching Amount</u> |
|--|----------------------------|----------------------------|
| <u>School of Nursing</u> | | |
| Mary Gibbs Jones Endowed Presidential Scholarship in Nursing established 8/13/92 | \$25,000.00 | \$12,500.00 |
| PCA Health Plans Endowed Presidential Scholarship established 8/13/92 | \$25,000.00 | \$12,500.00 |
| School of Nursing Faculty- Staff Endowed Presidential Scholarship established 8/13/92 | \$25,175.00 | \$12,588.00 |
| <u>College of Pharmacy</u> | | |
| Peter John Layden and Professor Willet T. Conklin Endowed Presidential Scholarship in Pharmacy established 8/13/92 | \$33,334.00 | \$16,667.00 |
| Pharmacy Alumni Association Endowed Scholarship established 8/11/88 (* Includes \$190,666 in gifts and \$66,000 in pledges, payable by 8/31/95, to be matched as received) | * \$256,666.00 | \$128,333.00 |
| <u>Interdisciplinary</u> | | |
| A. D. Hutchison Student Endowment Fund established 8/13/92 | \$1,090,599.00 | \$545,299.00 |
| <u>Lyndon B. Johnson School of Public Affairs</u> | | |
| J. J. "Jake" Pickle Scholarship Program established 8/8/91 | \$200,000.00 | \$100,000.00 |

The funds for the following endowments are currently held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations. Upon approval of the matching allocation, the Law School Foundation will transfer all funds held for these endowments to the U. T. Board of Regents.

| <u>Eligible Endowment and Date of Establishment</u> | <u>Qualifying Gift</u> | <u>Matching Amount</u> |
|--|----------------------------|----------------------------|
| <u>School of Law</u> | | |
| Joyce M. Burg--Class of 1926 Endowed Presidential Scholarship in Law established 2/13/92 | \$25,000.00 | \$12,500.00 |
| John H. Crooker, Jr. Endowed Presidential Scholarship in Law established 2/13/92 | \$25,000.00 | \$12,500.00 |
| Tom Martin Davis Endowed Presidential Scholarship in Law established 2/13/92 | \$66,668.00 | \$33,334.00 |
| George Pierre Gardere Endowed Presidential Scholarship in Law established 2/13/92 | \$66,668.00 | \$33,334.00 |
| Oveta Culp Hobby Endowed Presidential Scholarship in Law established 2/13/92 | \$37,500.00 | \$18,750.00 |
| William P. Hobby Endowed Presidential Scholarship in Law established 2/13/92 | \$37,500.00 | \$18,750.00 |
| Jenkins & Gilchrist Endowed Presidential Scholarship in Law established 2/13/92 | \$37,500.00 | \$18,750.00 |
| George E. Seay Endowed Presidential Scholarship in Law established 6/5/86 | \$62,500.00 | \$31,250.00 |
| Sander W. Shapiro Endowed Presidential Scholarship in Law established 2/13/92 | \$37,500.00 | \$18,750.00 |
| Herbert F. and Vivian V. Singletary Endowed Presidential Scholarship in Law established 2/13/92 | \$50,500.00 | \$25,250.00 |

See Page 116 related to the approval of The Brackenridge Matching Program #2 guidelines.

16. U. T. Austin: Allocation of Matching Funds from The Regents' Endowment Program for Addition to Thirty-Two Previously Established Endowments.--Approval was given to allocate matching funds totalling \$2,582,178.11 from The Regents' Endowment Program to increase thirty-two previously established endowments at The University of Texas at Austin as follows:

| <u>Eligible Endowment and Date of Establishment</u> | <u>Qualifying Gift</u> | <u>Matching Amount</u> |
|--|----------------------------|----------------------------|
| <u>College of Natural Sciences</u> | | |
| Albert W. and Alice M. Weeks Fund in Geology established 6/11/92 | \$353,512.00 | \$176,756.00 |
| <u>School of Law</u> | | |
| Clarence Leon Carter Endowed Presidential Scholarship in Law established 10/11/91 | \$60,622.00 | \$30,311.00 |
| John Winston Carter Endowed Presidential Scholarship in Law established 10/11/91 | \$60,622.00 | \$30,311.00 |
| Clarence Leon Carter and John Winston Carter Endowed Presidential Scholarship in Law established 10/11/91 | \$60,621.00 | \$30,310.00 |
| Class of 63 Endowed Presidential Scholarship in Law established 10/11/91 | \$26,145.00 | \$13,072.00 |
| Bob Gibbins Endowed Presidential Scholarship in Law established 10/11/91 | \$82,763.00 | \$41,382.00 |
| Keith Morrison Endowed Presidential Scholarship in Law established 10/11/91 | \$30,100.00 | \$15,050.00 |
| Judge Ben H. Powell Award (an Endowed Presidential Scholarship in Law) established 10/11/91 | \$41,000.00 | \$20,500.00 |
| Judge Bob Shannon Endowed Presidential Scholarship in Law established 10/11/91 | \$26,500.00 | \$13,250.00 |
| Judge Mace B. Thurman, Jr. Endowed Presidential Scholarship in Law established 10/11/91 | \$25,000.00 | \$12,500.00 |
| The Jim Watson Endowed Presidential Scholarship established 10/11/91 | \$25,000.00 | \$12,500.00 |
| David J. Beck Endowed Presidential Scholarship in Law established 12/5/91 | \$25,000.00 | \$12,500.00 |

| <u>Eligible Endowment and Date of Establishment</u> | <u>Qualifying Gift</u> | <u>Matching Amount</u> |
|---|----------------------------|----------------------------|
| <u>School of Law (continued)</u> | | |
| Israel Dreeben Endowed Presidential Scholarship in Law established 12/5/91 | \$25,061.00 | \$12,500.00 |
| Elton M. Hyder, Jr. Scholarship in Law (an Endowed Presidential Scholarship) established 12/5/91 | \$35,233.00 | \$5,000.00 |
| The Johnson & Gibbs, A Profes- sional Corporation, Endowed Presidential Scholarship in Law established 12/5/91 | \$25,000.00 | \$12,500.00 |
| Carl Parker Endowed Presidential Scholarship in Law established 12/5/91 | \$25,500.00 | \$12,500.00 |
| Michael W. Perrin Endowed Presidential Scholarship in Law established 12/5/91 | \$25,000.00 | \$12,500.00 |
| Oscar and Ethel Schwartz Endowed Presidential Scholarship in Law established 12/5/91 | \$37,500.00 | \$18,750.00 |
| The Charles S. Sharp Endowed Presidential Scholarship in Law established 12/5/91 | \$50,000.00 | \$25,000.00 |
| Terry and Sue Tottenham Endowed Presidential Scholarship in Law established 12/5/91 | \$25,000.00 | \$12,500.00 |
| Thomas C. Unis Endowed Presidential Scholarship in Law established 12/5/91 | \$34,000.00 | \$17,000.00 |
| Beirne, Maynard & Parsons Endowed Presidential Scholar- ship in Law established 12/5/91 | \$44,000.00 | \$22,000.00 |
| Campbell A. Griffin, Jr. Endowed Presidential Scholar- ship in Law established 12/5/91 | \$50,000.00 | \$25,000.00 |
| State Bar of Texas Construction Law Section Endowed Presidential Scholarship in Law established 12/5/91 | \$30,000.00 | \$15,000.00 |
| Charles and Elizabeth Tigar Endowed Presidential Scholar- ship in Law established 12/5/91 | \$25,000.00 | \$12,500.00 |

| <u>Eligible Endowment and Date of Establishment</u> | <u>Qualifying Gift</u> | <u>Matching Amount</u> |
|--|----------------------------|----------------------------|
| <u>School of Law (continued)</u> | | |
| Jesse and Peggy Vaughter Endowed Presidential Scholar- ship in Law established 12/5/91 | \$25,000.00 | \$12,500.00 |
| The Franklin Myers Endowed Presidential Scholarship in Law established 12/5/91 | \$25,200.00 | \$12,600.00 |
| Dean Leon Green Endowed Presidential Scholarship in Law established 12/5/91 | \$25,000.00 | \$12,500.00 |
| <u>Interdisciplinary</u> | | |
| David Bruton, Jr. Endowment for Undergraduate Scholarships and Graduate Fellowships established 6/11/92 | \$500,000.00 | \$250,000.00 |
| The Ex-Students' Association Endowed Scholarships established 8/11/88 | \$355,772.22 | \$177,886.11 |
| Michener Fellowship Program established 8/13/92 | \$11,000,000.00 | \$1,500,000.00 |
| Carole L. Patterson Endowed Scholarship for Physically Disabled Female Students established 4/6/89 | \$11,000.00 | \$5,500.00 |

17. U. T. San Antonio: Acceptance of Gift from The Ewing Halsell Foundation, San Antonio, Texas, and Establishment of The Ewing Halsell Chair in Biology.--Upon recommendation of the Asset Management Committee, the Board accepted a \$500,000 gift from The Ewing Halsell Foundation, San Antonio, Texas, and established The Ewing Halsell Chair in Biology at The University of Texas at San Antonio.

Income earned from the endowment will be used to support the Chair.

18. U. T. San Antonio: Acceptance of Gift from Dr. Martha S. Jones, San Antonio, Texas, and Establishment of the Onderdonk Family Memorial Scholarship.--The Asset Management Committee recommended and the Board accepted an \$11,000 gift from Dr. Martha S. Jones, San Antonio, Texas, and established the Onderdonk Family Memorial Scholarship at The University of Texas at San Antonio.

Income earned from the endowment will be used to provide one scholarship per semester to an education student who is beginning his or her student teaching semester. Scholarships will be awarded on the basis of merit, not financial need.

19. U. T. San Antonio: Acceptance of Gift and Pledge from the Southwestern Bell Foundation, St. Louis, Missouri, and Establishment of the Southwestern Bell Doctoral Fellowship in Computer Science.--The Board, upon recommendation of the Asset Management Committee, accepted a \$100,000 gift and a \$400,000 pledge, payable by December 31, 1996, from the Southwestern Bell Foundation, St. Louis, Missouri, and established the Southwestern Bell Doctoral Fellowship in Computer Science at The University of Texas at San Antonio.

Income earned from the endowment will be awarded to qualified students on the basis of merit where academic excellence, professional potential, and commitment to public service are demonstrated.

20. U. T. San Antonio: Acceptance of Gifts from Various Donors and Establishment of the Keith Thomas Memorial Fund.--Authorization was given to accept \$14,300 in gifts from various donors and to establish an endowment at The University of Texas at San Antonio to be named the Keith Thomas Memorial Fund.

Income earned from the endowment will be used to further the education of students pursuing degrees in English and American literature and to recognize outstanding student accomplishments.

21. U. T. Southwestern Medical Center - Dallas: Establishment of the Dorothy Rogers Cullum Distinguished Chair in Neuro-Oncology.--Upon recommendation of the Asset Management Committee, the Board established the Dorothy Rogers Cullum Distinguished Chair in Neuro-Oncology at The University of Texas Southwestern Medical Center at Dallas. The funds for the endowment will be held and administered by the Southwestern Medical Foundation, Dallas, Texas (an external foundation).

Income earned from the endowment will be used to support the Distinguished Chair.

See Page 198 related to an appointment to this Chair.

22. U. T. Medical Branch - Galveston: Acceptance of Gift from Dr. and Mrs. William J. McGanity, Galveston, Texas, and Transfer of Funds and Establishment of The Mary K. and William J. McGanity Nursing Award.--Approval was given to accept a \$5,000 gift from Dr. and Mrs. William J. McGanity, Galveston, Texas, and a \$5,000 transfer of current restricted funds for a total of \$10,000 and to establish The Mary K. and William J. McGanity Nursing Award in the U. T. Nursing School - Galveston at The University of Texas Medical Branch at Galveston.

Income earned from the endowment will be used to provide up to three annual awards to outstanding undergraduate nursing students interested in the field of maternal and neonatal health.

23. U. T. Medical Branch - Galveston: Acceptance of Gift from Drs. Jerome O. and Joanne M. Ravel, Austin, Texas, and Establishment of The Jerome O. Ravel, M.D. Endowed Scholarship Fund for Primary Care Medicine.--The Board accepted a \$40,000 gift from Drs. Jerome O. and Joanne M. Ravel, Austin, Texas, and established The Jerome O. Ravel, M.D. Endowed Scholarship Fund for Primary Care Medicine at The University of Texas Medical Branch at Galveston.

Income earned from the endowment will be used to provide scholarships and support to incoming first-year students who meet the eligibility requirements of the Scholarship guidelines.

24. U. T. Health Science Center - San Antonio: Acceptance of Gifts and Pledges from Various Donors, Accumulated Income and Transfer of Funds for Addition to the John J. Hinchey Professorship in Orthopaedics; Redesignation of the Professorship as the John J. Hinchey, M.D. Chair in Orthopaedics; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--The Asset Management Committee recommended and the Board accepted gifts, pledges, accumulated income, and a transfer of funds for a total of \$167,871.61 as set out below for addition to the John J. Hinchey Professorship in Orthopaedics at The University of Texas Health Science Center at San Antonio and redesignated the Professorship as the John J. Hinchey, M.D. Chair in Orthopaedics:

- a. \$41,119 in gifts from various donors
- b. \$50,000 in pledges, payable by December 31, 1995, from various donors
- c. Approximately \$73,687 in accumulated income
- d. A \$3,065.61 transfer of previously reported gifts from current restricted funds.

Further, the actual income earned on \$94,184.61 in gifts will be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

25. U. T. Health Science Center - San Antonio: Acceptance of Gift from the National Council of Jewish Women, San Antonio, Texas, and Establishment of The National Council of Jewish Women Ethel Weiner Bloom/Ann Gorsch Endowed Student Loan Fund.--Authorization was granted to accept a \$10,500 gift from the National Council of Jewish Women, San Antonio, Texas, \$500 of which will be used outright as a student loan and \$10,000 of which will be used to establish an endowment at The University of Texas Health Science Center at San Antonio to be named The National Council of Jewish Women Ethel Weiner Bloom/Ann Gorsch Endowed Student Loan Fund.

Income earned from the endowment will be used to provide loans to nursing, physical therapy, and occupational therapy students at the U. T. Health Science Center - San Antonio, based on need.

26. U. T. Health Science Center - San Antonio: Acceptance of Transfer of Funds and Establishment of the Dr. Jay Stein Professorship in Nephrology.--Upon recommendation of the Asset Management Committee, the Board accepted a \$100,000 transfer of MSRDP funds and established the Dr. Jay Stein Professorship in Nephrology at The University of Texas Health Science Center at San Antonio.

Income earned from the endowment will be used to support the Professorship.

27. U. T. M.D. Anderson Cancer Center: Approval to Accept Bequest from the Estate of Meta Sophie Woltman Van Dyck, Waco, Texas.--The Board, upon recommendation of the Asset Management Committee, accepted a one-eighth remainder interest in the Estate of Meta Sophie Woltman Van Dyck, Waco, Texas, valued at approximately \$140,000 for use in cancer research at The University of Texas M.D. Anderson Cancer Center.

Committee Chairman Cruikshank noted that Ms. Van Dyck had no known affiliation with the U. T. M.D. Anderson Cancer Center but was interested in the furtherance of cancer research. Mr. Cruikshank pointed out that The University of Texas System has received a number of gifts from people who have no known affiliation with the component institutions and stated that he thought that reflected the remarkable reputation of the U. T. System and its components.

RECONVENE.--At 11:07 a.m., the Board reconvened as a committee of the whole to consider those items remaining on the agenda.

ITEMS FOR THE RECORD

1. U. T. System: Report on Status of Degree Programs and Academic Organization Requests Approved by the U. T. Board of Regents and Submitted to the Texas Higher Education Coordinating Board for the Period September 1, 1991 Through August 31, 1992.--Following is a report for the record on the status of degree programs and academic organization requests within The University of Texas System which have been approved by the U. T. Board of Regents for submission to the Texas Higher Education Coordinating Board. Included are items which have been acted upon by the Coordinating Board since September 1, 1991, or were still pending before the Coordinating Board as of August 31, 1992. Four regular Coordinating Board meetings have occurred since the last report. Full approval has been given for twenty-two programs and administrative change requests, and twenty-one requests are now pending.
 - a. Degree Programs and Academic Administrative Changes Approved by the Coordinating Board for Implementation
 - U. T. Arlington

Jazz Studies option under Bachelor of Music Degree
Options in Music/Business, Music/Theater,
Music/Media under Bachelor of Science in Music
 - U. T. Austin

M.F.A. in Writing
 - U. T. Brownsville

Reorganization of academic administrative structure
 - U. T. El Paso

Nursing Administration major under M.S. in Nursing
Nurse Practitioner major with option of Women's
Health Care under M.S. in Nursing
Nurse-Midwifery major under M.S. in Nursing
 - U. T. Pan American

B.B.A. in International Business
B.S. in Mechanical, Manufacturing, and Electrical
Engineering
B.S. in Nursing
M.S. in Mathematics with majors in Mathematics, in
Mathematics Teaching, and in Mathematics Sciences
Separation of Department of Sociology and Social
Work into two departments
 - U. T. San Antonio

M.S. in Management of Technology
Ph.D. in Biology with emphasis in Neurobiology

U. T. Tyler

M.S. in Mathematics

U. T. Southwestern Medical Center - Dallas

Name of Division of Radiation Therapy changed
to Department of Radiation Oncology

U. T. Medical Branch - Galveston

Extension of M.P.T. (Master - Physical Therapy)
and B.S.O.T. (B.S. - Occupational Therapy)
programs to U. T. El Paso

U. T. Health Science Center - Houston

Administrative units and program director title
changes in Allied Health Sciences School
Extension of M.P.H. program to U. T. El Paso
Name of Division of Orthopaedic Surgery changed
to Department of Orthopaedic Surgery

U. T. Health Science Center - San Antonio

Administrative units and program director title
changes in Allied Health Sciences School
Cooperative B.S. in Physician Assistant Studies
with Academy of Health Sciences, U. S. Army

b. Requests Approved by the U. T. Board of Regents
and Pending with the Coordinating Board

U. T. Arlington

M.A. in Anthropology
Ph.D. and M.S. in Environmental Science and
Engineering

U. T. Austin

M.A. and Ph.D. in Molecular Biology
Ph.D. in Architecture
Ph.D. in Community and Regional Planning
Ph.D. in Medieval Studies
Ph.D. and M.S. in Computational and Applied
Mathematics

U. T. Dallas

B.S. in Cognitive Science

U. T. El Paso

M.F.A. in Creative Writing
Ph.D. in Materials Science and Engineering
Ph.D. in Psychology

U. T. Pan American

M.S. in Sociology

U. T. Tyler

M.S. in Biology

U. T. Southwestern Medical Center - Dallas

Doctoral program in Genetics and Development --
first reading has been heard

Doctoral program in Neuroscience -- first reading
has been heard

Reorganization of the Graduate School of Biomedical
Sciences -- implementation will begin when
Neuroscience and Genetics and Development
programs have been approved

U. T. Medical Branch - Galveston

Doctoral program in Experimental Pathology

Official recognition of cooperative agreement in
Doctoral Nursing Education with U. T. Austin

M.S. in Nursing with major in Critical Care Nursing

U. T. Health Science Center - San Antonio

Establishment of Department of Respiratory Therapy
and authorization to offer two certificate
programs to be administered by this Department

M.S. and Ph.D. programs in Molecular Medicine

2. U. T. System: Status Report on Administratively Approved Academic Program Changes for the Period August 1, 1991 Through August 31, 1992.--In accordance with Regentally approved guidelines, the appropriate Executive Vice Chancellors are authorized to forward certain academic program changes to the Texas Higher Education Coordinating Board for approval at the staff level, subject to periodic reporting to the U. T. Board of Regents for the record. These changes, considered to be "non-substantive" according to the Coordinating Board's terminology, must be consistent with institutional missions approved by the U. T. Board of Regents and the Coordinating Board. Set forth below is a report for the record of fifty (50) such nonsubstantive approvals granted by the staff of the Coordinating Board for eleven (11) of The University of Texas System general academic and health component institutions for the period August 1, 1991 through August 31, 1992.

Included also among the 50 items are several changes which the Coordinating Board staff had approved prior to August 1991 but notice of which did not reach the U. T. System Administration until after that date.

U. T. Arlington (1 item)

Changed name of B.A. in Physical Education to B.A.
in Exercise and Sport Studies

U. T. Austin (15 items)

- a. Replaced B.F.A. in Drama Education with B.F.A. in Theatre Studies
- b. Added Design major under B.F.A.

- c. Replaced B.F.A. in Art Education with B.F.A. in Visual Arts Studies
- d. Replaced B.M. in Music with B.M. in Music Studies
- e. Added B.S. in Biochemistry
- f. Replaced M.A. in Radio/Television/Film with M.F.A. in Film and Television Production
- g. Eliminated B.S. in Home Economics (B.S.H.E.) with major in Home Economics
- h. Replaced B.S.H.E. in Nutrition and in Dietetics with B.S. in Nutrition and in Dietetics
- i. Replaced B.S.H.E. in Textiles and Clothing with B.S. in Textiles and Apparel
- j. Replaced B.S.H.E. in Interior Design with B.S. in Interior Design
- k. Replaced B.S.H.E. in Child Development and Family Relations with B.S. in Child Development and Family Relations
- l. Added M.S. in Economics with major in Economics
- m. Changed name of Department of Art to Department of Art and Art History
- n. Replaced program in Elementary Education leading to a B.S. in Education with major in Education with a B.S. in Applied Learning and Development with majors in Applied Learning and Development and in Youth and Community Studies
- o. Replaced program in Physical Education and program in Education and Youth-Serving Agencies leading to B.S. in Education with major in Education with B.S. in Kinesiology with majors in Kinesiology and in Health Promotion and Fitness

U. T. Dallas (1 item)

Changed degree designation of Sc.D. in Electrical Engineering to Ph.D. in Electrical Engineering

U. T. El Paso (5 items)

- a. Changed name of major in Metallurgical Engineering leading to M.S. Degree to major in Metallurgical and Materials Engineering
- b. Changed name of Department of Metallurgical Engineering to Department of Metallurgical and Materials Engineering
- c. Changed names of existing majors in Speech, Hearing, and Language Disorders (B.S.) and Speech Pathology and Audiology (M.S.) to Speech-Language Pathology

- d. Replaced B.S. in Allied Health with programs in Allied Health Education, Community Health Work and in Health Care Administration with B.S. in Health Science
- e. Changed M.A. in Economics to M.S. in Economics

U. T. Pan American (3 items)

- a. Changed name of Department of Health, Physical Education and Recreation to Department of Health and Kinesiology
- b. Replaced B.S. in Health Education with B.S. in Health
- c. Replaced B.S. in Physical Education with B.S. in Kinesiology

U. T. Permian Basin (2 items)

- a. Changed B.S. in Criminal Justice to B.A. in Criminology
- b. Changed name of Division of Behavioral Science and Kinesiology to Division of Behavioral Science

U. T. San Antonio (10 items)

- a. Established program in Management Science under M.B.A.
- b. Established program in Management of Technology under M.B.A.
- c. Established program in Finance under M.B.A.
- d. Established program in Business Economics under M.B.A.
- e. Established program in Information Systems under M.B.A.
- f. Replaced B.M.Ed. in Music Education with B.M. in Music Studies
- g. Replaced B.A. in Early Childhood and Elementary Education with B.A. in Interdisciplinary Studies
- h. Replaced program in Mathematics Education leading to B.S. in Mathematics with program in General Mathematical Studies
- i. Replaced B.S. in Physical Education with B.S. in Kinesiology
- j. Changed B.S. in Medical Technology to B.S. in Clinical Laboratory Sciences

U. T. Tyler (8 items)

- a. Changed B.A. and B.S. in Speech to B.A. and B.S. in Speech Communication
- b. Replaced B.S. in Health Education with B.S. in School Health

- c. Replaced B.S. in Physical Education with B.S. in School Kinesiology
- d. Changed name of Department of Health and Physical Education to Department of Health and Kinesiology
- e. Replaced B.S. in Vocational Education with B.S. in Training and Development
- f. Changed name of Department of Accounting to Department of Accounting, Finance, and General Business
- g. Changed B.A. in Drama to B.A. in Theatre
- h. Changed name of Department of Drama and Communication to Department of Theatre and Communication

U. T. Southwestern Medical Center - Dallas (2 items)

- a. Changed name of Department of Anesthesiology to Department of Anesthesiology and Pain Management
- b. Changed name of program in Gerontology Services Administration to Gerontology and Geriatric Services

U. T. Health Science Center - Houston (1 item)

Expanded option in Perinatal Nursing leading to M.S. in Nursing to include Nurse Practitioner Role

U. T. Health Science Center - San Antonio (2 items)

- a. Changed name of Radiobiology Graduate Program to Radiation Biology
- b. Changed name of Medical Radiation Safety Graduate Program to Medical Health Physics

3. U. T. System: Report on Equity Ownership/Business Participation for the Fiscal Year 1991-1992 [Regents' Rules and Regulations, Part Two, Chapter XII, Section 8 (Intellectual Property)].--As required by Section 8, Chapter XII, Part Two of the Rules and Regulations of the Board of Regents of The University of Texas System and Section 51.912 of the Texas Education Code, the report for the record set out on Pages 230 - 233 lists employees of The University of Texas System who hold equity interests in or are directors of business entities that have agreements with the U. T. System relating to research, development, licensing, or exploitation of intellectual property owned by the U. T. System.

This report for the Fiscal Year 1991-1992 will be forwarded to Governor Richards and the Legislature as required by State law.

U.T. SYSTEM EQUITY OWNERSHIP/BUSINESS PARTICIPATION REPORT

FISCAL YEAR 1991-92

| Name and U. T. Component | Business Entity | Date and Type of Agreement | Amount and Type of Stock | Position Held |
|---------------------------------|---|--|-----------------------------------|---|
| G. V. Kondraske UT/ARL | Human Performance Measurement, Incorporated | License from Board of Regents to HPM a/27/87 | 50,000,000 shares of common stock | Chief Executive Officer Chairman of the Board of Directors |
| Joseph J. Beaman UT/AUS | DTM Corporation | Patent License 12/3/87 Sponsored Research 12/1/90 | a.999 shares of common stock | Corporate Director |
| Adam Heller UT/AUS | E. Heller and Company | Assignment 8/1/91 | 25,000 shares of common stock | Consultant |
| Jeffrey A. Hubbell UT/AUS | Neocrin Corporation (formerly Trancel Corporation) | Patent and Technology License 9/1/90 Sponsored Research 9/1/90 | 40,000 shares of common stock | Consultant |
| Jeffrey A. Hubbell UT/AUS | Pegas Pharmaceuticals, Inc. | Patent and Technology License 6/11/92 Sponsored Research 6/1/92 | 180,999 shares of common stock | Consultant and Director of Materials Research (from 7/1/92 to 6/30/93 only) |
| G. Barrie Kitto UT/AUS | Research Applications, Incorporated and Biotect Corporation | Patent License a/to/99 Sponsored Research a/lo/99 | 100,000 shares of common stock | Corporate Director and Vice President for Technology |
| Jonathan L. Sessler UT/AUS | Phannacydics, Incorporated | Patent and Technology License 5/28/92 Sponsored Research 7/1/91 | 250,000 shares of common stock | Consultant |

| Name and U. T. Component | Business Entity | Date and Type of Agreement | Amount and Type of Stock | Position Held |
|---------------------------------|--|--|---|--|
| William F. Weldon UT/AUS | Astec Industries, Incorporated | Patent License 8/10/89 Sponsored Research 8/10/89 | | Corporate Director |
| James M. Gallas UT/SA | Photoprotective Technologies, Incorporated | Assignment of Patent and Know-How 12/17/89 | 54 percent of stock Issued | Chairman of the Board of Directors |
| K. Lance Gould UTHSC/HOU | Positron Corporation | Patent License 8/14/84 | 2 percent equity in the form of common, options, and preferred | Member, Board of Directors |
| N. A. Mullani UTHSC/HOU | Positron Corporation | License 8/14/84 | 3.2 percent equity in the form of common, options and preferred | Member, Board of Directors |
| L Scott Rodkey UTHSC/HOU | Ampholife Technologies, Incorporated | Patent and Technology License 9/1/88 | 8,000 shares of common stock | Consultant |
| Gregory R. Munday UTHSC/SA | OsteoTex Corporation | Joint Venture 7/27/88 Research 10/1/88 | 80,000 shares of common stock | President |
| A. P. Shepherd UTHSC/SA | Avox Systems, Incorporated | License 7/1/90 | 100% of common stock | President |
| Kendall O. Smith UTHSC/SA | Kendall Labs, Incorporated | License 1/1/91 | 199% of common stock | President and Chairman of the Board |
| J. Klostergaard UTMDACC | Argus Pharmaceuticals, Incorporated | License and Joint Venture 10/66,6/66 | 110,999 shares of common stock | |
| G. Lopez-Berestein UTMDACC | The Liposome Company | License 1/86 | Options for a total of 22,000 shares of common stock | |

| Name and U. T. Component | Business Entity | Date and Type of Agreement | Amount and Type of Stock | Position Held |
|---|--|--|--|----------------------|
| G. Lopez-Berestein UTMDACC | Argus Phamraceuticals, Incorporated | License and Joint Venture: 10/86, 6/88 | 167,679 shares of common stock and options for 46,466 shares d common stock | Director |
| K. Mehta UTMDACC | Argus Pharmaceuticals, Incorporated | License and Joint Venture: 10/86, 6/88 | 26,766 shares d common stock | |
| R. Mehta UTMDACC | Argus Pharmaceuticals, Incorporated | License and Jdnt Venture: 10/86, 6/88 | 20,758 shares of common stock | |
| G. Nicolson UTMDACC | Rhodon, Inc. | Patent License 6/92 | 250,000 shares of common stock | Director |
| M. Sivaramakrishnan UTMDACC | Argus Pharmaceuticals, Inc. | License and Joint Venture 10/86, 6/88 | Options for 303 shares of common stock | |
| T. Slaga (personally and as a trustee) UTMDACC | LifeScience Corporation | Ltcense 8/89 | 140,000 shares of common stock | |
| Ft. Perez-Soler UTMDACC | Argus Pharmaceuticals, Incorporated | License and Jdnt Venture 10/86, 6/88 | 110,909 shares of common stock | |
| R. Perez-Sder UTMDACC | The Liposome Company | Ltcense 1/86 | Option for 8,000 common shares d common stock | |
| w. Priebe UTMDACC | Argus Pharmaceuticals, incorporated | License and Jdnt Venture 10/86, 6/88 | 366,000 shares of common stock | |
| S. Tucker UTMDACC | Argus Pharmaceuticals, Incorporated | License 6/88 | Options for 303 shares of common stock | |
| Peter Antich UTSMC/DAL | Epikon. Inc. | Patent License 8/13/92 | 100,000 shares of common stock | |
| Jon Anderson UTSMC/DAL | Epikon, Inc. | Patent License 8/13/92 | 100,000 shares of common stock | |
| Robert Parkey UTSMC/DAL | Epikon, Inc. | Patent Ltcense 8/13/92 | 100,000 shares of common stock | |

| Name and U. T. Component | Business Entity | Date and Type of Agreement | Amount and Type of Stock | Position Held |
|---------------------------------|--------------------------------------|--|---|----------------------|
| John Johnson UTSMC/DAL | Betagene, Inc. | Patent License and Sponsored Research 10/1/91 | 3,996 shares of common stock | |
| John Newgard UTSMC/DAL | Betagene, Inc. | Patent License and Sponsored Research 10/1/91 | 15,996 shares of common stock | |
| Roger Unger UTSMC/DAL | Betagene, Inc. | Patent License and Sponsored Research 10/1/91 | 15,000 shares of common stock | |
| Robert Munford UTSMC/DAL | ZymoGenetics, Inc. | Patent License and Sponsored Research 6/30/87 | 1,000 shares of common stock | |
| J. Donald Capra UTSMC/DAL | GeneScreen | Patent License 6/30/87 | 25,000 shares of Series A Preferred stock | |
| Phil Tucker UTSMC/DAL | GeneScreen | Patent License 6/30/87 | 25,000 shares of Series A Preferred stock | |
| Austin Long UT SYSTEM | Ampholife Technologies, Incorporated | Exclusive License 9/1/88 | 8,000 shares of common stock* | Director** |
| Austin Long UT SYSTEM | Biotect, Inc. | Patent License and Sponsored Research 8/10/89 | 300,000 shares of common stock* | Director** |
| Thomas G. Ricks UT SYSTEM | DTM Corporation | Patent License 12/3/87 | 200 shares of common stock' | Director** |
| Thomas G. Ricks UT SYSTEM | Argus Pharmaceuticals, Incorporated | Exclusive License 10/15/86 | 400,000 shares of common stock' | Director** |
| Thomas G. Ricks UT SYSTEM | LifeCell Corporation | Exclusive License 6/6/86 | 650,000 shares of common stock' | Director** |

- Held by Board of Regents
- At Request of Board of Regents

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

Regent Ramirez, Vice-Chairman of the Board for Lease of University Lands, submitted the following report on behalf of that Board:

Report

The Board for Lease of University Lands has not met since the last Regents' meeting in August 1992. There will be a Board meeting held in connection with the Special Frontier Lease Sale on October 20, 1992, in Austin, Texas, at the General Land Office.

This lease sale will be held in conjunction with the General Land Office.

The Board for Lease will offer for oil and gas lease 612,000 acres of Permanent University Fund Lands in Culberson, El Paso, Hudspeth, and Terrell Counties.

The University Trust Lands will offer for oil and gas lease 36,000 acres located in Culberson and Hudspeth Counties.

The General Land Office will offer for oil and gas lease 115,000 acres of mineral classified lands also located in Culberson and Hudspeth Counties.

The oil and gas industry has shown very little interest in this Special Frontier Lease Sale. To date, there has been no seismic work conducted on any of the acreage offered for lease.

The Board for Lease offered 3,500 barrels per day of royalty oil at a recent sealed bid sale. This was a very successful sale with the high bids increasing the income to the Permanent University Fund by an additional \$1,168,000 a year. The high bidders bid an average of \$.91 per barrel above the posted price for oil in West Texas.

Following this report, Regent Ramirez called on Executive Vice Chancellor for Business Affairs Burck for comments regarding the Special Frontier Lease Sale and the in-kind royalty oil sale.

Executive Vice Chancellor Burck noted that the Board for Lease and U. T. Board of Regents plan to offer for lease some 612,000 acres of Permanent University Fund Lands in four West Texas counties at a Special Frontier Lease Sale on October 20, 1992. He reported that the lands being offered for sale are very inactive with no seismic work conducted on them to date. He pointed out that the in-kind royalty program, which was initiated two years ago, has enhanced the U. T. System income by over \$2,000,000 and is a very good program.

OTHER MATTERS

U. T. System: Report on Activities of the Student Advisory Group.--Chairman Beecherl called on Chancellor Cunningham to introduce a presentation by The University of Texas System Student Advisory Group.

Chancellor Cunningham noted that it was a pleasure to introduce Ms. Lynne Markgraf, outgoing Chair of the Student Advisory Group, who is a graduate student at The University of Texas of the Permian Basin and the third student leader to hold the position of Chair since the Group's inception. He stated that Ms. Markgraf has been most effective in coordinating and advancing several issues that the Student Advisory Group has undertaken. Dr. Cunningham then personally thanked Ms. Markgraf for her outstanding service as Chair of the Group and invited her to summarize for the Board some of the accomplishments of the Student Advisory Group during the past year.

Ms. Markgraf thanked Dr. Cunningham for the delightful introduction. She noted that she had been a member of the Student Advisory Group for two years, and the opportunities that the two years have provided have been enormous. Ms. Markgraf then thanked Chairman Beecherl, the members of the Board, Chancellor Cunningham, and the component presidents for their encouragement and support of this Group. Ms. Markgraf then filed the following report.

Report by Ms. Lynne Markgraf Outgoing Chair of the Student Advisory Group

I would like to thank the Board for the opportunity to briefly share with you some of the highlights of the 1991-92 U. T. System Student Advisory Group.

As you are all very much aware, numerous bills are placed before the Texas Legislature regarding a "student regent." The U. T. System has had the foresight to formulate an alternative without legislative mandate in the Student Advisory Group. Each component president, knowing the various constituencies and how they can best serve and be represented, has instituted the procedures for selection of the two to three delegates per campus.

This Group of about 35 students has brought diversity and intellect for the two and one-half years that it has been meeting. During the past year, one of the key projects, which was approved by the Board, was the Student Discipline for Scholastic Dishonesty Guide. This project was undertaken by Mrs. Francie Frederick, Associate Executive Vice Chancellor for Academic Affairs, at the request of the Group. The document has provided uniformity of interpretation of existing Regents' Rules and Regulations and has clarified many points of concern for administrators, faculty, and students systemwide.

The Minority Affairs Committee has been quite active, and one area of interest is the work they have done in reference to minority faculty recruitment. Recommendations on the process a campus might utilize in recruiting have provided an increased awareness of the need for minority faculty as role models.

The Tuition and Fees Committee has been researching Student Service Fee Advisory Committees. Of interest are the structure, guidelines, and outcome with particular regard to the process used by component presidents once the committee has submitted its recommendations. The result of this research has improved the work of numerous component committees.

Some issues, such as a "student bill-of-rights" or "grievance policy," that are initially brought to the Group meetings have been best addressed by not attempting to mandate a systemwide "policy" but rather to share resources that will enable modifications to existing documents or guidebooks that are appropriate to the institution. In this manner, the uniqueness of many components is preserved while offering the vast resources of a large university system.

I would like to conclude by thanking the U. T. Board of Regents on behalf of the students we represent for all of your support and for giving me the opportunity to brief you on the Group's activities this past year.

Following her presentation, Ms. Markgraf introduced the newly elected officers of the Student Advisory Group:

Mr. Terrence Shaw, Chair, The University of Texas at El Paso

Mr. Todd Thames, Vice Chair, The University of Texas Medical Branch at Galveston

Ms. Seble Woubshet, Recording Secretary, The University of Texas at San Antonio

Mr. Jason Oehlke, Legislative Relations Officer, The University of Texas at Dallas.

Mr. Terrence Shaw, newly elected Chair of the Student Advisory Group, stated that he looked forward to increasing the communications between the U. T. System component institutions and the Student Advisory Group.

Chairman Beecherl noted that former Chancellor Mark had established the Student and Faculty Advisory Groups and stated that he would like to hear from the Faculty Advisory Group at the next Board of Regents' meeting if that was possible. Chairman Beecherl emphasized that it was very important for the Board to hear from its constituents and encouraged Chancellor Cunningham to continue the dialogue with these Student and Faculty Advisory Groups. Dr. Cunningham assured the Board that the two groups would continue to be very active.

RECESS TO EXECUTIVE SESSION.--At 11:20 a.m., the Board recessed to convene in Executive Session pursuant to Vernon's Texas Civil Statutes, Article 6252-17, Sections 2(e), (f) and (g) to consider those matters set out in the Material Supporting the Agenda.

RECONVENE.--At 2:00 p.m., the Board reconvened in open session.

EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Beecherl reported that the Board had met in Executive Session in Room 1.304 of the Conference Center to discuss matters in accordance with Article 6252-17, Sections 2(e), (f) and (g) of Vernon's Texas Civil Statutes. In response to Chairman Beecherl's inquiry regarding the wishes of the Board, the following actions were taken:

1. U. T. Medical Branch - Galveston: Proposed Settlement of Medical Liability Litigation - Gerald and Bessie Simpson (Withdrawn).--Chairman Beecherl reported that the item related to the proposed settlement of medical liability litigation involving Gerald and Bessie Simpson and The University of Texas Medical Branch at Galveston was withdrawn from consideration at this time.

2. U. T. Health Science Center - Houston and U. T. Health Science Center - San Antonio: Settlements of Medical Liability Litigation.--Chairman Beecherl reported that in Executive Session the Board heard presentations from Executive Vice Chancellor for Health Affairs Mullins and Vice Chancellor Farabee with regard to the three (3) cases in which The University of Texas System Administration was recommending proposed settlements of medical liability litigation.

Based on these presentations, Vice-Chairman Ramirez then moved that the Chancellor and the Office of General Counsel be authorized to settle the following medical liability litigation matters in accordance with the individual proposals presented in Executive Session:

- a. On behalf of The University of Texas Health Science Center at Houston, the:
 - Medical liability litigation filed by Betty Kelly
 - Medical liability litigation filed by Xavier O'Neil, et al.

- b. On behalf of The University of Texas Health Science Center at San Antonio, the:
 - Medical liability litigation filed by Maria Aranda.

Regent Moncrief seconded the motion which prevailed without objection.

OTHER BUSINESS

U. T. System: Directive from the Governor's Office Requiring All Board Members Approving the 1994-95 Legislative Appropriations Request to Signify Support by Signing Transmittal Letter Related Thereto.--Chairman Beecherl called on Chancellor Cunningham to comment on a recent communication from the Governor's Office related to the Legislative Appropriations Request for The University of Texas System.

Chancellor Cunningham reported that the U. T. Board of Regents had received a letter dated September 30, 1992, from Governor Ann Richards which directed state agencies to require all board members approving the 1994-95 Legislative Appropriations Request to signify their support by signing the letter of transmittal for their Legislative Appropriations Request. He noted that the Board had discussed this matter in some detail and had complied with the Governor's request by signing a letter dated October 8, 1992, which is set forth on Pages 239 - 240.

Academic Component Institutions
The University of Texas at Arlington
The University of Texas at Austin
The University of Texas at Brownsville
The University of Texas at Dallas
The University of Texas at El Paso
The University of Texas-Pan American
The University of Texas at the Permian Basin
The University of Texas at San Antonio
The University of Texas Institute of Texas Cultures at San Antonio
The University of Texas at Tyler



Health Component Institutions
The University of Texas Southwestern Medical Center at Dallas
The University of Texas Medical Branch at Galveston
The University of Texas Health Science Center at Houston
The University of Texas Health Science Center at San Antonio
The University of Texas M.D. Anderson Cancer Center
The University of Texas Health Center at Tyler

BOARD OF REGENTS
of
THE UNIVERSITY OF TEXAS SYSTEM

201W. 7th Street Austin, Texas 78701

Arthur H. Dilly, Executive Secretary
Box N
Austin, Texas 78713-7328
(512) 499-4402

October 8, 1992

The Honorable Ann W. Richards
Governor
State of Texas
P. O. Box 12428
Austin, Texas 78711

Dear Governor Richards:

In response to your request of September 30, we, the undersigned Regents of The University of Texas System, do officially transmit the FY 94-95 Legislative Appropriations Request documents on behalf of the fifteen U. T. System component institutions and the U. T. System Administration. These documents were prepared where applicable in accordance with formulas established by the Texas Higher Education Coordinating Board and in accordance with the instructions and guidelines issued by the Governor's Office of Planning and Budgeting, the Legislative Budget Office, and the U. T. Board of Regents.

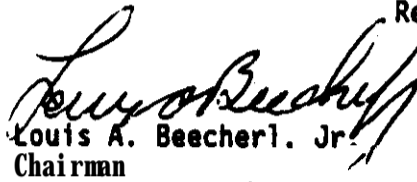
The Appropriations Requests identify many needed and beneficial programs, projects and proposals on behalf of The University of Texas System and presentation of them for consideration by the 73rd Texas Legislature is our proud responsibility. At the same time, we recognize that State revenues are projected to be less than required to fund all State needs and that hard choices must be made in the deliberative process that is to follow. The specific priorities for funding presented in these documents conform to the preparation guidelines provided and represent the best judgements of the U. T. component institutions and U. T. System leadership and have our concurrence.

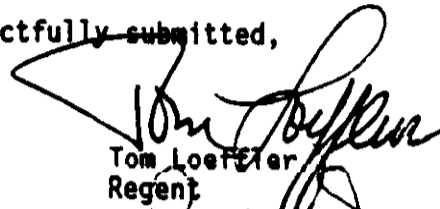
We understand that the ultimate funding choices rest with the Legislature and the Governor, and appreciate the opportunity to participate in a process where opportunities to invest in the future of

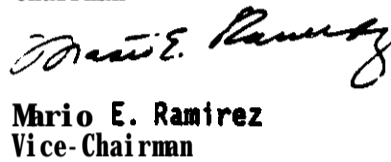
The Hon. Ann W. Richards
October 8, 1992
Page 2

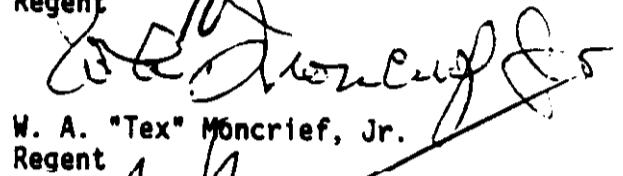
Texas can be openly considered by our elected representatives. We stand ready to assist you and the Legislative leadership further in any way we can during this most critical process.

Respectfully submitted,



Louis A. Beecher, Jr.
Chairman


Tom Loeffler
Regent

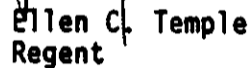

Mario E. Ramirez
Vice-Chairman

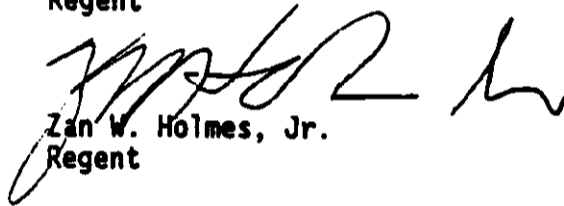

W. A. "Tex" Moncrief, Jr.
Regent


Robert J. Cruikshank
Vice-Chairman


Bernard Rapoport
Regent


Sam Barshop
Regent


Ellen C. Temple
Regent


Zan W. Holmes, Jr.
Regent


Ellen C. Temple

SCHEDULED MEETING.--Chairman Beecherl announced that the next scheduled meeting of the U. T. Board of Regents would be on December 3, 1992, in the Regents' Meeting Room in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 2:05 p.m.

/s/ Arthur H. Dilly
Executive Secretary

October 15, 1992