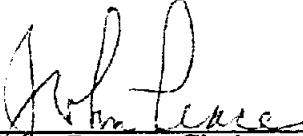
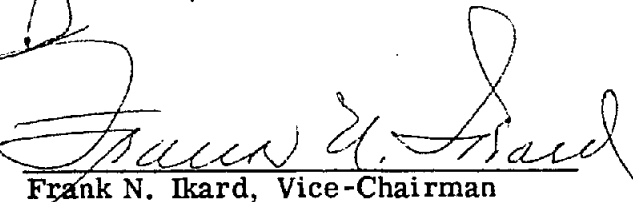
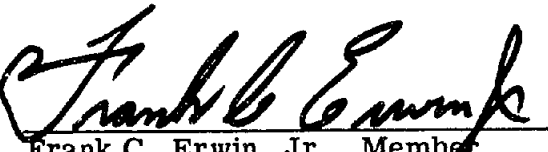



We, the undersigned members of the Board of Regents of The University of Texas System, hereby ratify and approve all actions taken at this meeting to be reflected in the Minutes.

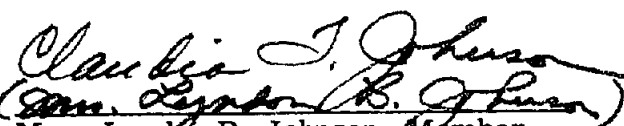
Signed this the 23rd day of April, 1971, A. D.



John Peace, Chairman

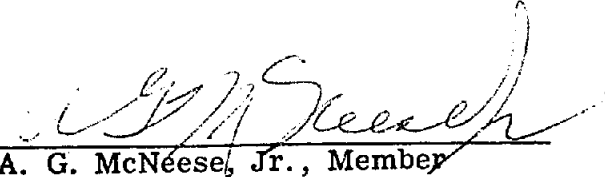

Frank N. Ikard, Vice-Chairman

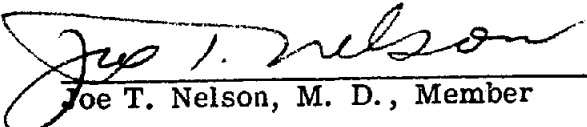

Frank C. Erwin, Jr., Member


Jenkins Garrett, Member


Mrs. Lyndon B. Johnson, Member


Joe M. Kilgore, Member


A. G. McNéese, Jr., Member


Joe T. Nelson, M. D., Member


Dan C. Williams, Member

Meeting No. 689

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

April 23, 1971

Austin, Texas

MEETING NO. 689

APRIL 23, 1971. --The Board of Regents of The University of Texas System convened in regular session in Main Building, Room 212, The University of Texas at Austin, Austin, Texas, at 3:30 p. m. on April 23, 1971, with the following in attendance:

ATTENDANCE. --

<u>Present</u>	<u>Absent</u>
Chairman Peace, Presiding	None
Vice-Chairman Ikard	
Regent Erwin	
Regent Garrett	
Regent (Mrs.) Johnson	
Regent Kilgore	
Regent McNeese	
Regent Nelson	
Regent Williams	
 Chancellor LeMaistre	
Secretary Thedford	

Chairman Peace called the meeting to order.

APPROVAL OF MINUTES OF REGULAR MEETING ON MARCH 12, 1971, AND CALLED MEETING ON MARCH 27, 1971. --The Minutes of the regular meeting of the Board of Regents of The University of Texas System held in Austin on March 12, 1971, were approved without objection in the form distributed by the Secretary and recorded in Volume XVIII, beginning with Page 1582 .

The Minutes of the called meeting of the Board of Regents of The University of Texas System held in Austin on March 27, 1971, were also approved without objection in the form distributed by the Secretary and recorded in Volume XVIII, beginning with Page 1890 .

RESOLUTION OF APPRECIATION TO FRANK CRAIG ERWIN, JUNIOR, RE HIGHER EDUCATION FACILITIES BOND PROGRAM OF 1971. -- The following resolution of appreciation to Frank Craig Erwin, Jr., was presented by Vice-Chairman Ikard. Regent Williams seconded the motion of Vice-Chairman Ikard, and the resolution was adopted without objection:

WHEREAS, The Sixty-second Legislature of the State of Texas passed an Act entitled, The Higher Education Facilities Bond Program of 1971, and

WHEREAS, The said Act provides funds permitting the Board of Regents of The University of Texas System to acquire, purchase, construct, improve, enlarge, and/or equip property, buildings, structures, and facilities for The University of Texas at Dallas, The University of Texas of the Permian Basin, The University of Texas at San Antonio, The University of Texas Medical School at Houston, The University of Texas Dental School at San Antonio, The University of Texas (Undergraduate) Nursing School at El Paso, and The University of Texas (Clinical) Nursing School at San Antonio, and

WHEREAS, Frank Craig Erwin, Jr., representing the Board of Regents, demonstrated outstanding leadership in securing passage of this significant legislation:

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of The University of Texas System, That recognition of Frank Erwin's leadership and untiring efforts on behalf of higher education be acknowledged and recorded in the Minutes of the Board of Regents' meeting of April 23, 1971, with respect and gratitude, and

BE IT FURTHER RESOLVED, That a copy of this Resolution be presented to Mr. Frank C. Erwin, Jr., along with one of the pens used by the Governor for signing the legislation into law.

Chairman Peace personally joined in this expression of appreciation to Regent Erwin.

REPORT OF STANDING COMMITTEES

Below are reports of the meetings of the Standing Committees which were conducted in open session.

REPORT OF EXECUTIVE COMMITTEE (Pages 3-7). --Committee Chairman Garrett moved that the following report of the Executive Committee be adopted. Without objection, the report was received and the recommendations therein were approved:

Since the last report of the Executive Committee on March 12, 1971, the following recommendations of the Administration were circulated to the members of the Executive Committee and no exceptions to these items were registered. These items were submitted this morning and given formal approval by the Executive Committee:

1. U. T. System: Refunding of Certain Outstanding Permanent University Fund Bonds (22-M-70A). --Subject to the Attorney General's Opinion as to the legality, Associate Deputy Chancellor Shelton recommends that he be granted authorization:
 - a. To proceed with the development of a definite refunding plan of certain outstanding Permanent University Fund Bonds issued prior to 1967 to be submitted to the Board of Regents for approval at the meeting on April 23, 1971;
 - b. To employ the firm of McCall, Parkhurst and Horton, as Bond Counsel; and
 - c. To possibly employ Mr. Sam Maclin as Consultant.
2. U. T. Austin: James Leonard Duncan Memorial Scholarship Fund - Sale of Residence at 2402 Marcy Drive, Big Spring, Texas (22-M-70C). -- It is recommended by System Administration that the following resolution be adopted with respect to the James Leonard Duncan Memorial Scholarship Fund at The University of Texas at Austin:

WHEREAS, The James Leonard Duncan Memorial Scholarship Fund at The University of Texas at Austin was created by the will of Bertha K. Brooks;

WHEREAS, The property at 2402 Marcy Drive, Big Spring, Howard County, Texas (Lot 5, Block 2, Amended East Park Addition), was Mrs. Brooks' former home and was included in her estate;

WHEREAS, An FHA appraisal of \$10,900 has been secured on this property, and

WHEREAS, A broker in Big Spring has advised the Board that an offer has been submitted for \$10,900 subject to obtaining an FHA loan in the amount of \$10,550 for this property:

BE IT RESOLVED, That the Associate Deputy Chancellor for Investments, Trusts and Lands be authorized to sell this residence for \$10,000 or better.

3. U. T. Austin: Exclusion from the Priority Period and Random Selection Processes for Physically Handicapped Applicants and Students Enrolled in the Brackenridge Hospital School of Nursing Taking Their Academic Work at U. T. Austin (23-M-70). --It is recommended by Chancellor LeMaistre that physically handicapped applicants and students enrolled in the Brackenridge Hospital School of Nursing taking their academic work at The University of Texas at Austin be excluded from the authorized enrollment control limitations and from the priority period thereof for the 1971-72 academic year.

4. U. T. Austin: Minutes of the Meeting of the Board of Directors of the Texas Union held February 25, 1971 (24-M-70). --It is recommended that the minutes of the meeting of the Board of Directors of the Texas Union at The University of Texas at Austin held February 25, 1971, be approved upon recommendation of System Administration and President ad interim Jordan.

5. U. T. Austin: Requirement of \$50 Tuition Deposit from Those Applicants Who Accept a Place in the Law School Entering Class or Who Enter with Transfer Credit from Another Institution (26-M-70). --It is recommended by the Administration that the School of Law at The University of Texas at Austin be authorized to require a \$50 tuition deposit from those applicants who accept a place in the Law School entering class or who enter with transfer credit from another institution effective with the Fall semester of 1971.

6. U. T. Austin: Minutes of the Meetings of the Board of Directors of Texas Student Publications, Inc., held January 27 and March 1, 1971 (27-M-70). --The minutes of the meetings of the Board of Directors of Texas Student Publications, Inc., at The University of Texas at Austin held January 27 and March 1, 1971, were reviewed. It is recommended that these minutes be formally approved by the Executive Committee in the form recommended by System Administration and President ad interim Jordan as set out below:

Minutes of Meeting held on January 27, 1971 - Approve with the exception of the following items:

Item IV - Next-to-last Paragraph. Proposal to distribute Summer Texan free of charge on U. T. Austin campus. No change in long-established practices should be made at this time pending the expiration of the TSP Charter.

Item XII - Appeal from Intermediate Appeals Committee on Cartoon. Although disapproval does not alter the fact that the cartoon has been published, it is recorded that the action is disapproved.

Item XIII - Increase in Number of Members on the Intermediate Appeals Committee. This item will not be recommended for approval until a formal recommendation for a change to the TSP Handbook is made by the TSP Board.

Item XV - The proposed TSP Charter is not approved but is forwarded for information only pending a review by U. T. Austin Administration.

Minutes of Meeting held on March 1, 1971 - Approve these minutes.

7. U. T. Dallas: Authorization to Accept a Grant from the Hoblitzelle Foundation to Purchase the Jesuit Library of St. Bonifacius, Minnesota (22-M-70D). --Upon recommendation of Acting President Johnson concurred in by Chancellor LeMaistre and President-elect Jordan, it is recommended that a grant of \$65,000 be accepted from the Hoblitzelle Foundation to The University of Texas at Dallas for the purchase of a library from the Jesuit College, St. Bonifacius, Minnesota.
8. M. D. Anderson: Estate of Naomi L. Woods - Ratification of Deed of Partition (22-M-70B). -- It is recommended by Associate Deputy Chancellor Shelton that the deed of partition to the 26.5 acre tract be ratified whereby the 2.616 acres of land in the William Perkins Survey in Harris County, Texas, will vest in the Estate of Naomi L. Woods under her will for the benefit of The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston.
9. System Administration, U. T. Austin, Dallas Medical School, Galveston Medical Branch, and M. D. Anderson: Amendments to the 1970-71 Budgets (7-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 Southwestern Medical School at Dallas, The University of Texas Medical Branch at Galveston, and The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston be approved (Pages 6-7).

APR 23 1971 1903

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
3.	Office of the Comptroller Transfer of Funds	From: Available University Fund Unappropriated Balance	To: Office of the Comptroller - Furniture and Equipment	
	Amount of Transfer	\$ 6,700	\$ 6,700	---

The University of Texas at Austin

31.	David S. Price Humanities Research Center	Coordinator of University Publications	Coordinator of University Publications	
	Salary Rate	\$ 13,600	\$ 16,100	3/1/71
	Source of Funds: Transfer from Available University Fund Unappropriated Balance			

32.	Physical Plant Transfer of Funds	From: Unappropriated Balance - General Funds	To: Physical Plant - Furniture and General Equipment Remodeling Offices at 2613 Wichita	\$36,000 <u>29,400</u>
	Amount of Transfer	\$ 65,400		<u>\$65,400</u>

33.	Auxiliary Enterprises - Jester Center Store Transfer of Funds	From: Unappropriated Balance - Jester Center Store	To: Jester Center Store - Other Expenses	
	Amount of Transfer	\$ 75,000	\$ 75,000	---

The University of Texas Southwestern Medical School at Dallas

9.	Auxiliary Enterprises- Student Supply Store Transfer of Funds	From: Unappropriated Balance - Student Supply Store	To: Student Supply Store - Equipment	
	Amount of Transfer	\$ 1,750	\$ 1,750	---

APR 23 1971 1904

The University of Texas Medical Branch at Galveston

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
10.	Alice A. O'Donell Preventive Medicine and Community Health	Assistant Professor	Assistant Professor	
	Salary Rate	\$ 16,000	\$ 19,000	3/1/71
	Source of Funds: Unallocated Appropriations - Instructional			
11.	Ted P. Bond Physiology and Marine Biomedical Institute	Research Assistant Professor and Adjunct Member	Research Assistant Professor and Adjunct Member	
	Salary Rate	\$ 14,587	\$ 16,987	3/1/71
	Source of Funds: U. S. Department of Health, Education, and Welfare Grant			

The University of Texas M. D. Anderson Hospital and Tumor
Institute at Houston

3.	A. Pidd Miller Pediatrics	Clinical Assistant Pediatrician (1/3 T)	Clinical Assistant Pediatrician (1/2 T)	
	Salary Rate (F.T.)	\$ 12,000	\$ 16,000	3/1/71
	Source of Funds: Reserve for Professional Salaries			

REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (Pages 8-13). --Before filing the report of items considered by the Academic and Developmental Affairs Committee in open meeting, Committee Chairman Kilgore presented for consideration the following item that was referred from Chancellor's Docket No. 47 to the Executive Session of the Committee of the Whole:

Chancellor's Docket: Items 5 and 6, M-10 (Outside Employment) Referred Back to President, U. T. Austin and Request for Study of Outside Employment. --Regent Garrett called attention to the fact that Items 5 and 6 on Page M-10 of Chancellor's Docket No. 47 may be construed to authorize two individuals to enter into the private practice of law. He moved that these two items be referred to the institution (U. T. Austin) to see whether or not they are in violation of the long-standing rule of the Board of Regents with respect to outside employment. This motion was adopted without objection.

In connection therewith, Vice-Chairman Ikard moved that the Chancellor study the whole area of employment outside of the academic and professional responsibilities of the faculty and staff and report back to the Board of Regents whatever recommendation he may develop for the Regents' future guidance.

Thereafter, Committee Chairman Kilgore filed the following report of the Academic and Developmental Affairs Committee which was received and the actions therein approved without objection:

1. U. T. System: Chancellor's Docket No. 47. --With the exception of Items Nos. 5 and 6 on Page M-10 listed below, Chancellor's Docket No. 47 was approved in the form distributed by the Secretary to each member of the Board of Regents on April 2. The Docket as approved is a part of and is attached to the Minutes as Attachment No. 1 following Page 62 :

Item 5. Mr. Keith E. Morrison, William Stamps Farish Professor of Law, to serve as a practicing attorney to review the wills for husband and wife and prepare memorandum in regard to estate tax; and to draft any wills and annuity options for husband and wife and an analysis of estate tax consequences.

Item 6. Mr. Allen E. Smith, Professor of Law, to act as legal counsel to various private parties whose interests are not in conflict with those of The University of Texas at Austin or The University of Texas System.

2. U. T. System: Summer Institute for Teaching Effectiveness. -- An appropriation of \$9,500 to U. T. System Administration from the unappropriated balances of the Available University Fund was authorized for the purpose of conducting a Teaching Effectiveness Institute for individuals in The University of Texas System during the summer of 1971.

3. U. T. System: Increase in Student Service Fee at The University of Texas at Austin and Appointment of Special Committee to Study Rapid Transit System. --The following resolution was adopted:

WHEREAS, The students of The University of Texas at Austin by referendum on March 17 expressed the need and desire for increased bus service, and

WHEREAS, The Faculty-Student Shuttle Bus Committee has concurred in the need and desire for this additional service:

BE IT RESOLVED, That the recommendation of President ad interim Jordan, concurred in by Chancellor LeMaistre, be adopted to increase the Student Service Fee effective with the Fall Semester 1971 as set out below with the understanding that the increase of \$2.00 per semester during the long term and \$3.00 for the twelve-week summer term be allocated to provide additional shuttle bus service at The University of Texas at Austin:

Each semester long session	\$21.00
Six-week summer term	8.00
Nine-week summer term	12.00
Twelve-week summer term	16.00

Thereafter, Chairman Peace emphasized the fact that this fee increase had been approved in a student referendum at The University of Texas at Austin and had been endorsed by the Faculty-Student Shuttle Bus Committee stating that the shuttle bus program has been one of the most successful programs inaugurated.

Following a discussion of the area serviced by the shuttle buses at The University of Texas at Austin and on motion of Regent Erwin, seconded by Vice-Chairman Ikard, the Chairman of the Board was authorized to appoint a special committee consisting of members of the Board and such additional persons as he may deem appropriate to study the Rapid Transit System now operating, particularly the one in San Francisco, in an effort to alleviate the transportation problem at U. T. Austin. Regent Garrett voted "No" on the basis that he felt the committee should be administratively oriented.

Vice-Chairman Ikard observed that whatever pattern results from this study might be applicable at the other U. T. System campuses.

4. U. T. System: Written Report by Chancellor LeMaistre on Study of Institutional Tenure Policies. --The following written report was received from Chancellor LeMaistre with respect to a study on institutional tenure policies:

I have sent a questionnaire to all institution heads inquiring about tenure and promotion policies and practices in accordance with the Board directive at the March 12 meeting. Since the Rules and Regulations do not contain specific guidelines on the granting of tenure, several institutions have continued to follow institutional procedures established in past years before system-wide Rules and Regulations were adopted. The new institutions were requested in January 1970 to defer the development of institutional procedures until the Board had considered a more explicit system-wide policy. Nonetheless, I have requested information of what procedures the institutions are following now. Since the institutional responses are not completed, a report will be submitted at the meeting on June 4, 1971.

5. U. T. Austin: Appropriation from Retained Earnings - Campus Services for a Middle Eastern Studies Summer Program. -- Approval was given to appropriate from Retained Earnings - Campus Services, Inc. \$21,150 to assist in financing the Summer Moroccan Program for the Center for Middle Eastern Studies at The University of Texas at Austin.

6. U. T. Austin: Report on Reorganization of Arts and Sciences (Provost and Deans of the College of Humanities, College of Natural Sciences and College of Behavioral Sciences). -- Chancellor LeMaistre presented the following written report with respect to the reorganization of Arts and Sciences at The University of Texas at Austin:

The reorganization of Arts and Sciences, adopted by the Board on July 31, 1970, is being completed. The mechanics of the reorganization have been implemented, with records divided among all new units, arrangements made for advising and admissions by colleges, completion of catalog revisions, and the establishment of the Office of Provost for Arts and Sciences and the offices of the three new deans. By the time this report is distributed, two of the three new deans will have been appointed, and the third deanship will have been filled by a permanent appointment or an acting dean.

By May 1 the reorganization will be completed. There has been some delay in filling the new positions due to the selection process involving advisory committees and due to the fact that those persons appointed to the positions had already accepted teaching responsibilities for the spring semester.

APR 23 1971 1908

In addition to the foregoing report received from Chancellor LeMaistre, it was noted for the record that the following appointments had been made:

- a. Dr. Stanley R. Ross, Provost for Arts and Sciences
- b. Dr. Martin Manosevitz, Assistant Provost for Arts and Sciences
- c. Dr. Stanley N. Werbow, Dean, College of Humanities
- d. Dr. Samuel P. Ellison, Jr., Dean, College of Natural Sciences
- e. Dr. James R. Roach, Vice-Provost and Dean for Interdisciplinary Programs.

Chancellor LeMaistre called on President ad interim Jordan who reiterated that the reorganization of Arts and Sciences would be completed by May 1 and that the appointment of the Dean of Social and Behavioral Sciences would be made public within a few days.

7. U. T. Austin, U. T. El Paso, and U. T. Arlington: Provisional Admission Program Report. --The following written report was received from Chancellor LeMaistre with respect to the Provisional Admission Program at The University of Texas at Austin, The University of Texas at El Paso and The University of Texas at Arlington:

In order to keep the Regents informed on the status of students admitted under the Provisional Admission Program, I submit the following report. Since the Provisional Admission Program was approved by the Regents, three classes have been admitted. The first class was admitted in the Spring of 1970, and after one year 1 of the 15 students admitted at U. T. Arlington is continuing; 6 of the 29 students admitted at U. T. Austin are continuing; and 79 of the 360 students admitted at U. T. El Paso are continuing. The second class has not yet completed a year, and the third class was just admitted during the Spring 1971 semester.

The summary of the report is on Page 12.

THE UNIVERSITY OF TEXAS
 Summary Report
 Provisional Admission Program
 Spring 1970 to date

Semester Report	Record	Entered Spring 1970			Entered Summer 1970			Entered Spring 1971			Entered Summer 1971			Entered Spring 1972		
		UTAr1	UTA	UTEP	UTAr1	UTA	UTEP	UTAr1	UTA	UTEP	UTAr1	UTA	UTEP	UTAr1	UTA	UTEP
NO. 1	Accepted															
	Enrolled	15	29	360	29	268	549	15	51	625						
	Completed semester	13	25	360	25	228	501	15	43	532						
	Eligible to re-enroll	10	19	353	24	215	488									
		2	10	120	12	144	207									
NO. 2	Subsequent Semesters --															
	Eligible to re-enroll	Summer 1970			Fall 1970			Summer 1971			Fall 1971					
	Re-enrolled	2	10	120	12	144	207									
	Completed semester	0	6	48	12	132	192									
		0	5	44	12	129	192									
NO. 3	Subsequent Semesters --															
	Eligible to re-enroll	Fall 1970			Spring 1971			Fall 1971								
	Re-enrolled	2	10	92	12	131	184									
	Completed semester	1	10	83	12	128	167									
		1	8	81												
NO. 4	Subsequent Semesters --															
	Eligible to re-enroll	Spring 1971			Summer 1971											
	Re-enrolled	2	7	81												
	Completed semester	1	6	79												
NO. 5	Subsequent Semesters --															
	Eligible to re-enroll	Summer 1971														
	Re-enrolled															
	Completed semester															

8. U. T. El Paso: Building Needs for Projected Enrollment for the Next Five Years. --In response to the Regents' directive at the meeting on March 12, 1971, Deputy Chancellor Walker presented the following written report:

Vice-Chancellor Ashworth and I have met with the U. T. El Paso administrative officers and outlined the expectations of the U. T. System Administration for a full report on future space needs in accordance with a phased construction schedule relating to enrollments and plans for growth and emphasis in academic programs. This report will evaluate the use of existing space, including consideration of possible conversions, and the utilization of all facilities.

When this material is received, it will be evaluated and may then be applied in the Office of Facilities Planning and Construction to develop a land-use plan for the long-range development of the institution. When this report is completed, it will be submitted to the Board.

9. U. T. Arlington: Referendum Related to Student Activity Fee Reported Not Conducted. --Hugh Moore, President of the Student Congress at The University of Texas at Arlington, was scheduled to report on a student referendum on optional choices related to the Student Activity Fee. It was reported by System Administration that the referendum had not been held and consequently no report could be made.
10. U. T. Arlington: Change of Name of Department of Foreign Languages to Department of Foreign Languages and Linguistics. --President Harrison's recommendation, concurred in by Chancellor LeMaistre, that the Department of Foreign Languages at The University of Texas at Arlington be changed to the Department of Foreign Languages and Linguistics was approved. The change in the name will more accurately reflect the work of the faculty members and the offerings of that department.
11. U. T. Arlington: Authorization for Initiation of Photo-Identification Card for Students, Faculty, and Staff. --Upon recommendation of President Harrison, concurred in by Chancellor LeMaistre, it was ordered that there be required at The University of Texas at Arlington a photo-identification card for students, faculty and staff beginning with the 1971 fall semester and that to cover the cost of the cards that each recipient be charged \$1.00 which will be valid for all semesters during each fiscal year. It was further authorized that the administration at U. T. Arlington award a contract on a competitive bid basis to a qualified company for the production of these identification cards.

REPORT OF BUILDINGS AND GROUNDS COMMITTEE (Pages 14-22). -- Chairman Peace asked Regent Erwin to conduct for the April 23 meeting of the Board of Regents the meeting of the Buildings and Grounds Committee.

Regent Erwin, before filing the report of items considered by the Buildings and Grounds Committee in open meeting, presented the following item that was referred by the Buildings and Grounds Committee to the Executive Session of the Committee of the Whole:

U. T. Austin: Award of Contract to Canyon Construction Company for Remodeling in Experimental Science Building for Department of Microbiology and Additional Appropriation Therefor. -- Upon motion of Vice-Chairman Ikard, seconded by Regent Williams, unanimous approval was given to award a contract for Remodeling in Experimental Science Building for the Department of Microbiology at The University of Texas at Austin to Canyon Construction Company, Austin, Texas, the low bidder, as follows:

Base Bid	\$222, 121. 00
Add Alternate No. 1 (Change Laboratory tops from Color-lith to Colorceran)	<u>1, 769. 00</u>
Total Contract Award	<u>\$223, 890. 00</u>

For this project, an additional appropriation of \$6, 500 was authorized from the Unappropriated Balance of the Available University Fund. This additional appropriation makes a total of \$256, 500 authorized to cover this contract award, Engineer's Fees and miscellaneous expenses.

Thereafter, the following report of the Buildings and Grounds Committee was filed by Regent Erwin and adopted without objection:

1. U. T. Austin: Appointment of B. Segall, Engineer, for Utility Tunnel on Red River Street to Connect Nursing School with Campus Distribution System and to Serve Collections Deposit Library and Appropriation Therefor. -- The following resolution was adopted:

WHEREAS, In connection with the construction of the System-wide Nursing School at The University of Texas at Austin (to be located between 17th Street and 18th Street and Red River Street and Waller Creek) and other U. T. Austin buildings in the same area, it is necessary that a utility tunnel be constructed on Red River Street starting at 19th Street and running south as far as the Nursing School project;

WHEREAS, This tunnel would connect the Nursing School and any other future building projects in this area to the U. T. Austin Campus Distribution System, and

APR 23 1971 1912

WHEREAS, It will be possible to serve the Collections Deposit Library located at the corner of Red River Street and 19th Street from the central source and discontinue use of the boiler and chilling units in the building:

BE IT RESOLVED, That the following recommendations of System Administration be approved:

- a. That B. Segall, Consulting Engineer, Austin, Texas, be appointed to prepare a study of the scope of this project and a cost estimate at a fee to be figured on an hourly basis not to exceed \$5,000.
 - b. That an appropriation of \$5,000 be made to cover this fee from Permanent University Fund Bond proceeds.
 - c. That B. Segall also be appointed to serve as Engineer on the project for the preparation of plans and specifications at a fee of 6% of the total project, with the fee paid to him for the original study to be applied on the 6% fee.
2. U. T. Austin: Acceptance of Revised Annual Interest Grant No. 5-7-00390-0 for Engineering Teaching Center I. --With respect to Annual Interest Grant No. 5-7-00390-0 for Engineering Teaching Center I, the following resolution was adopted:

WHEREAS, Annual Interest Grant No. 5-7-00390-0 in the annual amount of \$135,008 for a period of thirty years was accepted by the Board of Regents on January 29, 1971;

WHEREAS, This grant was for the purpose of paying the excess of interest over and above a 3% interest rate on the portion of the Combined Fee Revenue Bonds to be issued at The University of Texas at Austin allocated to the construction of Engineering Teaching Center I at U. T. Austin, and was figured on an estimated interest rate of 7% on these bonds;

WHEREAS, The Board of Regents of The University of Texas System, The University of Texas at Austin, Combined Fee Revenue Bonds, Series 1971, issued at the meeting on January 29, 1971, carried an effective interest rate of 5.66872%, and

WHEREAS, The Department of Health, Education, and Welfare can only issue and has issued a Revised Annual Interest Grant in order to adjust the grant to an amount which would cover the excess amount of interest over and above a 3% interest rate based on the actual effective interest rate of 5.66872%:

BE IT RESOLVED, That the Revised Annual Interest Grant No. 5-7-00390-0 in the annual amount of \$91,578 for a period of thirty years, or a total of \$2,747,340, be accepted and supersede the original grant received and accepted by the Board on January 29, 1971.

3. U. T. Austin: Special Committee to Study Feasibility of New Facility for Intercollegiate Basketball and Other Activities. -- The Chairman of the Board of Regents was authorized to appoint a committee to study the feasibility of constructing a new facility at The University of Texas at Austin for intercollegiate basketball and other activities.

In compliance with this authorization, Chairman Peace named to the committee the following:

Regent McNeese, Chairman
Regent Erwin
Regent Williams

This item was not on the agenda, and it will be resubmitted at the June meeting for ratification.

4. U. T. El Paso: Award of Contract to Burn Construction Company, Inc., for Sanitary Sewer Relocation and Additional Appropriation Therefor. -- Approval was given to award a contract in the amount of \$21,240 to Burn Construction Company, Inc., Las Cruces, New Mexico, the low bidder, to relocate a sanitary sewer line in order to clear the site for the construction of the Fine Arts Complex at The University of Texas at El Paso. Although the low bid exceeded the appropriation of \$20,000 approved at the Regents' meeting on March 12, 1971, it was decided that no changes could be made in the plans and specifications to reduce the cost. Therefore, an additional appropriation of \$1,240 was approved from U. T. El Paso Combined Fee Revenue Bonds to complete this contract award.
5. U. T. Arlington: Approval of Final Plans and Specifications for Landscape Development, Increase in Fee, Appropriation Therefor, and Committee to Award Contract. --

WHEREAS, The firm of Schrickel, Rollins, and Associates employed to prepare plans and specifications for landscape development of the following sites at The University of Texas at Arlington at a fee not to exceed \$4,200 has encountered problems that were not anticipated and which will require additional work for the Landscape Architects:

- a. Bounded by the south elevation of University Hall, Old Mitchell Street, South Cooper Street, and the Business-Life Science Building.

- b. Bounded by South West Street on the West, Parking Lot No. 90 on the South and East, and Old Mitchell Street on the North.

BE IT RESOLVED, That:

- a. Authorization be given to pay Schrickel, Rollins, and Associates a fee not to exceed \$6,500.
 - b. The plans and specifications as prepared by Schrickel, Rollins, and Associates be approved by the Board, and that a Committee consisting of President Harrison, Mr. Lester E. Palmer, Deputy Chancellor Walker, Chancellor LeMaistre, Regent Erwin, and Chairman Peace be appointed to award a contract within the funds appropriated.
 - c. An additional appropriation of \$74,000 be made to the project to cover a contract award, Architect's fees, and miscellaneous expenses from Account No. 85-9799-9903 - U. T. Arlington - Unallocated Proceeds - Local Funds. An appropriation of \$5,000 was authorized at the meeting held March 12, 1971.
6. Dallas Medical School: Appropriation for Additional Water Main to Serve Dallas Medical School, Parkland Memorial Hospital, Forensic Science Institute, and Children's Medical Center. -- An appropriation of \$42,000 was authorized from Permanent University Fund Bond proceeds to cover Dallas Medical School's share of a new water main along Medical Center Drive. This water main will serve the new buildings at The University of Texas Southwestern Medical School at Dallas, Parkland Memorial Hospital, Forensic Science Institute, and Children's Medical Center. The project has been developed jointly by all units in the Medical Center, the Office of Facilities Planning and Construction, and the Dallas Water Department. The total cost of the project will be approximately \$79,000.
7. Dallas Medical School: Additional Appropriation for Relocation of Easement to Sinclair Pipeline Company Originally Authorized April 1933 (Now ARCO -- Atlantic Richfield Company). -- The following resolution was adopted:

WHEREAS, On October 31, 1969, the Regents approved a new easement to Sinclair Pipeline Company (ARCO -- Atlantic Richfield Company) covering the new location of a pipeline which had to be moved because of construction on the campus of The University of Texas Southwestern Medical School at Dallas and appropriated \$16,000 from Dallas Medical School Unappropriated Balance to cover the cost of this relocation, and

WHEREAS, Costs have increased within the last eighteen months and it is now estimated that the cost for relocation will be \$24,000:

BE IT RESOLVED, That an additional appropriation of \$8,000 be authorized from Dallas Medical School Plant Funds Unappropriated Balance to cover the cost of relocating this pipeline.

8. Dallas Medical School: Award of Contract to Robert E. McKee, Inc., for Phase I Building Program (Fred F. Florence Memorial Library and Biomedical Information Center, Basic Sciences Teaching Unit and Four Lecture Rooms, Academic and Administration Building, and Auditorium and Cafeteria) and Appropriation Therefor. --

WHEREAS, At the Regents' meeting on March 12, 1971, Deputy Chancellor Walker reported to the Board that the receiving of bids on the Phase I Building Program (Fred F. Florence Memorial Library and Biomedical Information Center, Basic Sciences Teaching Unit and Four Lecture Rooms, Academic and Administration Building, and Auditorium and Cafeteria) at The University of Texas Southwestern Medical School at Dallas had been delayed because of the proclamation issued by President Nixon suspending the provisions of the Davis-Bacon Act;

WHEREAS, A Committee (composed of the Chairman of the Board, the Chairman of the Buildings and Grounds Committee, Chancellor LeMaistre, Deputy Chancellor Walker, and Mr. Lester E. Palmer) was appointed to award a contract for this project within the funds available when the bids were received and the problems in connection with the Davis-Bacon Act were resolved;

WHEREAS, The successful bidder must furnish the Office of Facilities Planning and Construction with a breakdown of costs of the various buildings included in this lump sum bid for evaluation by the University and the federal granting agency;

WHEREAS, The University must receive approval from the federal granting agency to award this contract, and

WHEREAS, An Attorney General's opinion and the federal granting agency's approval to proceed with advertising for bids have been received and the bids have been called for, received, and tabulated:

BE IT RESOLVED, That the following be approved:

- a. A contract award to Robert E. McKee, Inc., Dallas, Texas, low bidder, subject to the necessary approvals and grant determinations by the federal granting agency as set forth in Paragraphs 3 and 4 of this resolution.
- b. An appropriation of \$28,303,500 for this project, \$996,500 having already been appropriated to cover Architect's fees and miscellaneous expenses. The total project cost is made up as follows:

APR 23 1971 1916

Construction Cost (Base Bid plus Alternate No. 14)	\$23,294,800
Furniture and Equipment	4,061,616
Architect's Fees and Administrative Expenses	<u>1,943,584</u>
Total	<u>\$29,300,000</u>

- c. Appropriations from private gifts in the amount of \$8,500,000 and the remainder from federal grants, as finally determined and from Permanent University Fund Bond proceeds estimated not to exceed \$5,000,000, which is well within the amount previously allocated to these projects.

Following the adoption of this resolution and the discussion of the financing of this building program, Chairman Peace was authorized to express the Regents' deep appreciation to the members of the Southwestern Medical Foundation, to Mr. James Aston, Chairman, and other members of Southwestern Medical Foundation's Fund Raising Committee, and to the donors not only for the \$8,300,000 that has already been subscribed in the campaign for funds for the Dallas Medical School but also for their time and their continued interest in this institution.

9. Houston Medical School: Acceptance of Public Health Service Grant No. 1CO5-CF-04116-01 for Initial Facility. --Grant No. 1CO5-CF-04116-01 was accepted from the Department of Health, Education, and Welfare to assist in the construction of the Initial Facility of The University of Texas Medical School at Houston. This grant in the amount of \$1,686,957 was appropriated for that project.

It was noted that the final plans and specifications for the Initial Facility at the Houston Medical School were approved on October 23, 1970, but that the Executive Director of the Office of Facilities Planning and Construction had not advertised for bids since it is a requirement of the Department of Health, Education, and Welfare that there be clearance from the federal granting agency before advertising for bids. As soon as the Department of Health, Education, and Welfare has given its approval, the Executive Director of the Office of Facilities Planning and Construction is authorized to advertise for bids on this Initial Facility.

10. Houston Medical School: Lease of 31,600 Square Feet of Space in Texas Medical Center, Inc. (This Item Was Submitted to the Executive Committee as Item 25-M-70A). --Authorization was granted to the appropriate administrative officials to lease space from Cenco Hospital and Convalescent Homes (1700 East Holcombe Boulevard) located adjacent to the Texas Medical Center, Inc., to provide classroom, office and laboratory space for the entering class of 32 medical students in June 1971 at The University of Texas Medical School at Houston. This lease covers 31,600 square feet at a cost not to exceed 61¢ per square foot per month which includes all costs of remodeling the space for the medical school use and is for a term of 27 months with an option to renew for 24 months. The funds necessary to pay this rental are available in current Legislative appropriations. (This item was submitted to the Executive Committee as Item 25-M-70A.)

11. G. S. B. S. : Lease of 6,080 Square Feet of Space in Houston Speech and Hearing Center Building, Texas Medical Center (This Item Was Submitted to the Executive Committee as Item 25-M-70B). --Permission was granted to The University of Texas Graduate School of Biomedical Sciences at Houston to negotiate a lease of 6,080 square feet of space in the Houston Speech and Hearing Center Building for a four-year period beginning April 1, 1971, for use of the Department of Neural Sciences. The rental fee shall be approximately 44¢ per square foot per month including all utilities and custodial services. Previously, the Department of Neural Sciences has used the same space but it has been furnished by the Institute of Ophthalmology. The Institute of Ophthalmology is no longer able to furnish this space to G. S. B. S. without cost. (This item was submitted to the Executive Committee as Item 25-M-70B.)

Regent Garrett requested that in the future the recommendations for leases of space include the terms of the lease proposed.

12. Houston Medical School, Houston Dental Branch, M. D. Anderson, G. S. B. S., and Public Health School: Development of a Central Service Facility. --System Administration was authorized to develop a program for a Central Service Facility to serve 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, The University of Texas Graduate School of Biomedical Sciences at Houston, and The University of Texas School of Public Health at Houston and to submit the program to the Board of Regents at the meeting on June 4, 1971. The program is to be prepared in cooperation with the Administrative Council of U. T. institutions located in Houston and is to include services which are to be centralized, type of facility to house the centralized functions, location, size, estimated cost, and a schedule for implementation.
13. Houston Medical School, Houston Dental Branch, M. D. Anderson, G. S. B. S., and Public Health School: Recommendation of Special Committee to Consider Proposals for Central Chilled Water and Steam Plant and Contract with Houston Natural Gas Corporation for School of Public Health, Phase I. --

WHEREAS, Deputy Chancellor Walker reported that the Committee appointed by the Regents on May 6, 1967, to review proposals received by the Texas Medical Center for construction and maintenance and operation of a Central Chilled Water and Steam Plant, including a distribution system to serve the various units in the Texas Medical Center, had recommended approval of the proposal submitted by the Houston Natural Gas Corporation, and

WHEREAS, Phase I of The University of Texas School of Public Health at Houston is nearing completion and contracts for chilled water and steam should be consummated:

BE IT RESOLVED, That the Chairman of the Board be authorized to execute an agreement with the Houston Natural Gas Corporation for chilled water and steam services at the Public Health School at the same rates now charged to other units in the Texas Medical Center when this agreement has been approved as to form by a University attorney and as to subject matter by Deputy Chancellor Walker. It was understood that future connections of University facilities will be negotiated at the proper time and that this agreement will be renegotiated to conform to any subsequent agreement.

Regent Erwin noted that this is an expansion of the present contract with Houston Natural Gas Corporation. In order to save expenditure of capital funds, Houston Medical School, Houston Dental Branch, M. D. Anderson, G. S. B. S., and Public Health School joined with other institutions in the Texas Medical Center to build a system for all units in that area.

14. Public Health School: Ratification of Award of Contracts to Stewart Office Supply Company and Rockford Furniture Associates for Furniture and Furnishings, Phase I Building. -- The following resolution was adopted in connection with the award of contracts for the furniture and furnishings of Phase I Building of The University of Texas School of Public Health at Houston:

WHEREAS, At the Regents' meeting on January 29, 1971, a Committee, composed of Dean Stallones, Mr. Palmer, Deputy Chancellor Walker, Regent Peace, and Chairman Erwin, was appointed to award contracts for furniture and furnishings for Phase I Building of The University of Texas School of Public Health at Houston:

BE IT RESOLVED, That the award of contracts as set out below to the low bidders be ratified. The funds needed for these contracts are available in the Allotment Account:

Base Bid "A" (General Office Furniture) Stewart Office Supply Company, Dallas, Texas	\$33,970.09
Base Bid "B" (Office Chairs) Rockford Furniture Associates, Austin, Texas	23,274.09
Base Bid "C" (Classroom Seating) Rockford Furniture Associates, Austin, Texas	8,712.85
Base Bid "D" (Library Equipment) Rockford Furniture Associates, Austin, Texas	7,462.10
Base Bid "E" (Library Shelving) Rockford Furniture Associates, Austin, Texas	<u>4,415.75</u>
Total Contract Awards	<u>\$77,834.88</u>

15. System Nursing School and Austin Nursing School: (a) Acceptance of Grant No. 1CO5-CF-04065-01 for New Building and (b) Approval of Final Plans and Specifications. --With respect to the construction of a building to be used by The University of Texas Nursing School (System-wide) at Austin and The University of Texas (Undergraduate) Nursing School at Austin, the following resolution was adopted:

WHEREAS, Grant No. 1CO5-CF-04065-01 in the amount of \$1,278,124 has been received from the Department of Health, Education, and Welfare to be used to defray a part of the construction cost of a building to house The University of Texas Nursing School (System-wide) at Austin and The University of Texas (Undergraduate) Nursing School at Austin, and

WHEREAS, The final plans and specifications for a building to house the System Nursing School and the Austin Nursing School have been prepared by the Project Architect, Merle A. Simpson:

BE IT RESOLVED, That Grant No. 1CO5-CF-04065-01 be accepted and the funds in the amount of \$1,278,124 be appropriated for the System Nursing School and Austin Nursing School building, and

BE IT FURTHER RESOLVED, That the final plans and specifications covering a building of approximately 88,200 gross square feet at an estimated cost of \$2,400,000 be approved with authority to the Executive Director of the Office of Facilities Planning and Construction to advertise for bids to be presented at a later date to the Board or the Executive Committee for consideration.

REPORT OF LAND AND INVESTMENT COMMITTEE (Pages 23-32). -- Vice-Chairman Ikard presented for consideration of the Board the following item which had been referred by the Land and Investment Committee to the Executive Session of the Committee of the Whole. Upon motion of Vice-Chairman Ikard, seconded by Regent Williams, the following action was unanimously approved:

U. T. El Paso: Josephine Clardy Fox Estate - Sale of Property (110-22 South Mesa Avenue and 303-05 Overland Street) in El Paso to Louis Rosenbaum. -- Authorization was given to the appropriate University officials to join with the El Paso National Bank, Independent Executor of the Estate of Josephine Clardy Fox, in the sale of property described as a portion of Block 24, Mills Map Addition to the City of El Paso, known as 110-22 South Mesa Avenue and 303-05 East Overland Street to Louis Rosenbaum for a consideration of not less than \$475,000. This property is part of the residue estate of Mrs. Fox which was left to the Board of Regents of The University of Texas System at the time of her death in May 1970 for the benefit of The University of Texas at El Paso. Terms of the sale are set out below:

Sales Price	\$475,000
Down Payment	50,000
Financing by Seller	\$425,000
Principal Payment Due in 12 Months	25,000
	<u>\$400,000</u>
119 Monthly Payments of \$3,346	
@ 8% Interest	125,000
Balance Due on 120th Payment - approx.	<u>\$275,000</u>
Purchaser - Louis Rosenbaum (Bank estimates his net worth at \$500,000)	
Agent - Joe K. Foster	
Agents Commission - 7%	
Closing - By June 1, 1971 - Seller to furnish Title Policy	

Then, Vice-Chairman Ikard filed with the Secretary the report of the Land and Investment Committee (Pages 23-32). The actions therein were ratified without objection. Except as otherwise indicated in the reports, 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. 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 the Available University Fund for the current fiscal year through March 1971 as follows:

	February and March, 1971	Cumulative This Fiscal Year	Cumulative Preceding Fiscal Year (Averaged)
<u>Permanent University Fund</u>			
Royalty - Oil	\$ 2,824,794.11	\$ 9,396,566.30	\$ 8,710,946.23
Gas - Regular	474,666.39	1,434,093.98	801,048.99
- F. P. C.	.98	24,772.13	61,024.04
Water	17,768.44	62,251.15	65,090.20
Salt Brine	1,607.13	6,851.40	7,124.81
Rental on Mineral Leases	4,092.74	132,080.04	172,116.42
Rental on Water Contracts	100.00	2,861.47	16,357.67
Rental on Brine Contracts	200.00	200.00	116.69
Amendments and Extensions of Mineral Leases	-0-	350,584.78	133,715.19
	<u>3,323,229.79</u>	<u>11,410,261.25</u>	<u>9,967,540.24</u>
Bonuses, Mineral Lease Sales (actual)	-0-	1,407,000.00	1,736,500.00
Total - Permanent University Fund	<u>\$ 3,323,229.79</u>	<u>12,817,261.25</u>	<u>11,704,040.24</u>
<u>Available University Fund</u>			
Rental on Easements	26,475.22	93,319.35	108,297.00
Interest on Easements and Royalty	77.12	646.16	3,512.74
Correction Fees-Easements	-0-	-0-	-0-
Transfer and Relinquishment Fees	133.69	4,530.02	5,949.23
Total - Available University Fund	<u>26,686.03</u>	<u>98,495.53</u>	<u>117,758.97</u>
Total - Permanent and Available University Funds	<u>\$ 3,349,915.82</u>	<u>\$12,915,756.78</u>	<u>\$11,821,799.21</u>
<u>Oil and Gas Development - March 31, 1971</u>			
Acreage Under Lease	575,777		
Number of Producing Acres	322,211		
Number of Producing Leases	1,425		

2. PUF: Additions to List of Companies Whose Stocks Are Approved for Investment. --The approved list of companies for purchase or retention of corporate stocks for the Permanent University Fund, approved August 1, 1969, was amended by adding the following companies:

Banks

First Florida Bancorp
Bank of New York
Baystate Corporation
Fidelity Corporation of Pennsylvania
First Wisconsin Bankshares
Harris Trust and Savings
Maryland National Corporation
North Carolina Bancorp
Pittsburg National Corp
United Virginia Bankshares
Virginia Commonwealth Bankshares
Southeast Bankcorp
General Bancshares
Lincoln First Bank Corp
First National Holding Co. of Atlanta
First Union National Bancorp

Utilities

Arizona Public Service
Kansas Gas and Electric
Consolidated Natural Gas
Central Louisiana Electric
Connecticut Gas and Electric
Continental Telephone
Hawaiian Electric
Houston Natural Gas
Idaho Power
International Utilities
Kansas City Power and Light
Kansas Power and Light
Kentucky Utilities
Lone Star Gas
Northern Indiana Public Service
Parhandle Eastern
Public Service of Colorado
Public Service of New Hampshire
Rochester Telephone
United Utilities
Rochester Gas and Electric

Industrials

Borg-Warner Corp.
Champion Spark Plug Co.
Monroe Auto Equipment
Fruehauf Corp.
Flintkote Co.
Masonite Co.
General Portland Cement
Dart Industries
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APR 23 1971 1923

Anchor Hocking Corp.
International Flavors & Fragrances
Jim Walter Corp.
FNMA
Eli Lilly & Co.
Miles Laboratories, Inc.
Hoover Ball & Bearing Co.
American Express
Transamerica Corp.
Genesco, Inc.
Ralston Purina Co.
Dr. Pepper Co.
Gerber Products Co.
Heinz, H. J. Co.
Hershey Foods Corp.
Bucyrus-Erie Co.
Clark Equipment Co.
Universal Oil Products
Dayton-Hudson Corp.
Burlington Industries
Consolidated Freightways
Nielsen, A. C. Co.
Burns, Wm. J. International Detective Agency

3. PUF: Additions to Approved Brokers List. --The approved brokers list for the purchase of securities for the Permanent University Fund investment program was amended by adding the following firms:

Weeden & Co., San Francisco, California
F. S. Smithers & Co., New York, New York
Auchincloss, Parker & Redpath, Washington, D. C.
Oppenheimer & Co., New York, New York
J. S. Strauss & Co., San Francisco, California
Blyth & Co., Inc., New York, New York

B. Land Matters

1. Easements and Surface Leases Nos. 3234-3245 and Assignment of Easement No. 1842.--Easements and Surface Leases Nos. 3234-3245 and Assignment of Easement No. 1842 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
3234	Warren Petroleum Corporation	Pipe Line	Winkler	21	513 rds various sized	2/1/71 - 1/31/81	\$ 647.40
3235	El Paso Natural Gas Company (renewal of 1580 and 1584)	Pipe Line	Andrews	1 & 9	38.909 rds various sized	6/1/71 - 5/31/81	50.00 (Min.)
3236	Texas Electric Service Company (renewal of 1559)	Power Line	Ward Crane Ector Andrews	16 30, 31 & 35 35 11	1,440.68 rds	3/1/71 - 2/28/81	864.41
3237	El Paso Natural Gas Company	Pipe Line	Andrews	9	8.97 rds 2-3/8 inch	3/1/71 - 2/28/81	50.00 (Min.)
3238	El Paso Natural Gas Company (renewal of 1598)	Pipe Line	Andrews	1 & 9	527.769 4-1/2 inch	8/1/71 - 7/31/81	343.05
3239	El Paso Natural Gas Company	Pipe Line	Hudspeth	G, H, I, J, K & L	11,629 rds 20 inch	3/1/71 - 2/28/81	23,258.00

Easements and Surface Leases - Continued --

No.	Company	Type of Permit	County	Location (Block #)	Distance or Area	Period	Consideration
3240	Shell Pipe Line Corporation (renewal of 1582)	Pipe Line	Andrews	1	179 rds 6-5/8 inch	5/1/71 - 4/30/81	\$ 232.70
3241	Texas Electric Service Company (renewal of 1573)	Power Line	Andrews Crane Ward	9, 11 & 13 31 16	843.40 rds	4/1/71 - 3/31/81	506.04
3242	El Paso Natural Gas Company	Pipe Line	Andrews	1	18 rds 4-1/2 inch	3/1/71 - 2/28/81	50.00 (Min.)
3243	ARCO Pipe Line Company (renewal of 1583)	Surface Lease (Tower Site)	Crockett	41	5.165 acres	6/1/71 - 5/31/81	1,000.00*
3244	Intratex Gas Company	Pipe Line	Ward	16	740 rds 6 inch	4/1/71 - 3/31/81	962.00
3245	Phillips Petroleum Company	Pipe Line	Andrews	13 & 14	211.8 rds various sized	3/1/71 - 2/28/81	137.67

Assignment of Easement

No.	Assignor	Assignee	Type of Permit	County	Location (Block #)	Area	Period	Consideration
1842	Leonard Latch, et al	T. D. Skelton and Byron M. McKnight	Surface Lease (Water Injection Plant Site)	Andrews	14	5 acres	3/10/71 - 1/31/74	50.00**

*Full Consideration

**Assignment Fee

2. PUF: Review of Policies Relating to Management of Surface of University Lands and Amendments Thereto Re Rental Rates and Livestock Limits. --Associate Deputy Chancellor Shelton presented a written report on the surface leasing policies on University Lands (West Texas Lands) of the Permanent University Fund that were adopted by the Board of Regents on September 12, 1969, to be effective October 1, 1969.

Following a detailed discussion, the surface leasing policies were amended with respect to rental rates and livestock limits by changing Items Nos. 4 and 5 to read as follows:

4. Rental Rates--Rental rates will be determined by the Land Agent, based on the value of the land, and comparison with prevailing rates for other comparable property in the area.
 5. Livestock Limits--The lessee shall practice proper grazing use on the leased property, and the stocking rate thereon shall be adjusted from time to time, upward or downward, as may be necessary to accomplish such basic objective.
3. PUF: Resolution of Appreciation to Clyde W. Graham et al - Soil Conservation Program. --The following resolution of appreciation presented by Associate Deputy Chancellor Shelton was adopted:

WHEREAS, Since October 1, 1969, under the revised policies related to University Land leases, fifty-eight ranch leases, covering 993, 159 acres of University Land have been renewed, each with provisions for the carrying out of a definite plan of range and ranch conservation and improvement by the lessee; and

WHEREAS, This mammoth accomplishment would have been impossible, but for the enthusiastic, and able assistance extended to The University of Texas System by certain organizations, and individuals:

NOW, THEREFORE, BE IT RESOLVED, That the Board of Regents of The University of Texas System does hereby express its deep appreciation

To the Soil Conservation Service of the U. S. Department of Agriculture, to Mr. Clyde W. Graham, its State Conservationist, to the members of his staff, and the many Soil Conservation Service Conservationists and Range

Specialists for the invaluable and generous help, assistance, and understanding provided in planning and implementing this program; and

To Mr. Harvey Davis, Executive Director of the Texas Soil and Water Conservation Board, and to the Chairmen and Members of the District Soil and Water Conservation Boards, located in the various areas in which University Lands are situated, for their cooperation which has greatly facilitated the financing of the individual conservation programs which have been developed.

4. PUF: Report on Water Contracts on University Lands, Including a List Thereof. --Associate Deputy Chancellor Shelton presented a written report on the status of Water and Water Contracts with respect to University Lands. This report had been prepared by Mr. Zimmerman, Geologist in Charge.

The rather detailed report set out the statement of policy adopted by the Board of Regents on May 4, 1957, and included a list of the Water Contracts (Industrial and Municipal Potable Water Contracts) the University now holds. In this report it was noted that the University does not allow the use of potable water for waterflooding purposes. The Board of Regents, however, does approve the use of non-potable water free of charge. The free non-potable contracts limit lessee to water containing more than 2500 parts per million total solids and to depths below the top of the Permian Formation. There are 15 non-potable contracts in force under more than 30,000 acres.

It was the consensus that water contracts on University Lands should be reviewed every 10 years and that there be an escalation clause to provide for adjustment of the rates therein.

5. PUF: Amendment to Water Contract No. 55, City of Crane. --At the meeting on March 12, 1971, action was deferred on the recommendation of Associate Deputy Chancellor Shelton to amend Water Contract No. 55 until the Regents had received a review of policies relating to Permanent University Fund Lands. Following the review of water contracts and policies relating thereto, the resolution set out below was adopted:

WHEREAS, On August 1, 1952, Water Contract No. 55 was granted to the City of Crane,

Texas, covering 7,520 acres, more or less, in Block 31, University Lands, Crane County, Texas;

WHEREAS, In December 1958, 4,480 acres were released from the terms of the contract leaving 3,040 acres under the terms of Water Contract No. 55, and

WHEREAS, The City of Crane needs more flexibility in the handling of peak loads:

BE IT RESOLVED, That the request of the City of Crane be granted to amend Water Contract No. 55 by releasing an additional 800 acres out of Sections 8, 9, 15, and 23, all in Block 31, and by further amending the contract to provide for minimum royalty payments, which are based on 10¢ per acre per month, to be computed on an annual basis rather than a monthly basis.

C. Bond Matters

1. Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1971, \$9,000,000: Appointment of McCall, Parkhurst and Horton Bond Counsel and Appropriation for Miscellaneous Expenses Relating Thereto. --Approval was given to issue Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1971, in the amount of \$9,000,000. Associate Deputy Chancellor Shelton was authorized to advertise for bids to be opened June 3, 1971, and submitted to the Board on June 4, 1971, for the sale of the bonds. He was further authorized to invite bids for the paying agency and printing of the bonds to be opened and contract awarded on the same dates that the bids for the bonds are opened and sold.

The firm of McCall, Parkhurst and Horton was named Bond Counsel for this issue, and an appropriation of \$10,000 was authorized to establish an account "Miscellaneous Costs - Permanent University Fund Bonds, New Series 1971." This appropriation will come from bond proceeds and is to pay the bond counsel fees, printing of the bonds, postage and other costs of the issue.

The Board of Regents of The University of Texas System and the Board of Directors of the Texas A&M University System will meet jointly and briefly to sell the bonds on June 4, 1971, since Texas A&M will be selling Permanent University Fund Bonds at the same time.

II. Trust and Special Funds

A. Gifts, Estate and Bequest Matters

1. U. T. El Paso: Acceptance by Board of Appointment as Successor Trustee for the Ysleta Volunteer Fire Department Scholarship Fund. --

WHEREAS, By trust instrument dated in September 1960, the Ysleta Volunteer Fire Department created a trust fund, presently valued at \$14,500, to provide scholarships for graduates of Ysleta High School, and

WHEREAS, Since the Department is no longer active, and the present trustees propose to resign and appoint the Board of Regents of The University of Texas System Successor Trustee as provided in the Trust Agreement:

BE IT RESOLVED, That the Board of Regents accept this appointment as Successor Trustee and authorize the Chairman to execute the necessary papers in the transfer of this trusteeship.

III. Other Matters

Report of Securities Transactions for Permanent University Fund and for Trust and Special Funds for the Month of January 1971. --
The reports of Securities Transactions for Permanent University Fund and for Trust and Special Funds for January 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-1 of Attachment No. 1.

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS. --Chairman Peace reported that the Board for Lease of University Lands last met in Austin on March 29, 1971. At that meeting it was agreed that the 59th Public Auction Sale of Oil and Gas Leases on Permanent University Fund Lands would be held in late September or early October 1971. The Board for Lease will again meet in June to receive nominations for the tracts of land to be placed on sale at the public auction.

APR 23 1977 1930

REPORT OF MEDICAL AFFAIRS COMMITTEE. --Committee Chairman Williams filed the following report of the Medical Affairs Committee which was adopted without objection:

1. Houston Medical School: Designation of C. R. Richardson, Associate Dean for Business Affairs, Authorized Agent for Tax-Free Alcohol Permit. --The following resolution was adopted designating authorized agent to secure tax-free alcohol for The University of Texas Medical School at Houston:

BE IT RESOLVED by the Board of Regents of The University of Texas System, That Mr. C. R. Richardson, Associate Dean for Business Affairs of The University of Texas Medical School at Houston, be authorized to have charge of and be responsible for and to apply for and sign the application for "Application and Withdrawal Permit to Procure Spirits Free of Taxes," for The University of Texas Medical School at Houston, and

BE IT FURTHER RESOLVED, That it shall be the duty of C. R. Richardson and he shall have authority to execute on behalf of The University of Texas Medical School at Houston any and all documents required by Alcohol and Tobacco Tax, Internal Revenue Service.

2. Houston Dental Branch: Authorization to Request Permission from Coordinating Board to Establish a Certificate Program for Dental Assistants. --Authorization was given to request from the Coordinating Board, Texas College and University System permission to establish at The University of Texas Dental Branch at Houston a certificate program for dental assistants. Presently the Dental Branch offers a diploma program for dental hygienists.

REPORT OF SPECIAL COMMITTEE TO REVIEW BUDGETS FOR SYSTEM ADMINISTRATION, BAUER HOUSE AND UNIVERSITY HOUSE AT 1610 WATCHILL ROAD. --Special Committee Chairman Kilgore stated that the complete report of the Special Committee to Review Budgets for System Administration, Bauer House and University House would not be ready until the June meeting of the Board of Regents but that the Special Committee recommended for consideration at this meeting the following two items:

1. Replacement of Air Conditioning System and New Carpets and Furniture Refinishing at 1610 Watchill Road:

a. Removal of old air conditioning units and supporting utilities and installment of new equipment:

- (1) one unit to serve the upstairs
- (2) one unit to serve the library and large living room on the east side downstairs
- (3) one unit to serve the dining room, sun porch, kitchen, entrance foyer and stair well.

Estimated Cost	\$11, 250
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b. New carpets and furniture refinishing -

Estimated Cost	<u>4, 950</u>
Total	<u>\$16, 200</u>

This recommendation was adopted on motion of Regent Williams, seconded by Regent Nelson.

2. Washington Office: Personnel

- | | |
|--|------------|
| a. Assistant Director for Federal Affairs
Ralph C. Graber | \$25, 000* |
| b. Executive Assistant to the Director
Irene S. West | \$13, 800* |

*Funds to come from Available Fund.

The personnel listed above at the salary rates indicated were approved without objection effective April 1, 1971.

These two items were not on the agenda and will be resubmitted for ratification at the June 4 meeting.

APR 23 1971 10:42

COMMITTEE OF THE WHOLE
(Pages 35-62)

Chairman Peace filed the following report of the Committee of the Whole. This report was received and the actions therein, all of which had been taken in open meeting, were approved:

REGENTS' RULES AND REGULATIONS: PROCEDURE TO BE FOLLOWED IN SUBMITTING AMENDMENTS. --Chairman Peace reported that he and Chancellor LeMaistre had discussed the procedure to be followed in submitting amendments to the Regents' Rules and Regulations. In the future, except in the case of an emergency, amendments to the Rules and Regulations will be submitted twice each year: once for "house-keeping" purposes (like name and title changes) and once for "substantive" changes. The dates at which these changes will be submitted will be as selected by the Administration. Hereafter, there will accompany each recommended amendment a narrative explanation by the Administration of the nature, extent and purpose of the proposed change.

REGENTS' RULES AND REGULATIONS, PART ONE: AMENDMENTS TO CHAPTER II (ADVISORY COUNCIL ON MARINE-RELATED AFFAIRS AND ADVISORY COUNCIL ON ALLIED HEALTH PROGRAMS) DEFERRED. -- At the request of Chancellor LeMaistre, the proposed amendments to Chapter II, Part One of the Regents' Rules and Regulations providing for the addition of an Advisory Council on Marine-Related Affairs and an Advisory Council on Allied Health Programs were deferred.

REGENTS' RULES AND REGULATIONS, PART ONE: AMENDMENT TO CHAPTER II AND III (CHANGE OF NAME OF INSTITUTIONAL SUPPLEMENT TO HANDBOOK OF OPERATING PROCEDURES) AND CHAPTER V (GRADUATE PROGRAM ADMINISTRATORS). --The necessary rules were waived and the Regents' Rules and Regulations, Part One, Chapters II, III, and V were amended as set out below to be effective immediately:

- a. Subdivision 3.11(13) of subdivision 3.11 of subsection 3.1 of Section 3, Chapter II, was amended to read as follows:

3.11(13) Approve, after review of the Law Office and other administrative offices, all institutional Handbooks of Operating Procedures and additions, deletions, and amendments thereto to insure that they are not in conflict with the provisions of the Regents' Rules and Regulations. The Chancellor shall transmit to the Secretary to the Board of Regents a copy of all additions or amendments to the institutional Handbooks of Operating Procedures. The Chancellor may refer to the Board of Regents for approval any procedures proposed for inclusion in or exclusion from an institutional Handbook of Operating Procedures relating to the Board's governance of the institution that he deems of sufficient importance for Board consideration.

- b. Subdivision 4.21(9) of subsection 4.2 of Section 4 was amended to read as follows:

4.21(9) Cause to be prepared and submitted to the Chancellor the rules and regulations for the governance of the institution. When such rules and regulations have been finally approved by the Chancellor, they shall thereafter constitute the Handbook of Operating Procedures for that institution. Provided, however, that whether or not finally approved by the Chancellor, any rule or regulation in any such institutional Handbook of Operating Procedures that is in conflict with any rule or regulation in the Regents' Rules and Regulations, as now in effect, is null and void and has no effect, and whenever any such conflict is detected, the Chancellor and the Chief Administrative Officer of the component institution shall immediately make such amendments to the institutional Handbook of Operating Procedures as may be necessary to eliminate such conflict.

- c. Subsection 9.1 of Section 9 of Chapter III was amended to read as follows:

9.1 It is a specific and important duty of each member of the several teaching staffs to become acquainted with and to conform to all the rules and regulations relating to him and to the proper and orderly discharge of his work that are to be found set forth in both these Regents' Rules and Regulations and the institutional Handbook of Operating Procedures; in catalogues, announcements of courses, and other official publications; in printed or other material regularly prepared for the use of the staff; and in minutes of the faculties. To this end, copies of the Regents' Rules and Regulations, Part One, and the official institutional Handbook of Operating Procedures shall be reproduced by the Chief Administrative Officer and distributed and located on his campus as considered appropriate by the Chief Administrative Officer. The Chief Administrative Officer shall have one copy of the Rules and Regulations and the institutional Handbook of Operating Procedures available at an appropriate location in his office for ready reference. In addition, he shall distribute a copy of these two documents to the secretary to the faculty or representative faculty body at his institution. The official, current copy of the Regents' Rules and Regulations is maintained by the Secretary to the Board of Regents.

d. Section 5 and its subsection 5.1 of Division A of Chapter V were amended to read as follows:

5. Graduate Program Administrators. Each component institution of The University of Texas System that offers a graduate program shall have a graduate program administrator. After consulting with an appropriate faculty committee, the Chief Administrative Officer of the component institution shall recommend to the Chancellor the graduate program administrator, who, upon appointment by the Chancellor, shall report to the Chief Administrative Officer.

5.1 The graduate administrator shall advise the Chief Administrative Officer of the component institution on all matters of planning, policy, development, and administration relating to graduate studies and research. He shall keep the deans of the schools or colleges concerned fully informed on planning and development of the graduate program and shall consult with them on allocation of funds for teaching and research directly related to graduate instruction. The graduate administrator has the authority and responsibility to submit matters of major policy to the Graduate Assembly of his institution.

REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENTS TO CHAPTERS VI, VII, VIII, IX, AND X. --The Regents' Rules and Regulations, Part Two, were amended as set out below:

a. Delete Chapter VI and substitute in lieu thereof the following:

CHAPTER VI

STAFF BENEFITS

(Staff benefits may be subject to change by State and Federal Laws. Application in specific instances should be verified.)

Sec. 1. Teacher Retirement System.

1.1 There are two types of members in the Teacher Retirement System:

1.11 Teacher members - employees occupying positions as teachers, clerks, administrators, supervisors, and related occupations in educational institutions; and

1.12 Auxiliary employees - all other employees of educational institutions otherwise eligible, such as building attendants, carpenters, etc.

1.2 All employees of The University of Texas System employed on a regular salaried basis are required by law to participate in the Teacher Retirement System, which became effective for teacher members September 1, 1937, and for auxiliary members September 1, 1949, except persons eligible at those

times who executed waivers within the period allowed by law and have not revoked such waiver if later permitted, and members of the Employees Retirement System about which information is given later.

- 1.3 Annual membership dues in the Teacher Retirement System are \$5, which amount is deducted from the first salary payment in a fiscal year. Members contribute 6 percent of their salary up to and including \$25,000 per year, with the maximum contribution of \$1,500 per year, which amount is deducted from the monthly salary payment. The contributions are sent monthly by the business offices to the Teacher Retirement System. Each year members receive a statement from the Teacher Retirement System, through the business offices, of their total contributions, plus accumulated interest through August 31 of the preceding year. Within the provisions of the law, the State also contributes to the member's account.
- 1.4 The annuity payable at retirement is based on the salaries earned by the member. Annuity payments are based upon the average salary earned in the five highest years of creditable service, not to exceed \$25,000 of salary for any one year beginning September 1, 1969. Years of service for the period September 1, 1957, through August 31, 1969, have a maximum limit of \$8,400.
- 1.5 When a member leaves the employment of the public schools, colleges, or universities of Texas, he may withdraw the amount of his contribution, plus accumulated interest, upon application, or he may leave the funds at interest for not more than five out of six consecutive years during which period he pays the annual membership dues. The performance of a period of active military duty by a member shall not be construed as absence from service; nor shall absence from service terminate membership if the member does not withdraw his accumulated contributions and has ten (10) or more years of creditable service, regardless of age, at or before the time he ceases to be employed in the public schools, colleges, or universities of Texas.
- 1.6 If a member dies before retirement, his beneficiary, depending upon the relationship to the member, will be entitled to death benefit payments or survivor benefit payments, whichever renders the greater advantage to the beneficiary. If there is no beneficiary with an insurable interest, payment will be limited to the accumulated contributions plus interest standing to the account of the member with the Teacher Retirement System.
- 1.7 Eligibility for retirement benefits is as follows:
 - 1.71 With ten years creditable service upon reaching age 65, member is entitled to retire with full benefits based on service rendered and salary earned. A teacher member is entitled to minimum benefits of \$75.00 per month. An auxiliary employee is entitled to minimum benefits of \$50.00 per month.

- 1.72 With fifteen years creditable service upon reaching age 55, member is entitled to retire at reduced actuarial equivalent of benefit payable at age 65.
- 1.73 With twenty years creditable service upon reaching age 60, member is entitled to retire with full benefits based on service rendered and salary earned. A teacher member is entitled to minimum benefits of \$100.00 per month. An auxiliary employee is entitled to minimum benefits of \$75.00 per month.
- 1.74 With twenty years creditable service upon reaching age 55 or with thirty years creditable service at any age, member is entitled to retire at reduced actuarial equivalent of benefit payable at age 60.
- 1.8 Creditable service consists of prior service, former membership service, and current membership service. "Prior service" means service by such person as a teacher or auxiliary employee prior to (A) September 1, 1937, as relates to any person who became a member or who at any time on or before August 31, 1949, was eligible for membership in the Teacher Retirement System, or (B) September 1, 1949, as relates to any person who for the first time became eligible for membership in the Teacher Retirement System on or after September 1, 1949.
- 1.9 Information pertaining to options under which retirement benefits may be drawn and to reciprocal service between the Teacher and Employees Retirement Systems, as well as other information, may be secured from the component institution business or personnel office, the System Personnel Office, or the Teacher Retirement System in Austin.
- 1.10 Few employees of The University of Texas System are members of the Employees Retirement System because they are no longer eligible for initial membership in this system. Only those who were eligible between September 1, 1947, and August 31, 1949, and who did not waive membership as of September 1, 1947, are now members. Beginning September 1, 1949, new employees who would previously have been eligible for this plan became eligible for membership in the Teacher Retirement System as auxiliary employees. Annual membership dues in this system are \$2, which sum is deducted from the first monthly salary payment in a fiscal year. Contributions of employees are 5 percent of the total salary earned, which is deducted from monthly salary payments.
- Sec. 2. Optional Retirement Program.
- 2.1 Pursuant to Chapter 729, Acts of the 60th Legislature, Regular Session, 1967 (Article 2922-1i, Vernon's Texas Civil Statutes), as amended, the Board of Regents of The University of Texas System has authorized:
- 2.11 The establishment of an Optional Retirement Program in lieu of active membership in Teacher Retirement System of Texas to become effective September 1, 1968.

- 2.12 Any insurance or annuity company qualified and admitted to do business in this State to offer an Optional Retirement Plan to eligible employees of The University of Texas System.
 - 2.13 The ceiling on both the employee's contribution and the State's matching contribution to the Optional Retirement Plan to be the same as is in effect for contributions to the Teacher Retirement System.
 - 2.14 Compliance with the terms and provisions of the Act, and further compliance with prescribed rules and regulations of the State Board of Insurance and The University of Texas System.
- 2.2 Eligibility - The following types of employees are eligible to participate in the Optional Retirement Program:
- 2.21 All full-time faculty members appointed at least 4-1/2 months.
 - 2.22 All full-time administrative, research, or professional personnel appointed for at least 4-1/2 months, excluding any person employed in a position which is in the classified personnel pay plan of a component institution of the University.
 - 2.23 A full-time person who enters the program and later reduces to part-time status will remain eligible for the Program.
 - 2.24 Any employee who becomes ineligible for the Optional Retirement Program, but is nevertheless eligible for Teacher Retirement, must rejoin Teacher Retirement (A.G. Op. No. M-647 (1970)).
- 2.3 Effective Date of Participation
- 2.31 Eligible employees in The University of Texas System employed as of September 1, 1968, shall elect to participate in the Optional Retirement Program no later than the first day of August, 1969. An eligible employee not exercising the option to participate in the Optional Retirement Program by August 1, 1969, is deemed to have chosen to continue membership in the Teacher Retirement System.
 - 2.32 Eligible employees of The University of Texas System employed September 2, 1968, or later, shall within ninety days following date of employment, elect to participate or not to participate in the Optional Retirement Plan. A person is automatically considered a member of the Teacher Retirement System Program unless he elects to participate in the Optional Retirement Program during the first ninety days of employment.
- 2.4 Contributions to Retirement Plan shall be as follows:
- 2.41 The Optional Retirement Act authorizes a salary ceiling for contributions equivalent to the Teacher Retirement System. This ceiling, effective September 1, 1969, is 6 percent of the salary ceiling of \$25,000 per year.

- 2.5 The Chancellor's Office of The University of Texas System will approve the companies authorized to offer an Optional Retirement Plan to eligible members of The University of Texas System. Eligible carriers will be approved by the Chancellor's Office only after furnishing a letter of application that must include the following:
- 2.51 A statement that the company is qualified and admitted to do business in the State of Texas.
 - 2.52 A statement that the annuity contracts to be offered by the company are in accordance with Chapter 729, Acts of the 60th Legislature, Regular Session, 1967 (Article 2922-li, Vernon's Texas Civil Statutes), as amended by Chapter 235, Acts of the 61st Legislature, Regular Session, 1969, and the contract offered has the approval of the State Board of Insurance.
 - 2.53 A statement that the company will observe The University of Texas System's Rules and Regulations regarding the retirement program.
 - 2.54 A guarantee on the part of the company that the first year's State matching contribution (or fractional part thereof) will be refunded to The University of Texas System in the event the employee does not begin his second year of participation in the Optional Retirement Program.
 - 2.55 A description of the company's procedure in allocating the State's first year matching contribution and an assurance that such procedure will enable the policy to retain its 403(b) tax deferred status during the first year of employee participation under a salary reduction agreement.
 - 2.56 A statement that the company will comply with the provisions set out in the memorandum issued from Office of the Chancellor dated October 8, 1968, to Insurance and Annuity Companies in reference to the Optional Retirement Program.
 - 2.57 A statement certifying that the company's contract to provide an annuity under The University of Texas System Optional Retirement Program does not contain a life insurance feature as referred to in A.G. Op. M-595 (1970).
 - 2.58 The letter to be submitted by the company must be signed by either the President or General Counsel of the Company.
 - 2.59 Specimen copies of all types of contracts to be offered by the carrier, both group and individual, must be submitted for approval with the letter of application.
- 2.6 The eligible member electing to participate in the Optional Retirement Plan shall elect the company he chooses if that company has been approved by the University.
- 2.7 There can be only one change in Optional Retirement Program carriers per person, and such change may be made only on September 1st of each year.
- 2.8 Application blanks of authorized insurance carriers will not be furnished by the component institutions because of the possible large number of insurance carriers that may be

authorized under the program. It is the responsibility of each individual interested in participating in the Optional Retirement Program to contact the authorized insurance carrier of his choice for an application blank.

2.9 A.G. Op. M-196 (1968) held that Section 7 of Article 2922-1i, Vernon's Texas Civil Statutes, violates Section 48a of Article 3 of the Texas Constitution. As a result of this ruling, benefits cannot be paid under the Optional Retirement Program to any individual also receiving benefits payable under other State pension retirement funds or direct aid from the State of Texas.

2.10 Optional Retirement programs provide for vesting of benefit rights after one year of participation in the program by the employee. Vesting is to be effective on the first day of employment after one year's participation in the program under The University of Texas System. Participation may be with more than one approved carrier (A.G. Op. M-420 (1969)).

3. Tax Deferred Annuities.

3.1 Under a plan approved by the Board of Regents, employees of The University of Texas System may purchase 403(b) Tax Deferred Annuities from Texas-licensed insurance companies.

3.2 An employee desiring to participate in this program may enter into an agreement with his component institution and designate a portion of his monthly gross compensation to be used by the component institution to purchase an annuity for the employee from the company selected by the employee. This agreement is irrevocable for one year.

3.3 The Chief Business Officer or his delegate of each component institution in The University of Texas System is authorized to sign applications for annuities with the company requested by the employee. The payroll deduction method will be employed for the annuity payments and the amounts contracted for by the employees will be forwarded to each insurance company after the payroll deductions therefor.

3.4 The participation and purchase of 403(b) Tax Deferred Annuities shall be in accordance with Chapter 22, Acts of the 57th Legislature, 3rd Called Session, 1962 (Article 6228a-5, Vernon's Texas Civil Statutes), and shall be in accordance with the Internal Revenue Code and amendments thereto.

3.5 Additional information may be secured from the institutional business offices or the personnel offices.

4. Group Hospitalization and Medical Benefit Plan.

4.1 A System-wide contract is in effect to provide group hospitalization and medical insurance coverage on an optional basis for employees of all component institutions of the University System subject to approval of the Deputy Chancellor for Administration, the Chancellor, and the Board of Regents.

APR 23 1971 1940

- 4.2 Any employee appointed at least one-half time on a monthly basis is eligible for coverage. The spouse of employees and unmarried children between the ages of 19 and 25 may also be covered.
- 4.3 Employees may enroll within 60 days after they become eligible for coverage. Employees who do not enroll within 60 days may then do so only during the annual enrollment period.
- 4.4 The anniversary date of the contract is January 1 of each year. The annual enrollment period will fall during the month of November preceding each anniversary date.
- 4.5 The contract offers three benefit schedules that provide each employee with options to determine the most suitable plan consistent with his income. The premium rates for coverage depend on the plan selected by the employee and the number of persons in the family to be covered.
- 4.6 Under the Hospital Benefits and Doctor Benefits portions of the contract, specified amounts are provided under the three plans for room and board allowance, benefit period, surgical benefits, and other specified items.
- 4.7 The Major Medical Supplement is on a graduated schedule under each of the three plans, with one basic deductible amount for all three plans (\$100).
- 4.8 An insurance continuation provision is available for employees who leave the employment of the University or who retire.

5. Group Life Insurance.

- 5.1 The University of Texas System carries a master group life insurance policy, applicable to all component institutions, with the Aetna Life Insurance Company for "One Year Term Plan." Premiums are payable monthly in advance, by payroll deduction, increase for each person with each year of age, and are payable entirely by the individual. The program is optional but is available only to annual faculty and staff appointed at least one-half time; new employees are notified of their eligibility by the personnel office at the time of employment.
- 5.2 The amount of insurance available is based on a schedule that may not exceed two times annual earnings with a maximum of \$50,000. Annual earnings for academic personnel shall be the nine-month or twelve-month academic rate, as applicable. Annual earnings for nonteaching personnel shall be the twelve-month rate. When an employee classification changes, due to increase or decrease in earnings, including Modified Service, the amount of the insurance will be adjusted on the annual renewal date (January 1) following the date of the change provided the employee is available for work.

- 5.3 No medical examination is required if application is made for insurance within 60 days from date of employment. After the 60-day period, an "Evidence of Insurability" form, prepared by the company and available through the personnel office, is required. No medical examination is required if this form is accepted by the company after review, but, if it is not accepted, the applicant must have a medical examination at his expense.
- 5.4 Beneficiaries are designated by the policyholders on the application forms and may be changed during the life of the policy upon application to the business office or personnel office. Each policyholder receives a certificate issued by the company and transmitted through the business office or personnel office.
- 5.5 A policyholder who is less than 60 years of age and who becomes permanently and totally disabled may receive the face amount of the policy in accordance with one of several options. There are no disability benefits after age 60.
- 5.6 Benefits at death are payable according to one of several options. Upon notification of the death of a policyholder, the personnel office assists in the preparation of the required records to be sent to the company.
- 5.7 Participation in the Group Life Insurance Program automatically terminates when employment terminates unless (1) the policyholder retires under the provisions of the Teacher Retirement System or the Employees Retirement System with at least 10 years of coverage under the insurance; (2) the policyholder has attained 62 years of age with at least 10 years of coverage under the insurance; or (3) the policyholder converts the group policy into one for regular individual life insurance. When an employee retires, the amount of insurance will be reduced to \$5,000 or the amount in force immediately prior to retirement, whichever is less, provided the employee has been insured continuously during the 10 years prior to retirement.
- 5.8 The life insurance will cease at the end of the last policy month for which a contribution was made except that if death should occur within thirty-one days thereafter, the death benefits will be payable. Within this thirty-one day period, by making application and paying the first premium to the Aetna Life Insurance Company, one may convert his Group Life Insurance to an individual life insurance policy on any regular Whole Life or Endowment Plan. This individual policy will be issued without medical examination at the Insurance Company's regular rates.

Sec. 6. Group Long Term Disability Income Insurance.

- 6.1 The University of Texas System carries a master group long term disability income insurance policy, covering all institutions, with the Aetna Life Insurance Company. Premiums are payable monthly in advance, by payroll deduction, and the rate applies to the monthly rate of basic earnings of each covered employee regardless of age. The program is optional but is available only to faculty members with the rank of instructor or higher, or monthly salaried employees appointed at least one-half time. New employees are notified of their eligibility by the personnel office at the time of employment. The plan became effective initially on October 1, 1965.
- 6.2 Monthly rate of basic earnings is the rate in effect on the March 1 before the start of an individual's disability. Furthermore, monthly rate of basic earnings is defined as 1/9 of the base rate for academic personnel paid on a nine-month basis and 1/12 of the base annual rate for non-teaching employees or any other person paid on a twelve-month basis. In no case shall monthly rate of basic earnings exceed \$4,166.66 per month. All premiums and benefits are payable 12 months per year.
- 6.3 The plan guarantees benefits of 65% of the monthly rate of pay up to maximum monthly benefits of \$2,708.33 per month, and any extra compensation is excluded. The plan will pay all of the 65% guarantee if the insured is not eligible for "other income benefits." If he is eligible for "other income benefits," the plan will add to the total of "other income benefits" to make up this 65% guarantee. In general, the plan counts as "other income benefits" any wages, salary, or other remuneration a person might receive from his component institution, or from any other employer, while he is eligible for income benefits from the plan. Also counted are any disability benefits payable under any law or under any plan sponsored by The University of Texas System.
- 6.4 Covered employees will be eligible for the first income payment from the plan after having been "totally disabled" throughout a qualifying period of 90 days. Payments will be made as of the end of each calendar month. Benefits continue to be paid as long as a person is "totally disabled"; however, all income payments will stop when a person recovers, dies, or reaches age 65, whichever happens first.

- 6.5 No medical examination is required if application is made for insurance within 60 days from date of employment. After the 60-day period, an "Evidence of Insurability" form prepared by the company and available through the personnel office is required. No medical examination is required if this form is accepted by the company after review, but, if it is not so accepted, the applicant must have a medical examination at his expense.
- 6.6 Each policyholder receives a certificate issued by the company which is prepared and transmitted through the business office or personnel office.
- 6.7 The insurance of any employee under this policy shall terminate at the earliest time specified below:
- 6.71 Upon discontinuance of the policy.
- 6.72 At the end of a policy month during which the employee's employment with The University of Texas System in the classes eligible for the insurance terminates.
- 6.73 On the date the employee attains the age of 65 years.
- 6.8 A person may continue to keep the coverage during periods of official leave of absence upon the direct payment of premiums through the business office of the appropriate component institution.

Sec. 7. Group Accident Insurance.

- 7.1 Group Accident Insurance was made available to faculty and staff members of The University of Texas System by a rider to the Long Term Disability Insurance Master Policy with the Aetna Life Insurance Company. The Group Accident Plan became effective February 1, 1968, and is available to all faculty and staff members under age 70 appointed to one-half time or more. Eligible employees can join the plan either during the first 60 days of their employment or during an annual enrollment period in December of each year for coverage effective February 1.
- 7.2 Coverage under the Group Accident Plan is provided to insure against accidental death (in such areas as travel by automobile and travel on an aircraft being used solely for the transportation of passengers, and the coverage is extended to travel outside the United States). The death benefit is also provided if an individual becomes totally disabled while insured before age 60 as a result of an accident of the type covered by the plan. Scheduled dismemberment benefits are also provided for specified losses.

- 7.3 The amount of coverage that may be selected ranges in multiples of \$10,000 from the minimum of \$20,000 to the maximum of \$200,000; however, no eligible employee may select an amount of coverage that exceeds 10 times his annual salary (for academic personnel the 12-month equivalent of their 9-month contract salary is used in computing the maximum amount of coverage allowable). Employees who select coverage for themselves may also take coverage for their spouses in an amount between \$10,000 up to a maximum of 50 percent of the amount actually taken for themselves. Unmarried children under age 19 are automatically covered for \$1,000 from the spouse's coverage, unless waived by the employee. Also, unmarried children 19 years of age and over who are regularly attending school and depend solely upon the employee for support are eligible as dependents until their 23rd birthday.

Sec. 8. Social Security (Old Age and Survivors Insurance).

- 8.1 As an employer, The University of Texas System complies with the relevant provisions of the Social Security Act. All employees are required to participate in the Federal Social Security Program as a condition of employment.

Sec. 9. Workmen's Compensation Insurance.

- 9.1 The Workmen's Compensation Insurance Program is on a System-wide, self-insuring basis, financed by setting aside not more than 2 percent of the annual payroll of covered employees, and provides certain benefits for injuries sustained on the job. These benefits include payments for reasonable medical aid, hospitalization, etc; total or partial incapacity; specific losses; and death.
- 9.2 The System Personnel Director, with the cooperation and assistance of other appropriate officials of The University of Texas System or its component institutions, investigates accidents and injuries, and endeavors to develop, publish, and enforce safety rules and regulations. His office keeps a complete record of all injuries on the job and is responsible for reporting them to the Industrial Accident Board. His office is responsible for the System-wide coordination of occupational safety and health activities, and for administration and enforcement of state and national laws and standards applicable to occupational safety and health.
- 9.3 All employees whose names appear on the payrolls are eligible except:
- 9.31 Administrative staff, including officers of the administration;

- 9.32 Teaching staff, research staff, clerical and office employees and supervisory staffs unless hazardous work is required, such as handling or working in close proximity with dangerous chemicals, materials, machinery, or equipment; working in a dangerous area; performing manual labor; traveling regularly, or being exposed to hazards of occupational disease; and
- 9.33 Persons paid on a piece-work basis or any basis other than by the hour, day, week, month, or year.
- 9.4 Eligible employees who do not wish coverage may waive all rights to the benefits at the time of appointment. However, the waiver may be revoked at any time during continuous employment and the employee covered by insurance 30 days after the application form is signed, upon taking the necessary physical examination and being certified as physically fit.
- 9.5 A physical examination by a designated physician is required for all persons to be covered, and before the individual's name can be placed on the payroll, the executed original of the examination form must be filed in the System Personnel Office. The Supervisor furnishes a list of physicians for these examinations that must be approved by the Board of Regents. The physician's fee is paid by the System Personnel Office for each examination. Persons who fail to pass the physical examination cannot be covered by the insurance. They may be employed only after signing a waiver of all rights.
- 9.6 A notice of coverage is signed by all employees who are covered, with the original filed in the Workmen's Compensation Insurance Division of the System Personnel Office before a name is placed on the payroll. All personnel forms and payrolls include pertinent information on Workmen's Compensation Insurance by a symbol or other notation.
- 9.7 The percentage of annual payroll, within the 2 percent mentioned in Subsection 9.1 above, is approved by the Board of Regents, and the amount is set aside from available appropriation other than itemized salary appropriations. Institutional Chief Business Officers shall prepare and send to the System Personnel Director a monthly report of covered employees showing the source of their salaries and a check and/or state warrant for the amount due. These checks

will be deposited in a depository bank and the State Comptroller will be requested to transfer the amounts due on payrolls paid from state funds to the Workmen's Compensation Insurance Fund.

- 9.8 Physicians are designated for treatment and care of injured employees upon recommendation of the Supervisor and approval of the System Personnel Director and are called for treatment when possible, though other competent physicians may be authorized for treatment at the request of the employee. Emergency treatment, however, may be provided by any available physician and at any hospital, including institutional health centers or hospitals. The insured employee and the physician in charge choose the hospital to be used, except as indicated for emergency treatment. The designated physician authorized to treat injured employees files a Surgeon's Report with the Supervisor when treatment is first given. Fees for services rendered should be reasonable and fair and commensurate with services performed. They are, by law, subject to control of the Industrial Accident Board.
- 9.9 The Supervisor of a covered employee who is injured during the course of employment must file a complete report with the Supervisor of the Workmen's Compensation Insurance Office whether or not time is lost from work. If time is lost, a supplemental report is filed when the employee returns to work. When the time lost is over 60 days, this report is filed at the end of each 60-day period. The same form is used if the employee is disabled later due to the original injury. In the event of death of the injured employee, the form is filed immediately.
- 9.10 The employees' supervisors are also responsible for keeping in close touch with injured employees and their attending physicians and investigating medical attention to see that unnecessary aid and visits are avoided. They approve the statement from the physician as to services rendered although not actual charges for treatment.
- 9.11 A covered employee disabled from work due to an on-the-job injury may remain on the payroll until his earned vacation and sick leave are exhausted or may request use of any reasonable portion thereof, during which time full medical benefits will remain available. Should an employee continue to remain disabled from work after earned vacation and sick leave are exhausted, provided such accrued leave totals seven days or more, there will be no waiting

period before weekly compensation benefits accrue. Employees who have no sick leave or vacation accrued will be subject to a 7-day waiting period, for which they will be compensated in the event disability lasts 28 days or more. Vacation and sick leave used due to an on-the-job injury, are not charged against holidays, weekends, or other authorized days off.

- 9.12 The weekly compensation benefit for a covered employee injured in the course of his work is equal to 60 percent of the average weekly earnings for the 12 months immediately preceding injury, though not more than \$49 nor less than \$12 per week. Compensation to an employee on less than a full work day basis is not more than 60 percent of his average weekly earnings, with the same maximum of \$49. Benefits may be paid for no longer than 401 weeks from date of removal from payroll for total incapacity and no longer than 300 weeks for partial incapacity for work. For specific injuries, the Supervisor has information available on request concerning benefits for specific injuries such as the loss of a hand or an eye. In case of death, benefits are computed on the basis of 360 weeks from injury.
- 9.13 Payment for physical examinations, medical aid, hospitalization, and compensation is through the System Personnel Office.
- 9.14 The System Personnel Office shall issue an annual report through proper channels to the Chancellor and to the Secretary of the Board of Regents for the information of the members of the Board which shall include at least the following information: the names of all employees receiving workmen's compensation benefits during the preceding year, and for each such employee the number of separate incidents involving loss of time, the total working days lost, and the total compensation received; a list of physicians to whom payments were made and the totals paid to each.

- b. Amend subsections 2.2 of Section 2, 3.2 and 3.5 of Section 3, 4.1 4.3 and 4.4 of Section 4, 5.1 of Section 5, Sections 6, 7 and its subsections 7.1 and 7.2, 8, 9 and its subsections 9.1, 9.2, 9.3, 9.4, and 9.5, and 10 of Chapter VII to read as follows:
- 2.2 Department heads are responsible for all University property in their care and for the taking of the inventory on the prescribed record forms.
- 3.2 As required by statutes, a daily report shall be prepared by the person using the vehicle on the forms approved by the State Auditor and shall be filed within ten days in a central location designated by the Chief Business Officer.
- 3.5 It shall be the obligation of the Chief Business Officer of each of the component institutions to see that all employees who are required to drive University-owned vehicles are fully informed of their personal responsibility and liability for their negligent operation.
- 4.1 The following types of insurance coverage, where practicable, shall be maintained on a System-wide basis:
- Fire and Extended Coverage Insurance
 - Boiler and Machinery Insurance
 - Blanket Position (Fidelity) Bond) May be 1 policy
 - Money and Securities Insurance
 - Motor Vehicle Liability Insurance on State Owned Vehicles
- 4.3 When it is necessary or advisable to insure risks on a basis other than System-wide, insurance policies covering such risks shall be approved by the Deputy Chancellor for Administration or his delegate on an individual basis upon recommendation by the Chief Business Officer of the component institution affected.
- 4.4 At the time a loss occurs applicable to either System-wide or individual insurance policies, the Deputy Chancellor for Administration or his delegate shall be notified by the Chief Business Officer, and shall approve all loss claims and settlements. Any settlement over \$2,000 and under \$10,000 shall be reported to the Board of Regents for ratification. Settlements in the amount of \$10,000 or more must have the approval of the Board of Regents.
- 5.1 Keys to buildings, offices, and other facilities shall be issued to the employee upon authorization by his chairman or administrative official. The Chief Business Officer or his delegate shall have immediate responsibility for handling keys and he shall issue instructions and outline procedures as approved by the Chief Business Officer and the Chief Administrative Officer.
6. Safe and Vault Combinations.--The combinations to all vaults and safes used by component institutions shall be filed under seal with the Chief Business Officer.

7. Police and Security Officers.

7.1 Police and other security officers are employed at the component institutions to protect and safeguard the property of the institution.

7.2 Employees will cooperate in the security program by exercising caution to safeguard the equipment and supplies in their offices.

8. Telephones.--The Director of Physical Plant, or the Chief Business Officer, shall be responsible for the installation of telephones and the administration of all telephone facilities. Personal toll calls shall not be charged to institutional telephones. Charges for telephones and toll calls shall be under the supervision of the persons named above.

9. Disposal of Property of The University of Texas System.

9.1 Whenever any item of equipment becomes obsolete or useless for the needs and purposes of the department concerned, a written report of such fact shall be made to the Chief Business Officer. Upon receipt of such report, it shall be the responsibility of the Chief Business Officer to determine whether or not such item of equipment is needed by any other department and, if so, to transfer and assign the equipment to such department.

9.2 If the Chief Business Officer shall determine that the equipment is not needed for any department and that it is not practicable to store the equipment for possible future use, he shall proceed to sell the item concerned.

9.3 For items of little value or limited use where sale on competitive bids is not practicable, the Chief Business Officer shall have the authority to dispose of the property on the basis of a negotiated bid in amounts under \$1,000.

9.4 Sale of property estimated to bring \$1,000 or more shall be made on a basis of competitive bids.

9.5 Sales in amount of \$5,000 or more shall be approved in advance by the Deputy Chancellor for Administration and ratified by the Board of Regents through the institutional docket.

10. Transfer of Property.--Property may be transferred from one State agency to another when it becomes surplus. Such transfers from one component institution to another, or from a component institution to another State agency shall have the advance approval of the Chief Business Officer concerned and shall be reported to the Chief Administrative Officer. The Chief Business Officer or his delegate shall advise departments and administrative offices as to the procedure to be followed in disposing of or acquiring property by this means.

- c. Delete Section 11 and its subsections of Chapter VII.
- d. Amend Section 1, subsection 1.1 and its subdivisions 1.11, 1.12, and 1.13, subdivision 1.22 of subsection 1.2, Section 2, Section 3, Section 4 and its subsections 4.1 and 4.2, of Chapter VIII to read as follows:

1. New Building Construction Exceeding the Amount of \$5,000 Per Project.

- 1.1 After the Board of Regents approves the construction of new buildings, the procedures shall be as follows:
 - 1.11 The Institutional Building Advisory Committee shall hold necessary hearings and make proper investigations to translate the approved academic program into priorities for new construction, with suggestions as to total project area and function, and make such recommendations to the Chief Administrative Officer.
 - 1.12 The Institutional Building Advisory Committee shall be relieved of further direct responsibility whenever a building contract is awarded, but shall be available for consultation as the building progresses, as requested by the Chief Administrative Officer, the Deputy Chancellor for Administration, or his delegate, and the project architect.
 - 1.13 New projects shall be submitted to the Board of Regents for approval, including proposed funding, upon recommendation of the Chief Administrative Officer, the Deputy Chancellor for Administration, or his delegate, and the Chancellor.
 - 1.22 The Chief Administrative Officer may appoint according to the Institutional Handbook of Operating Procedure an Ad Hoc Project Building Committee composed of but not limited to representatives of the departments or divisions that will occupy the building. The committee shall work with the Office of Facilities Planning and Construction to prepare a detailed program of the needs for each project.

2. New Building Construction Involving Less Than \$5,000 Per Project.

New construction that involves a total expenditure of \$5,000 or less per project may be handled at the component institution. Necessary funds must have been approved through the proper procedure. In each case, the project must have been approved by the Director of Physical Plant, the Chief Business Officer, and the Chief Administrative Officer of the institution involved.

3. Minor Repairs and Remodeling and Improvements other than Buildings.

Minor repairs and remodeling of the physical plant and construction of improvements other than buildings involving proposed expenditures of less than \$50,000 per project shall be made under the supervision of the Director of Physical Plant and the Chief Business Officer at the component institutions, with the approval of the Chief Administrative Officer, provided that necessary funds have been approved through proper procedure.

d. 4. Major Repairs and Remodeling and Improvements other than Buildings.

- 4.1 Any repair or remodeling project of the Physical Plant and construction of improvements other than buildings involving an estimated expenditure of \$50,000 or more shall be deemed a construction project.
- 4.2 Unless otherwise approved by the Board of Regents, the procedures and regulations pertaining to new building construction shall apply to construction projects.
- e. Amend Chapter VIII by adding a new Section 5 as set out below and by renumbering appropriately the two remaining sections and their subsections:

e. 5. Professional Services.

Each component institution is authorized to make use of architects, engineers, and other professional services up to a maximum cost of \$3,000 with the approval of the Deputy Chancellor for Administration on recommendation of the Chief Business Officer.

- f. Amend the new Section 8 (formerly Section 7) and its subsections to read as follows:

e. 8. Institutional Building Advisory Committees.

- 8.1 At each of the component institutions there shall be an institutional building advisory committee.
- 8.2 The committee shall be appointed by the Chief Administrative Officer in the same manner as other institution-wide committees are appointed.
- 8.3 The composition of the institutional building advisory committee shall be set forth in the Institutional Handbook of Operating Procedure of each component institution.
- 8.4 The Deputy Chancellor for Administration, or his delegate, and the Chief Business Officer of the institution shall be ex officio members of such committees.

- g. Amend the caption of Section 1 of Chapter IX to read as follows:

e. 1. Authorizations re Sales, Assignments, Conveyances, Receipt of Property and Proxies.

- h. Amend subsection 2.22 and subdivision 2.2311 of Section 2 of Chapter IX to read as follows:

2.22 Corporate Bonds and Obligations: Corporate Bonds must be rated "A" or better by a nationally recognized rating service. Bonds offered by private placement, or which for other reasons are not rated by such agencies, may be purchased if they bear a rating of equivalent quality by the University's Investment Counsel.

Convertible debentures issued by companies on the approved list and Commercial Paper shall not be subject to this rating requirement.

2.2311 The security for the loans shall be single family, owner occupied residences (including Row or Town Houses) of good design and construction, in good condition, and comparable in value to other homes in the neighborhood.

- i. Delete subsection 2.42 and its subdivisions 2.421 and 2.422 of Section 2 of Chapter IX.
- j. Amend subsection 5.1 of Section 5 and 7.1 of Section 7 of Chapter IX to read as follows:
 - 5.1 Membership.--The Staff Investment Committee shall consist of the Associate Deputy Chancellor for Investments, Trusts and Lands, the Investment Officer, and such other members as may be designated from time to time by the Associate Deputy Chancellor for Investments, Trusts and Lands.
 - 7.1 Approved List.--Normally, purchase and sale transactions shall be effected through firms approved by the Board of Regents after recommendation by the Associate Deputy Chancellor for Investments, Trusts and Lands. Where the best interests of The University of Texas System seem to require it, such transactions may be effected through such other broker or brokers as the Associate Deputy Chancellor for Investments, Trusts and Lands may approve.
- k. Amend Sections 4, 5, and 6 of Chapter X to read as follows:
 4. Rentals and related policies and rates for dormitories and housing facilities shall be approved in advance by the Chief Administrative Officer, the Chancellor, and the Board of Regents.
 5. Rules and regulations for the administration of dormitories, other housing facilities, dining halls, and other eating facilities, shall be promulgated by administrative officials and the Chief Administrative Officer at the institution concerned.
 6. The money values of meals, lodging, and other services the employees are authorized to receive in lieu of additional wages or salary, are recommended to the Chief Administrative Officer by the Chief Business Officer and approved by the Chancellor and the Board of Regents.

APR 23 1971 1953

U. T. SYSTEM: AMENDMENT TO DEPOSITORY BANK AGREEMENT. --
Approval was given to amend the Bank Depository Agreement that is used by The University of Texas System with its bank depositories by adding to the provisions of Article II the following:

Effective with the date of execution of this agreement, interest shall be paid monthly on all new time deposits or on renewals of existing time deposits at their date of future stated maturity, at a rate to be determined by negotiation between the Depository and the Deputy Chancellor for Administration of The University of Texas System, or his delegate. Such rates shall not exceed the rates on such deposits as authorized by the regulations of the Federal Reserve System.

U. T. SYSTEM: AMENDMENT TO ROSTER OF DEPOSITORY BANKS (ADDITION OF AMERICAN BANK OF COMMERCE, ODESSA, TEXAS). --
Upon the recommendation of Regent Nelson, the roster of depository banks for The University of Texas System was amended by adding the American Bank of Commerce, Odessa, Texas, subject to the bank's being willing to execute the standard depository agreement previously approved by the Board of Regents.

U. T. SYSTEM: INTERIM REPORT BY CHANCELLOR LEMAISTRE ON STUDENT PUBLICATIONS AND AUTHORIZATION REQUESTED THEREIN. --With respect to the study that Chancellor LeMaistre was directed by the Board of Regents to make regarding the role of the various campus publications, their organization and governance, their relationship to the journalism department at each institution and such other matters that are deemed pertinent at U. T. Austin, U. T. El Paso and U. T. Arlington, Chancellor LeMaistre presented the following interim report:

Interim Report on Student Publications

A 14 member panel of journalists has been named after consultation with the presidents of the Texas Daily Newspaper Association and the Texas Press Association. The composition of the panel provides recognized competence in all major phases of publishing and representation from newspapers of varying size distributed geographically throughout the State. Initial discussions have been focused on the publications and journalism teaching at The University of Texas at Austin due to the upcoming expiration of the 50-year charter of Texas Student Publications on July 6, 1971. A review of publications and related teaching at The University of Texas at Arlington and The University of Texas at El Paso will follow. A copy of my letter containing the charge to the panel members is attached (Page 57).

An initial set of background material on student publications was made available to each panel member, and I have had a lengthy personal interview with each member to discuss the survey questionnaire which was used to orient the panel members toward some of the areas of consultation. In addition to these personal meetings, I have had considerable correspondence with the panel

members, and on two occasions have held lengthy conference telephone calls with most of the panel. Because of personal commitments and professional demands upon their time, the first convenient and available date for the panel's initial meeting is April 26, 1971. At that meeting the panel will focus upon an exchange of views related to the survey questionnaire responses, and to a schedule of meetings with concerned faculty and students. The attached schedule (Page 57), which has been approved by the panel, indicates the intention of the panel to hear all responsible viewpoints and to be more than fair with regard to the time allocated for student representation.

Upon completion of this meeting, the panel will be asked to define any other individuals with whom they wish to meet and any additional materials for study. It is anticipated that this can be accomplished expeditiously. It seems certain that the views of the panel on student publications at The University of Texas at Austin will be available for incorporation in recommendations to you in time for consideration at the next regular meeting of the Board of Regents on June 4, or, if you desire, possibly at a called meeting in May. As indicated in my public announcement April 13, 1971, concerning the consultative panel, I hereby request your authorization to take whatever administrative actions necessary to insure the uninterrupted publication of the student newspaper at The University of Texas at Austin under current operating policies and procedures in the event that the final decisions of the Board of Regents are not implemented prior to the expiration of the TSP Charter.

I would like to review briefly events of the last few days and actions taken by the TSP Board of Directors. All minutes are available to you in the packets previously distributed.

An amendment to the present charter of Texas Student Publications adopted April 14, 1971, recommended continuation of the present charter in perpetuity and requested adoption of this amendment by the Board of Regents at your meeting this April 23, 1971. Such action by the Board of Regents would, in my view, have precluded serious consideration of the advice forthcoming from the panel of journalists. Subsequent action of the Texas Student Publications Board on April 20, 1971, approved the filing with the Secretary of State an amendment to the charter to make the charter perpetual in the event that the Board of Regents rejected a perpetual extension or took no action.

In conclusion, as stated earlier, I am not recommending extension in specific time or in perpetuity of the present Texas Student Publications charter but only the continuance of the same operating policies and procedures to allow uninterrupted continuation of the student newspaper and only until such time as the Regents' decisions are implemented.

APR 23 1971 1955

Letter referred to on Page 55 .

April 2, 1971

On behalf of the Board of Regents of The University of Texas System, may I thank you for accepting my invitation to serve as a consultant on student publications.

At the January Board of Regents' meeting, the charge to the consultants who were to be selected from members of the Texas Daily Newspaper Association and the Texas Press Association was outlined as follows:

To study the present campus publications at the Austin, El Paso, and Arlington campuses and to submit to the Board a written report containing recommendations as to the role of the various campus publications, their organization and governance, their relationship to the journalism department and such other matters such consultants shall deem pertinent.

The first topic of consideration will be the relationship of The University of Texas at Austin Department of Journalism to student publications and specifically to their student newspaper, The Daily Texan.

Again, I appreciate your willingness to serve in this capacity and I hope my visit with you will cover the points of interest to you.

Sincerely yours,

Charles A. LeMaistre, M. D.
Chancellor

Schedule referred to on Page 56 .

MONDAY, APRIL 26

Joe C. Thompson Conference Center

8:00 a. m.	Opening remarks by Dr. LeMaistre, restating briefly context of discussions with editors during visits last week
8:10 a. m.	Dean Danielson
8:40 a. m.	Dr. Norris Davis and Mr. Bob Hilburn
9:10 a. m.	Mr. Loyd Edmonds

APR 23 1971 1956

- 9:40 -
10:30 a. m. Professors Hinkle, Singer, Taylor, Gibson,
King
- 10:30 -
11:00 a. m. Coffee Break: Panel Members only
- 11:00 a. m. Mr. Andrew Yemma, Editor, The Daily Texan;
Mr. Lyke Thompson, Managing Editor, The
Daily Texan; Miss Lori Rodriguez, Editor
Elect, The Daily Texan
- 12:00 Noon Lunch with TSP Board
- 1:30 p. m. Cliff Avery, City Editor, The Daily Texan;
Cyndi Taylor, Reporter, The Daily Texan;
John Reetz, Assisting Managing Editor, The
Daily Texan; Jan Jarboe, Journalism Student
- 2:00 p. m. John Watkins, Teaching Assistant, Journalism,
also former Managing Editor, The Daily Texan;
Larry Hoing, Graduate Student, Editor Texan
Engineering Science
- 2:30 p. m. Sam Kinch, Jr., representing past Texan
Editors
- 3:00 p. m. Panel Session
- 3:30 p. m. Adjournment and Departure

Without objection it was ordered that the Chancellor's statement be interpreted to include all publications at the U. T. Austin, U. T. El Paso and U. T. Arlington campuses and that his full statement be approved.

A discussion in which Andy Yemma, Editor of The Daily Texan, Tim Donahue, member of the Texas Student Publications Board, and David Mincberg, Secretary of the Texas Student Publications Board, participated, related principally to the action of the TSP Board on April 14 and April 20 as set out in the interim report of Chancellor LeMaistre.

Thereafter, on motion of Regent Garrett, seconded by Regent Williams, the request of the Chancellor which reads as follows was unanimously adopted:

I hereby request your authorization to take whatever administrative actions necessary to insure the uninterrupted publication of the student newspaper at The University of Texas at Austin under current operating policies and procedures in the event that the final decisions of the Board of Regents are not implemented prior to the expiration of the TSP Charter.

U. T. SYSTEM: COMMON CALENDAR FOR ACADEMIC INSTITUTIONS AND EXCEPTIONS THEREFROM APPROVED BY COORDINATING BOARD FOR MEDICAL UNITS. --Chancellor LeMaistre presented a written report relating to the compliance of the various component institutions with respect to the directive of the Coordinating Board for a common calendar by fall of 1973. He reported in response to the action of the Regents on August 1, 1969, that the Administration submit prior to the fall of 1973 proposed calendars for the medical components which are acceptable to the Coordinating Board, a letter was submitted asking for exceptions to the common calendar.

As permitted by the Coordinating Board in its policy on the state-wide common calendar, Dr. Bevington Reed, Commissioner of the Coordinating Board, approved the exceptions of the medical units from the calendar required for all general academic institutions.

For the record, it is herewith summarized that the calendars for the component institutions of The University of Texas System are as follows:

1. Common Calendar as Required by Coordinating Board for General Academic Institutions
 - a. The University of Texas at Austin
 - b. The University of Texas at El Paso
 - c. The University of Texas at Arlington
 - d. The University of Texas at Dallas
 - e. The University of Texas Dental Branch at Houston (It was indicated that this institution may later need to join the other Houston health units in a year-round calendar.)

2. Calendar on a Quarter System
 - a. The University of Texas Medical School at Houston
 - b. The University of Texas Medical School at San Antonio
 - c. The University of Texas Dental School at San Antonio

(These schools will operate on a quarter system with the first quarter of each year beginning in late June, the second quarter completed prior to Christmas, the third quarter starting early in January, and the fourth quarter completed in late May or early June.)

3. Miscellaneous Type of Calendar
 - a. The University of Texas Southwestern Medical School at Dallas (The school does not enroll students on a semester basis. The rotation and length of the academic year varies between classes.)
 - b. The University of Texas Medical Branch at Galveston (There is not a standard calendar, and the ones followed do not conform to the semester plan but vary from school to school.)
 - c. The University of Texas Graduate School of Biomedical Sciences at Houston (A year-round program cooperating with Houston Medical School)
 - d. The University of Texas Public Health School at Houston (A year-round program cooperating with Houston Medical School)
 - e. The University of Texas Nursing School (System-wide) (will conform to the calendar on each of the respective campuses. This is necessary to tie clinical instruction to academic programs.)

APR 23 1971 1958

U. T. AUSTIN: AUTHORIZATION TO ACQUIRE C-47 AIRPLANE (NON-PASSENGER) FROM UNITED STATES NAVY. --The following resolution was adopted:

WHEREAS, Applied Research Laboratories at The University of Texas at Austin has for some five years utilized a U. S. Navy aircraft, Type TC-47K, No. 99826, provided by Naval Ordnance Systems Command Bailment Contract N00017-61-C-0743;

WHEREAS, This aircraft has been equipped with extensive sophisticated electronics designed and configured by Applied Research Laboratories scientists and is capable of supporting a wide range of research, and

WHEREAS, It appears that there is danger of losing the aircraft for lack of a mission contract justifying its retention:

BE IT RESOLVED, That the recommendation of President ad interim Jordan, concurred in by Chancellor LeMaistre, be approved and that the appropriate officials of The University of Texas at Austin be authorized to make application to the appropriate federal agency for the acquisition of the C-47 airplane (non-passenger) that is presently being used by the Applied Research Laboratories with the understanding that:

1. The airplane will not be used for passenger purposes.
2. All expenditures related to acquisition, maintenance, and operation will be met from non state-appropriated funds.
3. The aircraft will be available, on a cost-reimbursable basis, for use by other components of The University of Texas System in furtherance of their research programs.

U. T. AUSTIN: ACCEPTANCE OF 70-FOOT HOUSEBOAT "LAZY DAZ" FOR MARINE SCIENCE INSTITUTE. --A 70-foot houseboat "Lazy Daz" was accepted from Mr. R. L. Shibley, his son, H. L. Shibley and his daughter, Anna Miller, of Houston, Texas, for use at The University of Texas Marine Science Institute at Port Aransas with the strict understanding that this acceptance in no way implies a commitment or endorsement of the acquisition of the Enco Marina adjacent to the laboratory of the Port Aransas Marine Institute. The boat will be used as housing for visiting faculty, and will not be underway. There will not be operating costs except docking costs of \$600 annually. The physical plant staff at the Port Aransas Marine Institute will assume maintenance of this houseboat.

U. T. AUSTIN: APPROVAL OF ITEMS IIA AND IIB OF MINUTES OF MEETING OF BOARD OF DIRECTORS OF TEXAS STUDENT PUBLICATIONS, INC., OF APRIL 14, 1971 (EXPENDITURES FOR TSP, INC., PORTION OF THE TSP BUILDING). --The following items that are in the minutes of the meeting of the Board of Directors of Texas Student Publications, Inc., held on April 14, 1971, were approved upon recommendation of the Administration:

IIA. Expenditure of up to \$490,000 of investment presently Owned by TSP as follows:

Contribution to the cost of the new TSP Building	\$ 205,000
New 32-page offset press, including installation	232,000
Photo composing equipment	<u>53,000</u>
Total	<u>\$ 490,000</u>

With regard to the allocation of the \$205,000 contribution to the new TSP building in Item IIA, it was ordered that the TSP Board be advised that this amount will not be actually transferred to the construction account until August 1, 1971. This will allow the TSP Board to use these funds for additional short-term investment.

IIB. Accumulation of an additional sum of \$70,000 from future earnings of TSP to complete the furnishings and equipment of the new building.

It was further authorized that this accumulation of \$70,000 from future earnings of TSP be allocated as follows:

Furnishings in new building	\$ 35,000
Plate making and camera equipment	25,000
Final payment on lease agreement for old printing equipment	<u>10,000</u>
Total	<u>\$ 70,000</u>

U. T. AUSTIN: WAIVER OF REGENTS' RULES AND REGULATIONS PART ONE [CHAPTER III, SECTION 31. (53)] TO PERMIT CONTINUED FULL-TIME EMPLOYMENT OF MR. JAMES K. OLIVER. --Upon recommendation of President ad interim Jordan, concurred in by Chancellor LeMaistre, Section 31. (53), Chapter III, Regents' Rules and Regulations, Part One, was waived to permit the continued full-time employment of Mr. James K. Oliver as a guard at Applied Research Laboratories at The University of Texas at Austin through January 31, 1972. This postponement of Mr. Oliver's retirement will make him eligible for benefits under the ten-year rule of the Teacher Retirement System.

APR 23 1971 1960

U. T. AUSTIN: WAIVER OF REGENTS' RULES AND REGULATIONS PART ONE [CHAPTER III, SECTION 31. (17)] TO PERMIT CONTINUED FULL-TIME EMPLOYMENT OF MISS NETTIE LEE BENSON AND MR. ROBERT A. LELAND. --Upon recommendation of President ad interim Jordan, concurred in by Chancellor LeMaistre, Section 31. (17), Chapter III, Regents' Rules and Regulations, Part One, was waived in order to permit the continued full-time employment of Miss Nettie Lee Benson and Mr. Robert A. Leland for the fiscal year 1971-72 at The University of Texas at Austin.

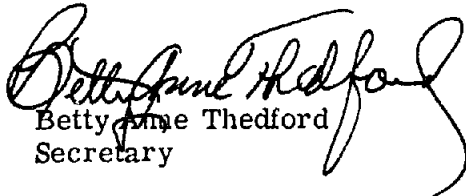
U. T. AUSTIN: CONSIDERATION OF ENDORSEMENT OF APPLICATION FOR LOAN FROM DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO COLLEGE HOUSE, INC. --Consideration of the request of College House, Inc., for the Board of Regents to endorse an application for a \$600,000 loan from the Department of Housing and Urban Development was deferred until the June meeting of the Board of Regents in order that the Board might have from President ad interim Jordan appropriate comments regarding the request.

HOUSTON MEDICAL SCHOOL: WAIVER OF REGENTS' RULES AND REGULATIONS, PART ONE (CHAPTER III, SECTION 5.42) TO PERMIT THE EMPLOYMENT OF DR. EMIL STEINBERGER AND DR. ANNA STEINBERGER. --Upon recommendation of Dean Smythe, concurred in by Chancellor LeMaistre, Section 5.42, Chapter III, Regents' Rules and Regulations, Part One, was waived to permit the employment of Dr. Anna Steinberger as Associate Professor of Reproductive Biology at The University of Texas Medical School at Houston for a period of two years. Dr. Emil Steinberger, husband of Dr. Anna Steinberger, has been appointed as Professor of Reproductive Biology and Reproductive Endocrinology effective May 1, 1971.

SCHEDULED MEETINGS. --The calendar of meetings for the Board of Regents for the remainder of the calendar year were approved as follows. All of the meetings are tentatively scheduled to be held in Austin:

June 4, 1971
July 16, 1971
September 10, 1971
October 22, 1971
December 3, 1971

ADJOURNMENT. --There being no further business, the Board was duly adjourned at 3:55 p. m.


Betty Jane Thedford
Secretary

April 27, 1971