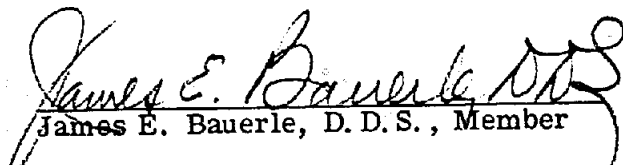


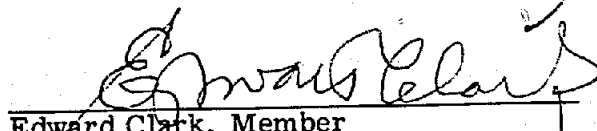
We, the undersigned members of the Board of Regents of The University of Texas System hereby ratify and approve all actions taken at this meeting (August 19, 1974) to be reflected in the Minutes.

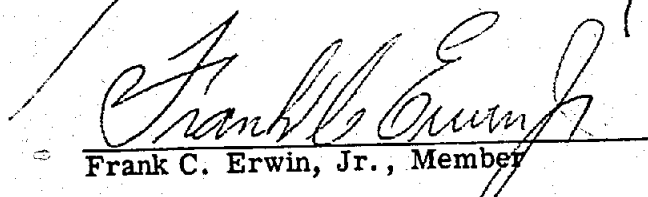
Signed this the 19th day of August, 1974, A. D.

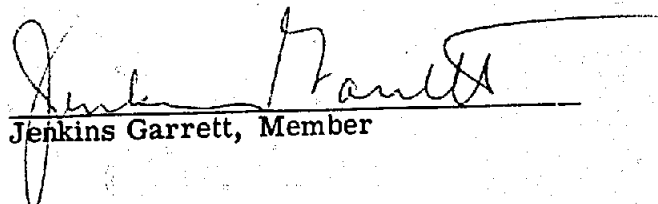

A. G. McNeese, Jr., Chairman


Dan C. Williams, Vice-Chairman


James E. Bauerle, D. D. S., Member


Edward Clark, Member


Frank C. Erwin, Jr., Member


Jenkins Garrett, Member

Mrs. Lyndon B. Johnson, Member

Joe T. Nelson, M. D., Member


Allan Shivers, Member

Meeting No. 724
(Special Meeting)

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

Pages 1 - 6

August 19, 1974

Austin, Texas

8-19-74

MEETING NO. 724

MONDAY, AUGUST 19, 1974. --The Board of Regents of The University of Texas System convened in Special Session at 12:05 p. m. on Monday, August 19, 1974, in the Main Building, Room 212 at The University of Texas at Austin, Austin, Texas, with the following in attendance:

ATTENDANCE. --

Present

Chairman McNeese, Presiding
 Vice-Chairman Williams
 Regent Bauerle
 Regent Clark
 Regent Erwin
 Regent Garrett
 Regent Shivers

Absent

Regent (Mrs.) Johnson - excused *
 Regent Nelson - excused *

Secretary Thedford

Chancellor LeMaistre
 Chancellor Emeritus Ransom
 Deputy Chancellor Walker

Chairman McNeese opened the meeting by reading the Notice of Special Meeting that was mailed to each member of the Board of Regents on August 14, 1974, to-wit:

NOTICE OF SPECIAL MEETING OF THE BOARD OF REGENTS
 OF THE UNIVERSITY OF TEXAS SYSTEM

NOTICE IS HEREBY GIVEN That Chairman McNeese has called a Special Meeting of the Board of Regents of The University of Texas System to convene on August 19, 1974, at 12 noon in Room 212, Main Building, The University of Texas at Austin, Austin, Texas, for the purpose of considering only the following:

The amounts and types of bonds to be issued in 1974 to fund construction at various component institutions of The University of Texas System and the relative priority at U. T. Austin as between the construction of the addition to Robert A. Welch Hall and the construction of all or a part of the multi-building Fine Arts Complex.

This notice is issued pursuant to the Regents' Rules and Regulations, Part One, Chapter I, Subsection 6.21.

(Signed)

Betty Anne Thedford, Secretary
 Board of Regents of
 The University of Texas System

* Regents (Mrs.) Johnson and Nelson were excused from this meeting because of prior commitments.

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In an effort to conserve time while Regent Garrett was involved in a conference with the University Attorneys, Chairman McNeese called on Regent Erwin in the capacity of Chairman of the Buildings and Grounds Committee to present the second portion of the item in the Notice of Special Meeting (consideration of relative priority at U. T. Austin as between the construction of the Addition to Robert A. Welch Hall and the construction of all or a part of the multi-building Fine Arts Complex).

U. T. AUSTIN - ROBERT A. WELCH HALL AND MULTI-BUILDING COMPLEX OF THE COLLEGE OF FINE ARTS AND PERFORMING ARTS CENTER PROJECT: AUTHORIZATION FOR CONSTRUCTION CONTRACT IN 1974 FOR ADDITION TO WELCH HALL AND DEFERMENT OF CONSTRUCTION CONTRACT FOR MULTI-BUILDING FINE ARTS COMPLEX (REMAINING PORTION OF COLLEGE OF FINE ARTS AND PERFORMING ARTS CENTER PROJECT). --Regent Erwin reviewed the Buildings and Grounds Committee program for the component units of The University of Texas System. He stated that a year ago, as Chairman of the Buildings and Grounds Committee, he and System Administration had surveyed the building needs of the component units of the U. T. System for the next five years and had made a list of projects that they thought essential for each of the institutions and arranged a bond program that they thought would finance those projects. For example, at U. T. Austin, funds were projected for building the entire Fine Arts Complex, the addition to Welch Hall, Animal Facilities and the Press Building.

Continuing, Buildings and Grounds Committee Chairman Erwin said:

"Unfortunately during the past year, dramatic escalation in costs has occurred so that the projects at Austin that were contemplated last September have increased in cost by more than \$36, 000, 000; and likewise the bond program that was projected is inadequate in the same amount. Consequently, we have been trying to get an estimate of the escalated cost of construction and to find out how many more bonds can be issued without increasing student fees.

"The recommendations distributed to you are responsive to that study, and bonds are recommended for U. T. Arlington, U. T. Austin and U. T. El Paso without increases in student fees at any of these institutions.

"As the next recommendation will indicate (referring to bond issues), it will not be possible even with the issuance of these additional bonds to build all of the projects previously authorized by the Board of Regents for which we had the money in sight a year ago.

"At the time contracts were let for such supporting facilities as the aquatic center and the intercollegiate baseball field, financing was available for all of the academic buildings recommended to this Board at that time as well as for the supporting projects, and it is the intervening escalation in costs of construction that has thrown us off schedule.

"If the bonds in the first recommendation are issued and after the buildings which are presently under construction and priority projects previously authorized such as Animal Facilities and Press Building that have to be built are provided for, there will be about \$20, 000, 000 in uncommitted funds.

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We have two projects for which we thought we had the money: the multi-building Fine Arts Project and the Addition to the Robert A. Welch Hall. It now appears that we will have to make a choice between these two.

1. The Fine Arts Project includes five portions. The cost of the total project has increased from \$25.5 million to \$38.8 million. Of the five portions of the complex the increases are:
 - a. Fine Arts Library and Administration
Construction cost has increased from approximately \$3.5 million to \$5.5 million.
 - b. Music Building and Recital Hall
Construction cost has increased from approximately \$7 million to \$10.6 million.
 - c. Opera Lab Theatre
Construction cost has increased from approximately \$2.2 million to \$3.5 million.
 - d. Drama Workshops
Construction cost has increased from approximately \$2.5 million to \$3 million.
 - e. Concert Hall
Construction cost has increased from approximately \$9 million to \$14.6 million.
 - f. Final Site Development for all the buildings
Construction cost has increased from approximately \$1 million to \$1.3 million.
2. The Addition to the Robert A. Welch Hall which will cost about \$20,000,000 and this building will furnish major classrooms, lecture halls, and other much needed space."

In response to Regent Clark's inquiry, President Spurr said the U. T. Austin Faculty Building Committee and he recommended that priority be given to the construction of the Addition to the Robert A. Welch Hall. President Spurr explained that his reason for the priority of this building was that it would add 20% to the lecture and classroom facilities on the U. T. Austin campus.

Subject to the issuance of the bonds recommended in the first portion of the Notice of the Special Meeting (Page 4), Regent Erwin moved that the Board of Regents authorize and direct that the construction of the Addition to the Robert A. Welch Hall at a total project cost of \$20 million be proceeded with immediately and that construction of all of the Fine Arts Complex be deferred until further action of the Board. He called attention to the fact that the plans for both of these projects were ready to go if the money were available. This motion was duly seconded by Regent Clark and unanimously adopted.

In answer to Regent Shiver's inquiry, President Spurr reported that the U. T. Austin Faculty Building Committee had recommended expansion of the Law School facilities as the second priority. It was further brought out in the discussion that unless there is an outside source of funding provided, it will likely be four or five years before other major construction projects can be placed under construction.

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BOARD OF REGENTS - ISSUANCE OF REVENUE BONDS FOR CONSTRUCTION OF FACILITIES AT (1) HOUSTON MEDICAL SCHOOL, U. T. SAN ANTONIO, U. T. PERMIAN BASIN AND U. T. DALLAS - U. T. SYSTEM GENERAL TUITION REVENUE BONDS, NEW SERIES 1974, \$33,000,000 TO BE SOLD SEPTEMBER 20, 1974; (2) U. T. AUSTIN, BUILDING REVENUE BONDS, SERIES 1974-A, \$6,000,000 TO BE SOLD SEPTEMBER 20, 1974; (3) U. T. AUSTIN, COMBINED FEE REVENUE BONDS, SERIES 1974, \$4,500,000 TO BE SOLD NOVEMBER 1, 1974; (4) U. T. ARLINGTON, COMBINED FEE REVENUE BONDS, SERIES 1974, \$1,300,000 TO BE SOLD NOVEMBER 1, 1974, AND (5) U. T. EL PASO COMBINED FEE REVENUE BONDS, SERIES 1974, \$1,500,000, TO BE SOLD NOVEMBER 1, 1974. -- As the next order of business, Chairman McNeese called on Regent Garrett, in the capacity of Chairman of the Land and Investment Committee, to present the recommendations for the amounts and types of bonds to be issued in 1974 to fund construction at various component institutions of The University of Texas System. In turn, Land and Investment Committee Chairman Garrett asked Trust Officer W. R. Long to present the following recommendations which were adopted by unanimous vote upon motion of Regent Erwin, seconded by Vice-Chairman Williams:

- (1) U. T. System - It is recommended that the Board of Regents authorize the sale of \$33,000,000 Board of Regents of The University of Texas System General Tuition Revenue Bonds, New Series 1974, to be sold September 20, 1974. Of the proceeds from the sale of such General Tuition Revenue Bonds, \$8,000,000 will be used to refund the \$8,000,000 Board of Regents of The University of Texas System General Tuition Revenue Bonds, New Series 1973, and \$2,750,000 will be used to fully fund the Reserve Fund required to be established in connection with the \$117,000,000 Board of Regents of The University of Texas System General Tuition Revenue Bonds, Series 1971, Series 1972 and Series 1972-A, which have previously been issued by the Board. The remaining \$22,250,000 will permit the construction at Houston Medical School, U. T. San Antonio, U. T. Permian Basin and U. T. Dallas of facilities that are needed in order for these institutions to perform the educational roles authorized and directed by statute. With the issuance of the \$33,000,000 General Tuition Revenue Bonds, New Series 1974, the Board of Regents will have issued the maximum number of General Tuition Revenue Bonds permitted by the terms of Section 55.17, Texas Education Code.
- (2) U. T. Austin - It is recommended that the Board of Regents authorize the sale of \$6,000,000 Board of Regents of The University of Texas System, The University of Texas at Austin Building Revenue Bonds, Series 1974-A, to be sold September 20, 1974. These bonds will be issued as additional parity bonds to the \$53,000,000 Building Revenue Bonds, Series 1974, which were sold at the December 7, 1973, meeting of the Board of Regents. The principal and interest of these bonds will be paid out of the following revenues:

Until December 1, 1979, interest and principal will be paid out of the Available University Fund. After December 1, 1979, interest and principal will be paid out of the Available University Fund, or out of any additional revenues, income, receipts or other resources lawfully available to the Board of Regents, or out of the proceeds of a "special fee" to be collected from all students enrolled at U. T. Austin.

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The total debt service requirements for the Series 1974 and Series 1974-A Bonds to be paid out of the Available University Fund is estimated not to exceed the annual sum of \$4,250,000, which has been authorized.

- (3) U. T. Austin - It is recommended that the Board of Regents authorize the sale of \$4,500,000 Board of Regents of The University of Texas System, The University of Texas at Austin Combined Fee Revenue Bonds, Series 1974, to be sold November 1, 1974. These bonds will be issued as additional parity bonds to The University of Texas at Austin Combined Fee Revenue Bonds, Series 1970, Series 1971, Series 1972 and Series 1973, which have heretofore been issued by the Board and which are secured by a pledge of the Building Use Fee (Skiles Act) which is collected from each tuition paying student enrolled at U. T. Austin as a part of the tuition and the General Fee which is collected from each student enrolled at U. T. Austin. The issuance of these bonds will not require an increase in the student Building Use Fees which have heretofore been authorized by the Board.
- (4) U. T. Arlington - It is recommended that the Board of Regents authorize the sale of \$1,300,000 Board of Regents of The University of Texas System, The University of Texas at Arlington Combined Fee Revenue Bonds, Series 1974, to be sold November 1, 1974. These bonds will be issued as additional parity bonds to The University of Texas at Arlington Combined Fee Revenue Bonds, Series 1971, Series 1971-A, Series 1973 and Series 1973-A, which have heretofore been issued by the Board and which are secured by a pledge of the Building Use Fee (Skiles Act) which is collected from each tuition paying student enrolled at U. T. Arlington as a part of the tuition and the General Fee which is collected from each student enrolled at U. T. Arlington. The issuance of these bonds will not require an increase in the student Building Use Fees which have heretofore been authorized by the Board.
- (5) U. T. El Paso - It is recommended that the Board of Regents authorize the sale of \$1,500,000 Board of Regents of The University of Texas System, The University of Texas at El Paso Combined Fee Revenue Bonds, Series 1974. These bonds will be issued as additional parity bonds to The University of Texas at El Paso Combined Fee Revenue Bonds, Series 1970, Series 1971 and Series 1973, which have heretofore been issued by the Board and which are secured by a pledge of the Building Use Fee (Skiles Act) which is collected from each tuition paying student enrolled at U. T. El Paso as a part of the tuition and the General Fee which is collected from each student enrolled at U. T. El Paso. The issuance of these bonds will not require an increase in the student Building Use Fees which have heretofore been authorized by the Board.

Regent Erwin was recognized and told the Board that with the authorization of these bond issues the Board could now report to the Legislature that despite the escalation in the cost of construction, the schools the Legislature authorized in 1969 and authorized to be funded in 1971 had now been assured of construction and that the institutions could perform the educational roles assigned to them by the Legislature.

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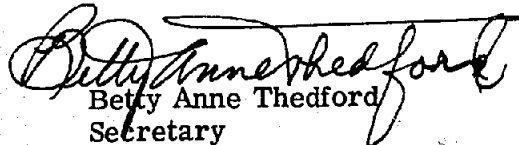
BOARD OF REGENTS: MEMORIAL RESOLUTION AUTHORIZED TO JOHN PEACE, FORMER CHAIRMAN. --Upon Regent Bauerle's suggestion that an appropriate resolution be worded and extended to Mrs. John Peace and her family on the untimely death of John Peace, a former member and Chairman of the Board of Regents, Chairman McNeese requested the Administration to prepare a resolution and present it at the September 1974 meeting.

COMMENDATION OF ATTORNEY GENERAL HILL AND ASSISTANT ATTORNEY GENERAL LINWARD SHIVERS. --Upon the suggestion of Regent Shivers, the Board of Regents commended Attorney General John Hill and his Assistant Attorney General Linward Shivers (in relation of Regent Shivers) on the prompt settlement with certain of the major oil companies concerning gas royalty payments for gas produced on University lands.

REPORT RE DISCUSSION BETWEEN OFFICIALS OF PAN AMERICAN UNIVERSITY AND U. T. SYSTEM. --In view of the publicity with respect to a merger of The University of Texas System with Pan American University, Regent Shivers said he thought he should explain to the other members of the Board that at the request of Dr. Ralph Schilling, President of Pan American, through the Pan American Board Chairman (Mrs. Shivers), that he, Regent Erwin and Chancellor LeMaistre had met with President Schilling, Mrs. Shivers and Regent Atlas but that the meeting was nothing more than a discussion and no concrete proposal had been made and there was no one at the meeting on either side who had authority to approve or disapprove a recommendation for merger.

ADJOURNMENT. --The business of the called meeting having been completed, the Board of Regents adjourned at 12:55 p. m.

August 23, 1974


Betty Anne Thedford
Secretary