

We, the undersigned members of the Board of Regents of The University of Texas System, hereby ratify and approve all actions taken at this meeting to be reflected in the Minutes.

Signed this the 30th day of July, 1971, A. D.

John Peace, Chairman

Frank N. Ikard, Vice-Chairman

Frank C. Erwin, Jr., Member

Jenkins Garrett, Member

Mrs. Lyndon B. Johnson, Member

Joe M. Kilgore, Member

A. G. McNeese, Jr., Member

Joe T. Nelson, M. D., Member

Dan C. Williams, Member

Meeting No. 692

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

Pages 1 - 126

July 30, 1971

Austin, Texas

MEETING NO. 692

FRIDAY, JULY 30, 1971. --The Board of Regents of The University of Texas System convened in regular session in the Main Building, Room 212, The University of Texas at Austin, Austin, Texas, at 9:00 a. m. on Friday, July 30, 1971, with the following in attendance:

ATTENDANCE. --

<u>Present</u>	<u>Absent</u>
Chairman Peace, Presiding	Vice-Chairman Ikard *
Regent Garrett	Regent Erwin **
Regent (Mrs.) Johnson	
Regent Kilgore	
Regent McNeese	
Regent Nelson	
Regent Williams	
Chancellor LeMaistre	
Secretary Thedford	

Chairman Peace called the meeting of the Board of Regents of The University of Texas System to order and took up the first order of business.

U. T. AUSTIN: (1) RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT AUSTIN, MARRIED STUDENT HOUSING REVENUE BONDS, SERIES 1971, IN THE AMOUNT OF \$3, 100, 000 AND AWARDED THE SALE OF THE BONDS TO MERRILL LYNCH, PIERCE, FENNER & SMITH, INC. , WHITE, WELD & COMPANY, THE FIRST BOSTON CORPORATION (JOINT MANAGERS), AND ASSOCIATES; (2) DESIGNATION OF BANK OF THE SOUTHWEST NATIONAL ASSOCIATION, HOUSTON, TEXAS, AND BANKERS TRUST COMPANY, NEW YORK, NEW YORK, AS PAYING AGENTS, AND (3) AWARD OF CONTRACT TO PRINT BONDS TO HELMS PRINTING COMPANY, INC. , DALLAS, TEXAS. -- (1) The resolution set out on Pages 3-18 was duly introduced for the consideration of said Board and read in full. It was then moved by Regent McNeese and duly seconded that said Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: All members of said Board shown present above.

NOES: None.

*Vice-Chairman Ikard was excused from the meeting.

**Regent Erwin arrived at the meeting after the vote was taken on the Bond Resolution.

The adoption of this resolution authorized issuance of Board of Regents of The University of Texas System, The University of Texas at Austin, Married Student Housing Revenue Bonds, Series 1971, in the amount of \$3,100,000, established rental rates for all of the housing units covered by the pledge of these revenues (Page 17) and awarded the sale of the bonds to Merrill Lynch, Pierce, Fenner & Smith, Inc., White, Weld & Company, The First Boston Corporation (Joint Managers), and Associates for cash for the par value thereof and accrued interest thereon to date of delivery, plus a premium of \$1,190.40 (Page 18) and at the interest rates reflected on Page 3.

The bonds are for the purpose of providing funds to construct and equip, for and on behalf of The University of Texas at Austin, a project consisting of 200 apartments to house married students enrolled in The University of Texas at Austin.

- (2) Upon motion of Regent Garrett, seconded by Regent Nelson, the Bank of the Southwest National Association, Houston, Texas, and Bankers Trust Company, New York, New York, were designated as Paying Agents for the Board of Regents of The University of Texas System, The University of Texas at Austin, Married Student Housing Revenue Bonds, Series 1971, in the amount of \$3,100,000 (Pages 4,6). The bank will charge eight cents (8¢) per coupon and \$1.00 per bond paid. Regent McNeese abstained from voting on this motion.
- (3) It was moved by Regent Garrett, duly seconded, and unanimously approved that the printing contract for the Board of Regents of The University of Texas System, The University of Texas at Austin, Married Student Housing Revenue Bonds, Series 1971, in the amount of \$3,100,000 be awarded to Helms Printing Company, Inc., Dallas, Texas. These bonds are to be printed according to specifications with lithographed borders for the sum of \$500, there being five interest rates.

Chairman Peace called attention to the fact that although the effective interest rate is 6.609317%, the University has an interest subsidy grant that reduces the net cost to the University on this transaction to a 3% interest rate.

RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT AUSTIN, MARRIED STUDENT HOUSING REVENUE BONDS, SERIES 1971, \$3,100,000

WHEREAS, the Board of Regents of The University of Texas System is authorized to issue the bonds hereinafter authorized pursuant to Vernon's Article 2909c-3 and/or Chapter 55, Texas Education Code.

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

Section 1. That said Board's negotiable, serial, coupon bonds to be designated "BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT AUSTIN, MARRIED STUDENT HOUSING REVENUE BONDS, SERIES 1971," are hereby authorized to be issued, sold, and delivered in the principal amount of \$3,100,000, FOR THE PURPOSE OF PROVIDING FUNDS TO CONSTRUCT AND EQUIP, FOR AND ON BEHALF OF THE UNIVERSITY OF TEXAS AT AUSTIN, A PROJECT CONSISTING OF 200 APARTMENTS TO HOUSE MARRIED STUDENTS ENROLLED IN THE UNIVERSITY OF TEXAS AT AUSTIN.

Section 2. That said bonds shall be dated AUGUST 1, 1971, shall be numbered consecutively from 1 THROUGH 620, shall be in the denomination of \$5,000 EACH, and shall mature and become due and payable serially on AUGUST 1 in each of the years, and in the amounts, respectively, as set forth in the following schedule:

<u>YEARS</u>	<u>AMOUNTS</u>	<u>YEARS</u>	<u>AMOUNTS</u>
1975	\$ 25,000	1991	\$ 80,000
1976	30,000	1992	90,000
1977	30,000	1993	95,000
1978	35,000	1994	100,000
1979	35,000	1995	110,000
1980	40,000	1996	115,000
1981	40,000	1997	125,000
1982	45,000	1998	135,000
1983	45,000	1999	145,000
1984	50,000	2000	155,000
1985	55,000	2001	165,000
1986	60,000	2002	175,000
1987	60,000	2003	190,000
1988	65,000	2004	205,000
1989	70,000	2005	220,000
1990	75,000	2006	235,000

Said Bonds may be redeemed prior to their scheduled maturities, at the option of said Board, on the dates stated, and in the manner provided, in the FORM OF BOND set forth in this Resolution.

Section 3. That said bonds scheduled to mature during the years, respectively, set forth below shall bear interest at the following rates per annum:

maturities	1975	through	1982,	7.50	%
maturities	1983	through	1998,	6.75	%
maturities	1999	through	2001,	6.70	%
maturities	2002	through	2004,	6.75	%
maturities	2005	through	2006,	6.00	%
maturities	_____	through	_____,	_____	%
maturities	_____	through	_____,	_____	%
maturities	_____	through	_____,	_____	%

Said interest shall be evidenced by interest coupons which shall appertain to said bonds, and which shall be payable on the dates stated in the FORM OF BOND set forth in this Resolution.

Section 4. That said bonds, and the interest coupons appertaining thereto, shall be payable, shall have the characteristics, and shall be signed and executed (and said Bonds shall be sealed), all as provided, and in the manner indicated, in the FORM OF BOND set forth in this Resolution.

Section 5. That the form of said bonds, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and endorsed on each of said bonds, and the form of the aforesaid interest coupons which shall appertain and be attached initially to each of said bonds, shall be, respectively, substantially as follows:

FORM OF BOND:

NO. _____ \$5,000

UNITED STATES OF AMERICA
STATE OF TEXAS
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM
THE UNIVERSITY OF TEXAS AT AUSTIN
MARRIED STUDENT HOUSING REVENUE BOND
SERIES 1971

ON AUGUST 1, _____, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, for and on behalf of THE UNIVERSITY OF TEXAS AT AUSTIN, promises to pay to bearer the principal amount of

FIVE THOUSAND DOLLARS

and to pay interest thereon, from the date hereof, at the rate of _____% per annum, evidenced by interest coupons payable FEBRUARY 1, 1972, and semi-annually thereafter on each AUGUST 1 and FEBRUARY 1 while this bond is outstanding.

THE PRINCIPAL of this bond and the interest coupons appertaining hereto shall be payable to bearer, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this bond or proper interest coupon, at the following, which shall constitute and be defined as the "Paying Agent" for this Series of Bonds:

Bank of the Southwest National Association, Houston, TEXAS,
OR, AT THE OPTION OF THE BEARER,

Bankers Trust Company _____, NEW YORK, NEW YORK.

THIS BOND is one of a Series of negotiable, serial, coupon bonds, dated AUGUST 1, 1971, issued in the principal amount of \$3,100,000, FOR THE PURPOSE OF PROVIDING FUNDS TO CONSTRUCT AND EQUIP, FOR AND ON BEHALF OF THE UNIVERSITY OF TEXAS AT AUSTIN, A PROJECT CONSISTING OF 200 APARTMENTS TO HOUSE MARRIED STUDENTS ENROLLED IN THE UNIVERSITY OF TEXAS AT AUSTIN.

ON AUGUST 1, 1981, OR ON ANY INTEREST PAYMENT DATE THEREAFTER, the outstanding bonds of this Series may be redeemed prior to their scheduled maturities, at the option of said Board, IN WHOLE, OR IN PART, for the principal amount thereof and accrued interest thereon to the date fixed for redemption, plus a premium

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on the principal amount of each such bond as follows:

- 3 % if redeemed August 1, 1981 through February 1, 1984;
- 2-1/2% if redeemed August 1, 1984 through February 1, 1987;
- 2 % if redeemed August 1, 1987 through February 1, 1990;
- 1-1/2% if redeemed August 1, 1990 through February 1, 1993;
- 1 % if redeemed August 1, 1993 through February 1, 1996;
- 0 % if redeemed August 1, 1996, or thereafter.

At least thirty days prior to the date fixed for any such redemption said Board shall cause a written notice of such redemption to be published at least once in a financial publication published in the City of New York, New York, or in the City of Austin, Texas. By the date fixed for any such redemption due provision shall be made with the "Paying Agent" for the payment of the required redemption price. If such written notice of redemption is published and if due provision for such payment is made, all as provided above, the bonds which are to be so redeemed thereby automatically shall be 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 purpose of being paid by the "Paying Agent" with the funds so provided for such payment.

IT IS HEREBY certified, recited, and covenanted that this bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the 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 the Series of which it is a part, are secured by and payable from an irrevocable first lien on and pledge of certain married student housing revenues, any federal debt service subsidy grant, and other revenues collectively defined as "Pledged Revenues" and specifically described in the Resolution authorizing this Series of bonds.

SAID BOARD has reserved the right, subject to the restrictions stated in said Resolution authorizing this Series of bonds, to issue additional parity revenue bonds which also may be secured by and made payable from an irrevocable first lien on and pledge of the aforesaid Pledged Revenues.

THE HOLDER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

IN WITNESS WHEREOF, this bond and the interest coupons appertaining hereto have been signed with the facsimile signature of the Chairman of said Board and countersigned with the facsimile signature of the Secretary of said Board, and the official seal of said Board has been duly impressed, or placed in facsimile, on this bond.

XXXXXXXXX
Secretary, Board of Regents,
The University of Texas System

XXXXXXXXX
Chairman, Board of Regents,
The University of Texas System.

FORM OF REGISTRATION CERTIFICATE:

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

XXXXXXXXXXXXXXXXXX
Comptroller of Public Accounts of
the State of Texas.

FORM OF INTEREST COUPON:

NO. _____ \$ _____

ON _____ 1, _____

THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, for and on behalf of THE UNIVERSITY OF TEXAS AT AUSTIN, promises to pay to bearer the amount shown on this interest coupon, in lawful money of the United States of America, without exchange or collection charges to the bearer, unless due provision has been made for the redemption prior to maturity of the bond to which this interest coupon appertains, upon presentation and surrender of this interest coupon, at the

Bank of the Southwest National Association, Houston, Texas
OR AT THE OPTION OF THE BEARER,

Bankers Trust Company, NEW YORK, NEW YORK,

said amount being interest due that day on the bond, bearing the number hereinafter designated, of that issue of BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT AUSTIN, MARRIED STUDENT HOUSING REVENUE BONDS, SERIES 1971, DATED AUGUST 1, 1971. The holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation. Bond No. _____.

XXXXXXXXXXXXXXXXXX
Secretary, Board of Regents Chairman, Board of Regents
XXXXXXXXXXXXXXXXXX

Section 6. That as used in this Resolution the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term "Board" shall mean the Board of Regents of The University of Texas System.

The term "University" shall mean The University of Texas at Austin, Austin, Texas.

The term "Bonds" shall mean the Board of Regents of The University of Texas System, The University of Texas at Austin, Married Student Housing Revenue Bonds, Series 1971, authorized by this Resolution.

The term "Additional Bonds" shall mean the additional parity revenue bonds permitted to be authorized in this Resolution.

The term "Project" shall mean the 200 apartments to house married students enrolled in The University of Texas at Austin, to be constructed and equipped in the City of Austin, Texas, with the proceeds from the sale of the Bonds, with the street address of the Project being 1624 West 6th Street, or thereabouts.

The term "Encumbered Facilities" shall mean and include the existing Colorado Apartments for married students enrolled in The University of Texas at Austin, located at 2500 Lake Austin Boulevard, Austin, Texas, or thereabouts, and consisting of 48 one-bedroom units and 152 two bedroom units, together with all additions and improvements thereto, and replacements thereof, hereafter constructed or acquired.

The term "Encumbered Facilities Bonds" shall mean the Board of Regents of The University of Texas Student Housing Revenue Bonds of 1963, the proceeds from the sale of which were used to construct and equip the Encumbered Facilities, and which are payable from and secured by a first lien on and pledge of the Net Revenues of the Encumbered Facilities.

The term "Encumbered Facilities Surplus Revenues" shall mean the Net Revenues of the Encumbered Facilities, after deducting therefrom all principal, interest, debt service, reserve and Repair Account payments and deposits required in connection with the Encumbered Facilities Bonds by Sections 16 and 17 of the resolution authorizing the Encumbered Facilities Bonds; which Encumbered Facilities Surplus Revenues are available to be deposited as provided in this Resolution in accordance with Section 19 of the resolution authorizing the Encumbered Facilities Bonds.

The term "Married Student Housing System" shall consist of and include the following:

- (a) the Project.
- (b) the Encumbered Facilities after the Encumbered Facilities Bonds shall have been retired.
- (c) any facilities at any time hereafter added to the Married Student Housing System.
- (d) all buildings, facilities and services of all of the foregoing, together with all improvements and additions thereto and replacements thereof.

The term "Gross Revenues", when used with reference to any facility or facilities, shall mean all of the revenues and income of every nature derived from the operation and ownership thereof, with the exception of vending machine revenues, if any.

The term "Current Expenses", when used with reference to any facility or facilities, shall mean all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance and all other expenses incident to the operation and maintenance thereof, but shall exclude depreciation and all general administrative expenses of the University.

The term "Net Revenues", when used with reference to any facility or facilities, shall mean all Gross Revenues derived therefrom, after deduction of the Current Expenses thereof.

The term "Pledged Revenues" shall mean and include the following:

- (a) the Gross Revenues of the Married Student Housing System.
- (b) the Encumbered Facilities Surplus Revenues.
- (c) all debt service subsidy grants or other grants, donations, or income received or to be received from the United States Government in connection with the Bonds.
- (d) any additional revenues, fees, income, receipts, or other resources, including without limitation, any grants, subsidies, donations, or income received or to be received from the United States of America, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter may be pledged to the payment of the Bonds or any Additional Bonds.

The term "Net Pledged Revenues" shall mean the Pledged Revenues after deduction of the Current Expenses of the Married Student Housing System and the Current Expenses of any other facilities whose Gross Revenues hereafter may be pledged to the Bonds or Additional Bonds.

Section 7. That the Bonds and any Additional Bonds, and the interest thereon, are and shall be secured by and payable from an irrevocable first lien on and pledge of the Pledged Revenues, and the Pledged Revenues are further pledged to the establishment and maintenance of the Interest and Redemption Fund, the Reserve Fund, and the Operation and Maintenance Fund as provided in this Resolution.

Section 8. It is certified and provided that the Gross Revenues of the Encumbered Facilities are available to secure the Bonds and any Additional Bonds, subject only to, and effective upon, the retirement of the Encumbered Facilities Bonds. It is hereby covenanted, agreed, and provided that immediately upon the retirement of the last of the outstanding Encumbered Facilities Bonds, the Encumbered Facilities automatically shall become a part of the Married Student Housing System for all purposes, and thereupon the Gross Revenues of the Married Student Housing System shall include all Gross Revenues of the Encumbered Facilities, and the aforesaid first lien on and pledge of the Gross Revenues of the Married Student Housing System automatically shall be extended to include the Gross Revenues of the Encumbered Facilities.

Section 9. That the Bonds and Additional Bonds and interest thereon shall constitute special obligations of the Board, payable solely from the Pledged Revenues, and such obligations shall not constitute a prohibited indebtedness of the University, the Board, or the State of Texas, and the holders of the Bonds and Additional Bonds and the coupons appertaining thereto shall never have the right to demand payment out of funds raised or to be raised by taxation.

Section 10. That there is hereby created and ordered to be established at an official depository of the Board, a separate account to be entitled the "Married Student Housing System Gross Revenue Fund" (hereinafter sometimes called the "Gross Revenue Fund"). Commencing immediately all Gross Revenues of the Married Student Housing System and all gross collections of all debt service subsidy grants or other grants, donations, or income received or to be received from the United States Government in connection with the Bonds and any Additional Bonds shall

be deposited upon receipt to the credit of the Gross Revenue Fund; provided, however, that such grants, donations or income from the United States Government shall not be deposited into the Gross Revenue Fund or any other fund created or established pursuant to this Resolution, if such deposit or application would result in interest on the Bonds or Additional Bonds being includable in whole or in part in gross income for Federal income tax purposes.

Section 11. That to pay the principal of and interest on all outstanding Bonds and Additional Bonds, as the same come due, there is hereby created and ordered to be established at an official depository of the Board, a separate fund to be entitled the "Married Student Housing System Interest and Redemption Fund" (hereinafter sometimes called the "Interest and Redemption Fund").

Section 12. That there is hereby created and ordered to be established at an official depository of the Board a separate fund to be known as the "Married Student Housing System Reserve Fund" (hereinafter sometimes called the "Reserve Fund"). The Reserve Fund shall be used finally in retiring the last of the outstanding Bonds and Additional Bonds, or for paying principal of and interest on any outstanding Bonds and Additional Bonds, when and to the extent the amount in the Interest and Redemption Fund is otherwise insufficient for such purpose.

Section 13. That to pay the Current Expenses of the Married Student Housing System, there is hereby created and ordered to be established at an official depository of the Board, a separate fund to be entitled the "Married Student Housing System Operation and Maintenance Fund" (hereinafter sometimes called the "Operation and Maintenance Fund").

Section 14. That upon delivery of the Bonds, all accrued interest and any premium received from the proceeds from the sale and delivery of the Bonds shall be deposited when received to the credit of the Interest and Redemption Fund, together with such additional amount from such proceeds as will be sufficient, together with said accrued interest and premium, if any, to pay the interest coming due on the Bonds through February 1, 1973.

Section 15. That the Board shall cause the following amounts to be deposited from the Gross Revenue Fund and the Encumbered Facilities Surplus Revenues, to the credit of the Interest and Redemption Fund, at the following times:

(1) On or before the 15th day of the month next following completion and occupancy of the Project, and on or before the 15th day of each month thereafter, such amounts, in approximately equal monthly installments, as will be sufficient, together with any other sums available in the Interest and Redemption Fund, to pay the interest coming due on the Bonds on the next interest payment date.

(2) On or before August 15, 1974, and on or before the 15th day of each month thereafter, such amounts, in approximately equal monthly installments, as will be sufficient to pay the next maturing principal of the Bonds.

Section 16. That on or before October 15, 1972, and on or before the 15th day of each month thereafter, the Board shall cause to be deposited from the Gross Revenue Fund and the Encumbered Facilities Surplus Revenues to the credit of the Reserve Fund an amount equal to 1/60th of the average annual

principal and interest requirements on all then outstanding Bonds; provided, however, that when the aggregate amount of money and investments in the Reserve Fund is at least equal in market value to the average annual principal and interest requirements on all then outstanding Bonds, then said deposits required above may be discontinued, unless and until the Reserve Fund should be depleted to less than said aggregate amount in market value, in which case said deposits shall be resumed until the Reserve Fund is restored to said aggregate amount in market value.

Section 17. If on any occasion there shall not be sufficient money in the Gross Revenue Fund or money from the Encumbered Facilities Surplus Revenues to make the required deposits into the Interest and Redemption Fund or the Reserve Fund, then such deficiency shall be made up as soon as possible from the next available moneys in the Gross Revenue Fund, the next available Encumbered Facilities Surplus Revenues, or from other sources available to the Board.

Section 18. That immediately after each monthly deposit of the required amount from the Gross Revenue Fund and the Encumbered Facilities Surplus Revenues to the credit of the Interest and Redemption Fund and the Reserve Fund, the Board shall cause the balance in said Gross Revenue Fund and any balance of available Encumbered Facilities Surplus Revenues to be deposited to the credit of the Operation and Maintenance Fund. Said Operation and Maintenance Fund shall be used for paying the Current Expenses of the Married Student Housing System. It is specifically provided, however, that the deposits required to be made into the Interest and Redemption Fund and the Reserve Fund shall have priority over those to be made into the Operation and Maintenance Fund, and no deposit shall ever be made into the Operation and Maintenance Fund unless the Interest and Redemption Fund and the Reserve Fund contain the aggregate amounts then required to be on deposit therein. All money in the Operation and Maintenance Fund in excess of that required to pay the Current Expenses of the Married Student Housing System may be used by the Board for any lawful purpose.

Section 19. That all money in all Funds created by this Resolution, to the extent not invested, shall be secured in the manner prescribed by law for securing funds of the University, in principal amounts at all times not less than the amounts of money credited to such Funds, respectively.

Section 20. Money in any Fund or Account established pursuant to this Resolution may, at the option of the Board, be placed in time deposits or invested in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, and evidences of indebtedness of the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, or Federal National Mortgage Association; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. Such investments shall be valued in terms of current market value as of the last day of February and August of each year. Interest and income derived from such deposits and investments shall be credited to the Fund from which the deposit or investment was made. Such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds or Additional Bonds.

Section 21. That whenever the total amount in the Interest and Redemption Fund, and the Reserve Fund, shall be equivalent to (1) the aggregate principal amount of Bonds and Additional Bonds, if any, outstanding, plus (2) the aggregate amount of all unpaid interest coupons thereto appertaining unmatured and matured, no further payment need be made into the Interest and Redemption Fund. In determining the amount of Bonds or Additional Bonds outstanding, there shall be subtracted the amount of any Bonds or Additional Bonds which shall have been duly called for redemption and for which funds shall have been deposited with the paying agents sufficient for such redemption.

Section 22. That the Board shall have the right and power at any time and from time to time, and in one or more Series or issues, to authorize, issue, and deliver additional parity revenue bonds (herein called "Additional Bonds") in any amounts, for any lawful purpose, including the purpose of refunding of any bonds or other obligations of the Board. Such Additional Bonds, if and when authorized, issued, and delivered in accordance with this Resolution, shall be secured and payable equally and ratably on a parity with the Bonds, and all other outstanding Additional Bonds, by an irrevocable first lien on and pledge of the Pledged Revenues.

Section 23. (a) Each resolution under which Additional Bonds are issued shall provide that the Interest and Redemption Fund and the Reserve Fund established by this Resolution shall secure and be used to pay all Additional Bonds as well as the Bonds. However, 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 Redemption Fund, the Board shall transfer from the Pledged Revenues and deposit to the credit of the Interest and Redemption 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 comes due, and that the Board shall transfer from said Pledged Revenues and deposit to the credit of the Reserve Fund at least such amounts, in approximately equal monthly installments, as will, together with any other amounts already required to be deposited in the Reserve Fund in connection with the Bonds and any other outstanding Additional Bonds, be sufficient to cause the Reserve Fund to accumulate and contain within a period of not to exceed sixty months after the date of said Additional Bonds then being issued, a total amount of money and investments at least equal in market value to the average annual principal and interest requirements of such proposed Additional Bonds, the then outstanding Bonds, and any then outstanding Additional Bonds (excluding any Bonds or Additional Bonds then being refunded).

(b) The principal of all Additional Bonds must be scheduled to be paid or mature on August 1 of the years in which such principal is scheduled to be paid or mature; and all interest thereon must be payable on February 1 and August 1.

Section 24. 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 senior financial officer of the University 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, and the resolutions authorizing same, and that the Interest and Redemption Fund and the Reserve Fund each contains the amount then required to be therein.

(b) The State Auditor of the State of Texas, or a certified public accountant, signs a written certificate to the effect that, during either the University's fiscal year, or the twelve calendar month period, next preceding the date of execution of such certificate, the Net Pledged Revenues were at least equal to 1.25 times the average annual principal and interest requirements of all Bonds and Additional Bonds then outstanding. It is specifically excepted and provided, however, that the Board reserves the right and shall have the authority to issue Additional Bonds for the purpose of providing funds to construct and equip not to exceed an aggregate of 200 additional apartments, on land owned or to be owned by the Board in the City of Austin, Texas, to house married students enrolled in the University, without complying with or being subject to the foregoing requirements of this sub-section (b), and the certificate mentioned herein need not be prepared or signed.

(c) The senior financial officer of the University signs a written certificate to the effect that during each University fiscal year while any Bonds or Additional Bonds, including the proposed Additional Bonds, are scheduled to be outstanding, beginning with either the fiscal year next following the date of the then proposed Additional Bonds, or the fiscal year next following the estimated date of completion of the facilities, if any, to be acquired or constructed through the issuance of such Additional Bonds, the Net Pledged Revenues estimated to be received during each of said fiscal years, respectively, will be at least equal to 1.25 times the average annual principal and interest requirements of all then outstanding Bonds and Additional Bonds (excluding any Bonds or Additional Bonds then being refunded), and the then proposed Additional Bonds.

Section 25. On or before the first day of February, 1972, and on or before the first day of each August and of each February thereafter while any of the Bonds and Additional Bonds, if any, are outstanding and unpaid, there shall be made available to the paying agents therefor, out of the Interest and Redemption Fund, money sufficient to pay such interest on and such principal of the Bonds and Additional Bonds, if any, as will accrue or mature on such February 1 or August 1. The paying agents shall totally destroy all paid Bonds and Additional Bonds, if any, and the coupons appertaining thereto, and shall furnish the Board with an appropriate certificate of destruction.

Section 26. The Board covenants and agrees that:

(a) It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and in each and every 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 Bond and Additional Bond, on the dates and in the places and manner prescribed in such Bonds or Additional Bonds; and that it will, at the times and in the manner prescribed herein, deposit or cause to be deposited, from the Pledged Revenues, the amounts of money specified therein.

(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 holders and owners thereof are and will be valid and enforceable special obligations of the Board in accordance with their terms.

(c) It lawfully owns and is lawfully possessed of the lands upon which the Married Student Housing System and the Encumbered Facilities are located and will be located, and has a good and indefeasible estate in such lands in fee simple, that the Project will be completed in accordance with the plans and specifications heretofore approved and adopted, that it warrants that it has, and will defend, the title to all the aforesaid lands and facilities, and every part thereof and improvements thereon, for the benefit of the holders and owners of the Bonds and Additional Bonds against the claims and demands of all persons whomsoever, that it is lawfully qualified to pledge the Pledged Revenues pledged hereunder 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 Married Student Housing System and the Encumbered Facilities, that it will pay all lawful claims for rents, royalties, labor, materials, and supplies which if unpaid might by law become a lien or charge upon the Married Student Housing System or the Encumbered Facilities, 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 that 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 not do or suffer any act or thing whereby the Married Student Housing System or Encumbered Facilities might or could be impaired, and that it will at all times maintain, preserve, and keep the real and tangible property of the Student Housing System and the Encumbered Facilities and every part thereof in good condition, repair, and working order and operate, maintain, preserve, and keep, efficiently and at reasonable cost, all buildings, structures, and equipment pertaining thereto and every part and parcel thereof in good condition, repair and working order.

(f) That while the Bonds or Additional Bonds, if any, are outstanding and unpaid, the Board shall not 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) That while the Bonds or Additional Bonds, if any, are outstanding and unpaid, the Board shall not sell, convey, mortgage, or in any manner transfer title to, or lease, or otherwise dispose of any property constituting part of the Married Student Housing System or the Encumbered Facilities, except that whenever the Board deems it necessary to dispose of any furnishings and equipment, it may sell or otherwise dispose of such furnishings and equipment when it has made arrangements to replace the same or provide substitutes therefor.

(h) That at all times hereafter the Board shall procure boiler explosion insurance on all boilers servicing the Married Student Housing System and the Encumbered Facilities in an amount not less than \$50,000 against loss suffered by reason of a boiler explosion. Further, at all times hereafter the Board shall procure fire and extended coverage insurance on the Married Student Housing System and the Encumbered Facilities. The foregoing boiler explosion and fire and extended coverage insurance shall be maintained so long as Bonds or Additional Bonds are outstanding and such fire and extended coverage insurance shall be in amounts at least sufficient to provide for full recovery to the extent that the damage does not exceed 80% of full insurable value. Such insurance shall be carried with a reliable insurance company or companies. In lieu of providing fire and extended coverage insurance as required above, the Board may, at its option, provide the equivalent of such insurance under its general System-wide Fire and Extended Coverage Insurance policy, subject to a deductible provision which is reasonable in amount, provided the Board establishes and maintains a special account containing funds which are at least sufficient to offset said deductible amount and which are immediately available for such purpose. Upon the happening of any loss or damage covered by such insurance from one or more of said causes, the Board shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the Board. The proceeds of insurance covering such property, together with any other funds necessary and available for such purpose, shall be used forthwith by the Board for repairing the property damaged or replacing the property destroyed; provided, however, that if said insurance proceeds and other funds are insufficient for such purpose, then said insurance proceeds pertaining to the Encumbered Facilities shall be used as provided in the resolution authorizing the Encumbered Facilities Bonds, and said insurance proceeds pertaining to the Married Student Housing System shall be used promptly as follows:

(1) for the redemption prior to maturity of the Bonds and Additional Bonds, if any, ratably in the proportion that the outstanding principal of each Series or issue of Bonds or Additional Bonds bears to the total outstanding principal of all Bonds and Additional Bonds; provided that if on any such occasion the principal of any such Series or issue is not subject to redemption, it shall not be regarded as outstanding in making the foregoing computation; or

(2) if none of the outstanding Bonds or Additional Bonds is subject to redemption, then for the purchase on the open market and retirement of said Bonds and Additional Bonds, in the same proportion as prescribed in the foregoing clause (1), to the extent practicable; provided that the purchase price for any such Bond or Additional Bonds shall not exceed the redemption price of such Bond or Additional Bond on the first date upon which it becomes subject to redemption; or

(3) to the extent that the foregoing clauses (1) and (2) cannot be complied with at the time, the insurance proceeds, or the remainder thereof, shall be deposited in a special and separate trust fund, at an official depository of the Board, to be designated the Insurance Account. The Insurance Account shall be held until such time as the foregoing clauses (1) and/or (2) can be complied with, or until other funds become available which, together with the Insurance Account, will be sufficient to make the repairs or replacements originally required, whichever of said events occurs first.

(i) At all times when the Reserve Fund does not contain the maximum aggregate amount required to be on deposit therein, the Board shall procure and maintain use and occupancy insurance on all the facilities, buildings, and structures of the Married Student Housing System, and the Encumbered Facilities, to the extent obtainable, in an amount sufficient to enable the Board to deposit into the Interest and Redemption Fund and the Reserve Fund, out of the proceeds of such insurance, an amount equal to the sums that are required to be deposited into said Funds from the Pledged Revenues during the time the Student Housing System or Encumbered Facilities are wholly or partially unusable, as a result of loss of use or occupancy caused by the perils covered by fire and extended coverage insurance.

(j) The annual audit hereinafter required shall contain a section commenting on whether or not the Board has complied with the requirements of this Section with respect to the maintenance of insurance, and listing all policies carried, and whether or not all insurance premiums upon the insurance policies to which reference is hereinbefore made have been paid.

(k) Proper books of record and account will be kept in which full, true, and correct entries will be made of all activities and transactions relating to the Pledged Revenues and all books, documents, and vouchers relating to the properties, business and affairs of the Married Student Housing System and the Encumbered Facilities shall at all reasonable times be made available for inspection upon request by the holders of not less than 25% of the outstanding Bonds and Additional Bonds.

(l) That each year while any of the Bonds or Additional Bonds, if any, are outstanding, an audit will be made of its books and accounts relating to the Pledged Revenues by the State Auditor of the State of Texas, or a certified Public Accountant, such audit to be based on the fiscal year of the University. As soon as practicable after the close of each such fiscal year, and when said audit has been completed and made available to the Board, a copy of such audit for the preceding fiscal year shall be mailed to the original purchasers of the Bonds, and to all bondholders who shall so request. Such annual audit reports shall be open to the inspection of all bondholders and their agents and representatives at all reasonable times.

(m) That the Board will in no event refund or otherwise refinance any of the Existing Facilities Bonds in any manner, except to the extent necessary to prevent any unavoidable immediate default in the payment of principal or interest, or except to lower the interest rates thereon without changing any of the maturities thereof.

(n) The Board covenants that while the Encumbered Facilities Bonds are outstanding, it will comply with the various covenants and obligations contained in the resolution authorizing such bonds; and that when said bonds are no longer outstanding and the present liens and pledges in connection therewith have been extinguished, the Encumbered Facilities shall become a part of the Married Student Housing System.

(o) The Board will establish and maintain so long as any of the Bonds or Additional Bonds are outstanding, such parietal rules, rental rates and charges for the use of the Married Student Housing System as are necessary to assure the maximum practicable occupancy and use of the same and all of the facilities and services afforded thereby, and to produce Gross Revenues of the Married Student Housing System sufficient to pay all Current Expenses thereof, and sufficient, together with other Pledged Revenues, to make all payments and deposits required to be made into the Interest and Redemption Fund and the Reserve Fund in connection with all Bonds and Additional Bonds.

Section 27. (a) That the Board hereby establishes and covenants to enforce, so long as any Bonds or Additional Bonds, if any, are outstanding or unpaid, the following parietal rules and regulations so as to assure maximum practicable occupancy and use of the space, facilities, and services afforded by the Married Student Housing System.

(1) That in the event more space, facilities, or services should become available at the Married Student Housing System than are required by persons applying for such space, facilities, or services, the officers of the University are hereby directed to give preferences and priority to the use of the Married Student Housing System, resulting to the extent practicable in the occupancy and use of all the space, facilities, and services of the Married Student Housing System, even if such preference results in the non-use of all or a part of any other space, facilities, or services available at or to the University, or to the students enrolled in the University, which may be suitable or useable for the same purposes as the Married Student Housing System.

(2) That to the extent that any surplus space, facilities, or services shall ever become available in the Married Student Housing System while any of the Bonds or Additional Bonds remain outstanding and unpaid, it shall be the duty of the officers of the University to enforce a rule requiring occupancy and use of the Married Student Housing System to the maximum extent practicable, and this provision shall be considered as a rule for guidance of said officers.

(3) That the officers of the University are hereby directed to utilize and to cause the utilization of the Married Student Housing System in such manner as it will yield the maximum Net Revenues reasonably obtainable therefrom, so that all required deposits into the Interest and Redemption Fund and the Reserve Fund shall be promptly made.

(4) That these parietal rules shall be amended from time to time as the conditions arise so as to meet changing conditions, better to assure the fulfillment of this pledge; and these parietal rules shall be subject and subordinate to all valid existing parietal rules at the University.

(b) That the following rentals, rates and charges for the use of the services and facilities of the Married Student Housing System are hereby found and deemed by the Board to be reasonable in all respects, and are hereby initially established and shall remain in force and effect until and unless changed in accordance with covenants contained in this Resolution:

\$102.00 per month for each of the 38 unfurnished one-bedroom apartments;
 \$112.00 per month for each of the 112 furnished one-bedroom apartments;
 \$112.00 per month for each of the 37 unfurnished two-bedroom apartments;
 \$122.00 per month for each of the 13 furnished two-bedroom apartments.

Section 28. That there is hereby created, and the Board shall establish with an official depository of the Board a separate construction account (herein called the "Project Account") into which shall be deposited all of the proceeds from the sale of the Bonds, except accrued interest, any premium, and an additional amount which, together with said accrued interest and any premium, will be sufficient to pay the interest coming due on the Bonds through February 1, 1973, which shall be deposited in the Interest and Redemption Fund. Moneys in the Project Account shall be expended for paying the cost of constructing and equipping the Project, on estimates approved by the Consulting Engineer for the Project and vouchers approved by the person or persons charged by the Board with supervision of the Project. Money in the Project Account not scheduled for immediate Project purposes may be placed in time deposits or be invested as permitted for other Funds and Accounts established pursuant to this Resolution; provided, however, that all such deposits and investments shall be made in such manner that the money required for Project purposes will be available at the proper times. All interest accruing from such deposits or investments shall be deposited, upon receipt, in the Project Account. After completion of the Project, the balance, if any, in the Project Account shall be transferred and deposited to the credit of the Interest and Redemption Fund.

Section 29. That the Board covenants that it will not permit to be deposited to the credit of any of the Funds created by this Resolution, or applied to the payment of the principal of or interest on the Bonds or any Additional Bonds, any proceeds from any applicable grant, subsidy, donation, or income received from the United States Government, whether pursuant to agreement or otherwise, if such deposit or application would result in interest payable on the Bonds or Additional Bonds being includable in whole or in part in gross income for Federal income tax purposes.

Section 30. That the Board covenants that it will comply with all of the terms and conditions of any and all grant or subsidy agreements applicable to the Bonds or Additional Bonds entered into between the Board and the Department of Housing and Urban Development or any other governmental agency in connection with any debt service subsidy grant; and the Board will take all action necessary to enforce said terms and conditions.

Section 31. That the Board hereby covenants that the proceeds from the sale of said Bonds will be used as soon as practicable for the purpose for which said Bonds are issued; that such proceeds will not be invested in any securities or obligations except for the temporary period pending such use; and

that such proceeds will not be used directly or indirectly so as to cause all or any part of the bonds to be or become "arbitrage bonds" within the meaning of Section 103(d) of the Internal Revenue Code of 1954, as amended, or any regulations or rulings prescribed or made pursuant thereto.

Section 32. That the Chairman of the Board is hereby authorized to have control of the Bonds and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their 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 printed and endorsed on each of the Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each of the Bonds.

Section 33. That it is hereby officially found and determined: that a case of emergency or urgent public necessity exists which requires the holding of the meeting at which this Resolution is adopted, such emergency or urgent public necessity being that the proceeds from the sale of said Bonds are required as soon as possible and without delay for necessary and urgently needed public improvements; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Vernon's Ann. Civ. St. Article 6252-17.

Section 34. That said Bonds are hereby sold and shall be delivered to Merrill Lynch, Pierce, Fenner & Smith, Inc., White, Weld & Company, The First Boston Corporation (Joint Managers) and Associates for cash for the par value thereof and accrued interest thereon to date of delivery, plus a premium of \$1,190.40.

RECESS. --The Board recessed at 9:10 a. m. to reconvene promptly after the Standing Committees and the Committee of the Whole completed their meetings.

* * *

6:00 P. M. --Following the meetings of the Standing Committees and the Committee of the Whole, the Board of Regents reconvened at 6:00 p. m. in Room 212, Main Building, The University of Texas at Austin, Austin, Texas, with all Regents except Vice-Chairman Ikard in attendance.

Chairman Peace called the meeting to order. Regent Williams, who had been in attendance at the Committee meetings, was excused in order that he could make transportation connections.

APPROVAL OF MINUTES OF REGULAR MEETING ON JUNE 4, 1971, AND CALLED MEETING ON JULY 9, 1971. --Upon motion of Regent Nelson, the Minutes of the regular meeting of the Board of Regents of The University of Texas System held in Austin on June 4, 1971, were unanimously approved in the form distributed by the Secretary and recorded in Volume XVIII, beginning with Page 2255 .

Likewise, the Minutes of the called meeting of the Board of Regents of The University of Texas System held in Austin on July 9, 1971, were unanimously approved in the form distributed by the Secretary and recorded in Volume XVIII, beginning with Page 2636 .

REPORTS OF STANDING COMMITTEES

The meetings of the Standing Committees were conducted in open session, and the reports thereof are set out below:

REPORT OF EXECUTIVE COMMITTEE (Pages 20-25).--The following report of the Executive Committee was filed by Committee Chairman Garrett, who moved its adoption. The report was received, and the recommendations contained therein were unanimously approved:

Since the last report (June 4, 1971) of the Executive Committee, the following recommendations of the Administration were circulated to the members of the Executive Committee and no exceptions to these items were registered. They were submitted this morning and given formal approval by the Executive Committee:

1. U. T. Austin: Minutes of the Meetings of the Board of Directors of the Texas Union (37-M and 38-M-70) held on May 6 and June 10, 1971.--It is recommended by System Administration and President ad interim Jordan that the minutes of the meetings (held on May 6 and June 10, 1971) of the Board of Directors of the Texas Union be approved.

2. System Administration, U. T. Austin, U. T. El Paso, U. T. Arlington, Dallas Medical School, Galveston Medical Branch, and Houston Dental Branch: Amendments to 1970-71 Budgets (9-B and 10-B-70).--Upon recommendation of the appropriate institutional head, concurred in by System Administration, it is recommended that the following amendments to the 1970-71 Budgets for The University of Texas System Administration, The University of Texas at Austin, The University of Texas at El Paso, The University of Texas at Arlington, The University of Texas Southwestern Medical School at Dallas, The University of Texas Medical Branch at Galveston, and The University of Texas Dental Branch at Houston, be approved (Pages 20-25):

Sources of Funds - Departmental Appropriations
(Unless Otherwise Specified)

(All rates set out below are full time rates: salary rate indicates a 12 months' full time rate and academic rate indicates a 9 months' full time rate.)

The University of Texas System Administration

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
4.	Office of the Chancellor Transfer of Funds	From: Available University Fund Unappropriated Balance	To: Office of the Chancellor - Official Occasions	
	Amount of Transfer	\$ 30,000	\$ 30,000	---

The University of Texas at Austin

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
39.	University Research Institute Transfer of Funds	From: Available University Fund Unappropriated Balance	To: University Research Institute - Allotment Account	
	Amount of Transfer	\$ 15,500	\$ 15,500	---
40.	Office of the President Transfer of Funds	From: Unappropriated Balance - General Funds	To: Office of the President - Administrative and Professional Salaries	
	Amount of Transfer	\$ 10,000	\$ 10,000	---
41.	Miscellaneous General Institutional Expense Transfer of Funds	From: Unappropriated Balance - General Funds	To: Building Dedication Expenses	
	Amount of Transfer	\$ 7,500	\$ 7,500	---
42.	Plant Funds Transfer of Funds	From: Unappropriated Balance - General Funds	To: Remodeling Expenses - 2101 Meadowbrook	
	Amount of Transfer	\$ 7,500	\$ 7,500	---
43.	Auxiliary Enterprises - Shuttle Bus Service Transfer of Funds	From: Student Services Fees Unappropriated Balance	To: Shuttle Bus Service	
	Amount of Transfer	\$ 47,200	\$ 47,200	---
44.	Auxiliary Enterprises - Intercollegiate Athletics Transfer of Funds	From: Intercollegiate Athletics - Operating Reserve	To: Plant Funds - Dining Facilities for Athletes	
	Amount of Transfer	\$ 8,000	\$ 8,000	---
45.	Auxiliary Enterprises - Texas Union - University Commons Transfer of Funds	From: Texas Union Dining Service Unappropriated Balance via Estimated Income	To: Alumni Dining Service	
	Amount of Transfer	\$ 24,000	\$ 24,000	---

The University of Texas at Austin (Continued)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
46.	Auxiliary Enterprises - Division of Housing and Food Service Transfer of Funds	From: Housing and Food Service Unappropriated Balances	To: San Jacinto Dormitory - A Repairs & Renovations Kinsolving Dormitory - Operations San Jacinto Dormitory - F Operations Jester Center Halls - Repairs & Replacement Simkins Hall - Remodeling Blanton Dormitory - Remodeling	\$13,100 784 5,292 29,217 1,517 <u>3,000</u>
	Amount of Transfer	\$ 52,810		<u>\$52,810</u>

47.	Restricted Current Funds - Official Occasions Including Travel Transfer of Funds	From: Retained Earnings - Campus Services	To: Office of the President - Official Occasions including Travel	
	Amount of Transfer	\$ 10,000	\$ 10,000	---

48.	University Supply and Mail Service Transfer of Funds	From: Unappropriated Balance - General Funds	To: Copy Center (Sid Richardson Hall) - Special Equipment	
	Amount of Transfer	\$ 21,000	\$ 21,000	---

Equipment to be purchased:

1. One - Automated offset press	\$ 8,423.76
2. One - Two hundred stage collator	10,055.00
3. One - Automatic Jogger-stapler	1,720.00
4. One - Master converter	259.47
5. Physical Plant - wiring, etc.	<u>400.00</u>
	\$20,858.23

Items to be paid from revenue:

1. Equipment to be leased:	
a. One - Xerox 2400 Copier	\$ 4,800.00 annually
b. One - Offset plate maker	1,008.00 annually
2. Personnel Requirements:	
a. One - Offset Operator II	\$ 6,468.00
b. One - Senior Clerk	4,200.00

The University of Texas at Austin (Continued)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
49.	Physical Instruction - Non-student Summer Program (Auxiliary Enterprises Funds) Transfer of Funds	From: Unappropriated Balance - Auxiliary Enterprises - via Non-student Fee Income	To: Physical Instruction - Non-student Summer Program Salaries Other Expenses	\$14,992 840 <u>\$15,832</u>
	Amount of Transfer	\$ 15,832		
50.	Auxiliary Enterprises - Taylor T Room Transfer of Funds	From: Taylor T Room Unappropriated Balance	To: Taylor T Room - Other Expenses	
	Amount of Transfer	\$ 500	\$ 500	---
51.	Auxiliary Enterprises - Texas Union Transfer of Funds	From: Texas Union - Unappropriated Balance \$36,578 Salaries 6,700 Allocation for Budget Adjustment <u>4,958</u>	To: Texas Union - Other Expenses	
	Amount of Transfer	<u>\$48,236</u>	\$ 48,236	---
52.	Auxiliary Enterprises - Division of Housing and Food Service Transfer of Funds	From: Housing and Food Service Unappropriated	To: (a) Andrews-Carothers- Littlefield Dormitories \$ 9,895 (b) Kinsolving Dormitory - Salaries 2,986 Wages 5,098 (c) Jester Center Halls <u>7,200</u>	
	Amount of Transfer	\$ 25,179		<u>\$25,179</u>
53.	McDonald Observatory Transfer of Funds	From: Available University Fund Unappropriated Balance	To: Plant Funds - McDonald Observatory Sewage Disposal Improvements and Repairs	
	Amount of Transfer	\$ 35,000	\$ 35,000	---

The University of Texas at El Paso

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
6.	Auxiliary Enterprises- Intramurals Transfer of Funds	From: Student Services Fees Unappropriated Balance	To: Intramurals- Salaries \$1,317 OASI & WCI Matching 63 Other Expenses 157	
	Amount of Transfer	\$ 1,537	<u>\$1,537</u>	---
7.	Auxiliary Enterprises- Student Identification Cards Transfer of Funds	From: Student Services Fees Unappropriated Balance	To: Student Identification Cards-Other Expenses	
	Amount of Transfer	\$ 3,740	\$ 3,740	---

The University of Texas at Arlington

9.	Auxiliary Enterprises- Food Service Center Transfer of Funds	From: Unappropriated Balance Food Service Center via Estimated Income	To: Food Service Center Maintenance and Operation \$20,800 Capital Outlay 10,500	
	Amount of Transfer	\$ 31,300	<u>\$31,300</u>	---
10.	Plant Funds - Campus Lighting Transfer of Funds	From: Unappropriated Balance - Plant Funds	To: Campus Lighting Project	
	Amount of Transfer	\$ 20,000	\$ 20,000	---
11.	Plant Funds - University Hall Transfer of Funds	From: Unallocated Proceeds- Constitutional Tax Bonds (Series 1968)	To: University Hall- Equipment	
	Amount of Transfer	\$ 25,500	\$ 25,500	---

The University of Texas Southwestern Medical School at
Dallas

10.	Charles E. Mize Pediatrics and Biochemistry	Assistant Professor	Assistant Professor	
	Salary Rate	\$ 21,000	\$ 23,000	5/1/71
	Source of Funds: USPHS Career Development Award			

The University of Texas Medical Branch at Galveston

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
13.	Robert D. Yates Anatomy	Professor	Professor	
	Salary Rate	\$ 23,000	\$ 25,000	7/1/71
	Source of Funds:			
	USPHS Career			
	Development Award			

The University of Texas Dental Branch at Houston

4.	Auxiliary Enterprises - Bookstore			
	Transfer of Funds	From: Auxiliary Enterprises Unappropriated Balance	To: Bookstore - Maintenance and Operation	
	Amount of Transfer	\$ 8,000	\$ 8,000	---

REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (Pages 26 - 29).--Committee Chairman Kilgore reported that all actions of the Academic and Developmental Affairs Committee were taken in open session with the exception of four items in the Chancellor's Docket No. 49. He stated that these four items were referred to and adopted by the Committee of the Whole. Then Committee Chairman Kilgore filed with the Secretary the following report of the Academic and Developmental Affairs Committee. This report was adopted by unanimous vote:

1. Chancellor's Docket No. 49.--Chancellor's Docket No. 49 was approved in the form as distributed by the Secretary prior to the meeting. It is attached (Attachment No. 1) following Page 126 and made a part of these Minutes.
2. U. T. Austin: Report on Enrollment Control Plan with Respect to Entering Freshman Class and Lower-Division Transfer Students Fall of 1971.--For information and for the record, Chancellor LeMaistre presented the following written report which President Spurr had received from the Registrar and Director of Admissions at The University of Texas at Austin. The report reflects the status of the enrollment control plan for U. T. Austin as applied to the entering freshman class and lower-division transfer students for the fall of 1971. President Spurr indicated that he would submit to the Board during the fall of 1971 recommendations for enrollment control for the 1972-73 period:

Enrollment Control Report
(Submitted by W. B. Shipp
Registrar and Director of Admissions)

The first priority period for Freshmen applicants closed on March 31, 1971.

As of that date 4225 had been offered acceptance because of top 10 percent, top quarter, and scholarship holders. There were 5960 eligible applicants leaving 1735 in the random selection group. Because of a transportation delay, test scores for March were not received until April 6. A random selection was held in which 1275 were selected and sent offers. As rejections of offers were received, additional applicants were drawn from the pool and offers sent.

On May 1, the date for payment of the Tuition Deposit by those in the first priority, there were sufficient cancellations to offer acceptance to the remainder of the random group and to all eligible applicants who applied in April. All eligible applicants who had completed their applications by July 1, the closing date for the Fall Semester, 1971, were sent offers of admission.

No eligible applicants are registered in the Summer Provisional Admission Program. There were 269 applicants who did not meet admission requirements accepted for the Provisional Admission Program. The number enrolled is 238.

Lower Division transfer applicants who met the requirements for automatic acceptance totaled 840. This number was below the 1300 maximum and no random selection was necessary.

A total of 447 Lower Division applicants with completed files by July 1, the closing date for the Fall Semester, 1971, with less than 54 semester hours of credit and with a minimum grade point average of 2.5, have been sent offers of admission.

Both President Spurr and Chairman Peace pointed out that no qualified student had to be denied admission for the 1971-72 academic year under the present enrollment control plan.

3. U. T. Austin: Request of Chancellor to Submit Amendments to Regents' Rules and Regulations, Part Two, Chapter X (Relating to Approval of Minutes of Athletics Council and of Texas Union Board) at September Meeting.-- Chancellor LeMaistre's written request to prepare for submission to the September 1971 Regents' meeting proposed amendments to the Regents' Rules and Regulations, Part Two, Chapter X whereby the President of The University of Texas at Austin would be delegated the authority to approve the minutes and actions of the Athletics Council and of the Texas Union Board of U. T. Austin was approved in principle. The Committee considered this a request for an expression as to whether or not this particular approach is acceptable. It was understood that at the next meeting recommendations would be submitted that would implement a proposal along the policy outlined herein. Such proposed amendments, however, will be submitted to the Committee of the Whole as are all amendments to the Regents' Rules and Regulations.

4. U.T. Austin, U.T. El Paso, U.T. Arlington, and U.T. Dallas: Postponement of Minimum Standard Teaching Load Requirements.--Section 42, Article IV, Senate Bill 11, 62nd Legislature, R. S. (1971-72 Appropriations Bill) requires that "within thirty days following the close of registration for each fall and spring semester, the General Academic Institutions are required to file with their respective governing boards a teaching load report that will include for each teacher evidence to show compliance with minimum standard teaching load requirements. For those teachers who do not meet the minimum standard requirements, the report must indicate what fraction of time is paid from Faculty Salaries and what other assignment is made for the remainder of the faculty member's time, and the source of funds for payment of his salary other than the appropriation item, 'Faculty Salaries'."

In response to Chancellor LeMaistre's written presentation with respect to minimum standard teaching load requirements for the four general academic institutions (The University of Texas at Austin, The University of Texas at El Paso, The University of Texas at Arlington, and The University of Texas at Dallas), the Committee authorized and instructed the Administration (1) to implement immediately a Faculty Work Load Report to be completed by each faculty member and (2) as soon as feasible to prepare recommendations for minimum standard teaching load requirements at the general academic institutions to be presented to the Board of Regents for approval.

5. U. T. Arlington: Report of Change of Status of Football by National Collegiate Sports Services.--For record purposes only, a written report was received to the effect that The University of Texas at Arlington has been advised by the National Collegiate Sports Services, through the NCAA Statistics and Classification Committee, that The University of Texas at Arlington "has been elevated to University Division ("major") status for football statistics purposes, effective immediately." President Harrison had informally reported this item at the Regents' meeting on June 4, 1971.

6. San Antonio Medical School: Dual Positions Pursuant to Article 6252-9a, Vernon's Texas Civil Statutes.--Pursuant to Article 6252-9a, Vernon's Texas Civil Statutes. the following resolution was adopted to grant permission to the individual listed below to serve on the federal program listed opposite his name:

WHEREAS, (the name of the individual) has an opportunity to serve as (the capacity in which he is serving on a state or federal board or commission):

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of The University of Texas System, acting pursuant to delegated legislative authority:

- a. That the said (the name of the individual) be and he is hereby authorized by the Board of Regents to serve as (the capacity in which he is serving on a state or federal board or commission) until he no longer has an opportunity to do so or until this direction and requirement is amended or revoked by the Board of Regents;
- b. That the said (the name of the individual) be and he is hereby authorized by the Board of Regents to serve as (the capacity in which he is serving on a state or federal board or commission) in addition to all other duties that have been or may hereafter be assigned or required of him by the Board of Regents;
- c. That the Board of Regents finds that (the name of the individual)'s service as (the capacity in which he is serving on a state or federal board or commission) is not in conflict with his employment by The University of Texas System;
- d. That the Board of Regents finds that (the name of the individual)'s service as (the capacity in which he is serving on a state or federal board or commission) is and will continue to be of benefit and advantage to The University of Texas System and the State of Texas.

The University of Texas
Medical School at San Antonio

<u>Name</u>	<u>Classification</u>	<u>Board or Commission and Compensation</u>
Alexis Shelokov, M.D.	Professor and Chairman Department of Microbiology	Member - Viral Diseases Panel, U.S.-Japan Cooperative Medical Science Program, an International Research Program under the authority of PL 86-610. Compensation - \$75 per day, plus transporta- tion costs.

REPORT OF BUILDINGS AND GROUNDS COMMITTEE (Pages 30-46). --
Regent Erwin filed the following report of the Buildings and Grounds
Committee and moved its adoption. This report and the actions therein
were unanimously approved:

1. U. T. System: Approval of Preliminary Plans and Outline Specifications for System Administration Office Building at Seventh and Colorado Streets and Additional Appropriation for Architect's Fees. --The following resolution was adopted:

WHEREAS, In accordance with authorization given by the Board at its meeting held December 4, 1970, preliminary plans and outline specifications have been prepared by Jessen, Jessen, Millhouse, Greeven, Crume, Day, and Newman, Project Architects, for the System Administration Office Building at Seventh and Colorado Streets, the top floor to be strictly for the Board of Regents;

WHEREAS, The initial concept of one floor of finished office space and one floor of unfinished office space of the same area with capability of two additional floors for future expansion has been determined to be inadequate; and a need for three finished floors with provisions for six floors (30,000 square feet at an estimated cost of \$540,000 for complete finishing) for future office expansion has been determined, and

WHEREAS, These preliminary plans and outline specifications cover a building of approximately 110,107 gross square feet including three parking levels for approximately 90 cars at an estimated total project cost of \$3,200,000:

BE IT RESOLVED, That the preliminary plans and outline specifications as presented be approved and that the Project Architects be authorized to proceed with the preparation of working drawings and specifications to be presented to the Board at a later meeting, and

BE IT FURTHER RESOLVED, That to cover miscellaneous expenses and professional fees through the working drawing stage an additional appropriation of \$95,000 be made from Permanent University Fund Bond proceeds.

2. U. T. System: Resolution Re Signature of R. S. Kristoferson on Behalf of The University of Texas System in Connection with Federal Grants. --The following resolution was passed, effective August 1, 1971. This resolution supersedes the resolution passed July 29, 1967, authorizing the signature of Lester E. Palmer:

BE IT RESOLVED, That R. S. Kristoferson, Director of the Office of Facilities Planning and Construction of The University of Texas System, be and he is hereby, authorized, empowered, and directed to execute all documents relating to the acquisition and the use of monies received from the Federal Government and Texas State Health Department in connection with construction grant awards, and to do any and all other necessary acts and things in connection therewith, and any and all such acts and deeds done or caused to be done by the Director, R. S. Kristoferson, are hereby ratified, approved, and confirmed as the acts and deeds of the Board of Regents of The University of Texas System.

3. U. T. Austin: Authorization for Roof Repair of Applied Research Laboratory Building, Appointment of Architect and Appropriation Therefor. --The following resolution was adopted:

WHEREAS, Since the completion of the Applied Research Laboratory Building at Balcones Research Center at The University of Texas at Austin in November 1967, several roof leaks have occurred and corrective repairs have been made which have proved ineffective;

WHEREAS, The construction of the roof was accomplished in accordance with plans and specifications for the project and in strict adherence to all technical data then available from the manufacturer of the roof deck material;

WHEREAS, The design of the roof deck has proved unsatisfactory through no fault of workmanship or installation on the part of the contractor or subcontractor, and

WHEREAS, Corrective measures for the roof repair involving additional insulation and replacement of the roof surface have been estimated to cost \$75,000:

BE IT RESOLVED, That the Board authorize this roof repair project and that the firm of Jessen Associates, Inc., Austin, Texas, be appointed to prepare plans and specifications and a cost estimate therefor to be presented at a future meeting, and

BE IT FURTHER RESOLVED, That to cover miscellaneous expenses and Architect's Fees an appropriation of \$6,000 be made from Available University Fund.

4. U. T. Austin: Award of Contract to B. L. McGee Construction Company and B. L. McGee, Inc., for Engineering Teaching Center No. 1 and Appropriation Therefor. --For the construction of the Engineering Teaching Center No. 1 at The University of Texas at Austin, a contract was awarded to B. L. McGee Construction Company and B. L. McGee, Inc., Austin, Texas, the low bidder, in the amount of \$5,857,000 subject to approval of Federal granting agencies. The square footage of this Center is 204,130 square feet.

In order to cover the contract award, Architect's Fees thereon, movable furniture and furnishings, and miscellaneous expenses, appropriations from the sources listed below were also authorized:

Permanent University Fund	
Bond Proceeds	\$ 650,000
Combined Fee Revenue Bonds	<u>6,000,000</u>
Total Appropriation	<u>\$6,650,000</u>

Chairman Peace noted that the total cost of this project is \$1,350,000 below the original estimate.

In connection with the discussion of cost estimates and actual appropriations, Regent Garrett asked that all facts relating to buildings and grounds matters be set out in the supporting material so that each Regent will know the status of the project in relation to its size and cost.

5. U. T. Austin: Award of Contract to S & G Construction Company for Additional Married Student Housing Units, Phase I, and Appropriation Therefor. --A contract for Phase I Additional Married Student Housing Units at The University of Texas at Austin was awarded to S & G Construction Company, Austin, Texas, the low bidder, in the amount of \$2,565,000 subject to approval of the Federal granting agency. This contract award includes 200 apartment units covering 165,228 gross square feet.

This project is to be funded by the Board of Regents of The University of Texas System, The University of Texas at Austin, Married Student Housing Revenue Bonds, Series 1971, in the amount of \$3,100,000. These bonds were sold on the same day of the award of the contract. The proceeds of this bond issue and the necessary amount of interest received from the investment thereof were appropriated to cover this contract award, Architect's fees, interest during construction and miscellaneous expenses. It was further ordered that any advances which have been made to this project from U. T. Housing and Food Service be reimbursed from the appropriation of the proceeds from the bond issue.

6. U. T. Austin: Approval of Inscription on Plaque for Claudia Taylor Johnson Park Complex. --Approval was given for the inscription for the plaque to be placed on the Claudia Taylor Johnson Park Complex as set out below. This inscription follows the standard pattern approved by the Board at the meeting held October 1, 1966:

CLAUDIA TAYLOR JOHNSON PARK COMPLEX

1969

BOARD OF REGENTS

Frank C. Erwin, Jr., Chairman
 Jack S. Josey, Vice-Chairman
 W. H. Bauer
 Jenkins Garrett
 Frank N. Ikard
 Joe M. Kilgore
 John Peace
 Dan C. Williams
 E. T. Ximenes

Harry H. Ransom, Chancellor,
 The University of Texas System
 Norman Hackerman, President,
 The University of Texas at Austin

William H. Wade, Chairman,
 Faculty Building Advisory Committee
 of The University of Texas at Austin

Brooks, Barr, Graeber and White,
 Architects
 Warrior Constructors, Inc.,
 Contractor

7. U. T. Austin: Approval of Preliminary Plans and Outline Specifications for Building for Central Purchasing, Vouchering, Receiving and Delivery, and Additional Appropriation for Architect's Fees. --The preliminary plans and outline specifications as prepared by the Project Architect, Barnes, Landes, Goodman and Youngblood for the Building for Central Purchasing, Vouchering, Receiving and Delivery at The University of Texas at Austin, were approved. This building will be located in the space bounded by Manor Road, Comal Street, 19th Street and Interstate Highway 35. The Architects were authorized to proceed with working drawings and specifications to be presented to the Board for approval at a later meeting. These plans and specifications cover a building of approximately 27,000 gross square feet and 51,000 square feet of storage yards, drives, and parking lot at an estimated total project cost of \$870,000.

An additional appropriation of \$25,000 was authorized from Combined Fee Revenue Bonds of U. T. Austin to cover miscellaneous expenses and professional fees through the working drawing stage.

8. U. T. Austin: Approval of Preliminary Plans and Specifications for Student Union East (Second Student Union Building). --Preliminary plans and outline specifications for the Student Union East (Second Student Union Building) at The University of Texas at Austin were approved. These plans and specifications, initially authorized by the Board of Regents on September 20, 1968, and amended on March 6, 1970, were prepared by the Project Architects, Calhoun, Tungate and Jackson, Houston, Texas. The plans and specifications cover a building of approximately 161,000 gross square feet at an estimated total project cost of \$6,500,000.

It was noted that the Administration did not recommend authorizing the working drawings and specifications. The Education Code revision passed by the 62nd Legislature does not allow union fees to be used in the construction of the second union building. Therefore, until the next Legislative session when this statute could be changed no additional work on this building can be undertaken.

9. U. T. Austin: Presentation of Report from Parking and Traffic Consultant and Appointment of Committee to Study Same.--At the Regents' meeting on March 6, 1970, the firm of Ralph H. Burke, Inc., Chicago, Illinois, was employed as a parking and traffic consultant to work with the Office of Facilities Planning and Construction to prepare a master parking and traffic development plan for The University of Texas at Austin with the understanding that the preliminary studies would be submitted to the Board of Regents. Accordingly, a written report by the firm of Ralph H. Burke, Inc., was distributed at the meeting. A committee, consisting of President Spurr, Vice-President Colvin, Architect Kroll, and Regent Erwin, was appointed to review the study and report back to the Board at a future meeting.
10. U. T. Austin: Appointment of Committee to Award Contract for Furniture and Furnishings for Humanities Research Center.--Bids have been called for on Furniture and Furnishings for the Humanities Research Center at The University of Texas at Austin to be received on August 10, 1971. In order that contract awards may be made between meetings of the Board, a committee consisting of President Spurr, Director Kristoferson, Deputy Chancellor Walker, and Chairman Peace was appointed to award a contract within the amount of \$300,000 which is available for this purpose.
11. U. T. Austin: Authorization to Complete Unfinished Basement Space in the J. T. Patterson Laboratories Building, Appointment of Kuehne and Turley as Project Architects, and Appropriation Therefor.--The following resolution was adopted in connection with the completion of the unfinished basement space in the J. T. Patterson Laboratories Building. This building is located on the east side of Speedway in the block north of 24th Street:

WHEREAS, Included in a \$1,600,000 supplemental grant from National Science Foundation for the University Science Development Program at The University of Texas at Austin is an amount of \$200,000 to construct 2,700 square feet of laboratory space and 2,400 square feet of offices and support space, and

WHEREAS, Approximately 5,100 square feet of space in the west end of the J. T. Patterson Laboratories Building is already excavated but is unfinished:

BE IT RESOLVED, That the firm of Kuehne and Turley, Austin, Texas, be appointed to prepare plans and specifications for the finishing of this area to accommodate the laboratories and offices as outlined in the grant award with these plans and specifications to be brought back to the Board for approval at a later meeting, and

BE IT FURTHER RESOLVED, That an appropriation of \$200,000 from National Science Foundation Grant No. GU-1598 (Amendment No. 1) be authorized.

12. U. T. Austin: Rejection of Bids for Remodeling and Renovation of Brackenridge, Roberts, and Prather Halls. --Upon the recommendation of President Spurr, concurred in by System Administration, the bids (only two submitted) for the Remodeling and Renovation of Brackenridge, Roberts, and Prather Halls at The University of Texas at Austin were rejected since the appropriation for the project, including Architect's Fees, is only \$200,000 and the bids therefor were in excess of that amount. It was ordered that the project be postponed until next year in order that the work can be performed during the summer months when the dormitories are unoccupied and that in the meantime the plans and specifications be reviewed to see if economies can be effected without materially reducing the scope of the work.
13. U. T. El Paso: Appointment of United Aerial Mapping to Prepare Photogrammetric Survey of Campus and Appropriation Therefor. --For making an up-dated photogrammetric survey of the Campus of The University of Texas at El Paso, United Aerial Mapping of San Antonio, Texas, low bidder, was selected at a fee of \$8,625. To cover the cost of this survey, miscellaneous expenses in connection therewith, and possible additional survey markers which may be required, an appropriation of \$9,400 was authorized from Unallocated Plant Funds of U. T. El Paso.
14. U. T. El Paso: Authorization for Chairman to Execute Agreement with City of El Paso to Vacate Streets. --After approval as to form by a University attorney and as to content by Deputy Chancellor Walker, the Chairman of the Board of Regents was authorized to execute an agreement with the City of El Paso with respect to vacating certain streets and alleys where The University of Texas owns the land on both sides thereof.
15. U. T. El Paso: Acceptance of Annual Interest Grants Nos. 5-6-00628-0 and 5-6-00629-0 for Fine Arts Building Nos. 1 and 2 (Fine Arts Complex). --Approval was given to accept Annual Interest Grant No. 5-6-00628-0 from the Department of Health, Education and Welfare for the Fine Arts Building No. 1 at The University of Texas at El Paso (part of Fine Arts Complex). This grant is for an annual amount of \$21,460 for a period of thirty years, or a total of \$643,800. The grant will be paid annually over the life of Combined Fee Revenue Bonds to be issued at U. T. El Paso and is for the purpose of paying the difference in the actual interest over and above a 3% interest rate on these bonds.

Approval was also given to accept Annual Interest Grant No. 5-6-00629-0 for the Fine Arts Building No. 2 at The University of Texas at El Paso (part of Fine Arts Complex). This grant is for an annual amount of \$21,460 for a period of thirty years, or a total of \$643,800. The grant will be paid annually over the life of Combined Fee Revenue Bonds to be issued at U. T. El Paso and is for the purpose of paying the difference in the actual interest over and above a 3% interest rate on these bonds.

16. U. T. Arlington: Authorization for Additional Scope of Photogrammetric Survey and Appropriation Therefor. --Since United Aerial Mapping of San Antonio, Texas, was selected at the January 1971 meeting to make a photogrammetric survey of the campus of The University of Texas at Arlington, the 62nd Legislature has authorized the acquisition of additional land. It was ordered that the scope of the original survey be enlarged to include the additional parcels of land and that for this increased scope an appropriation in the amount of \$4,261 be authorized from Account No. [REDACTED] to cover the cost of this additional work.

17. U. T. Arlington: Approval of Final Plans and Specifications for Swift School Renovation and Appropriation Therefor. --Final Plans and specifications prepared by Project Architects, Fisher and Spillman, for the Remodeling of Swift School for a general purpose classroom facility at The University of Texas at Arlington were approved. These plans and specifications cover remodeling in a building of approximately 31,248 gross square feet at an estimated total project cost of \$375,000. The source of the appropriation of \$375,000 (U. T. Arlington - Unallocated Proceeds Constitutional Tax Bonds, Series 1968) authorized at the meeting on March 12, 1971, was changed to Unallocated Proceeds of Combined Fee Revenue Bonds, Series 1971A.

18. U. T. Arlington: Authorization to Install Second Elevator in Hammond Hall and Appropriation Therefor. --With respect to Hammond Hall at The University of Texas at Arlington the following resolution was adopted:

WHEREAS, When Hammond Hall at The University of Texas at Arlington was constructed, provision was made to install a second elevator when the occupancy and traffic therein justified it, and

WHEREAS, The shaft to house the second elevator was located adjacent to the original elevator, and the need is now apparent for the second elevator:

BE IT THEREFORE RESOLVED, (1) That the second elevator be installed under the supervision of the Physical Plant staff at U. T. Arlington, and (2) That an appropriation of \$70,000 be made from Account No. [REDACTED] - Unallocated Proceeds of U. T. Arlington Constitutional Tax Bonds, Series 1968, to cover the total cost of the project.

19. U. T. Arlington: Approval of Easement to Texas Electric Service Company. --Approval was given for an easement to Texas Electric Service Company to install an underground direct burial cable to the Athletic Facilities on the Davis Street portion of the campus of The University of Texas at Arlington in place of the present overhead lines. The Chairman of the Board was authorized to execute the easement after approval as to content by the Director of the Office of Facilities Planning and Construction and as to legal form by a University attorney.

20. U. T. Arlington: Purchase and Installation of Air-Conditioning Equipment. --The following resolution was adopted:

WHEREAS, The central air-conditioning plant at The University of Texas at Arlington has a designed load capacity of approximately 3,000 tons which is adequate to handle existing facilities;

WHEREAS, The designed load is almost equal to 3,000 ton capacity which results in no stand-by capacity in case of failure of the existing machinery;

WHEREAS, When the current plant expansion was completed, an extra bay for an additional air-conditioning machine was provided making it possible to expand the plant by adding another machine and connecting with existing facilities without need for any building construction;

WHEREAS, Currently, two of the air-conditioning machines will not perform at full capacity, and this occurs at peak cooling periods; hence, it is not possible to pull this equipment off the line for repairs even though it is not providing sufficient cooling, and

WHEREAS, To correct this deficiency an additional 1,000 ton capacity absorption machine can be installed in the space provided:

BE IT RESOLVED, That an additional 1,000 ton machine be installed in the space provided with the work to be supervised by the Office of Facilities Planning and Construction engineering personnel and the U. T. Arlington Physical Plant staff with all purchases of supplies and materials handled through normal state purchasing procedures by the U. T. Arlington Purchasing Office, and

BE IT FURTHER RESOLVED, That an appropriation of \$200,000 be made from Unappropriated Proceeds - U. T. Arlington Combined Fee Revenue Bonds, Series 1971, to cover the cost of the purchase and installation of a 1,000 ton absorption machine.

21. U. T. Arlington: Ratification of Award of Contract to Dallas Office Supply Company and American Desk Manufacturing Company for Furniture and Furnishings for Administration Building. --
The following resolution was adopted:

WHEREAS, On January 29, 1971, the Board appointed a Committee (consisting of President Harrison, Executive Director Palmer, Deputy Chancellor Walker, Chancellor LeMaistre, Regent Erwin and Chairman Peace) to award the contract to the low bidder for furniture and furnishings for the Administration Building at The University of Texas at Arlington:

BE IT RESOLVED, That the award of contracts by the Special Committee as set out below to the lowest bidders meeting specifications be ratified:

Base Bid "A" (General Office and Lounge Furniture) Dallas Office Supply Company, Dallas, Texas	\$189,040.95
Base Bid "B" (Classroom Furniture) American Desk Manufacturing Company, Temple, Texas	3,395.60
Base Bid "C" (Draperies) All bids rejected	_____
Total Contract Awards	<u>\$192,436.55</u>

The amount of these contracts is within the appropriation of \$204,250 authorized for the project. It was noted and discussed that there was only one bid on Base Bid "B" (Classroom Furniture). The Administration explained that this was a limited item.

22. U. T. Dallas: Acceptance of Annual Interest Grants
(1) No. 5-6-00636-0 for Liberal Arts and Physical Education
Buildings (2) No. 5-6-00637-0 for Library-Administration
Building and (3) No. 5-6-00638-0 for Public Policy Studies
and Central Maintenance Buildings. --Approval was given to
 accept Annual Interest Grant No. 5-6-00636-0 from the
 Department of Health, Education and Welfare for the
 Liberal Arts and Physical Education Buildings at The Uni-
 versity of Texas at Dallas. This grant is for an annual
 amount of \$42,920 for a period of thirty years, or a total
 of \$1,287,600. The grant will be paid annually over the
 life of Tuition Bonds to be issued for U. T. Dallas and is
 for the purpose of paying the difference in the actual interest
 over and above a 3% interest rate on these bonds.

Approval was also given to accept Annual Interest Grant
 No. 5-6-00637-0 for the Library-Administration Building at
 The University of Texas at Dallas. This grant is for an
 annual amount of \$21,460 for a period of thirty years, or a
 total of \$643,800. The grant will be paid annually over the
 life of Tuition Bonds to be issued for U. T. Dallas and is
 for the purpose of paying the difference in the actual interest
 over and above a 3% interest rate on these bonds.

Approval was given to accept Annual Interest Grant No. 5-6-00638-0 for the Public Policy Studies and Central Maintenance Buildings at The University of Texas at Dallas. This grant is for an annual amount of \$21,460 for a period of thirty years, or a total of \$643,800. The grant will be paid annually over the life of Tuition Bonds to be issued for U. T. Dallas and is for the purpose of paying the difference in the actual interest over and above a 3% interest rate on these bonds.

Chairman Peace noted that these three grants will reduce to 3% the interest rates on bonds issued to construct University buildings. The Government furnishes the difference in interest for thirty years.

23. U. T. Dallas: Award of Contract to O'Rourke Construction Company for Science Teaching Building (Formerly Referred to as 81,000 Square Foot Facility and as West Annex to Founders Building) and Appropriation Therefor. --For the construction of the Science Teaching Building (formerly referred to as 81,000 Square Foot Facility and as West Annex to Founders Building) at The University of Texas at Dallas, a contract was awarded to the low bidder, O'Rourke Construction Company, Dallas, Texas, as follows:

Base Bid	\$2,281,000
Add Alternates:	
No. 4 (Carpet in laboratories in lieu of sheet vinyl at ground floor only)	5,750
No. 5 (Carpet in laboratories in lieu of sheet vinyl at second floor only)	<u>5,850</u>
 Total Contract Award	 <u>\$2,292,600</u>

This annex covers approximately 81,680 gross square feet.

For this project, a total appropriation of \$2,785,000 was approved. Of this amount, \$2,672,500 was authorized at this meeting as an advance from Permanent University Fund Bond proceeds. Previously, from the same source \$112,500 has already been appropriated. It was ordered that at a later date the total amount of \$2,785,000 be repaid from proceeds of Tuition Bonds to be issued later.

It was noted that the estimated total project cost was \$2,798,000.

24. Dallas Medical School: Approval of Easement to Dallas Power and Light Company. --A fifteen-foot easement to the Dallas Power and Light Company across certain land in Block 6057 to provide utilities to the Lone Star Gas Central Energy Plant under construction to serve the campus of The University of Texas Southwestern Medical School at Dallas was approved. The Chairman of the Board was authorized to execute the easement after approval as to form by the Deputy Chancellor for Administration and as to legal form by a University attorney.

25. Dallas Medical School: Clinical Sciences Building (Including Animal Facilities) - Increase in Scope of Project. --The following resolution was adopted with respect to the Clinical Sciences Building (including Animal Facilities) at The University of Texas Southwestern Medical School at Dallas:

WHEREAS, At the July 10, 1970, meeting of the Board of Regents authorization for a Clinical Sciences Building (including Animal Facilities) at The University of Texas Southwestern Medical School at Dallas was approved to contain 210,000 gross square feet at an estimated cost of \$12,000,000;

WHEREAS, After site visit reviews, The University of Texas was encouraged to expand the scope of the Clinical Sciences Building and animal facilities to 260,000 square feet in anticipation of a class size of 200 medical students, and

WHEREAS, These adjusted requirements were included in the grant application and answers have been received from the granting agencies indicating that they will approve grants for approximately 66-2/3% of the \$17,000,000 estimated project cost or approximately \$11,300,000:

BE IT RESOLVED, That for a class of 200 medical students the following be approved:

1. That the scope of the project be increased from 210,000 square feet to 260,000 square feet, 50,000 square feet of which will be for animal care facilities, and
2. That the total estimated project cost be \$17,000,000, approximately \$11,300,000 to come from grant funds, approximately \$1,000,000 to come from private funds and approximately \$4,700,000 to come from Permanent University Fund Bond Proceeds previously committed or to be committed.

26. Dallas Medical School: Approval of Final Plans and Specifications for Building Machine Room Modifications and Connections to Central Utility Plant. --Approval was given to the final plans and specifications for modifications to the mechanical rooms of the existing buildings on the campus of The University of Texas Southwestern Medical School at Dallas and connecting lines between these rooms and the Central Utility Plant under construction on the campus. The Director of the Office of Facilities Planning and Construction was authorized to advertise for bids to be presented to the Board or the Executive Committee at a later date. The estimated cost of this project is \$90,000, exclusive of the Engineer's Fees, which were appropriated at the June 4, 1971, meeting of the Board.

27. Dallas Medical School: Authorization for Modifications to the Ground Floor, Basic Science Research Building (for Animal Holding Rooms), and Appropriation Therefor. --Authorization was given to modify 1,800 square feet of space on the ground floor of the Basic Science Research Building at The University of Texas Southwestern Medical School at Dallas at a cost not to exceed \$54,000. This space will provide six animal holding rooms. Funds are available for this project in a Dallas Medical School Plant Funds account for completion of the Ground Floor of the Basic Science Research Building.
28. U. T. San Antonio: Appointment of the Firms of Phelps and Simmons and Cerna and Garza to be Associated with the Firms of Ford, Powell and Carson and Bartlett Cocke and Associates. -- The firms of Ford, Powell and Carson and Bartlett Cocke and Associates, both of San Antonio, Texas, were previously appointed Associated Architects with authorization to prepare working drawings and specifications for The University of Texas at San Antonio project. These firms requested help in order to complete the final plans and specifications by December 1, 1971. In response thereto, to aid in the preparation of the working drawings and specifications for The University of Texas at San Antonio and at no cost to the University, the firms of Phelps and Simmons and Cerna and Garza, also of San Antonio, Texas, were named to be associated with the firms previously approved.
29. U. T. San Antonio: Acceptance of Annual Interest Grants
(1) No. 5-6-00632-0 for Science-Education Building
(2) No. 5-6-00633-0 for Humanities-Business Building
(3) No. 5-6-00634-0 for Art Building and (4) No. 5-6-00635-0
for Library-Administration Building. --Approval was given to accept Annual Interest Grant No. 5-6-00632-0 from the Department of Health, Education and Welfare for the Science-Education Building at The University of Texas at San Antonio. This grant is for an annual amount of \$21,460 for a period of thirty years, or a total of \$643,800. The grant will be paid annually over the life of Tuition Bonds to be issued for U. T. San Antonio and is for the purpose of paying the difference in the actual interest over and above a 3% interest rate on these bonds.

Approval was given to accept from the Department of Health, Education and Welfare Annual Interest Grant No. 5-6-00633-0 for the Humanities-Business Building at The University of Texas at San Antonio. This grant is for an annual amount of \$21,460 for a period of thirty years, or a total of \$643,800. The grant will be paid annually over the life of Tuition Bonds to be issued for U. T. San Antonio and is for the purpose of paying the difference in the actual interest over and above a 3% interest rate on these bonds.

Approval was also given to accept Annual Interest Grant No. 5-6-00634-0 for the Art Building at The University of Texas at San Antonio. This grant is for an annual amount of \$37,576 for a period of thirty years, or a total of \$1,127,280. The grant will be paid annually over the life of Tuition Bonds to be issued for U. T. San Antonio and is for the purpose of paying the difference in the actual interest over and above a 3% interest rate on these bonds.

Approval was also given to accept Annual Interest Grant No. 5-6-00635-0 from the Department of Health, Education and Welfare for the Library-Administration Building at U. T. San Antonio. This grant is for an annual amount of \$21,460 for a period of thirty years, or a total of \$643,800. The grant will be paid annually over the life of Tuition Bonds to be issued for U. T. San Antonio and is for the purpose of paying the difference in the actual interest over and above a 3% interest rate on these bonds.

30. U. T. Permian Basin: Authorization for Initial Site Work for Phase One Site Development, Appointment of a Special Committee to Award Contract and Appropriation (Funding) Therefor. -- Approval was given to the plans and specifications covering initial site work (consisting of entrance drives, access roads, and inner campus circulation roads which will provide access to the building construction site in a controlled manner when construction begins) which have been prepared by Jessen Associates, Inc., and Peters and Fields, Associated Architects, at an estimated project cost of \$200,000.

In connection with this project, the following action was taken:

- a. The Director of the Office of Facilities Planning and Construction was authorized to advertise for bids.
- b. A Special Committee, consisting of President Amstead, Director Kristoferson, Deputy Chancellor Walker, and Chairman Peace, was appointed to award a contract within the funds available.
- c. An appropriation of \$200,000 was made from Permanent University Fund Bond proceeds as an advance for this site development, with the advance to be repaid from the sale of bonds authorized by House Bill No. 278, 62nd Legislature, R. S., 1971.

31. U. T. Permian Basin: Acceptance of Annual Interest Grants (1) No. 5-6-00630-0 for Classroom, Faculty and Administrative Office Building, and Student Center and (2) No. 5-6-00631-0 for Laboratory, Library, Physical Education, and Central Service Facilities. -- Approval was given to accept Annual Interest Grant No. 5-6-00630-0 from the Department of Health, Education and Welfare for the Classroom, Faculty and Administrative Office Building, and Student Center at The University of Texas of the Permian Basin. This grant is for an annual amount of \$21,460 for a period of thirty years, or a total of \$643,800. The grant will be paid annually over the life of Tuition Bonds to be issued for U. T. Permian Basin and is for the purpose of paying the difference in the actual interest over and above a 3% interest rate on these bonds.

Approval was also given to accept Annual Interest Grant No. 5-6-00631-0 for the Laboratory, Library, Physical Education, and Central Service Facilities at The University of Texas of the Permian Basin. This grant is for an annual amount of \$42,920 for a period of thirty years, or a total of \$1,287,600. The grant will be paid annually over the life of Tuition Bonds to be issued for U. T. Permian Basin and is for the purpose of paying the difference in the actual interest over and above a 3% interest rate on these bonds.

32. Galveston Medical Branch: Award of Contract to Dallas Office Supply Company for Furniture and Furnishings for Clinical Sciences Building. --A contract was awarded for furniture and furnishings for the Clinical Sciences Building at The University of Texas Medical Branch at Galveston to Dallas Office Supply Company, Dallas, Texas, low bidder, in the amount of \$79,745.20. Funds to cover this contract award are in the Allotment Account for this project.
33. Houston Medical School: Ratification of Award of Contract to Fleetwood Construction Company, Inc., for Initial Facility and Appropriation Therefor. --The action of a Special Committee consisting of Dean Smythe, former Executive Director Palmer, Deputy Chancellor Walker, and Chairman Peace in awarding a contract to the low bidder, Fleetwood Construction Company, Inc., Houston, Texas, for the Initial Facility at The University of Texas Medical School at Houston was ratified as set out below:

Base Bid	\$1,603,967
Add Alternate No. 1 (Provisions for future additions of four additional floors)	<u>133,967</u>
Total Contract Award	<u>\$1,737,934</u>

This contract award is within the estimated total project cost of \$2,500,000. The facility will cover approximately 55,511 gross square feet.

Appropriations as set out below were made to cover the contract award, Architect's Fees thereon, movable furniture and equipment, and miscellaneous expenses:

Federal Grant	\$1,686,957
Legislative Appropriation	<u>1,060,547</u>
Total Appropriation	<u>\$2,747,504</u>

34. Houston Dental Branch: Ratification of Award of Contract to Bullen/Gierhart Construction Company for Expansion of Existing Facility (Conversion of Ground Floor Space and Related Remodeling) and Appropriation Therefor. --A Special Committee, consisting of Dean Olson, former Executive Director Palmer, Deputy Chancellor Walker and Chairman Peace, awarded a contract for Expansion of Existing Facility (Conversion of Ground Floor Space and Related Remodeling) at The University of Texas Dental Branch at Houston

to the low bidder, Bullen/Gierhart Construction Company, Bellaire, Texas. This action was ratified as set out below:

Base Bid	\$1,363,000
Add Alternate No. 1 (Remodeling of Existing Dental Laboratory)	73,000
Add Alternate No. 2 (Addition of Space for Centrex System)	<u>79,000</u>
Total Contract Award	<u>\$1,515,000</u>

Appropriations as set out below were made to cover the contract award, Architect's Fees thereon, movable furniture and equipment, and miscellaneous expenses from sources of funds indicated:

Federal Grant	\$1,032,270
Dental Branch Unexpended Plant Funds	200,000
Permanent University Fund Bond Proceeds	<u>750,730</u>
Total Appropriations	<u>\$1,983,000</u>

This project covers 23,237 gross square feet and the estimated total project cost is \$1,820,000.

Chairman Peace stated for the record that any special committee appointed to consider bids on construction projects never awards a contract unless the bids are within the estimated cost of the project.

35. M. D. Anderson: Status Report on Physical Development by President Clark. --(Since this item related both to buildings and grounds and medical affairs, President Clark presented this report at the conclusion of the Medical Affairs Committee.) Dr. R. Lee Clark (President of The University of Texas M. D. Anderson Hospital and Tumor Hospital at Houston), Fred McKie, Carl Kamrath and Lloyd Borgett (representatives of the architectural firm of McKie and Kamrath) and Gunther Koetter (associated with McKie and Kamrath on the Lutheran addition) appeared. President Clark presented an oral report on the status of the construction program at M. D. Anderson Hospital which is summarized below. Mr. Fred McKie presented plans and models in their present stage of the expansion of M. D. Anderson Hospital. President Clark reviewed the status of each construction item authorized by Senate Bill 62, 60th Legislature, R. S., 1967, as follows:
- a. Construction of Facilities for Not More than 350 Additional Beds and Additional Facilities for Out-patient Clinic. --The preliminary plans for the

hospital and clinic, both of which structures are contiguous with the existing building on the south, were approved by the Regents on October 23, 1970, and the final plans are to be completed by September or October 1971. Land in the amount of 8.144 acres was deeded to The University of Texas by the Texas Medical Center for this construction. Of that land, 1.894 acres were today authorized conveyed to the Texas Medical Center for multistory parking. In these two facilities there will be 590,000 square feet of space at a revised estimated cost of \$29,500,000 with the funds to come from the sources indicated below:

Hill-Burton Grant	\$ 1,000,000
Sale of Florida Land	13,500,000
To be raised through philanthropy	<u>15,000,000</u>
Total	<u><u>\$29,500,000</u></u>

In addition to the \$29,500,000 from the sources above, the 60th Legislature, R. S., 1967, appropriated \$2,250,000 for furnishings and equipment.

- b. Chapel. --The Chapel, preliminary plans for which are nearing completion, will be located between the new hospital and clinic additions and joined to both by hallways. The final plans are to be completed by September or October 1971. The Chapel will cover approximately 6,200 square feet at an estimated cost of \$385,000 with the total cost to be funded by the Lutheran Group.
- c. Remodeling of Areas in Existing Building. --Prior to the starting of preliminary plans for the remodeling of the basement and fourth floor in the existing building, the relocation of some service units to the new hospital and clinic must be completed. A study of this reallocation of space is nearing completion. The scope of this project is estimated at 50,000 square feet at an estimated cost of \$2,500,000.
- d. Sixth and Seventh Floors. --A sixth and a seventh floor will be added to the existing building on two wings to bring the total height of the building to seven floors. These floors will be for research expansion. Preliminary plans have been delayed due to lack of funding. With Federal funds which may become available, it is estimated that the preliminary plans will be completed by January 1972. This

expansion will consist of 100,000 square feet at an estimated cost of \$5,000,000. The funds are to come from the sources listed below:

Conquest of Cancer (Federal)	\$ 2,500,000
To be raised through philanthropy	<u>2,500,000</u>
Total	<u>\$ 5,000,000</u>

e. Auditorium and Communication Center. --To this date no plans have been made on this phase of the expansion.

36. San Antonio Nursing School: Appointment of Bartlett Cocke and Associates and Phelps and Simmons and Associates as Project Architects. --Bartlett Cocke and Associates and Phelps and Simmons and Associates, Project Architects for The University of Texas Dental School at San Antonio, were also named Project Architects for The University of Texas (Clinical) Nursing School at San Antonio at an estimated total construction cost of \$3,700,000.

An appropriation of \$25,000 was made as an advance from Permanent University Fund Bond proceeds for Architects' fees and miscellaneous expenses. The advance will be repaid from the sale of bonds authorized by House Bill No. 278, 62nd Legislature, R.S., 1971.

REPORT OF LAND AND INVESTMENT COMMITTEE (Pages 47 - 65).--In the absence of Committee Chairman Ikard, Chairman Peace presented the report of the meeting of the Land and Investment Committee. He stated that all actions in the report of the Land and Investment Committee had been taken in open session with the exception of the following item relating to the sale of the Josephine Clardy Fox Estate at 5400-5420 Paisano Drive, El Paso, Texas. Chairman Peace requested approval of this additional item which immediately follows and of the report of the other actions taken by the Land and Investment Committee as set out on Pages 48 - 65 :

U. T. El Paso - Josephine Clardy Fox Estate:
Sale to Charles H. Foster and I.T. Schwartz
of Property at 5400-5420 Paisano Drive, Being
a Portion of Block 40, Clardy Fox Addition,
El Paso, Texas, and Termination of Lease at
5420 Paisano Drive to Sherman Barnett DBA
Frank's Auto Brokers.--The following resolu-
tion was adopted with respect to the sale of
the Josephine Clardy Fox property at 5400-
5420 Paisano Drive, El Paso, Texas:

WHEREAS, The Josephine Clardy Fox Estate property containing 57,000 square feet at 5420 Paisano Drive is leased to Sherman Barnett at \$350 monthly for a period ending April 30, 1973, for used car lot purposes;

WHEREAS, The remaining portion of the tract at Paisano and Lisbon Street is vacant land;

WHEREAS, Mr. Charles H. Foster and Mr. I. T. Schwartz have offered \$267,500 cash without real estate commission on approximately 4.98 acres (appraised at \$231,100) at the corner of Paisano Drive and Lisbon Street provided the present tenant, Sherman Barnett, will terminate his lease immediately, and

WHEREAS, Mr. Barnett has agreed to terminate his lease for a cash consideration to be paid directly to Mr. Barnett by Mr. Foster and Mr. Schwartz if the Board of Regents will waive the rent for July 1971:

BE IT RESOLVED, That the Associate Deputy Chancellor for Investments, Trusts and Lands be authorized to sell the approximately 4.98 acres as outlined above and to terminate the existing lease to Sherman Barnett, waiving the rent for July 1971 with authorization to the appropriate University officials to execute the necessary instruments.

The foregoing item was approved, and the following actions of the Land and Investment Committee (Pages 48-65) were ratified by unanimous vote. Except as otherwise indicated in the

report, the Associate Deputy Chancellor for Investments, Trusts and Lands was authorized to execute all necessary instruments relating to real estate or mineral interest held or controlled by the Board of Regents as a part of the Permanent University Fund or as a part of any Trust or Special Fund when such instruments are approved as to form by a University attorney and as to content by an appropriate official.

I. Permanent University Fund

A. Investment Matters

1. Permanent University Fund Investment Advisory Committee: Appointment of Mr. Roger H. Jenswold.-- Mr. Roger H. Jenswold of Houston, Texas, was named a member of the Investment Advisory Committee of the Permanent University Fund for the term beginning September 1, 1971, and ending August 31, 1975, to replace Mr. Harold M. Achziger whose term expires August 31, 1971. Mr. Jenswold is Vice President of Life & Casualty Insurance Company of Tennessee, an affiliate of American General Insurance Company, Houston, Texas. Mr. Jenswold served on the Advisory Committee from September 1, 1968 through May 31, 1969 when he moved from Texas.

The membership of the Investment Advisory Committee as of this date is as follows:

<u>Members</u>	<u>Expiration of Term</u>
Mr. Robert W. Lau	8-31-72
Mr. Edward M. Ackerman	8-31-73
Mr. Dee S. Osborne	8-31-74
Mr. Roger H. Jenswold	8-31-75

2. Report on Clearance of Monies to Permanent University Fund and Available University Fund.--The following report was received from the Auditor, Oil and Gas Production, with respect to monies cleared by the General Land Office to the Permanent University Fund and Available University Fund for the current fiscal year through June 1971:

	May & June 1971	Cumulative This Fiscal Year	Cumulative Preceding Fiscal Year (Averaged)
Permanent University Fund			
Royalty - Oil	\$ 3,136,255.59	\$ 13,279,409.46	\$ 12,444,208.90
Gas - Regular	400,077.43	1,986,291.04	1,144,355.70
- F. P. C.	320.93	25,093.53	87,177.20
Water	18,392.46	89,519.05	92,986.00
Salt Brine	3,505.84	11,742.68	10,178.30
Rental on Mineral Leases	60,367.10	261,307.61	245,880.60
Rental on Water Contracts	23,205.60	26,067.07	23,368.10
Rental on Brine Contracts	100.00	300.00	166.70
Amendments and Extensions of Mineral Leases	-0-	421,061.78	191,021.70
	<u>3,642,224.95</u>	<u>16,100,792.22</u>	<u>14,239,343.20</u>
Bonuses, Mineral Lease Sales, (actual)	-0-	1,407,000.00	1,736,500.00
	<u>3,642,224.95</u>	<u>17,507,792.22</u>	<u>15,975,843.20</u>
Available University Fund			
Rental on Easements	31,496.01	138,718.85	154,710.00
Interest on Easements and Royalty	3.42	674.07	5,018.20
Correction Fees -Easements	-0-	-0-	-0-
Transfer and Relinquishment Fees	77.06	4,316.91	8,498.90
	<u>31,576.49</u>	<u>143,709.83</u>	<u>168,227.10</u>
Total - Permanent and Available University Funds	<u>\$ 3,673,801.44</u>	<u>\$ 17,651,502.05</u>	<u>\$ 16,144,070.30</u>

Oil and Gas Development - June 30, 1971
 Acreage Under Lease 536,848
 Number of Producing Acres 321,200
 Number of Producing Leases 1,424

B. Land Matters

Easements and Surface Leases Nos. 3280-3296, Material Source Permits Nos. 388-390, Water Contract No. 138, Grazing Lease No. 1115 and Correction of Water Contract No. 137.--Easements and Surface Leases Nos. 3280-3296, Material Source Permits Nos. 388-390, Water Contract No. 138, Grazing Lease No. 1115 and Correction of Water Contract No. 137, on University Lands were approved as set out below. All are within the policies of the Board and all have been approved as to form by a University attorney and as to content by an appropriate official:

Easements and Surface Leases

All easements and surface leases are at the standard rates; are on the University's standard forms; and payment has been received in advance, unless otherwise stated.

No.	Company	Type of Permit	County	Location (Block #)	Distance or Area	Period	Consideration
3280	L. C. Perrin (renewal of 1587)	Surface Lease (Business Site)	Andrews	13	250' x 400'	6/1/71- 5/31/72	\$ 100.00*
3281	Canyon Reef Carriers, Inc.	Pipe Line	Terrell Pecos	18, 19, 20, & 35	4,484.96 rds. various sized	5/1/71- 4/30/81	8,970.00
3282	Humble Oil and Refining Company	Power Line	Crane	31	110.83 rds.	6/1/71- 5/31/81	66.50
3283	El Paso Natural Gas Company	Pipe Line	Pecos	23, 24 & 25	1,097.40 rds. various sized	6/1/71- 5/31/81	1,410.59
3284	El Paso Natural Gas Company	Pipe Line	Crockett	39	86.67 rds. 4-1/2 inch	6/1/71- 5/31/81	56.34
3285	El Paso Natural Gas Company (renewal of 1619)	Pipe Line	Andrews Crockett	1 29	8.788 rds. 4-1/2 inch	11/1/71- 10/31/81	50.00**
3286	El Paso Natural Gas Company (renewal of 1623)	Pipe Line	Andrews	1	22.33 rds. 4-1/2 inch	11/1/71- 10/31/81	50.00**

* Renewable from year to year, but not to exceed a total of ten years.

** Minimum payment.

Easements and Surface Leases - Continued --

No.	Company	Type of Permit	County	Location (Block #)	Distance or Area	Period	Consideration
3287	El Paso Natural Gas Company	Surface Lease (Dehydration Unit Site)	Ector	35	0.115 acre	6/1/71- 5/31/81	\$ 50.00*
3288	Mansell Brine Sales (renewal of 1637)	Pipe Line	Crane	30 & 31	370 rds. 4-1/2 inch	11/1/71- 10/31/81	240.50
3289	El Paso Natural Gas Company	Pipe Line	Andrews	1	3.30 rds. 4-1/2 inch	6/1/71- 5/31/81	50.00**
3290	Humble Oil and Refining Company	Pipe Line	Ward	16	669.6 rds. 3-1/2 inch	6/1/71- 5/31/81	435.24
3291	Colorado River Municipal Water District	Pipe Line	Ward	16	2,705.81 rds. various sized	6/1/71- 5/31/81	5,974.57
3292	Colorado River Municipal Water District	Power Line	Ward	16	2,310.96 rds.	6/1/71- 5/31/81	1,386.57
3293	Texas Electric Service Company (renewal of 1599)	Power Line	Andrews Crane Martin Ward	1,4,9,10, 11 & 12 30 & 31 7 16	1,219.39 rds.	8/1/71- 7/31/81	731.64
3294	Petroleum Ventures, Ltd. (renewal of 1600)	Pipe Line	Crane	30	311 rds. 4-1/2 inch	8/1/71- 7/31/81	202.15

*Full consideration.

**Minimum payment.

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Easements and Surface Leases - Continued --

No.	Company	Type of Permit	County	Location (Block #)	Distance or Area	Period	Consideration
3295	Phillips Petroleum Company (renewal of 1615)	Pipe Line	Andrews Crane	10 & 13 30	242.3 rds. various sized	9/1/71- 8/31/81	\$ 157.50
3296	Phillips Petroleum Company (renewal of 1608)	Pipe Line	Crane	30 & 31	2,056.9 various sized	8/1/71- 7/31/81	1,974.18

Material Source Permits

No.	Grantee	County	Location	Quantity	Consideration
388	Border Road Construction Company	Upton		570 cubic yards of caliche	\$ 57.00
389	McVean and Barlow, Inc.	Ward	Block 16	8,275 cubic yards of dirt	2,482.50
390	W. A. "Bill" Farmer Construction Company	Andrews	Block 9	120 cubic yards of caliche	50.00

Water Contract

No.	Grantee	County	Location	Period	Consideration
138	Atlantic Richfield Company	Crane	Block 31	7/1/71 - 6/30/76	\$ 2,560.00 *

*Annual rental of \$2,560 per year is to be paid plus a royalty of 10¢ per 1,000 gallons of water produced from the premises. In no event shall royalty be less than \$2,560 per year.

Grazing Lease

The following grazing lease is for the five-year period, July 1, 1971, through June 30, 1976, with extension for an additional five-year period, July 1, 1976, through June 30, 1981, at rental shown provided the Lessee carries out the range conservation and/or ranch improvement and practices specified in Exhibit B of the lease, which shall be certified by the University Land Agent. The lease is on the University's standard form with semi-annual payment of rental on July 1 and January 1 of each year in the amounts set out in the lease.

Lease No.		Lessee	Location		Acreage	Previous Rental Per Acre	First Five Years		Second Five Years	
New	Old		County	Block			Acre	Annual Rental	Acre	Annual Rental
1115	1019	Theron K. Weatherby & Johnny S. Weatherby	Reagan	9 & 10	6,775.2	\$0.60	\$0.63	\$4,268.38	\$0.77	\$5,216.90*

*This cancels Grazing Lease 1019 as of June 30, 1971, previously granted to P. D. "Val" Gohmert.

6a. Correction of Water Contract No. 137.--Water Contract No. 137 was corrected as follows:

No.	Grantee	County	Location	Period	Consideration
137	Gulf Oil Corporation (renewal of Easement No. 1589)	Crane	Block 30	5/4/71 - 5/4/76	\$ 100.00*

*Annual rental of \$100 is to be paid plus a royalty of 10¢ per 1,000 gallons of water produced from the premises. In no event shall royalty be less than \$200 per year.

II. Trust and Special Funds

A. Gift, Estate and Bequest Matters

U. T. Austin: Acceptance of L. D., Marie and Edwin Gale Professorship in Judaic Studies.--The following resolution was adopted:

WHEREAS, In December 1969, L.D., Marie and Edwin Gale, of Beaumont, Texas, gave to The University of Texas Foundation, Inc., cash in the amount of \$34,217 and a tract of approximately thirty-nine acres in Hardin County near Beaumont, with improvements, and furnishings valued at \$65,783;

WHEREAS, The improvements, furnishings, and approximately 4.48 acres of the land were sold by the Foundation in 1970 for net proceeds of \$18,054.72, and

WHEREAS, At the request of the Gale family that the endowment be converted to a professorship, The University of Texas Foundation, Inc., has now tendered to the Board of Regents cash in the amount of \$51,275.20 and a deed to the remaining 34.852 acres of the land with a carrying value of \$35,352 to endow the professorship:

BE IT RESOLVED, That the gift from L.D., Marie and Edwin Gale be accepted with deep appreciation and that there be established, The L.D., Marie and Edwin Gale Professorship in Judaic Studies.

B. Real Estate Matters

1. U. T. Austin: McDonald Observatory: Amendment to Lease on 33,280 Acres, Presidio County with Lois Mitchell Thompson, Et al (G. C. Mitchell Estate), Lessors, to Board of Regents for Radio-Astronomy Program.--With respect to the lease of land in Presidio County between the Board of Regents and Lois Mitchell Thompson, et al, the following resolution was adopted:

WHEREAS, The Board of Regents in an instrument dated September 9, 1966, leased from Lois Mitchell Thompson, et al (G.C. Mitchell Estate) 33,280 acres of land in Presidio County for the Radio-Astronomy Program of the McDonald Observatory of The University of Texas at Austin;

WHEREAS, Among other things this lease provides for annual rental in the amount of \$30,000 for the five year term ending August 31, 1971, and provides that at the request of the lessors, the amount of the rental for the ensuing five year period shall be adjusted, taking into account the increase or decrease which has occurred since the start of the expiring five year term in-

- a. The value of the land exclusive of improvements; and

- b. The "price indices maintained by the U.S. Government";

WHEREAS, No evidence is available on the comparative value of the land, but the rental value of the sub-lease on the grass has not increased, and

WHEREAS, Statistics maintained by the Bureau of Labor indicate that the Consumer Price Index (All Items) increased from 98.1 in September 1966 to 119.8 in March 1971 - an increase of 22.1%:

BE IT RESOLVED, That approval be given to an agreement reached between the lessors and the Associate Deputy Chancellor for Investments, Trusts and Lands to increase the annual rental to \$34,000 for the five year period beginning September 1, 1971.

Associate Deputy Chancellor Shelton was asked to explore with Dr. Harlan Smith how much land is actually needed for this radio telescope and to also explore the possibility of buying the necessary acreage.

2. U. T. Austin - Thomas S. Maxey Professorship in Law: Sale of 1,127 Acres in Gaines County by Sealed Bid.--With respect to the sale of 1,127 acres in Gaines County (Thomas S. Maxey Professorship in Law) the following resolution was adopted:

WHEREAS, Under the Will of Thomas S. Maxey The University of Texas at Austin and The University of the South at Sewanee, Tennessee, each received one-half interest in 1,127 acres in Gaines County, Texas, and

WHEREAS, The University of the South has agreed to the sale of this land:

BE IT RESOLVED, That the Associate Deputy Chancellor for Investments, Trusts and Lands be authorized and directed (1) to publish notice of public sale of the following described land by sealed bid for the surface only with mineral rights to be retained:

An undivided one-half (1/2) interest in Survey No. Eighty-Two (82), the East one-half (1/2) of Survey No. Sixty-Two (62) and the Southeast One-fourth (S.E. 1/4) of Survey No. Forty-eight (48) all in Block "G", W. T. Ry Co., Original Grantee, Public School Land, in Gaines County, Texas...

and (2) to report the results for consideration by the Board of Regents at the September 1971 meeting.

3. U. T. El Paso - Josephine Clardy Fox Estate:
Appointment of Rogers & Belding Real Estate Company
as Manager of Josephine Clardy Fox Estate.--The fol-
lowing resolution was adopted with respect to the
Josephine Clardy Fox Estate:

WHEREAS, The El Paso National Bank has served
as Independent Executor of the Josephine
Clardy Fox Estate since Mrs. Fox's death on
May 11, 1970, and is in the process of convey-
ing the assets to the Board of Regents of
The University of Texas System;

WHEREAS, The real estate consists of 38 separate
pieces of property, valued at \$1,918,600, on
which there are twenty-seven tenants;

WHEREAS, The real estate company of Rogers &
Belding, Inc., have handled these properties
for approximately thirty years and under
the terms of the existing leases, they are
entitled to 5% of the gross rental income
(approximately \$90,000) and in addition thereto,
5% on all renewals or extensions;

WHEREAS, There are several sales pending
which will reduce annual rental to approximately
\$60,000, and

WHEREAS, Rogers & Belding, Inc., have agreed to
the following:

- a. To waive their commissions on all
existing leases and any renewal or
extension thereof.
- b. To assume full management responsi-
bility, including collection of
rents, negotiations of leases, super-
vision of repairs, supervision of
insurance requirements and the
furnishing of monthly status reports.
- c. To accept a flat monthly fee of \$500.
- d. To agree to a ninety (90) day cancella-
tion.
- e. To receive a regular commission on any
sales made by their office but not to
receive an exclusive listing on all of
the properties.

BE IT RESOLVED, That Rogers & Belding, Inc.,
be appointed to manage the Josephine Clardy
Fox Estate under the terms and conditions
heretofore mentioned in this resolution,
and

BE IT FURTHER RESOLVED, That the appropriate
University officials be authorized to sign
the necessary instrument.

4. U. T. El Paso - Josephine Clardy Fox Estate:
Sale of Property at 525 Montana Avenue, Being Des-
cribed as East 67 Feet of Lots 1-3, Block 267,
Campbell Addition, El Paso, El Paso County, Texas,
to Irvin J. Goldfarb.--Approval was given to sell
the Josephine Clardy Fox Estate property at 525
Montana Avenue, El Paso, El Paso County, Texas,
to Irvin J. Goldfarb for a consideration of
\$35,000 under the following terms:

Sale Price	\$35,000
Down Payment	8,750
	<u>\$26,250</u>

\$26,250 is to be financed by a first lien note at 8-1/2% interest to be amortized over a fifteen year term. The offer was received through Rogers & Belding, Inc., who will receive a real estate commission of 6%.

5. U. T. El Paso - Josephine Clardy Fox Estate:
Renewal of Lease to O. J. Benitez and Oscar Benitez
DBA Johnny's Auto Sales at 5010 Paisano Drive, El
Paso, Texas.--With respect to a lease to O. J.
Benitez and Oscar Benitez DBA Johnny's Auto Sales
at 5010 Paisano Drive, El Paso, Texas, the following
resolution was adopted:

WHEREAS, Johnny's Auto Sales had a lease on a tract fronting 160 feet on Paisano Drive by 125 feet which expired on April 30, 1971, at a monthly rental of \$150;

WHEREAS, They have continued on a month to month tenancy to date;

WHEREAS, They have offered \$275 per month for a five year lease on the same tract plus an additional 53 feet by 125 feet, and

WHEREAS, They have agreed to the following provisions:

- a. Cancellation on 90 days' notice in the event of sale.
- b. Release of the additional 53 foot frontage on 30 days' notice with a rental reduction of \$50 - leaving the net rental \$225.
- c. Payment of the fee to connect to City sewerage at an estimated cost of \$900 with the understanding that in the event of cancellation by the lessor they receive a prorated refund.

BE IT RESOLVED, That under the foregoing conditions a lease to O.L. Benitez and Oscar Benitez DBA Johnny's Auto Sales be approved and that the appropriate University officials be authorized to execute the necessary instruments.

6. M. D. Anderson - University Cancer Foundation:
Sale of Oil and Gas Leases Covering 51,766.20 Acres
Located in Charlotte, Desoto and Highland Counties,
Florida, to Shell Oil Company.--Authorization was
 given to sell five oil and gas leases in Florida
 owned by the University Cancer Foundation to Shell
 Oil Company under the terms set out below:

Minerals Covered: Limited to oil, gas and liquid hydrocarbons and gaseous products produced with oil and gas.

Primary Term: 5 years

Bonus: \$150,000.

Delay Rental: \$1.00 per acre, with one payment guaranteed.

Royalty: Leases will provide for 1/8 of 8/8 but Lessee will on request assign an additional 1/16 of 8/8. Annual royalty during the primary term shall not be less than the amount of the delay rental on the lease involved.

Drilling Obligation: A well to be commenced within 14 months from the date of the lease on one of the leases, and drilled to a depth sufficient to test the Sunniland Formation, or 11,000 feet, whichever is encountered first. At least one additional well to be drilled during each year remaining in the primary term after commercial production is established on a lease.

Development Obligation: After expiration of the primary term no more than 120 days between wells with cumulative time allowed; provided there will never be more than one year between the completion of a well and the starting of the next.

Restriction on Use of Surface: Lessees drilling and producing operations to be restricted to one designated 5 acre tract for each 160 acre tract, or drilling unit established by government authority in the event units are larger than 160 acres.

Acres Covered:

	<u>Gross Acres</u>	<u>Net Acres</u>
Lease No. 1	10,350.29	10,030.29
Lease No. 2	9,922.64	9,922.64
Lease No. 3	10,235.96	9,935.96
Lease No. 4	10,372.26	9,992.26
Lease No. 5	10,885.05	10,285.05
	<u>51,766.20</u>	<u>50,166.20</u>

In connection with the sale of the foregoing oil and gas leases the resolution as set out on Pages 59-60 was adopted.

RESOLUTION

WHEREAS, by deed dated March 28, 1969, the M. G. and Lillie A. Johnson Foundation, Inc. gave to the Board of Regents of The University of Texas System, as Trustee of the University Cancer Foundation, approximately 51,700 acres of land in Charlotte, DeSoto and Highlands Counties, Florida; and

WHEREAS, the Shell Oil Company has offered to lease the oil, gas, and associated liquid hydrocarbons produced therewith upon certain terms and conditions; and

WHEREAS, Doctor R. Lee Clark, President of The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston and Floyd O. Shelton, Associate Deputy Chancellor for Investments, Trusts and Lands have recommended to the Board of Regents that said offer of the Shell Oil Company to lease said lands for oil and gas be accepted:

NOW, THEREFORE, BE IT RESOLVED, That the Board of Regents of The University of Texas System, as Trustee of the University Cancer Foundation, does hereby accept the offer and does hereby lease unto the Shell Oil Company, the oil, gas and associated liquid hydrocarbons produced therewith in five separate leases as follows:

Lease No. 1--W2 of Section 5, W2 of Section 8, S2 and N2 of NE4 of Section 29 and all of Sections 6, 7, 16, 18, 19, 21, 28, 30, 31, 32, and 33, Township 39S, Range 28E and Sections 1, 12, and 13 and the N2 of Section 24, Township 39S, Range 27E, DeSoto and Highlands Counties, Florida;

Lease No. 2--Sections 2, 3, 10, 11, 14, 15, 22, 23, 25, 26, 27, 33, 34, 35, 36, and the S2 of Section 24, all in Township 39S, Range 27E, DeSoto County, Florida;

Lease No. 3--Sections 4, 5, 7, 8, 9, 16, 17, 18, 19, 20, 21, 28, 29, 30, 32, and all of Section 6 except the NE4 of NW4 of NE4; and the W2 of the SE4 of the NE4 of the NW4; and the W2 of the NE4 of the NW4 of the NW4, all in Township 39S, Range 27E, DeSoto County, Florida;

Lease No. 4--Sections 24, 25, 33, 34, 35, 36, the S2 of Section 13 and the S2 of Section 32, Township 39S, Range 26E; Section 31, Township 39S, Range 27E; the N2, NE4 of the SW4, N2 of SE4 and SE4 of SE4 of Section 1 and the NE4, E2 of NW4, and NW4 of NW4 of Section 2, Township 40S, Range 26E, and Sections 5, 6, 7, 8, 17, 18, 19, Township 40S, Range 27E, DeSoto and Charlotte Counties, Florida;

Lease No. 5--Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 20, 21, 22, 23, and 24, Township 40S, Range 27E, Charlotte County, Florida,

upon the terms and conditions set out in each such oil and gas lease, references to which are here made for all purposes; and

BE IT FURTHER RESOLVED, That Mr. John Peace, Mr. Frank N. Ikard, Mr. Frank C. Erwin, Jr., Mr. Jenkins Garrett, Mrs. Claudia Taylor Johnson, Mr. Joe M. Kilgore, Mr. A. G. McNeese, Jr., Dr. Joe T. Nelson, and Mr. Dan C. Williams, members of the Board of Regents of The University of Texas System, as Trustee of the University Cancer Foundation, are hereby authorized to execute such five separate oil and gas leases in favor of the Shell Oil Company which shall be attested by the Secretary to said Board of Regents; and

BE IT FURTHER RESOLVED That the Chairman or the Associate Deputy Chancellor for Investments, Trusts and Lands be and either of them is authorized to take such other action as may be deemed advisable or necessary to complete said transaction.

C. Bond Matters

1. U. T. System: Planning for Sale of U. T. System Tuition Revenue Bonds, Including Bond Consultant, and Bond Attorneys.--Pursuant to House Bill No. 278 passed by the 62nd Legislature authorizing the U. T. System to sell bonds to provide funds for the construction and equipment of facilities at those new System components authorized by the 61st Legislature, and to secure the payment thereof by the pledge of tuition revenues to be received from all System components, it was authorized that in order to proceed with the planning:

- a. That Mr. Sam Maclin be employed as bond consultant and
- b. That the firm of McCall, Parkhurst & Horton be employed as bond attorneys.

Definite plans for the sale will be presented to the Board at the September 1971 meeting.

2. U. T. Austin: Resolution Authorizing the Issuance of Replacement Bonds Nos. 585-589 of Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970.--To replace Bonds Nos. 585 through 589 of the Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970, issued to Russ & Company, Inc., San Antonio, Texas, the following resolution prepared by the Bond Counsel (and set out on Pages 61-64) was authorized.

RESOLUTION AUTHORIZING THE ISSUANCE
OF REPLACEMENT BONDS

WHEREAS, on May 29, 1970, the Board of Regents of The University of Texas System (an instrumentality of the State of Texas having power to borrow money and issue bonds), authorized the issuance of \$10,000,000 Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970, dated June 1, 1970; and

WHEREAS, said bonds were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and said bonds were thereafter delivered to the purchasers thereof; and

WHEREAS, Bonds Nos. 585 through 589, inclusive, aggregating \$25,000, of said Series 1970 Bonds, bearing interest at the rate of 7.30% per annum, and maturing on June 1 in the year 1987 have been stolen from the owner thereof; and

WHEREAS, Russ & Company, Inc., San Antonio, Texas, has given this Board satisfactory evidence that such Company is the owner of said \$25,000 bonds, as per the affidavit attached hereto as Exhibit "A" and made a part hereof as if fully written herein; and

WHEREAS, this Board is desirous of issuing five replacement bonds for such five bonds heretofore lawfully issued and which are outstanding upon indemnity satisfactory to said Board as hereinafter set forth.

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

Section 1:

That Replacement Bonds Nos. R 585 through R 589, both inclusive, aggregating \$25,000, shall be issued for the Bonds Nos. 585 through 589, both inclusive, aggregating \$25,000, described in the preamble hereof and heretofore lawfully issued and which are outstanding but which have been stolen. Said bonds shall be of like tenor and effect as the bonds which they are issued to replace (except that interest Coupon No. 1 maturing on December 1, 1970, has been paid and shall not be printed on said Replacement Bonds), bearing the date June 1, 1970, shall have the official seal of the Board of Regents of The University of Texas System impressed or placed in facsimile thereon, be signed with the facsimile signature of the Chairman of said Board and countersigned with the facsimile signature of the Secretary of said Board, and the annexed interest coupons also to be signed by said facsimile signatures of said Chairman and Secretary.

Section 2:

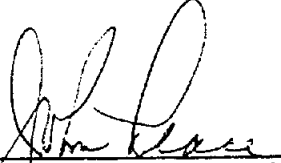
That said bonds shall be issued upon indemnity satisfactory to said Board, the evidence of such satisfaction to be shown by the acceptance notation thereon of the Associate Deputy Chancellor for Investments, Trusts and Lands. That such replacement bonds shall be submitted to the Attorney General of the State of Texas for his approval. When he finds that such bonds have been issued in accordance with the provisions

of Article 715a, V.T.C.S., and transmits such bonds to the Comptroller of Public Accounts, said Comptroller shall register such replacement bonds in the same manner as the original bonds, giving them the same registration number as the original bonds, except that such number shall be preceded by the letter "R". Said Comptroller shall date his registration certificate as of the date of the registration of the replacement bonds upon certification from the Attorney General that such bonds are being issued to replace said bonds which have been stolen.

Section 4:


That the Chairman and Secretary of said Board and other appropriate officials of The University of Texas System, particularly said Associate Deputy Chancellor, are hereby authorized and directed to execute all appropriate certificates and to do any and all things necessary and/or convenient to carry out the provisions of this resolution.

PASSED AND APPROVED this 30th day of July, 1971.



Chairman, Board of Regents,
The University of Texas System

ATTEST:



Secretary, Board of Regents,
The University of Texas System

(SEAL)

THE STATE OF TEXAS)
)
COUNTY OF BEXAR)

BEFORE ME, the undersigned, personally appeared WILLIAM A. BEINHORN, JR., and upon his oath did depose and say that:

1. I am the Chairman of Russ & Company, Inc., San Antonio, Texas;

2. Although said Company had sold and received payment for the bonds hereafter described, delivery thereof had not been made to the purchaser, and said Company is the lawful owner of Bonds Nos. 585 through 589, inclusive, aggregating \$25,000, maturing June 1, 1987, of the \$10,000,000 Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1970, dated June 1, 1970;

3. Interest Coupons No. 1 on said bonds maturing on December 1, 1970, were presented to and paid by said University, but Interest Coupons No. 2, maturing June 1, 1971, on said bonds, have not been so presented or paid, said Coupons No. 2 and all subsequent maturing coupons being attached to said bonds;

4. On or about March 9, 1971, as a result of an internal audit, said bonds, among others, were discovered not to be in said Company's possession; and

5. To the best of my knowledge and belief said bonds have been stolen from said Company.

WITNESS MY HAND this 8th day of July, 1971.

William A. Beinhorn, Jr.
William A. Beinhorn, Jr.

SWORN TO AND SUBSCRIBED BEFORE ME on the date above shown.

Alice K. Smith
Notary Public in and for
Bexar County, Texas

(NOTARY SEAL)

ALICE K. SMITH
Notary Public, Bexar County, Texas
My Commission expires May 31, 1973

EXHIBIT "A"

III. Other Matters

Report of Securities Transactions for Permanent University Fund and for Trust and Special Funds for April, May and June 1971.--
The reports of Securities Transactions for Permanent University Fund and for Trust and Special Funds for April, May and June 1971, as submitted by the Associate Deputy Chancellor for Investments, Trusts and Lands were approved and are attached as Attachment No. 2 and made a part of the Minutes following Page N - 4 of Attachment No. 1.

REPORT OF MEDICAL AFFAIRS COMMITTEE (Pages 66 - 86). -- Regent Nelson, in the absence of Committee Chairman Williams, filed the following report of the Medical Affairs Committee and moved its adoption. The report and the actions therein were unanimously approved:

1. Dallas Medical School: Authorization to Request Permission from Coordinating Board to Establish a B. S. Degree Program and a Certificate Program in Allied Health Education. --The Administration was authorized to request from the Coordinating Board, Texas College and University System permission to establish at The University of Texas Southwestern Medical School at Dallas a Bachelor of Science degree program and a Certificate Program in Allied Health Education.

It was pointed out by System Administration that:

- a. "General academic support courses in the social and behavioral sciences and in teaching methodology will be provided by U. T. Arlington faculty at the medical school. Existing allied health programs in Dallas area hospitals will provide student teaching opportunities.
 - b. "This curriculum is designed to prepare persons as teachers in the allied health professions who already have experience and credentials in these professions but need to develop skills and resources as effective instructors. Teaching methods, curricular development, and the use of various instructional media will be emphasized. Candidates for these programs will be expected to teach in vocational school programs, inservice education in hospitals, junior college allied health professions curricula, senior college allied health professions curricula, and in state and federal health delivery agencies.
 - c. "No other such program exists in the state of Texas and only four are in operation in the United States."
2. Galveston Medical Branch: Delegation to System Administration to Approve Amendments to the Bylaws and Rules and Regulations of the Medical Staff of the Hospitals. --Authority was delegated to System Administration to approve amendments to the Bylaws and Rules and Regulations of the Medical Staff of the Hospitals at The University of Texas Medical Branch at Galveston and to file such approved amendments with the Secretary to the Board of Regents. These Bylaws and Rules and Regulations are guidelines for the internal operation and management of the Medical Branch Hospitals and are similar to those sections relating to the faculty in the institutional handbooks of operating procedures which require only the Chancellor's approval.

3. Galveston Medical Branch: Initiation of Annual Giving Program. -- Approval was given to the Development Office of The University of Texas Medical Branch at Galveston to initiate a program of Annual Giving among the several constituencies of the Galveston Medical Branch. It was understood that this program would be conducted as outlined below:

- a. The program will be conducted chiefly by the officers and members of the Alumni Association under the direction of staff members of the Office of Development. Solicitation will begin September 1, 1971.
- b. Gifts will be directed to the University of Texas Medical Branch and designated as contributions to the "UTMB Development Fund."
- c. The funds will be solicited for unrestricted use; however, the donors may direct their gifts to such causes as student aid (scholarship and loan funds), student service (fieldhouse expenses), endowed positions, research, or departmental programs.

The Regents' Rules and Regulations, Part One, Chapter III require approval by the Board of Regents for this activity.

4. Houston Medical School: Establishment of Medical Service, Research and Development Plan and Bylaws Therefor. --A Medical Service, Research and Development Plan in conformity with established practice was authorized for The University of Texas Medical School at Houston. For this plan, the Bylaws and Exhibit A attached thereto were adopted as set out on Pages 68 - 84.

B Y L A W S

THE UNIVERSITY OF TEXAS MEDICAL SCHOOL AT HOUSTON
MEDICAL SERVICE, RESEARCH AND DEVELOPMENT PLAN

ARTICLE I

PURPOSE

It is the purpose to create a plan for management of the professional income of members of the full-time faculty of The University of Texas Medical School at Houston (the "School"). The Medical Service, Research and Development Plan (the "Plan") will create an Institutional Trust Fund consisting of a Business Operation Fund, a Development Fund, a Fringe Benefit Fund and Clinical Program Funds. The Business Operation Fund will provide for the administrative expenses of the Plan. The Development Fund will be expended in support of the programs of the School as a whole. The Fringe Benefit Fund will provide for fringe benefits for the faculty of the School. A Clinical Program Fund will be established for each clinical program of the School. Funds in the Clinical Program Funds may be used in support of faculty compensation and other functions pertaining to teaching, research and patient care activities. The Plan will safeguard the interests of its membership in the proper continued growth in excellence of The University of Texas Medical School at Houston.

ARTICLE II
DEFINITIONS

2.10 FACULTY COMPENSATION

2.11 For purposes of this Plan, "Faculty Compensation" shall be defined as that total remuneration comprised of salary and augmentation paid to faculty members by the School. Faculty Compensation shall not be construed to include fringe benefits paid by the School for faculty members.

2.20 SALARY

2.21 For purposes of this Plan, "Salary" shall be defined as that part of Faculty Compensation paid by the School and subject to the maximum limitations approved by the Board of Regents of The University of Texas System upon recommendation of the administration for each fiscal year.

2.22 Salary may be paid from multiple fund sources, including general budget funds (state appropriations), contract and grant funds, gift funds and Institutional Trust Funds of the Plan.

2.23 Salary shall be the base for calculation of fringe benefits paid for by the individual through payroll deduction or as may be paid from institutional funds other than the Fringe Benefit Fund of the Plan.

2.30 AUGMENTATION

2.31 For purposes of this Plan, "Augmentation" shall be defined as that part of Faculty Compensation paid to a Member by the School subject to a maximum limitation, now fifty percent (50%) of the Salary paid to a Member, as determined by the Board of

Regents of The University of Texas System.

- 2.32 Augmentation, contrasted with Salary, may be paid only from the Clinical Program Funds of the Plan.
- 2.33 Each Member's Augmentation shall be determined annually, subject to quarterly review, upon recommendation of his Program Director, and the Dean and approval of the Chancellor.

ARTICLE III
ORGANIZATION OF PLAN

3.10 MEMBERSHIP

- 3.11 Membership in the Plan is required of each geographic full-time faculty member in a clinical program who derives income from professional activities, except as hereinafter specifically excluded.
- 3.12 A medical faculty member in a pre-clinical program who derives income from patient care responsibility must be a Member of the Plan.
- 3.13 Full-time off campus faculty and part-time faculty are eligible for Membership if the Dean, the Program Director, the individual and the hospital agree.
- 3.14 The Membership shall exercise final local authority over all organizational matters relating to the Plan, except where that authority is specifically delegated by these Bylaws. All Members shall be entitled to participate in the deliberations of the Plan, vote upon all business brought before the Plan, and be eligible for election to any committee of the Plan.

3.15 A Member leaving the full-time faculty terminates his Membership in the Plan without recourse.

3.20 MEETINGS OF MEMBERSHIP

3.21 The Membership shall meet in general session annually in April at a place designated by the Chairman of the Board of Directors. Notice of the Annual Meeting and agenda shall be distributed to each Member at least ten (10) days prior to the meeting.

3.22 Special meetings may be called by the Board, the Dean, or upon written petition of one-half (1/2) of the Members. Special meetings require the same notice as regular annual meetings.

3.23 The Chairman of the Board of Directors or, in his absence, the Vice-Chairman, shall preside. The Secretary of the Board of Directors shall serve as the Secretary of the Plan.

3.24 One-half (1/2) of the Membership shall constitute a quorum.

3.25 Each Member shall have one (1) vote.

3.26 Except where otherwise specified within these Bylaws, a simple majority shall prevail.

3.27 Minutes of each meeting shall be prepared by the Secretary, published and circulated to each Member.

3.28 The rules of order for meetings of the Membership shall be Robert's Rules of Order.

3.30-.40 BOARD OF DIRECTORS

3.31 The Dean of the School shall appoint a temporary Board of Directors of the Plan to serve for a period of twenty-four (24) months immediately following approval of these Bylaws. This Board

of Directors shall be composed as follows:

- A. Each full time Clinical Program Director
- B. The Associate Dean for Academic Affairs
- C. The Associate Dean for Business Affairs
- D. The Director of Hermann Hospital
- E. The Dean of the Medical School, who shall serve as Chairman

3.32 Effective twenty-four (24) months after the approval of these Bylaws, the Board of Directors shall be composed as follows:

- A. Dean of the Medical School
- B. The Director of each Clinical Program. When the Director is unavoidably absent, he may appoint another Member of his program as his proxy.
- C. Members-at-Large shall be appointed by the program director from programs making larger contributions to the Institutional Trust Fund. After the Plan has been in operation for four (4) years, those programs with contributions to the fund exceeding fifteen percent (15%) of the total income of the fund in a fiscal year, may appoint a Member-at-Large for the succeeding year. Such Members-at-Large are limited to five (5).
- D. Beginning in the third year of operation of the Plan, three (3) Members-at-Large will be elected. Thirty (30) days prior to the annual meeting, a ballot carrying the names of all the Members of the Plan shall be circulated to the Membership. Each Member shall nominate

one (1) person for election to the Board of Directors. Names of the nine (9) Members receiving the largest number of nominations will be submitted by written ballot to the Membership at the annual meeting. The three (3) Members receiving the largest number of votes will be elected. Such Members shall serve for one (1) year terms. They may succeed themselves for two (2) additional terms and are eligible for re-election to additional terms after an intervening year.

E. When the total number of Members of the Board exceeds twenty-one (21) the criteria for Members-at-Large shall be revised.

F. The Associate Dean for Business Affairs, the Associate Dean for Academic Affairs, the Director of Hermann Hospital, and the Fiscal Manager of the Plan shall be Ex-Officio Members without vote.

3.33 The Board of Directors shall exercise full powers of the Membership, except that the Board may not alter the distribution of Funds to the Development Fund, the Fringe Benefit Fund or the Clinical Program Funds as established by these Bylaws.

3.34 The Board of Directors shall be responsible for determining policies of the Business Office of the Plan.

3.35 The Board of Directors shall be advisory to the Dean on all matters relating to the Plan.

3.36 The Board of Directors may create committees from the Directors or from the Membership to act upon specific matters when necessary.

- 3.37 The Board of Directors shall report its activities to the Membership at the Annual Meeting, which activities shall be subject to ratification, modification, or revocation by the Membership.
- 3.38 The Board shall meet at least quarterly on call of the Chairman, or the Dean or on the written petition of two-thirds (2/3) of the Members of the Board.
- 3.39 The officers of the Board shall be a Chairman, a Vice-Chairman, and a Secretary.
- 3.40 The officers shall be elected by the Board twenty-four months after approval of these Bylaws by the Board of Regents of The University of Texas System and thereafter annually at the meeting of the Board of Directors in the first quarter.
- 3.41 The Chairman and Vice-Chairman shall not serve in the same office more than two (2) consecutive terms, but are eligible for re-election after an intervening year. No two (2) elected officers shall be from the same clinical program.
- 3.42 The terms of office shall be from September 1st following the Annual Meeting of the Membership to August 31st of the following year.
- 3.43 One-half (1/2) of the Board of Directors shall constitute a quorum.
- 3.44 Except where otherwise specified within these Bylaws, a simple majority vote shall prevail.
- 3.50 BUSINESS OPERATIONS
- 3.51 A Business Office shall be maintained by the Plan for the administration of its affairs.
- 3.52 As the Chief Business Officer of the School, the Associate Dean for Business Affairs shall be

responsible for implementation of business procedures in accordance with the policies established by the Board of Directors. The Associate Dean for Business Affairs shall appoint, with the advice and consent of the Board of Directors, a Fiscal Manager to serve as the general administrative and business officer of the Plan.

- 3.53 Administrative personnel and consultants may be employed or retained as recommended by the Board of Directors.
- 3.54 An annual operating budget for all income and expenditures of the Plan shall be prepared and approved in accordance with the Budget Rules and Procedures of the Board of Regents of The University of Texas System. An annual summary budget shall be submitted to the Board of Directors at its first quarterly meeting of each year.
- 3.55 Financial reports for the Plan shall be prepared by the Fiscal Manager and submitted to the Board of Directors at each quarterly meeting.
- 3.56 Professional income under the Plan will be accounted for by the various clinical programs as groups. An annual statement of funds deposited for the Clinical Program in the Institutional Trust Fund during each calendar year will be submitted to the directors of the programs no later than January 31. Each individual member shall also be given a statement of his income for income tax purposes at the same time.
- 3.57 The cost of business operations and other expenses incurred in the generation of income shall be derived from income to the Institutional Trust Fund.

3.58 Professional income will be billed and collected by the Business Office of the Plan in accordance with procedures developed by the Fiscal Manager and approved by the Board of Directors. All collections will be deposited in the Institutional Trust Fund.

3.59 The Dean of the School will have the ultimate responsibility for the fiscal integrity of the Plan.

ARTICLE IV
INSTITUTIONAL TRUST FUND

4.10 COMPOSITION

4.11 An Institutional Trust Fund shall be established for the receipt and disbursement of professional income under the management of the Plan.

4.12 The Institutional Trust Fund shall be composed of sections as follows:

- A. Business Operation Fund
- B. Development Fund
- C. Fringe Benefit Fund
- D. Clinical Program Funds (one for each clinical program)

4.20 SOURCES OF INCOME

4.21 Pursuant to the Member's contract with the School, each Member shall assign his professional income to the Institutional Trust Fund.

4.22 Income can be accepted from voluntary and part-time faculty at the discretion of the individual, the Program Director and the Dean.

4.30 ITEMS INCLUDED IN PROFESSIONAL INCOME

4.31 Professional fees generated within the School,

including third-party payments.

- 4.32 Fees from all professional consultations and services except as noted in Section 4.36.
- 4.33 Fees for consultation and services rendered at any other state supported medical facility or institution in the State of Texas.
- 4.34 Fees for services rendered at Federal or affiliated hospitals.
- 4.35 Fees for court appearances.
- 4.36 All other professional income with the exception of the following:
 - A. Honoraria, royalties, non-professional retainers.
 - B. Payment for editing scientific publications.
 - C. Consultation fees (honoraria) as a regional or National consultant to any branch of the United States Government.

4.40 DETERMINATION OF PROFESSIONAL FEES

- 4.41 The Membership of the Plan will prepare a schedule of fees which shall be used for billing purposes under ordinary circumstances.
- 4.42 Individual Members may increase or decrease fees in special situations, subject to procedures to be determined by the Board of Directors and ratified by the Membership.
- 4.43 Formulas for discounting fees will be developed by the Board of Directors and ratified by the Membership.

4.50 BUSINESS OPERATION FUND

- 4.51 The Business Operation Fund shall be expended for the conduct of general administrative and business affairs of the Plan.

- 4.52 Additions to the Business Operation Fund shall result from a distribution of gross income (net of refunds) deposited in the Institutional Trust Fund. Such distribution to be established annually shall not exceed ten percent (10%) of said income without specific approval of the Board of Directors and ratification of the Membership.
- 4.53 Expenditures from the Business Operation Fund shall be subject to the same budget rules and procedures applicable to other funds within the Institutional Trust Fund.
- 4.54 The Business Operation Fund may accumulate an unexpended balance not to exceed twenty-five percent (25%) of the distribution to said fund during the preceding fiscal year. Any funds in excess of said twenty-five percent (25%) limitation shall be applied to defray operating expenses of the Business Office during the succeeding fiscal year.
- 4.60 DEVELOPMENT FUND
- 4.61 The Development Fund shall be expended to enhance and support programs of the School as a whole.
- 4.62 Additions to the Development Fund shall result from a distribution of gross income (net of refunds) deposited in the Institutional Trust Fund. Such distribution shall be seventeen and one-half percent (17.5%) of said income.
- 4.63 Expenditures from the Development Fund shall be at the discretion of the Dean with the advice of an advisory committee. Such expenditures shall also be subject to the same budget rules and procedures applicable to other funds within the Institutional Trust Fund.

4.70 FRINGE BENEFIT FUND

- 4.71 The Fringe Benefit Fund shall be expended for fringe benefits, including supplemental retirement benefits, for faculty members of the School.
- 4.72 Additions to the Fringe Benefit Fund shall result from a distribution of gross income (net of refunds) deposited in the Institutional Trust Fund. Such distribution shall be twelve and one-half percent (12.5%) of said income.
- 4.73 Expenditures from the Fringe Benefit Fund shall be under the direction of the Board of Directors subject to ratification of the Membership. Such expenditures shall also be subject to the same budget rules and procedures applicable to other funds within the Institutional Trust Fund.

4.80 CLINICAL PROGRAM FUND

- 4.81 An individual Clinical Program Fund shall be established for each clinical program in the School. A Clinical Program Fund shall be expended in support of faculty compensation and functions related to teaching, research and patient care activities.
- 4.82 Additions to the Clinical Program Funds shall result from a distribution of gross income (net of refunds) deposited in the Institutional Trust Fund. Such distribution shall be the remaining balance of said income after the distributions to the Business Operation Fund, the Development Fund and the Fringe Benefit Fund. The distribution to each individual Clinical Program Fund shall be in the same ratio as that program's income to the total income of the Institutional Trust Fund.
- 4.83 Expenditures from the Clinical Program Fund shall

be under the direction of each Clinical Program Director in accordance with those items allowable per 4.84. Such expenditures shall also be subject to the same budget rules and procedures applicable to other funds within the Institutional Trust Fund.

4.84 Expenditures allowable from the Clinical Program Fund may include the following:

- A. Augmentation of Members' salaries.
- B. Salary for faculty and/or staff (including required School benefits).
- C. General maintenance, operation and equipment for educational, research and patient care.
- D. Ordinary and necessary business expenses incurred by the physician in earning the professional fees charged by said physician.
- E. Travel and other expenses including registration fees and tuition incident to attendance at meetings authorized by the School or Program.
- F. Professional liability insurance and legal fees.
- G. Professional society memberships.
- H. Permanent equipment and facilities.
- I. Expenses and consultant fees for guest speakers including official entertainment.
- J. Travel in support of education, research and patient care activities.
- K. Faculty or staff recruitment including reasonable moving expenses.
- L. Funds for the establishment of a Lectureship, Professorship or Chair.

4.85 A Clinical Program Fund may accumulate an unexpended balance not to exceed fifty percent (50%) of the distribution to said fund during the preceding fiscal year. Any funds in excess of said fifty percent (50%) limitation shall be transferred annually to the Development Fund to be expended for the purposes of that fund as required under Section 4.60 of these Bylaws.

ARTICLE V

GENERAL PROVISIONS

5.10 ETHICS

5.11 The principles of medical ethics of the American Medical Association are accepted as the governing code of ethics for the Plan.

5.20 CONTRACTS

5.21 A suitable contract for Members shall be executed between each Member and the School. Said contract shall be similar in form and content to the one appended in Exhibit A. (Pages 83-84)

5.30 DISSOLUTION

5.31 The Plan may be dissolved by the Dean upon recommendation of the Board of Directors and three-fourths (3/4) vote of the entire Membership.

5.32 All monies residual in the Institutional Trust Fund shall be utilized to discharge obligations of the Plan with the balance to become the property of The University of Texas Medical School at Houston.

5.40 AMENDMENTS OF BYLAWS

5.41 These Bylaws may be altered or amended by a two-thirds (2/3) vote of the Membership at any regular

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meeting of the Plan, provided the amendment shall have been offered at a previous meeting or by written notice not less than thirty (30) days prior to the regular meeting.

5.42 Neither these Bylaws nor any amendments thereto shall be effective until they shall have been approved by the Board of Regents of The University of Texas System.

EXHIBIT A

AGREEMENT
FOR PARTICIPATION IN
MEDICAL SERVICE, RESEARCH AND DEVELOPMENT PLAN
THE UNIVERSITY OF TEXAS MEDICAL SCHOOL AT HOUSTON

It is hereby agreed between The University of Texas Medical School at Houston, Texas (the "School"), and _____ (the "Doctor"), that the Doctor, subject to the terms of the Medical Service, Research and Development Plan (the "Plan"), shall become a member of the Plan. Member income from the Plan will be determined annually prior to the beginning of the fiscal year.

The Doctor further agrees that he will comply with the Bylaws of the Plan and will fully cooperate with the other members thereof and the School, in carrying out the purposes of the Plan.

In consideration of the Doctor's participation in the Plan, the Doctor hereby assigns to the Institutional Trust Fund all fees charged and received by him for professional services. The assignment shall be an absolute assignment, subject only to the conditions that fees charged by the Doctor shall not be altered except as provided in the Plan and that the fees collected shall be used for the purposes as stated in the Plan. Hence, the Doctor further agrees that all monies received by him for such fees will be promptly turned over to the Business Officer of the School and all checks made payable to the Doctor for such fees will be promptly endorsed and delivered to such Business Office. However, this assignment does not cover the salary received from the School, nor reimbursement for expenses actually incurred.

As a condition of the Doctor's participation in such Institutional Trust he shall pay for all ordinary and necessary professional expenses incurred by him to the extent such expenses are not paid for by the School.

It is understood that a person leaving the faculty automatically terminates this agreement, without recourse.

Director of Program in

Doctor

APPROVED:

Dean

5. Houston Medical School: Adoption of Resolution of Appreciation to Hermann Hospital and Others for Contributions Toward Development of Medical School. --Dean Smythe, in presenting the following resolution of appreciation to those individuals and institutions who have contributed materially to the development of The University of Texas Medical School at Houston, reported that the Houston Medical School was only authorized two years ago by the 61st Legislature. Since its opening 16 months ago, 32 students have enrolled. This development, as pointed out by Dean Smythe, would not have been possible without the support of the Hermann Hospital and the other biomedical units in Houston. The resolution as set out below was adopted:

WHEREAS, The first class of freshman medical school students is in residence at The University of Texas Medical School at Houston;

WHEREAS, This rapid development is most unusual and of great potential benefit to the health care programs of Texas, and

WHEREAS, This progress could not have been made without the complete cooperation and significant generosity of many institutions and individuals:

BE IT RESOLVED, That the Board of Regents express their sincere appreciation and gratitude to the Board of Trustees and Staff of the Hermann Estate and the Hermann Hospital for their dedication to the needs of medical education including the authorization for the expenditure of over nine million dollars to adapt the Hermann Hospital to its role as a clinical teaching center, and

BE IT FURTHER RESOLVED, That the Board of Regents extend their compliments and appreciation to the other biomedical units of The University of Texas System for their support and help to The University of Texas Medical School at Houston, and

BE IT FURTHER RESOLVED, That the Board of Regents express their appreciation and gratitude to Rice University, the Baylor Medical College, the Texas Medical Center, Inc., and the Houston Medical Foundation for their cooperative efforts to hasten the development of The University of Texas Medical School at Houston.

- 6. San Antonio Nursing School: Approval of Affiliation Agreement with Brooke General Hospital, San Antonio. --Upon recommendation of Dean Willman, concurred in by Chancellor LeMaistre, the following Memorandum of Agreement between the Brooke General Hospital, Brooke Army Medical Center, San Antonio, Texas, and The University of Texas (Clinical) Nursing School at San Antonio was approved. The Chairman was authorized to execute this agreement which has been approved by Attorney Waldrep as to form and by Deputy Chancellor Walker and Vice-Chancellor Knisely as to content:

DEPARTMENT OF THE ARMY
 HEADQUARTERS
 BROOKE GENERAL HOSPITAL
 BROOKE ARMY MEDICAL CENTER
 Fort Sam Houston, Texas 78234

June 8, 1971

MEMORANDUM OF AGREEMENT

- 1. The Brooke General Hospital, Fort Sam Houston, Texas, will make the Army Health Nursing facilities available for selective training of professional student nurses enrolled at University of Texas Clinical Nursing School at San Antonio, San Antonio, Texas.
- 2. It is understood and agreed that the training authorized by Brooke General Hospital shall at all times be under the supervision of the Chief, Department of Nursing, Brooke General Hospital and instructors of University of Texas Clinical Nursing School at San Antonio.
- 3. University of Texas Clinical Nursing School at San Antonio will provide the Commanding General, Brooke General Hospital, with the number of student nurses to be assigned, the dates and hours they will be assigned and the clinical service to which they will be assigned, by the beginning of each training period.
- 4. Students participating in the program will be responsible for their own transportation, meals, uniforms and medical care, and will not receive any benefits afforded the military unless they are authorized dependents of active duty military personnel.
- 5. This agreement is controlled by AR 350-222, and will be renewed annually, upon the written approval of both parties. *WHR. @*

THE UNIVERSITY OF TEXAS SYSTEM, for
 UNIVERSITY OF TEXAS CLINICAL NURSING SCHOOL BROOKE GENERAL HOSPITAL
 AT SAN ANTONIO

 Signature
 John Peace, Chairman
 Board of Regents

David E. Thomas

 DAVID E. THOMAS, M.D.
 BG, MC
 Commanding

 Date
 APPROVED AS TO FORM:
James Waldrep

 University Attorney

8 June 1971

 Date
 APPROVED AS TO CONTENT:
Carl T. Walker

 Deputy Chancellor for
 Administration
H. N. Knisely

 Vice-Chancellor for Health
 Affairs

COMMITTEE OF THE WHOLE
(Pages 87-126)

Chairman Peace presented the following report of the Committee of the Whole and moved its adoption. This report was unanimously adopted:

REGENTS' RULES AND REGULATIONS, PART ONE: AMENDMENT TO CHAPTER III (STANDARDIZATION OF ACADEMIC TITLES). -- The Administration presented the following written narrative statement to support its recommendation that the Regents' Rules and Regulations, Part One, be amended to standardize academic titles:

" Since November 1969 the heads of the component institutions have been working together to develop a recommendation for a regulation standardizing the use of academic titles throughout the U. T. System. With the increase in the number of component institutions and the increasing complexity of specialized functions assigned to the different institutions, it is considered desirable by the U. T. System Administration and the heads of the component institutions to provide a formal regulation on the use of academic titles throughout the System."

At the meeting the Administration presented an amendment to Subsection 1.85 which was adopted.

Thereafter, the necessary rules were waived and Part One of the Regents' Rules and Regulations was amended by adding a new Subsection 1.8 and its subdivisions to Section 1 of Chapter III as set out below to be effective immediately:

1.8 Academic Titles

In order to achieve consistency in the use of academic titles among the component institutions of The University of Texas System, the following subsections describe the use of titles to apply in all institutions from the date of adoption of this section.

- 1.81 The only titles to be used henceforth in which faculty members may acquire tenure are as follows:
- (a) Professor
 - (b) Associate Professor
 - (c) Assistant Professor

Any person holding a full-time position of Instructor shall be notified at the end of the sixth year that the seventh year is his terminal year of appointment or that not later than the end of the seventh year he will be promoted to Assistant Professor with tenure.

An institution may provide in its Handbook of Operating Procedures that tenure will not be granted at the Assistant Professor rank by setting forth a procedure similar to that in the preceding paragraph.

- 1.82 Persons holding a named chair or professorship or a position designated by academic discipline may acquire tenure by virtue of one of the three positions listed above, but not through the named chair or professorship or position designated by academic discipline. At M.D. Anderson, the institution head under special circumstances may use the term Faculty Associate in lieu of Instructor.
- 1.83 Other academic titles which may be used but in which tenure cannot be acquired are as follows:
- (a) Lecturer. This title is used for persons whose salary rates are comparable to those with tenure positions but who for various reasons should not be given formal tenure appointments.
 - (b) Assistant Instructor or Teaching Associate. These titles may be used interchangeably for (1) certain graduate students teaching on a part-time or full-time basis who are in the last phase of their doctoral programs and who are unconditionally enrolled in graduate study, or (2) persons who, because of the nature of their duties, such as in a laboratory or in a hospital, do not qualify for one of the usual academic titles and do not hold the academic training or professional distinction usually required for attaining tenure positions.
 - (c) Teaching Assistant. This title applies to most student teachers, who are usually employed on a part-time basis. The only other teaching titles for graduate students are Teaching Associate and Assistant Instructor.
- 1.84 Prefixes to academic and staff positions in which tenure cannot be acquired:
- (a) Visiting Professor, Visiting Associate Professor, and Visiting Assistant Professor. These titles are used only for temporary appointments of persons either visiting from other institutions where they hold similar ranks or who are brought to the University on a trial basis. Such appointments are limited to two years.
 - (b) Adjunct Professor, Adjunct Associate Professor, and Adjunct Assistant Professor. One of these titles may be used, as appropriate, when a faculty member from another institution may be temporarily teaching a course or participating in the teaching of a course at one of the component institutions. On occasion it may be desirable to offer a faculty member at a private institution an adjunct appointment under consortium arrangements in the offering of a degree. In addition, it may be desirable on occasion to use an adjunct position for a person from a business firm, a government agency, an art museum, a library, or similar organization. This prefix may also be used in the biomedical components to designate part-time service on the faculty in the basic science departments.

- (c) Clinical Professor, Clinical Associate Professor, Clinical Assistant Professor, and Clinical Instructor. These titles may be used in the biomedical components to designate regular part-time service on the faculty and for which the incumbent may or may not receive compensation.
- (d) Professor Emeritus and Associate Professor Emeritus. One of these titles may be given to a retired faculty member or in anticipation of the retirement of a faculty member, effective upon his retirement. The conferring of one of these titles is not automatic upon retirement and is conferred in accordance with procedures developed at the institution and upon approval by the President of the component institution.

1.85 Any person holding a position of Research Scientist, Research Associate, Research Assistant or (in the health units) other appropriate research title will be under the classified personnel system, unless he is specifically identified as faculty or special approval has been granted by the chief administrative office of the institution to designate him as an unclassified employee in such a position.

- 1.86 The following are titles used in the past on occasion and the use of which is to be discontinued:
- (a) System Professor
 - (b) University Professor
 - (c) Research Professor. Positions for which this title was used in the past should carry the title of Research Scientist or Research Associate or other appropriate title.
 - (d) Guest Professor. In the future Visiting Professor should be used in lieu of this title.

Although persons may not in the future be appointed to any of the above four titles, this provision does not require that such titles be removed from persons currently holding them, provided, however, that present System Professors must be assigned to specific departments in specific institutions for purposes of determining accountability for their time, and present University Professors must be assigned to specific departments at their institutions for purposes of determining accountability for their time.

REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENTS TO CHAPTER III (TRAVEL REGULATIONS FOR SYSTEM ADMINISTRATION AND COMPONENT INSTITUTIONS), CHAPTER X (STUDENT ACTIVITIES FEES AT COMPONENT INSTITUTIONS) AND CHAPTER XII (RESIDENCY STATUS OF STUDENTS). --Upon recommendation of the Administration, the Regents' Rules and Regulations, Part Two were amended as set out below:

1. In support of the following amendment to Chapter III, which conforms the Rules and Regulations to the travel regulations in Article V of Senate Bill No. 11, 62nd Legislature, R. S., the Administration presented the following narrative statement:

"The 62nd Texas Legislature through Senate Bill Number 11, the General Appropriations Act for the Fiscal Year Ending August 31, 1972, modified certain provisions of the travel regulations applicable to state employees. The primary changes increased the per diem allowance for travel within the state from \$14 to \$16 and for travel out of state from \$17 to actual expenses up to \$35."

Without objection Chapter III was amended as follows:

- a. Section 11 was deleted and the following substituted in lieu thereof:

Sec. 11 Institutional Membership Dues. --Funds of The University of Texas System may be used to pay membership fees only in educational, scientific, or other associations, in which the System, or a component institution thereof, is an institutional member, with initial memberships approved by the Chief Administrative Officers and the Chancellor. These membership dues, registration fees, and similar expenses are subject to further prior written approval by the Governor when required by the General Appropriations Act.

- b. Subsection 12.3 of Section 12 was deleted and the following substituted in lieu thereof:

12.3 If payment for regular salaried employees is for less than a month, the salary shall be figured proportionately on the actual number of hours worked during the month.

- c. Delete the following subsections and/or subdivisions and substitute in lieu thereof the respective subsections or subdivisions set out below:

Subsection 13.2 of Section 13

Subdivisions 13.31, 13.35, and 13.37 of Subsection 13.3 of Section 13

Subdivision 13.41 of Subsection 13.4 of Section 13

Subdivision 13.43 and its Subdivisions 13.431 and 13.432 of Subsection 13.4 of Section 13

Subdivision 13.441 and its Subdivisions 13.4411, 13.4412, and 13.4413 and Subdivision 13.442 of Subsection 13.4 of Section 13

Subdivision 13.464 of Subsection 13.4 of Section 13

Subdivision 13.471 and its Subdivisions 13.4711 and
13.4712 of Subsection 13.4 of Section 13
Subdivision 13.4724 of Subsection 13.4 of Section 13
Subdivision 13.473 of Subsection 13.4 of Section 13
Subdivisions 13.48 and 13.49 of Subsection 13.4 of
Section 13
Subdivisions 13.4(10)1 and 13.4(10)2 of Subsection 13.4
of Section 13

- 13.2 Approvals of travel by the Chief Administrative Officer or his authorized representative shall be made only
- 13.31 Requests for authorization to be absent for a period not in excess of two weeks (fourteen calendar days) shall be transmitted through proper administrative channels to the Chief Administrative Officer of the component institution for approval.
- 13.35 Any travel that contemplates reimbursement from funds appropriated by the Legislature for travel expenses incurred must have the advance written approval of the Governor, with the exception of travel to, in, and from the several states, United States possessions, Mexico, and Canada.
- 13.37 The Chief Administrative Officers of the component institutions shall keep records of all approved absences which shall be available for review by the Chancellor and the Board of Regents, or other duly authorized officers of The University of Texas System.
- 13.41 Travel expenses shall be reimbursed only from funds appropriated or authorized for travel. The Chief Administrative Officers shall plan the travel of all employees under their authority to achieve maximum economy and efficiency.
- 13.43 Allowances for Meals and Lodging. --Travel Status for continuous Period of Twenty-Four (24) Hours or More. -- An employee who is traveling on official University business and is in continuous travel for a period of twenty-four (24) hours or more will be reimbursed in accordance with the following:
- 13.431 In-State--A per diem allowance, in lieu of actual expenses for meals and lodging, will be paid at the rate of \$16.00 per calendar day, and at the rate of \$4.00 for each period of six (6) hours or fraction thereof (at least 2 hours).
- 13.432 Out-of-State--Actual cost of meals, lodging and incidental expenses, not to exceed \$35.00. Receipts are required for the lodging to be reimbursed.
- 13.441 An employee who is traveling on official University business for a continuous period of a minimum of six (6) hours but less than twenty-four (24) hours which does not involve over-night stay will be reimbursed a partial per diem for meals in lieu

of actual expenses for both in-state and out-of-state travel. In no event will the total of this partial per diem allowance exceed \$7.00 per day, and individual meal allowances will not exceed the following:

- 13.4411 Breakfast allowance if the employee departs from designated headquarters before 7:00 a. m. (or, in the case of his return to designated headquarters after 7:00 a. m.) \$2.00
- 13.4412 Lunch allowance if the employee is away from his designated headquarters after 1:00 p. m. \$3.00
- 13.4413 Dinner allowance if the employee is away from his designated headquarters after 7:00 p. m. \$5.00
- 13.442 An employee who is traveling on official University business in-state for a continuous period of a minimum of six (6) hours but less than twenty-four (24) hours which does involve over-night stay will be reimbursed for meals and lodging in an amount not in excess of \$16.00 at the rate of \$4.00 for each six (6) hour period involved or fraction thereof (at least 2 hours).
- 13.464 When both in-state and out-of-state travel occur in the same calendar day, the rate of travel allowance for all travel in that day shall be the same as for out-of-state travel. (not to exceed \$35.00 per day).
- 13.471 Rented or Public Conveyance Including Taxis. -- An employee traveling by rented or public conveyance, or the commercial transportation company furnishing same, is entitled to a transportation allowance equal to the actual cost of necessary transportation for performing official business.

The allowance for air transportation shall be tourist class unless tourist class is not available. Payment of said transportation allowance may be made by either of the following methods, upon selection by the Chancellor or the head of the component institution, in advance of authorized official travel.

- 13.4711 Where the employee pays for public transportation from his personal funds, receipts for such necessary transportation, excluding receipts for city bus, taxi, or limousine fares shall be obtained and attached to the employee's expense accounts when submitted. A detailed list of all claims for rented or public transportation including city bus, taxi, and limousine fares shall be shown on the Travel Expense Account under "Record of Transportation Claimed for Each Trip."
- 13.4712 The Chancellor or Chief Administrative Officers or their delegates may request commercial transportation companies to

furnish required transportation for official business to designated employees of System Administration or such institutions upon the presentation to cooperating transportation companies of transportation requests approved by the Chancellor or the head of the institution requesting such transportation. The transportation request shall specify the class of transportation authorized, which shall be tourist class if available. The monthly billings for such transportation services from the transportation company will be vouchered on a regular purchase voucher, showing in detail why each trip listed was necessary in the operation and maintenance of the institution.

- 13.4724 Reimbursement for out-of-state transportation for the use of personally owned automobiles together with per diem shall never exceed the cost of commercial tourist class transportation from the nearest airport and the per diem (or other allowance established in lieu thereof) required had the employee traveled by such conveyance. The determination of the allowances due owners of personally owned automobiles in compliance with this paragraph shall be as follows: (1) Per diem shall be determined by the use of an airline schedule which would have sufficed for the performance of the official business. (2) Expenses of transportation to airfields from points where airports are not available shall be allowed in addition to the cost of tourist class commercial air transportation. (3) When additional passengers are conveyed on out-of-state trips in personally owned automobiles they shall receive as their expenses per diem based on automobile travel time. (4) Persons traveling to points not served by airlines shall receive mileage and per diem based on actual miles traveled and other expenses as authorized elsewhere in these regulations.

- 13.473 Private Airplane. --The current Appropriation Bill provides that the rate of reimbursement to executive heads and key officials for travel in their personally owned airplanes within the boundaries of Texas and between points of necessary official business shall be sixteen cents (16¢) per highway mile. The rate for reimbursement for other state employees for such travel in their personally-owned airplanes shall be ten cents (10¢) per highway mile.

- 13.48 Reimbursement for Dues or Registration Fees. --Reimbursement will not be allowed for dues, registration fees, or similar expenses incurred in joining or attending any type of organizations or associations unless the membership is in the name of the State of Texas and/or The University of Texas System or a component institution thereof. Reimbursement will not be allowed for the cost of meals that may be included in the registration fees. Receipts for such dues or registration fees shall be obtained and attached to the expense account. If reimbursement is claimed, vouchers shall include a statement that the membership is in the name of The University of Texas System or the appropriate component institution thereof. Reimbursement is further subject to such prior written approval of the Governor as is required by the provisions of the General Appropriations Act.
- 13.49 Exceptions to Per Diem Allowance. --Executive heads of component institutions shall be reimbursed for their actual meals, lodging, and incidental expenses (exclusive of expenses related to automobiles for which transportation is paid) when traveling on official business either in or out of the state.

13.4(10)1 Contracts--Travel allowances under research or other contracts, which are 100 percent reimbursable, will follow the terms of the contract, and in the absence of specifications the travel rules and regulations covering payments from gifts, grants, and designated funds will apply.

13.4(10)2 Gifts, Grants, and Designated Funds. --Reimbursement of travel expenses paid from Gifts, Grants, and Designated Funds, unless otherwise specified below, will be as follows:

- (a) For grants from or derived from Federal or state agencies, travel allowances shall be paid as specified in the foregoing general travel regulations, Subsections 13.43 through 13.49.
- (b) For other gifts, grants, trust or designated funds, travel allowances may be for actual expenses for meals, lodging and incidental expenses, not to exceed \$35.00 per day. The transportation allowance will be as specified in Subsection 13.47 of the foregoing general travel regulations.

The provisions of both (a) and (b) above are subject to the terms, provisions and conditions of the particular gifts, grants, or funds involved. Further exceptions to these provisions may be in accordance with specific authorization by the Board of Regents for certain designated funds. Likewise, when anticipated living costs are unusually low for those engaged in travel, the person authorizing the travel may reduce the allowance for all or any part of the travel, provided that the employee shall be notified of such reduced allowance before being allowed to incur any expense. When not otherwise prohibited by the terms of the gift or grant, employees may

also be reimbursed for required registration fees or similar expenses incurred in attending meetings of organizations or associations. Receipts for registration fees or similar expenses shall be obtained and attached to the expense voucher. Project Directors, Principal Investigators, Departmental Chairmen, or other authorized personnel under a gift or grant who travel in their personally owned airplanes on necessary official business may be reimbursed at the rate of ten cents (10¢) per highway mile for in-state travel. The same rate shall apply to out-of-state travel, subject to the limitation that the mileage reimbursement shall not exceed the amount equal to the number of persons flying by private plane times the allowable commercial tourist class airline rate.

2. In support of the following amendment to Chapter X relating to Student Activities Fees at component institutions, the Administration presented the following narrative statement:

"At the June 4, 1971, meeting of the Board of Regents, the Board approved a recommendation from Chancellor LeMaistre that all component institutions be directed to designate uniformly all student services fees and blanket taxes as Student Activities Fees, whether such fees are optional or required. It was further ordered that all funds collected as Student Activities Fees be subject to control as other state funds, that no such funds be expended without the prior approval of a budget by the institutional head, and that all such funds remain on the books and be disbursed in accordance with standard provisions for the disbursement of state funds."

Without objection Chapter X was amended by deleting Section 1 and substituting in lieu thereof the following:

1. Auxiliary Enterprises are those operated primarily for service to students and staff. Such enterprises are expected to be self-supporting. Examples of such enterprises are residence halls, dining halls, student hospitals, student unions, bookstores, and any activities supported from fees collected as Student Activities Fees, whether such fees are optional or mandatory.

3. In support of the following amendment to Chapter XII, the Administration presented the following narrative statement:

"These recommendations would remove from the Rules and Regulations a chapter which is frequently amended pursuant to legislative revisions or as determined to be necessary by the U. T. System Administration from time to time."

Upon motion of Regent Garrett, seconded by Regent Williams, Chapter XII (Residency Status of Students) was deleted. Regent Erwin requested to be recorded as voting "No." See Page 96 for Administrative Memorandum.

JUL 30 1971 2744

U. T. SYSTEM: ADMINISTRATIVE MEMORANDUM ON RESIDENCY STATUS, TUITION CHANGES, AND SCHOLARSHIPS FOR NEEDY STUDENTS. --Following approval of the deletion of Chapter XII of Part Two of the Regents' Rules and Regulations, Chancellor LeMaistre requested approval of the following Administrative Memorandum "subject to the provision that any subsequent revisions in the Memorandum relating to Regental rule-making required by legislation be submitted for Board approval." The Administrative Memorandum was approved in the following form. Regent Erwin requested to be recorded as voting "No":



OFFICE OF THE CHANCELLOR
THE UNIVERSITY OF TEXAS SYSTEM
AUSTIN, TEXAS 78712

ADMINISTRATIVE MEMORANDUM

TO: All Institutional Heads and Chief Business Officers
FROM: Charles A. LeMaistre, M.D.
Chancellor
SUBJECT: Provisions for Determining Residency Status, Tuition Charges, and Establishing a Scholarship Program for Needy Students

This memorandum is issued to implement the recent changes in State legislation and Coordinating Board rules and regulations on the items cited in the subject above. The provisions of this memorandum become effective August 15, 1971.

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Enclosure

Sec. 1 MINORS

- 1.1 Statute: Section 54.052(b)--An individual, under twenty-one (21) years of age, who is living away from his family, and whose family resides in another state or has not resided in Texas for the 12-month period immediately preceding the date of registration shall be classified as a nonresident student;

Section 54.052(c)--An individual twenty-one (21) years of age or under whose family has not resided in Texas for the 12-month period immediately preceding the date of registration shall be classified as a nonresident student regardless of whether he has become the legal ward of residents of Texas or has been adopted by residents of Texas while he is attending an educational institution in Texas, or within a 12-month period before his attendance, or under circumstances indicating that the guardianship or adoption was for the purpose of obtaining status as a resident student;

Section 54.055--An individual 21 years of age or under whose parents were formerly residents of Texas is entitled to pay the resident tuition fee following the parents' change of legal residence to another state, as long as the individual remains continuously enrolled in a regular session in a state-supported institution of higher education.

1.2 Death or Divorce of Parents

The legal residence of a minor under 21 years of age is usually that of the father. Upon the death of the father, the legal residence of the minor is that of the mother. Upon divorce or legal separation of the parents, the residence of the minor is determined by the residence of the parent with whom the minor is making his home at the time of registration.

1.3 Custody by Court Order

If the custody of the minor has been granted by court order (e.g., divorce decree, child custody action, guardianship or adoption proceedings) to some person other than the parent, the residence

of that person shall control; provided, however, that such grant of custody was not ordered during or within a year prior to the minor's enrollment in an institution of higher education (defined as any public junior college, public senior college or university, medical or dental unit or other agency of higher education) and was granted under circumstances indicating that such guardianship was not for the purpose of obtaining status as a resident student.

If the minor is not making his home with either parent, and there is no court-appointed guardian, the residence of the parent with whom the minor last resided shall be presumed to control. If, however, the minor has made his home with, and has been dependent upon a grandparent for more than a year prior to enrollment in an institution of higher education, the residence of that natural guardian shall be regarded as his residence. The residence of a person other than a parent or a natural or legal guardian, who may furnish funds for payment of tuition, fees, or living expenses shall in no way affect the residence classification of a minor.

1.4 Abandoned Child

In the case of an abandoned child, the residence of a person who has stood in loco parentis for a period of time may determine the residence of such abandoned child. The fact of abandonment must be clearly established and must not have been for the purpose of affecting the residence of the minor, and the minor must have actually resided in the home of such person for two years immediately prior to registering in an institution of higher education in Texas and must have received substantially all of his support from such person. In the event that the in loco parentis relationship has not existed for the full two-year period, a lesser period of time is acceptable in unusual hardship cases, such as death of both parents.

1.5 Orphan

An orphan who has lived for longer than a year in an established orphan's home in Texas operated by a fraternal, religious, or civic organization and has been graduated from the orphan's home shall be considered a resident of Texas provided he remains in Texas from the time of such graduation until he enters an institution of higher education.

1.6 Emancipated Child

Under certain circumstances, a minor may become emancipated or freed from parental control. If the minor has broken completely with his parents, is in fact residing apart from them, and has been entirely independent and wholly self-supporting, he may establish that he is "emancipated." If emancipation is clearly proved, the residence classification of the minor is determined by the residence of the minor rather than the residence of the parents, and after 12 months in Texas under such circumstances, the minor may be classified as a resident, if he otherwise satisfies the statutory requirements applicable to those over 21 (e.g., see presumption arising from residence while a student). Proof of his emancipation is the responsibility of the minor.

1.7 Married Minors

A minor male who is married shall have the power and capacity of a single person of full age with the exception of the right to vote and is entitled to select his own place of legal residence. After 12 months' residence in Texas under such circumstances the minor may be classified as a resident if he otherwise satisfies the statutory requirements applicable to those over 21 years of age. The legal residence of a minor female who is married is controlled by the legal residence of her husband. The residence classification for tuition purposes of either a nonresident male or female who marries a Texas resident shall be governed by the provisions of the tuition statute and of these rules and regulations as hereinafter set out.

1.8 Minors Whose Parents Moved to Another State or Foreign Country

If the parents of a minor who is enrolled as a resident student move their legal residence to another state or foreign country on, or after August 15, 1971, the minor shall be classified as a nonresident at all subsequent registration periods. Under the provisions of Section 54.055, the minor will be entitled to pay the resident tuition fee as long as he remains continuously enrolled in a regular session in a public institution of higher education. The minor student must re-enroll for the next available regular semester immediately following the parents' change of legal residence to another state.

If the parents of a minor move to another state or foreign country, or reside outside the state or

in a foreign country at the time of enrolling in an institution of higher education, but claim legal residence in Texas, conclusive evidence must be presented that the father is still claiming legal residence in the State of Texas and that he has the present intent to return to the state. A certificate from the employer of the parents that the move outside the state was temporary and that there are definite plans to return the parents to Texas by a determinable future date may be considered in this connection.

If a minor whose parents have moved their legal residence to another state or foreign country resides in Texas for 12 consecutive months following his 21st birthday and by his actions clearly indicates that his intention is to establish permanent residence in the state, he may be classified as a resident student effective with the beginning of the term or semester following his 22nd birthday despite the fact that his entire period of residence in Texas has been as a student.

When the parents of a minor who have established their legal residence in another state or foreign country return and re-establish their legal residence in Texas the minor must be classified as a non-resident until the first registration after the parents have resided in the state for a 12-month period following their return.

Sec. 2 Residence of Individuals over Twenty-One

2.1 Statute: Section 54.052(d)--An individual twenty-one (21) years of age or over who has come from outside Texas and who is gainfully employed in Texas for a 12-month period immediately preceding registration in an educational institution shall be classified as a resident student as long as he continues to maintain a legal residence in Texas; and

Section 54.052(e)--An individual twenty-one (21) years of age or over who resides out of the state or who has come from outside Texas and who registers in an educational institution before having resided in Texas for a 12-month period shall be classified as a nonresident student.

Section 54.054--A nonresident student classification is presumed to be correct as long as the residence of the individual in the state is primarily for the purpose of attending an educational institution. After residing in Texas for at least twelve (12) months, a nonresident student may be reclassified

as a resident student as provided in the rules and regulations adopted by the Coordinating Board, Texas College and University System. Any individual reclassified as a resident student is entitled to pay the tuition fee for a resident of Texas at any subsequent registration as long as he continues to maintain his legal residence in Texas.

2.2 Establishment of Residence

Any individual 21 years of age or over who moves into the state and who is gainfully employed within the state for a period of 12 months prior to enrolling in an educational institution (defined as any institution of higher education, public or private, above the high school level), is entitled to classification as a resident. If such 12 months' residence, however, can be shown not to have been for the purpose of establishing legal residence in the state but to have been for some other purpose, the individual is not entitled to be classified as a resident. Any student registering in an educational institution prior to having resided in the state for 12 months shall be classified as a nonresident for tuition purposes.

A person classified as a nonresident student upon his first enrollment in an institution of higher education is presumed to be a nonresident for the period during which he continues as a student. If such nonresident student withdraws from school and resides in the state while gainfully employed for a period of 12 months, upon re-entry into an institution of higher education he will be entitled to be reclassified as a resident for tuition purposes. Accumulations of summer and other vacation periods do not satisfy this requirement. A student is not entitled to reclassification after a residence in the state for 12 months merely on the basis of his or his wife's employment, registration to vote, registration of a motor vehicle and payment of personal property taxes thereon, or the securing of a Texas driver's license. The presumption of a "nonresident" is not a conclusive presumption, however, and other facts may be considered to determine if the presumption has been overcome. Material to this determination are business or personal facts or actions unequivocally indicative of a fixed intention to reside permanently in the state including, but not limited to, the length of residence and full-time employment prior to registering in the institution, the fact of full-time employment and the nature of such employment (regular industrial, business or professional employment as distinguished from student-type employment) while a student, purchase of a homestead with substantial down-payment, and marriage to a

resident of Texas. All of these facts are weighed in the light of the fact that a student's residence while in school is primarily for the purpose of education and not to establish residence, and that decisions of an individual as to residence are generally made after the completion of an education and not before.

Sec. 3 MARRIED STUDENTS

3.1 Statute: Section 54.056--A nonresident who marries and remains married to a resident of Texas, classified as such under this Act at the time of the marriage and at the time the nonresident registers, is entitled to pay the resident tuition fee regardless of the length of time he has lived in Texas, and any student who is a resident of Texas who marries a nonresident is entitled to pay the resident tuition fee as long as he does not adopt the legal residence of the spouse in another state.

3.2 Nonresident Who Marries a Resident of Texas

The nonresident male or female student who marries a resident of Texas is entitled to pay the resident tuition at the registration period next following the date of marriage upon submission of evidence of such marriage and of the spouse's legal residence in Texas. The legal residence of a wife, regardless of her age, follows that of her husband. Therefore, a woman who is a resident of Texas and who marries a nonresident shall be classified as a nonresident for all enrollment periods subsequent to her marriage; provided, however, that she shall be permitted to pay the resident tuition so long as she does not affirmatively by her actions adopt the legal residence of her husband (for example, registering to vote in another state).

In the event a nonresident male or female student who marries a resident of Texas, and subsequently, is divorced, such nonresident student shall be classified as a nonresident for all enrollment periods subsequent to the date of such divorce.

Sec. 4 MILITARY PERSONNEL AND VETERANS

4.1 Statute: Section 54.058(a)--Military personnel are classified as provided by this section in the following manner:

(b) An officer, enlisted man or woman, selectee or draftee of the Army, Army Reserve, Army National Guard, Air National Guard, Texas State Guard, Air

Force, Air Force Reserve, Navy, Navy Reserve, Marine Corps, Marine Corps Reserve, Coast Guard, or Coast Guard Reserve of the United States, who is assigned to duty in Texas is entitled to register himself, his spouse, and their children in a state institution of higher education by paying the tuition fee and other fees or charges required of Texas residents, without regard to the length of time he has been assigned to duty or resided within the state. However, out-of-state Army National Guard or Air National Guard members attending training with Texas Army or Air National Guard units under National Guard Bureau regulations may not be exempted from nonresident tuition by virtue of that training status nor may out-of-state Army, Air Force, Navy, Marine Corps, or Coast Guard Reserves training with units in Texas under similar regulations be exempted from nonresident tuition by virtue of such training status. It is the intent of the legislature that only those members of the Army or Air National Guard, Texas State Guard, or other reserve forces mentioned above be exempted from the nonresident tuition fee and other fees and charges only when they become members of Texas units of the military organizations mentioned above.

(c) As long as they reside continuously in Texas, the spouse and children of a member of the Armed Forces of the United States who has been assigned to duty elsewhere immediately following assignment to duty in Texas are entitled to pay the tuition fees and other fees or charges provided for Texas residents;

(d) If nonresident military personnel are attending an institution of higher education under a contract between the institution and any branch of the Armed Forces of the United States, in which the tuition of the member of the military is paid in full by the United States Government, the student shall pay the nonresident tuition fee;

(e) A Texas institution of higher education may charge to the United States Government the nonresident tuition fee for a veteran enrolled under the provisions of a Federal law or regulation authorizing educational or training benefits for veterans;

(f) The spouse and children of a member of the Armed Forces of the United States who dies or is killed are entitled to pay the resident tuition fee, if the wife and children become residents of Texas within 60 days of the date of death; and

(g) If a member of the Armed Forces of the United States is stationed outside Texas and his spouse and children establish residence in Texas by residing in Texas and by filing with the Texas institution of higher education at which they plan to register a letter of intent to establish residence in Texas, the institution of higher education shall permit the spouse and children to pay the tuition, fees, and other charges provided for Texas residents without regard to length of time they have resided within the State.

4.2 Certification of Assignment to Duty in Texas

Subsection (b) provides that military personnel assigned to duty within the State of Texas, their husband or wife as the case may be and their children, shall be entitled to pay the same tuition as a resident of Texas regardless of the length of their physical presence in the state. To be entitled to pay the resident tuition fees, such military personnel shall submit at the time of each registration a statement from his commanding officer or personnel officer certifying that he is then assigned to duty in Texas and that same will be in effect at the time of such registration in an institution of higher education. This subsection also provides that a nonresident member of an out-of-state National Guard unit who is temporarily training with a Texas National Guard unit will not be entitled to pay the resident tuition.

4.3 Spouse and Children of Member of Armed Services

Subsection (c) provides that the spouse and children of a member of the armed forces assigned to duty outside the State of Texas immediately after assignment in Texas may be entitled to pay the resident tuition as long as they reside continuously in Texas.

Subsection (g) provides that the spouse and children of a member of the armed forces who is assigned to duty outside the State of Texas and sends his family to the State of Texas may be entitled to pay the resident tuition if they file with the institution of higher education at which the student intends to register a letter of intent, an affidavit, or other evidence satisfactory to the institution stating that they intend to become permanent residents of Texas.

Subsection (f) provides that a member of the immediate family (which shall include spouse or children) of a member of the armed forces who dies or is killed in action while in military service

may qualify to pay the resident tuition if they become residents of Texas within 60 days of the date of death. To qualify under this provision, the student shall submit to the institution of higher education satisfactory evidence establishing the date of death and residence in Texas.

The military personnel spouse and children enumerated in (b), (c), (f), and (g) are classified as non-residents but shall be entitled to pay the resident tuition regardless of their length of residence in Texas if they comply with the provisions of the statute and these rules and regulations.

4.4 Nonresident Military Personnel Attending College under Contract

Subsection (d) provides that nonresident military personnel attending an institution of higher education under a contract with any branch of the armed forces where the tuition is paid in full under the provisions of such contract shall be charged nonresident tuition even though such military personnel may be assigned to duty pursuant to military orders at an institution of higher education.

4.5 Nonresidents Attending College under Federal Benefits Programs for Veterans

Subsection (e) provides that the institution of higher education may charge the nonresident tuition fee for a nonresident veteran to the United States Government under the provisions of any federal law or regulation authorizing educational or training benefits for veterans.

4.6 Legal Residence of Person in Military Service

A person in military service is presumed to maintain during his entire period of active service the same legal residence which was in effect at the time he entered military service. A person stationed in a state on military service is presumed not to establish a legal residence in that state because his presence is not voluntary but under military orders. It is possible for a member of the military service to abandon his domicile of original entry into the service and to select another, but to show establishment of a new domicile during the term of active service, there must be clear and unequivocal proof of such intent. An extended period of service alone is not sufficient. The purchase of residential property is not conclusive evidence unless coupled with other facts indicating an intent to put down roots in the community and to

reside there after termination of military service. Evidence which will be considered in determining this requisite intent includes, but is not limited to a substantial investment in a residence and the claiming of a homestead exemption thereon, registration to vote, and voting in local elections, registration of an automobile in Texas and payment of personal property taxes thereon, obtaining a Texas driver's license, maintaining checking accounts, savings accounts, and safety deposit boxes in Texas banks, existence of wills or other legal documents indicating residence in Texas, change of home-of-record and designation of Texas as the place of legal residence for income tax purposes on military personnel records, business transactions or activities not normally engaged in by military personnel, membership in professional or other state organizations, and marriage to a resident of Texas. Purchase of property during terminal years of military service preceding retirement generally is given greater weight than a similar purchase made prior to such terminal period.

4.7 Residence Classification of Veterans upon Separation from Military Service

A person who enrolls in an institution of higher education following his separation from military service must be classified as a nonresident student unless, (1) he was a legal resident of Texas at the time he entered military service and has not relinquished that residence, (2) he can prove that during his military service he has, in fact, established a bona fide, legal residence in Texas at a time at least 12 months prior to his registration, or (3) he has resided in Texas other than as a student for 12 months prior to his registration and subsequent to his discharge from service.

Sec. 5 EMPLOYEES OF INSTITUTIONS OF HIGHER EDUCATION OTHER THAN STUDENTS

- 5.1 Statute: Section 54.059--A teacher, professor, or other employee of a Texas institution of higher education is entitled to register himself, his spouse, and their children in a state institution of higher education by paying the tuition fee and other fees or charges required for Texas residents without regard to the length of time he has resided in Texas. A teacher, professor, or other employee of a Texas institution of higher education is any person employed at least one-half time on a regular monthly salary basis by a state institution of higher education.

- 5.2 A person employed at least half-time on a regular monthly salary basis (not an hourly employee) by any public institution of higher education, with an effective date of employment on or before the 12th class day of a regular semester or the 4th class day of a summer term, may pay the same tuition as a resident of Texas for himself, his husband or wife as the case may be and their children, regardless of the length of residence in the state. To be entitled to pay the resident tuition fees such employee must submit prior to the time of each registration a statement from the Director of Personnel or a designated representative of the institution of higher education for which he is employed certifying that such employment will be in effect at the time of registration.

Sec. 6 STUDENT EMPLOYEES

- 6.1 Statute: Section 54.051(o)--A teaching assistant, research assistant, or other student employee of any institution covered by this section is entitled to register himself, his spouse, and their children in a state institution of higher education by paying the tuition fees and other fees or charges required for Texas residents, without regard to the length of time he had resided in Texas; provided that said student employee is employed at least one-half time in a position which relates to his degree program under rules and regulations established by the employer institution. This exemption shall continue for students employed two consecutive semesters through the summer session following such employment if the institution is unable to provide employment and, as determined under standards established by the institution, if the employee has satisfactorily completed his employment.
- 6.2 A student employed at least half-time by any public institution in the U.T. System in a position which relates to his degree program, with an effective date of employment on or before the 12th class day of a regular semester, or the 4th class day of a summer term, may pay the same tuition as a resident of Texas for himself, his husband or wife as the case may be, and their children regardless of the length of residence in the State.

In order to be eligible under this provision, the student employee's position must relate academically to the degree program he is pursuing. That is, it must relate to his academic program educationally and intellectually and cannot merely be a means of support in an unrelated field or activity. In order to insure consistent and equitable interpretation and application of this section, the

chief administrative officers may not delegate the determination in these cases below the dean's level in the academic institutions or below the department chairman's level in the health-related institutions.

- 6.3 If a student is employed by an institution for consecutive Fall and Spring semesters and he was further eligible to pay the tuition charged to Texas residents during those Fall and Spring semesters because of the provisions of this subsection, then the student may continue to pay the resident tuition rate during the summer session following the Spring employment if the institution is unable to provide employment and if the student has satisfactorily completed his employment.

Sec. 7 COMPETITIVE SCHOLARSHIPS

- 7.1 Statute: Section 54.051(p)--A nonresident student holding a competitive scholarship of at least \$200 for the academic year or summer for which he is enrolled is entitled to pay the fees and charges required of Texas residents without regard to the length of time he has resided in Texas, provided that he must compete with other students, including Texas residents, for the scholarship and that the scholarship must be awarded by a scholarship committee officially recognized by the administration of the institution of higher education.
- 7.2 To be eligible under this provision a nonresident student must receive a scholarship of at least \$200 awarded to him in competition with other students, including Texas residents. The scholarship must be awarded by a scholarship committee recognized by the chief administrative officer of the institution, and the funds must flow through the institution rather than being awarded directly to the individual by an outside person, group, or agency. The chief administrative officers shall develop their own institutional criteria for officially recognizing a scholarship committee and shall not delegate the responsibility for officially recognizing such scholarship committees below the vice-presidential level.
- 7.3 A scholarship awarded under Section 13 will not qualify a nonresident student under this section.
- 7.4 If a nonresident student obtains a competitive scholarship of \$200 or more as defined above, he may pay the same tuition as a resident of Texas during the registration period in which the

scholarship is in effect. The student must present a statement from the official scholarship committee certifying that such scholarship will be in effect at the time of registration.

Sec. 8 TUITION CHARGES FOR STUDENTS REGISTERED SOLELY FOR THESIS OR DISSERTATION CREDIT

- 8.1 Resident students registered only for thesis or dissertation credit, in those instances where such credit is the final credit hour requirement for the degree in progress, shall be charged \$12 per semester or summer term. Nonresident students and students who are citizens of any country other than the U.S. registered only for thesis or dissertation credit, in those instances where such credit is the final credit hour requirement for the degree in progress, shall be charged \$50 per semester or summer term. Any such student who registers for any other course in addition to his thesis or dissertation credit shall be classified as a regular student and be charged the tuition rates applicable to such students.

Sec. 9 CITIZENS OF ANY COUNTRY OTHER THAN THE UNITED STATES OF AMERICA

- 9.1 Statute: Section 54.057--An alien who is living in this country under a visa permitting permanent residence or who has filed with the proper Federal immigration authorities a declaration of intention to become a citizen has the same privilege of qualifying for resident status for fee purposes under this Act as has a citizen of the United States. A resident alien residing in a junior college district located immediately adjacent to Texas boundary lines shall be charged the resident tuition by that junior college.
- 9.2 Citizens of any country other than the United States of America who are in this country on a student visa or a visa other than one entitling them to immigrant status and who enroll in an institution of higher education covered by Section 54.051 of the Texas Education Code shall be classified as ". . . students who are citizens of any country other than the United States of America. . ." for purposes of Section 1(a)(7) of Article 2654c, V.T.C.S. Such a student who is in this country on an immigrant visa can be classified as a resident student if he has resided in the state for a period of 12 months under circumstances indicating his intention to reside permanently in Texas and not merely to complete his education.

To this extent a citizen of any country other than the United States of America residing in Texas on an immigrant visa shall be in no different position than the citizen of the United States who has been a resident of another state. A citizen of any country other than the United States of America residing in the United States of America in a State other than Texas on an immigrant visa and who has established his intent to reside permanently in such other State shall be classified as a nonresident.

Sec. 10 STUDENT RESPONSIBILITIES

10.1 Student Responsibility to Register under Proper Classification

The responsibility of registering under the proper residence classification is that of the student, and if there is any question of his right to classification as a resident of Texas, it is his obligation, prior to or at the time of his registration, to raise the question with the administrative officials of the institution in which he is registering and have such officially determined.

10.2 Notification upon Becoming a Nonresident

Every student who is classified as a resident student but who becomes a nonresident at any time by virtue of a change of legal residence by his own action or by the person controlling his domicile is required to notify the proper administrative officials of his institution at once.

Sec. 11 OFFICIAL CHANGE OF RESIDENCE STATUS

11.1 Application for Reclassification

Every student classified as a nonresident student shall be considered to retain that status until such time as he shall have made written application for reclassification in the form prescribed by the institution and shall have been officially reclassified in writing as a resident of Texas by the proper administrative officers of the institution.

11.2 Reclassification as a Nonresident

Every person who has been classified as a resident of Texas shall be reclassified as a nonresident student whenever he shall report, or there is found to exist, circumstances indicating a change in legal residence to another state. If any student

who has been classified as a resident of Texas shall be found to have been erroneously so classified, he shall be reclassified as a non-resident and shall be required to pay the difference between the resident and nonresident fees for such semesters in which he was so erroneously classified. In addition, he shall be required to pay back all monies borrowed from the Texas Opportunity Plan Fund.

11.3 Reclassification as a Resident

If any student has been erroneously classified as a nonresident student and subsequently proves to the satisfaction of the appropriate officials of an institution of higher education that he should have been classified as a resident student, he shall be reclassified as a resident of Texas and shall be entitled to a refund of the difference between the resident and nonresident fees for the semesters in which he was so erroneously classified.

Sec. 12 PENALTIES

12.1 Statute: Section 54.053--The governing board of each institution required by this Act to charge a nonresident tuition or registration fee is subject to the rules, regulations, and interpretations issued by the Coordinating Board, Texas College and University System, for the administration of the nonresident tuition provisions of this Act. The rules, regulations, and interpretations promulgated by the Coordinating Board shall be furnished to the presidents or administrative heads of all Texas public senior and junior colleges and universities.

Section 54.061--The governing board of an institution of higher education may assess and collect from each nonresident student who fails to comply with the rules and regulations of the boards concerning nonresident fees a penalty not to exceed \$10 a semester.

12.2 Student Compliance with Institutional Rules and Regulations

Each institution has been authorized by statute to assess and collect from each nonresident student failing to comply with the provisions of the tuition statute and with these interpretations concerning nonresident fees a penalty not to exceed \$10 a semester. In addition, if a student has obtained residence classification by virtue of deliberate concealment of facts, or misrepresentation of fact, he may be subject to appropriate disciplinary action,

in accordance with the rules and regulations of the Board of Regents and as applied at each institution in the U.T. System.

Sec. 13 SCHOLARSHIPS FOR NEEDY STUDENTS

13.1 The 62nd Legislature amended Article 2654c, Vernon's Texas Civil Statutes, to require the establishment of a scholarship fund for needy students. There shall be established, in accordance with Article 2654c, Section 1(a)(12), such a scholarship fund at each of the component institutions where and when the establishment of such a fund is deemed appropriate by the chief administrative officer. In the medical and dental institutions such a fund may be established for students enrolled in graduate degree programs and allied health programs (including dental assisting programs, but not including nursing programs).

13.2 Such scholarship funds as are established under this section shall be governed by the following rules:

- a. Not more than ten percent of the monies in the scholarship fund in any fiscal year may be awarded to needy out-of-state students.
- b. Citizens of any country other than the U.S. are not eligible for scholarships from this fund.
- c. Students in the health-related schools who are pursuing the M.D. or D.D.S. degrees are not eligible for scholarships from this fund.
- d. Students accepted into a nursing degree program are not eligible for a scholarship from this fund.
- e. Part-time students are eligible for scholarships from this fund provided they are not precluded from a scholarship in the preceding three sections.
- f. A scholarship of \$200 or more awarded from this fund to a nonresident (U.S. citizen) student shall not qualify the recipient under Article 2654c, Section (b)(3) for paying the resident tuition rate.
- g. No scholarship awarded from this fund may exceed the equivalent of \$100 per month of enrollment of the student or one-half the need of the applicant, whichever is less. Although this is the maximum scholarship allowed, it is anticipated that most scholarships will be awarded in smaller amounts.

- 13.3 For purposes of awarding scholarships under this fund, each institution shall be guided by the following provisions:
- a. A needy student is any student whose financial resources, including those of his parents, if applicable, are inadequate to meet the reasonable costs of his attendance in the academic program of his choice at the component institution in which he may be enrolled.
 - b. The financial aid officer, or other appropriate delegate of the chief administrative officer of the institution, shall be charged with the responsibility of determining eligibility for awards under the program.
 - c. Each institution will establish a table of costs that are considered to be "reasonable" for the various categories of students attending that institution.
 - d. In determining need, the institution must evaluate the financial circumstances of both the applicant and his family. In those cases where it has been determined that the applicant should be considered as an "independent student," only the income and assets of the applicant (and spouse, if any) need be considered.
 - e. In determining the expected "parental contribution" in the case of "dependent" students, one of the following methods shall be used: the Federal Income Tax System, the College Scholarship Service System, the American College Testing Program System, or the Income System, all of which are uniform systems which can be applied consistently among the institutions.
 - f. Each institution shall establish and announce its own application procedure and filing dates.
 - g. Although "need" will be the primary criterion applied in the award of scholarships from this fund, institutions may establish minimum academic requirements for eligibility which are consistent with those employed in the awarding of other "need" type scholarships. No student may receive an award who does not meet the institution's minimum admission and/or retention standards.
 - h. No student shall be deemed eligible to receive an award if his resources, as determined under the preceding subsections, exceed the reasonable costs of attending the institution.

U. T. SYSTEM: APPROVAL OF 1971-72 OPERATING BUDGETS (INCLUDING AUXILIARY ENTERPRISES). --The following Operating Budgets (including Auxiliary Enterprises) for 1971-72 were adopted and are made a part of the Minutes of this meeting. They are bound in Volume XXVI entitled Annual Budgets for 1971-72:

System Administration (Including Available Fund)
 The University of Texas at Austin
 The University of Texas at El Paso
 The University of Texas at Arlington
 The University of Texas at Dallas
 The University of Texas Southwestern Medical School at Dallas
 The University of Texas at San Antonio
 The University of Texas Medical School at San Antonio
 The University of Texas Dental School at San Antonio
 The University of Texas Institute of Texan Cultures at San Antonio
 The University of Texas of the Permian Basin
 The University of Texas Medical Branch at Galveston
 The University of Texas Medical School at Houston
 The University of Texas Dental Branch at Houston
 The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston and The University of Texas System Environmental Science Park
 The University of Texas Graduate School of Biomedical Sciences at Houston
 The University of Texas School of Public Health at Houston
 The University of Texas Nursing School (System-wide)

DALLAS MEDICAL SCHOOL, SAN ANTONIO MEDICAL SCHOOL, GALVESTON MEDICAL BRANCH, HOUSTON MEDICAL SCHOOL, AND M. D. ANDERSON: THE 1971-72 MEDICAL SERVICE, RESEARCH AND DEVELOPMENT PLAN. --Approval was also given to the Medical Service, Research and Development Plan for each of the following:

The University of Texas Southwestern Medical School at Dallas
 The University of Texas Medical School at San Antonio
 The University of Texas Medical Branch at Galveston
 The University of Texas Medical School at Houston
 The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston

These plans are a part of the Minutes and are also bound in Volume XXVI entitled Annual Budgets for 1971-72.

U. T. SYSTEM; REQUEST FOR PERMISSION TO SEND LETTER TO SECRETARY OF THE INTERIOR REGARDING ASSIGNMENT OF FLOWER GARDENS CORAL REEFS TO THE UNIVERSITY FOR MARINE EDUCATIONAL AND RESEARCH PURPOSES (LAND ACQUISITION). -- The request of Chancellor LeMaistre to forward a letter to the Secretary of the Interior requesting permanent assignment of those offshore areas known as the East and West Flower Gardens Coral Reefs to The University of Texas System through The University of Texas Medical Branch at Galveston for marine educational and research purposes was approved. The letter to be submitted follows:



OFFICE OF THE CHANCELLOR
THE UNIVERSITY OF TEXAS SYSTEM
AUSTIN, TEXAS 78712

August 2, 1971

The Honorable Rogers Morton
The Secretary of the Interior
United States Government
Washington, D.C.

Dear Mr. Secretary:

The University of Texas Medical Branch at Galveston is a constitutionally authorized medical component of The University of Texas System which has a long and distinguished history in medical education. Since 1967, Medical Branch has made an increasingly greater commitment of its academic and research resources to projects for the betterment of mankind both through knowledge of the sea and its inhabitants and through scientific exploration of man's opportunities in the sea. In this capacity, Medical Branch supplied medical and biomedical support for the TEKTITE II Program in the U.S. Virgin Islands and has undertaken major research programs relating to the health of divers maintaining the "Texas Towers" in the Gulf of Mexico. In this activity, Medical Branch has established cooperative programs of mutual benefit with other institutions.

In addition, Medical Branch has enthusiastically endorsed the joint use of facilities and services and joint planning for cooperative research programs among such University of Texas System units as The University of Texas at Austin, the Marine Science Institute at Port Aransas, The University of Texas at Dallas, The University of Texas at Arlington, and The University of Texas School of Public Health at Houston. Medical Branch resources will also be made available to other higher education institutions not directly affiliated with The University of Texas System.

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By this letter, I am officially transmitting a request that will enable The University of Texas System, through The University of Texas Medical Branch at Galveston, to develop facilities for extending and improving research and educational programs. It is the desire of Medical Branch to create a major ocean science and engineering facility to be operated on a cooperative and time-share basis for all interested federal, state, and local agencies and universities. A permanent facility envisioned for the Flower Gardens Coral Reefs consists of a fixed platform of the type used in the offshore petroleum industry containing surface laboratories with a saturation habitat placed beneath the platform. The project is currently known as the TEXAS TEKTITE Project. Shore-based logistic facilities and a Marine Study Center would be constructed on Galveston Island to support the Flower Gardens Research Facility.

The two areas containing the Flower Gardens Coral Reefs appear to be located within Federal Offshore Leases A577, A578, A591, and A592 of the South High Island Area (or 27°52' -- 27°54' North Latitude, 93°48' -- 93°50' West Longitude and within Federal Offshore Leases A374, A375, A388, and A389 of the East Addition to the South High Island Area (or 27°53' -- 27°56' North Latitude, 93°33' -- 93°35' West Longitude).

The request, therefore, is that the two areas described above, commonly known as East and West Flower Gardens Coral Reefs, be set aside for The University of Texas System for educational and research purposes to be undertaken by The University of Texas Medical Branch at Galveston, other educational units within or out of The University of Texas System, and interested governmental agencies.

Commitment of these areas to such purposes will serve to preserve them as a National resource and prevent their disruption or destruction by irresponsible parties. It is believed that such a facility would also contribute significantly to man's knowledge of the effects of pollution in the open ocean. These two areas are rich in flora and fauna and are of geological significance since they lie atop salt domes at the outermost limits of the Texas continental shelf.

We believe that this project is in the national interest, and we hope that the requested areas can be assigned permanently to The University of Texas System. My request was officially approved by the Board of Regents of The University of Texas System on July 30, 1971.

Sincerely yours,

Charles A. LeMaistre, M.D.
Chancellor

CAL:jm

U. T. SYSTEM: AMENDMENT TO MINUTE ORDER OF MARCH 6, 1970, RELATING TO AFFILIATION AGREEMENTS WITH TEACHING CLINICAL FACILITIES FOR GALVESTON MEDICAL BRANCH AND OTHER COMPONENT UNITS. --The Minute Order of the Regents taken on March 6, 1970, with respect to affiliation agreements with teaching clinical facilities for Galveston Medical Branch and other component units (Permanent Minutes, Volume XVIIb, Page 1341) was amended to read as follows:

"It was ordered that all affiliation agreements based on the model approved for The University of Texas Medical Branch at Galveston must be approved by the Board of Regents before any such agreement is entered into with any clinical facility center for the benefit of any component of the U. T. System."

U. T. SYSTEM: LAND ACQUISITION (LOTS 7, 8, 9 AND EAST THREE FEET OF LOT 10, BLOCK 71, CITY OF AUSTIN) AND APPROPRIATION THEREFOR. --System Administration reported that pursuant to authorization at the meeting on July 10, 1970, the following property had been acquired at a total cost of \$524,617.66. An appropriation of \$524,617.66 was authorized from the Available Fund:

Lots 7 and 8, Block 71, and Lot 9 and East three feet of Lot 10, Block 71, Original City of Austin, Austin, Texas.

This is the land on which the System Administration Office Building is to be constructed.

U. T. SYSTEM: APPROVAL TO CONTINUE LIABILITY INSURANCE COVERAGE WITH SAFEGUARD INSURANCE COMPANY FOR OFFICERS AND EMPLOYEES ARISING FROM THE USE AND OPERATION OF UNIVERSITY OWNED MOTOR VEHICLES. --Pursuant to action of the Board of Regents on June 4, 1971, Deputy Chancellor Walker reported that he had reviewed the problem relating to liability insurance coverage for officers and employees arising from the use and operation of University owned motor vehicles. Upon Deputy Chancellor Walker's recommendation, the Administration was authorized to continue the liability insurance coverage policy for officers and employees for the year July 1, 1971 to July 1, 1972, with the Safeguard Insurance Company, an affiliate of the Royal Globe Insurance Company, on the basis of the discounts and refunds and other terms and conditions of the present policy. The only variation from the total premium for the current year will be a result of manual rate variation established by the State Insurance Department and of changes in inventory of motor vehicles in The University of Texas System. It is estimated that the premium will be approximately \$30,000.

U. T. AUSTIN: NOTIFICATION TO ENGINEERS OF LIABILITY FOR COSTS IN CORRECTING DEFECTS OF PHOTO DECK IN WEST SIDE AND EXPANSION OF MEMORIAL STADIUM AND BUILDING TO HOUSE PHYSICAL EDUCATION. --The following resolution was adopted at the meeting of the Board of Regents on June 4, 1971. However, this resolution was not on the agenda and it was resubmitted and ratified at this meeting:

WHEREAS, The Board of Regents of The University of Texas System has contracted with Lyda-Lott, Inc., a joint venture, for the construction of the West Side and Expansion of Memorial Stadium and Building to House Physical Education Facilities and Offices at The University of Texas at Austin;

WHEREAS, Plans and specifications for the project were prepared by the Project Engineers, Lockwood, Andrews & Newnam, Inc., 1010 Waugh Drive, Houston, Texas, who engaged Osborn-Papesh, an association of Osborn Engineering Company, and Alexander A. Papesh, architect, of Cleveland, Ohio;

WHEREAS, An integral part of that expansion involved the construction of a photo deck located under the overhang of the upper deck at the ninth floor level;

WHEREAS, The project manager of Lockwood, Andrews & Newnam, Inc., engineers, was informed that the main beams for the structure of the upper seating deck would obscure portions of the football field from the photo deck, thereby rendering the photo deck unusable for the purpose for which it was intended, and

WHEREAS, In accordance with plans and specifications, the main beams were poured, and as poured, were deepened by approximately eighteen inches, thereby rendering the photo deck unusable:

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of The University of Texas System, That System Administration is hereby authorized and directed to promptly notify both the Project Engineers, Lockwood, Andrews & Newnam, Inc., and Osborn-Papesh, an association of Osborn Engineering Company, and Alexander A. Papesh, that the Board of Regents will hold those named parties jointly and severally liable for any and all costs and expenditures incurred in correcting the defects that rendered the photo deck unusable for the purpose for which it was intended, and System Administration is further authorized to take such action as is necessary to enforce this claim.

U. T. AUSTIN: MODIFICATIONS TO MEMBERSHIP OF ADVISORY BOARD OF ARTS AND SCIENCES FOUNDATION POSTPONED. -- The recommended modifications to the membership of the Advisory Board of the Arts and Sciences Foundation at The University of Texas at Austin were postponed.

U. T. AUSTIN: NOMINATIONS TO THE ADVISORY COUNCILS OF
 (1) FINE ARTS FOUNDATION (2) ENGINEERING FOUNDATION
 (3) PHARMACEUTICAL FOUNDATION (4) DEPARTMENT OF
 GEOLOGY FOUNDATION AND (5) COLLEGE OF BUSINESS ADMINIS-
 TRATION FOUNDATION. --Chairman Peace reported that in the
 Executive Session of the Committee of the Whole nominations to the
 Advisory Councils of Fine Arts Foundation, Engineering Foundation,
 Pharmaceutical Foundation, Department of Geology Foundation, and
 College of Business Administration Foundation had been named. As
 soon as the notices of acceptances have been received, the names
 will be released and the full membership of the councils will be
 reported in the Minutes for the record.

U. T. AUSTIN: REGENTS' REPRESENTATIVES ON THE BOARD OF
 TRUSTEES OF THE SOUTHWEST TEXAS AREA EDUCATIONAL
 TELEVISION COUNCIL (CHANNEL 9 -- KLRN): MR. ROY BARRERA,
 DR. JACK DAVIDSON AND PRESIDENT STEPHEN H. SPURR.--
 The terms of Dr. Irby Carruth, Dr. Norman Hackerman and
 Dr. E. T. Ximenes as three of the Regents' representatives on the
 Board of Trustees of the Southwest Texas Area Educational Council
 (Channel 9 -- KLRN) expired in January 1971. Mr. Roy Barrera,
 Dr. Jack Davidson and President Stephen H. Spurr were named to
 fill these vacancies each for a period expiring January 1974.

With these appointments the Regents' eight representatives on the
 Board of Trustees of the Southwest Texas Area Educational Council
 are as follows:

Terms Expiring January 1972

Mrs. A. K. Reynolds, 2167 N. E. Loop 410, San Antonio
 Mr. Joe M. Kilgore, Member of the Board of Regents of The Uni-
 versity of Texas System, Austin

Terms Expiring January 1973

Mr. Richard F. Brown, Publisher of the Austin American Statesman
 Dr. L. D. Haskew, Professor of Educational Administration, The
 University of Texas at Austin
 Mr. John Peace, Chairman of the Board of Regents of The Univer-
 sity of Texas System, San Antonio

Terms Expiring January 1974

Mr. Roy Barrera, Attorney, San Antonio
 Dr. Jack Davidson, Superintendent of Schools, Austin Independent
 School District, Austin
 Dr. Stephen H. Spurr, President of The University of Texas at
 Austin

U. T. AUSTIN: APPOINTMENT OF PROFESSOR MATTHEW VAN WINKLE TO THE HENRY BECKMAN PROFESSORSHIP IN CHEMICAL ENGINEERING. --Upon recommendation of President Spurr, concurred in by Chancellor LeMaistre, Professor Matthew Van Winkle was appointed to the Henry Beckman Professorship in Chemical Engineering at The University of Texas at Austin for a period of three years beginning September 1971. Professor Van Winkle will receive an additional \$4,000 annually which will not alter his academic rate as regularly budgeted.

U. T. EL PASO: LAND ACQUISITION - CONDEMNATION PROCEEDINGS AUTHORIZED (LOTS 6, 7 AND 8, BLOCK 162, ALEXANDER ADDITION IN EL PASO COUNTY, TEXAS--2211-2215 NORTH OREGON STREET). --The following resolution regarding acquisition of land for The University of Texas at El Paso was adopted:

WHEREAS, The Legislature of the State of Texas enacted Chapter 185, Acts 61st Legislature, 1969, Regular Session, page 538, and thereby authorized the expansion of the campus of The University of Texas at El Paso by acquiring certain adjacent lands, and

WHEREAS, The Board of Regents of The University of Texas System desires to carry out the duties thus authorized by the Texas Legislature:

BE IT RESOLVED by the Board of Regents of The University of Texas System:

1. That all of Lots 6, 7 and 8, Block 162, Alexander Addition in El Paso County, Texas, commonly known as 2211-2215 North Oregon Street are among those now needed under the aforesaid laws for The University of Texas at El Paso.
2. That the Board of Regents, acting through its representatives and officials, has negotiated with Louis Leone, the owner, and has failed to agree with such owner on the value of and damages to the land described above.
3. That the State, through its Attorney General, is hereby requested to file suit in eminent domain and prosecute the same to a final judgment against Louis Leone.
4. That the Attorney General be requested to obtain possession of this property at the earliest possible time.
5. That a copy of this resolution be forwarded to the Attorney General of Texas as authority for said lawsuit.

U. T. ARLINGTON: AUTHORITY TO EXECUTE A LEASE AND DEVELOPMENT AGREEMENT WITH THE CITY OF ARLINGTON, TEXAS. --Approval was given to President Harrison's recommendation for a Lease and Development Agreement for the joint use of a tract of land consisting of approximately 35 acres at the corner of Fielder and Park Row in the City of Arlington by and between The University of Texas at Arlington and the City of Arlington. This tract will be used by the city as a sports and recreation facility and it will be used by the university in conjunction with its physical education and intramural sports program. The use of the property shall be dedicated to athletic purposes during the term of the lease. During the school term it will be used by the university, and during the balance of the year it will be used by the City of Arlington.

The term of the lease shall commence on the date of its execution and terminate on the 31st day of December 1981, with an option to renew from year to year. It may be terminated when the land is dedicated to another use.

The City of Arlington has agreed, as is reflected in the lease, to make certain improvements to the property during the term of the lease for which the university agrees to pay the city for undepreciated costs in the event of termination before the expiration of the agreement.

The Chairman of the Board of Regents was authorized to execute this agreement when it has been approved as to form by a University attorney and as to content by the Deputy Chancellor for Administration.

U. T. DALLAS: CREATION OF A CENTER FOR ADVANCED STUDIES AND APPOINTMENT OF DR. FRANCIS S. JOHNSON AS DIRECTOR. -- Upon recommendation of President Jordan, concurred in by Chancellor LeMaistre, a Center for Advanced Studies was authorized for The University of Texas at Dallas with instructions to report the establishment of this Center to the Coordinating Board, Texas College and University System. Dr. Francis S. Johnson was named Director of this newly created Center.

The creation of this Center will clearly distinguish between the contract and grant research function and the teaching function of U. T. Dallas. It will coordinate contract and grant research in all fields and will be composed of the Research Divisions (Mathematics and Mathematical Physics, Atmospheric and Space Sciences, Geosciences, Biology) and the Office of Research Support. The chairman of these divisions and the Director of the Office of Research Support will report to the Director of the Center of Advanced Studies .

GALVESTON MEDICAL BRANCH: AUTHORITY TO ACCEPT CERTAIN PARCELS OF LAND FROM THE SEALY & SMITH FOUNDATION. -- Upon recommendation of President Blocker, concurred in by System Administration, the Board accepted with gratitude the following five tracts of land in the City of Galveston from The Sealy & Smith Foundation for use as a part of the campus expansion program at The University of Texas Medical Branch at Galveston:

<u>Block</u>	<u>Lot</u>	<u>Value</u>
547	8	\$ 42,639.50
611	8	\$ 17,650.50
611	13	\$ 15,141.50
612	1	\$ 16,647.50
613	4	\$ 14,138.50

GALVESTON MEDICAL BRANCH: DEDICATION CEREMONIES FOR THE LIBBIE MOODY THOMPSON BASIC SCIENCES BUILDING. -- The Board approved November 12, 1971, as the date for the dedication ceremonies for the Libbie Moody Thompson Basic Sciences Building at The University of Texas Medical Branch at Galveston and authorized President Blocker to proceed with the planning of this dedication according to the wishes of Mr. and Mrs. Thompson.

HOUSTON MEDICAL SCHOOL: NOMINATIONS FOR MEMBERSHIP ON THE BOARD OF DIRECTORS OF THE HOUSTON MEDICAL FOUNDATION. --Chairman Peace reported that in the Executive Session of the Committee of the Whole nominations to the membership on the Board of Directors of the Houston Medical Foundation at The University of Texas Medical School at Houston had been named and would be released when their acceptances had been received.

It was requested when the manner in which the allocation of the initial terms of the members of the Board of Directors of the Houston Medical Foundation is determined by the Board of Directors that the Bylaws of the Houston Medical School Foundation be amended and that such amendment be reported to the Board of Regents for approval.

M. D. ANDERSON: WAIVER OF REGENTS' RULES AND REGULATIONS, PART ONE, CHAPTER III FOR CONTINUED EMPLOYMENT OF DR. WILLIAM S. MACCOMB. --Approval was given to waive the Regents' Rules and Regulations, Part One, Chapter III in order to continue the employment of Dr. William S. MacComb on a one-third time basis at a salary rate of \$12,000 per annum effective September 1, 1971, in the capacity of Head and Neck Surgeon and Professor of Surgery, Department of Surgery at The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston.

M. D. ANDERSON: AUTHORITY TO CONVEY 1.894 ACRES TO THE TEXAS MEDICAL CENTER FOR A CONSTRUCTION SITE FOR A GARAGE. --Upon President Clark's recommendation, concurred in by System Administration, authority was given to convey approximately 1.894 acres of land by the Board of Regents of The University of Texas System to the Texas Medical Center, Inc., Houston, Texas, for construction of a garage in connection with the Texas Medical Center complex. The Chairman of the Board of Regents was authorized to execute a deed conveying this acreage more particularly described below and to do all things necessary to consummate the transaction:

1. Beginning at the intersection of the center line of Bertner Avenue (a private street) with the North line of Holcombe Boulevard (also being the southwest corner of the 8.144 acre tract).
2. Thence North $1^{\circ} 07'$ East with the center line of said Bertner Avenue, a distance of 230 feet to a point for corner.
3. Thence South $88^{\circ} 53'$ East, a distance of 240 feet to a point for corner.
4. Thence South $62^{\circ} 19' 06''$ East, a distance of 156.52 feet to a point for corner.
5. Thence South $1^{\circ} 07'$ West, a distance of 160 feet to a point for corner in the North line of Holcombe Boulevard.
6. Thence North $88^{\circ} 53'$ West with the North line of Holcombe Boulevard, a distance of 380 feet to the point of beginning, containing 1.894 acres of land, more or less.

G. S. B. S. : AUTHORITY TO ACCEPT THE HOUSTON SPEECH AND HEARING CENTER, HOUSTON, TEXAS, AND ESTABLISHMENT OF DIVISION OF COMMUNICATIVE DISORDERS. --The following resolution was adopted:

WHEREAS, Senate Bill No. 918, Acts of the 62nd Legislature, 1971, authorized the Board of Regents to acquire by donation the facilities of the Houston Speech and Hearing Center located in the Texas Medical Center, Houston, Texas, for the purpose of establishing the Division of Communicative Disorders in the Graduate School of Biomedical Sciences, and

WHEREAS, The facilities consist of (1) a leasehold interest in a 99 year lease (with an option to renew for an additional period of 99 years) held by the Texas Medical Center on which there are a one-story brick veneer building containing

approximately 20,000 square feet and a three-story building (with a foundation adequate for a total of nine floors) containing approximately 39,000 square feet and (2) the furniture and fixtures in the buildings that belong to the Houston Speech and Hearing Center:

BE IT RESOLVED, That the Chairman of the Board of Regents be authorized to execute the necessary instruments and to do any and all things necessary to consummate the transfer of title of these facilities to the Board of Regents of The University of Texas System by September 1, 1971; and

BE IT FURTHER RESOLVED, That authority be granted to establish in the Graduate School of Biomedical Sciences a new division to be known as the Division of Communicative Disorders.

Dean Knudson was asked to bring back a suggested name for the new division now to be known as the "Division of Communicative Disorders."

SYSTEM NURSING SCHOOL: NOMINATIONS TO THE ADVISORY COUNCIL OF THE SCHOOL OF NURSING (SYSTEM-WIDE) FOUNDATION. --Chairman Peace reported that in the Executive Session of the Committee of the Whole nominations to the Advisory Council of the School of Nursing (System-wide) Foundation had been made and the entire membership would be released following acceptance by these individuals.

OTHER MATTERS

ITEM FOR THE RECORD: SYSTEM NURSING SCHOOL. --The following item was reported for the record and was ratified by unanimous vote:

System Nursing School: Affiliation Agreements with Austin-Travis County Health Department, Veterans Administration Center, United States Public Health Service Hospital, Bexar County Hospital District, San Antonio State Hospital, Four Seasons Nursing Center and Visiting Nurse Association. --

WHEREAS, On September 12, 1970, the Board of Regents adopted a model affiliation agreement for The University of Texas Nursing School (System-wide) to be followed in the preparation of agreements with clinical health facilities for the purpose of training nurses;

WHEREAS, It was ordered:

1. That affiliation agreements based on this model be reported in the Minutes as items for the record after the agreements have been executed by the appropriate clinical facility; and

2. That following ratification of the agreements by the Board, the Chairman of the Board be authorized to execute the documents when approved as to form by a University attorney and as to content by the appropriate administrative officials:

BE IT RESOLVED, That the agreements based on the model adopted and executed on the part of each of the facilities listed below be ratified and the Chairman of the Board be authorized to execute the documents which have been approved as to form by a University attorney and as to content by the Deputy Chancellor for Administration and the Chancellor:

Austin-Travis County Health Department,
 Austin, Texas
 Veterans Administration Center, Temple,
 Texas
 United States Public Health Service Hospital,
 Galveston, Texas
 Bexar County Hospital District, San Antonio,
 Texas
 San Antonio State Hospital, San Antonio,
 Texas
 Four Seasons Nursing Center, San Antonio,
 Texas
 Visiting Nurse Association, San Antonio,
 Texas

SCHEDULED MEETINGS. --The schedule of meetings for the remainder of the 1971 calendar year was amended to read as follows:

September 8, 1971 - in Austin
 October 22, 1971 - in Austin
 December 3, 1971 - in Austin

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS. --
 Committee Chairman Peace presented to the Board the following report of the Board for Lease of University Lands:

The Board for Lease of University Lands met June 29 at the General Land Office and approved plans for holding the 59th Public Auction Sale of Oil and Gas Leases on September 22, 1971, at the Commodore Perry building. (John Peace acted as chairman.)

The Board will offer 316 tracts comprised of 97,726 acres which is the second largest amount of acreage auctioned since public auctions were commenced in 1936. The number of acres offered in the first 58 sales averaged about 40,000 acres.

The tracts are located in Andrews, Cooke, Crane, Crockett, El Paso, Gaines, Pecos, Reagan, Terrell, Upton, Ward, and Winkler Counties.

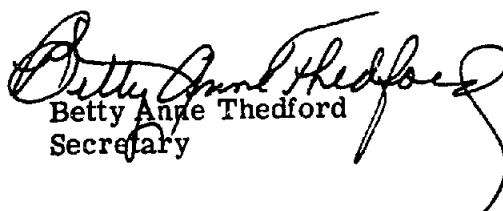
For the first time, we are going to attempt to sell tracts in El Paso County. The land is in a solid block of nearly 12,000 acres located two miles north of Fabens, Texas. Included in the El Paso County land is a 3,840 acre drilling block comprised of 10 leases. A well must be commenced on the drilling block by midnight, March 22, 1972, and such well must be drilled to a depth of 15,000 feet or to 300 feet below the base of the El Paso formation. The minimum acceptable bid for the drilling block will be \$60,000. This El Paso acreage is only a few miles north of Mexico and is rank wildcat land. The nearest production is 110 miles to the east.

Over 44,000 acres in the Deep Gas Trend in the Delaware and Val Verde Basins are included in the sale list. The tracts in the Deep Gas Trend have brought the best prices for the last several years. At the last sale in October, 1970, 12,000 acres were offered in the gas trend and those brought an average of \$87.00 per acre. However, all of the land being offered this time has been leased at least once at prior sales.

A second drilling block, which contains 2,591 acres, calls for a minimum bid of \$40,000 and a drilling obligation to 8,000 feet.

The nominations for this sale were better than in the past and we are expecting a better sale than last year, particularly if the Federal Power Commission announces an increase in the price of gas. (Last October Sale was \$1,407,000.)

ADJOURNMENT. --There being no other business, the Chairman announced the adjournment of the meeting at 6:05 p. m.


Betty Anne Thedford
Secretary

August 6, 1971