MEMORANDUM

July 22, 1987

TO: Margaret Glover
COPY: Jim Crowson
FROM: Jettie Woodard
SUBJECT: Amendments to Regents' Rules and Regulations

Attached are amendments to the R&R as follows:

1. Part One, Chapter IX - as amended at the June meeting

2. Part One, Chapter II - editorial change to delete reference to the chief administrative officer of the U.T. Institute of Texan Cultures (per your request)

3. Part Two, Chapter IX - as amended at the June meeting and including several editorial changes to correct gender references

Pursuant to our discussion several days ago, I refrained from including the numerous gender corrections to Part One, Chapter II which I found as I worked through this.

For your convenience I have attached a copy of the amended pages with the changes highlighted.

Let me know if you have any questions.

jw
Attachments
CHAPTER IX

ENACTMENT AND AMENDMENT

Sec. 1. Repeal of Existing Rules in Conflict Herewith.--All rules, regulations, orders, and resolutions heretofore enacted by the Board which are in conflict with these Regents' Rules and Regulations are hereby repealed.

Sec. 2. Format for Rules.

2.1 The Regents' Rules and Regulations for the government of the System apply to and govern the Board and all employees and agencies directly under its control, the Office of the Chancellor, the System Administration of The University of Texas System, and the component institutions comprising The University of Texas System.

2.2 These Regents' Rules and Regulations are organized in two parts. Part One shall, in general, contain all rules and regulations other than those of a fiscal nature. Part Two shall consist, in general, of the fiscal rules and regulations of the Board.

Sec. 3. Official Copies.

3.1 The official copies of the Regents' Rules and Regulations and the Handbook of Operating Procedures for each component institution of the System shall be maintained on file in the Office of the Board of Regents.

3.2 Copies of these Regents' Rules and Regulations and of the Handbooks of Operating Procedures shall be furnished to members of the Board and such other persons and offices as the Board shall designate.

Sec. 4. Amendment of Rules and Regulations.--The Regents' Rules and Regulations may be added to, amended, waived, or suspended by a majority of all of the members of the Board at any regular meeting or at any special meeting called for that purpose.
the Board. He has direct line responsibility for all aspects of the U. T. System's operations. In addition, he has first line supervisory responsibility for the governmental relations and audit functions of the System and provides day-to-day supervision for the holders of the following positions who directly report to the Office of the Chancellor: the Executive Director for Finance and Administration; the Vice Chancellor and General Counsel; the Vice Chancellor for Governmental Relations; the Director of Development; the Director of the Office of Facilities Planning and Construction; and the Director of Public Information.

2.4 Executive Vice Chancellor for Academic Affairs/Chief Operating Officer.
The Executive Vice Chancellor for Academic Affairs is the chief operating officer of the System for Academic Affairs and, in consultation with the Chancellor, directly reports to and is responsible to the Board for the conduct of the academic affairs of the System. The chief administrative officers of the general academic institutions in the System, acting in a line capacity for the operation of their institutions, report to and are responsible to the Executive Vice Chancellor for Academic Affairs.

2.5 Executive Vice Chancellor for Asset Management/Chief Operating Officer. The Executive Vice Chancellor for Asset Management is the chief operating officer of the System for management of the assets of the U. T. System and, in consultation with the Chancellor, directly reports to and is responsible to the Board for conduct of the asset management programs of the U. T. System. The Manager of University Lands - Oil, Gas and Mineral Interests, the Manager of University Lands - Surface Interests, the Executive Director for Investments and Trusts, and the Director of the University Lands Accounting Office, acting in a line capacity for the operation of their functions, report to and are responsible to the Executive Vice Chancellor for Asset Management.

2.6 Executive Vice Chancellor for Health Affairs/Chief Operating Officer.
The Executive Vice Chancellor for Health Affairs is the chief operating officer of the System for health-related education and health services in the System and, in consultation with the Chancellor, directly reports to and is responsible to the Board for the conduct of health-related education and the delivery of health services in the System. The chief administrative officer of each health-related institution
CHAPTER IX

MATTERS RELATING TO INVESTMENTS, TRUSTS, AND LANDS

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

1.1 Authority to Purchase, Exchange, and Sell Securities for and on Behalf of the Permanent University Fund (hereinafter sometimes referred to as "PUF") and the Board.--The Chancellor, or his or her delegate, the Executive Vice Chancellor for Asset Management, and the Executive Director for Investments and Trusts are authorized to purchase, exchange, and sell any and all securities for and on behalf of the PUF or the Board, and to execute all related state government documents. In addition, external investment managers appointed by the Board of Regents may purchase, sell, or exchange securities, pursuant to written agreement with the Board of Regents, from funds designated from the PUF, the Common Trust Fund, the Medical Malpractice Self Insurance Fund, or any funds held in trust.

1.2 Authority to Assign and Transfer Securities Owned by the PUF and the Board.--The Chancellor, or his or her delegate, the Executive Vice Chancellor for Asset Management, the Executive Director for Investments and Trusts, the Comptroller and Associate Comptroller, and the Trust Officer may each assign and transfer any and all securities of any description whatever and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of any securities registered in the name of the PUF or the Board, or in any other form of registration of such securities held for the account of the PUF or the Board in whatever manner, including all fiduciary capacities and including those registered in the names of trusts or foundations managed and controlled by said Board. In addition, custodian banks appointed by the Executive Vice Chancellor for Asset Management may assign and transfer securities and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of any security owned by the Board.
1.3 Authority to Execute Instruments Relating to Land and Mineral Interests.--The Chairman of the Board, the Vice-Chairmen, the Chancellor, or his or her delegate, and the Executive Vice Chancellor for Asset Management are each authorized to execute conveyances, deeds, surface and/or mineral leases, easements, rights-of-way, oil and gas division orders, and transfer orders, geophysical and material source permits, water contracts, pooling and unitization agreements, and any other instruments as may be necessary or appropriate from time to time, relating to the handling, management, control, and disposition of any real estate or mineral interest held or controlled by the Board as a part of the PUF or as a part of any trust or special fund.

1.4 Authority to Receive and Collect Money and/or Property.--The Chancellor, the Executive Vice Chancellor for Asset Management, and the Executive Director for Investments and Trusts are each authorized and empowered to ask, demand, collect, recover, and receive any and all sums of money, debts, dues, rights, property, effects, or demands, whatever, due, payable, or belonging, or that may become due, payable, or belonging to any of the above funds from investment transactions, from any person or persons, whatever, and to execute any and all necessary or proper receipts, releases, and discharges therefor.

1.5 Authority to Execute Proxies and Consent to Modifications in Bond Indentures.--The Chancellor, or his or her delegate, the Executive Vice Chancellor for Asset Management, the Executive Director for Investments and Trusts, and the Investment Officers are each authorized to consent to modifications in bond indentures and to execute proxies within the approved investment policies.

1.6 Authority to Deliver and Maintain Securities in Book-Entry Form.--Securities owned by the PUF or the Board may be delivered and maintained by a custodian bank or a member bank of the Federal Reserve System in book-entry form subject to applicable law.
1. **U. T. Board of Regents: Recommendation to Adopt a Resolution Authorizing the Issuance of Up to $20,000,000 of General Revenue Subordinate Lien Notes (Withdrawn).**--Chairman Hay reported that the item related to the adoption of a resolution authorizing the issuance of up to $20,000,000 of General Revenue Subordinate Lien Notes (the "Notes") to provide interim financing for non-PUF eligible capital projects approved by the Board was withdrawn for consideration at a later date.

2. **U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter IX, Section 4 (Amendment of Rules and Regulations).**--In order to clarify the vote required to waive or suspend a rule, approval was given to amend Section 4, Chapter IX of Part One of the Regents' Rules and Regulations to read as set forth below:

   Sec. 4. Amendment of Rules and Regulations.--The Regents' Rules and Regulations may be added to, amended, waived, or suspended by a majority of all of the members of the Board at any regular meeting or at any special meeting called for that purpose.

3. **U. T. System: Permission for Dr. Hans Mark to Serve as a Member of the Space Science Industry Commission (Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)).**--Permission was granted for Dr. Hans Mark, Chancellor of The University of Texas System, to serve as a member of the Space Science Industry Commission.

   Dr. Mark's appointment to this Commission by Lt. Governor Hobby is of benefit to the State of Texas, creates no conflict with his regular duties in U. T. System Administration, and is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes, and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

**RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.**--At 1:40 p.m., the Board recessed for the meetings of the Standing Committees and Chairman Hay announced that at the conclusion of each committee meeting, the Board would reconvene to approve the report and recommendations of that committee.

The meetings of the Standing Committees were conducted in open session and the reports and recommendations thereof are set forth on the following pages.
U. T. Board of Regents - Regents' Rules and Regulations,
Part Two: Approval of Amendment to Chapter IX, Section 1.1 (Authority to Purchase, Exchange, and Sell Securities for the PUF and the Board).--In order for external investment managers to be selected by the U. T. Board of Regents for all trust funds rather than for only the Permanent University Fund and the Common Trust Fund, approval was given to amend the Regents' Rules and Regulations, Part Two, Chapter IX, Section 1.1, concerning the authority to purchase, exchange, and sell securities to read as set out below:

1.1 Authority to Purchase, Exchange, and Sell Securities for and on Behalf of the Permanent University Fund (hereinafter sometimes referred to as "PUF") and the Board.--The Chancellor, or his delegate, the Executive Vice Chancellor for Asset Management, and the Executive Director for Investments and Trusts are authorized to purchase, exchange, and sell any and all securities for and on behalf of the PUF or the Board, and to execute all related state government documents. In addition, external investment managers appointed by the Board of Regents may purchase, sell, or exchange securities, pursuant to written agreement with the Board of Regents, from funds designated from the PUF, the Common Trust Fund, the Medical Malpractice Self Insurance Fund, or any funds held in trust.

This amendment was necessary to implement the related item on Page 68 which, in essence, would authorize The Sealy & Smith Foundation, Galveston, Texas, to purchase, exchange and sell securities for two trust accounts over which the U. T. Board of Regents exercises joint control with The Sealy & Smith Foundation.

II. TRUST AND SPECIAL FUNDS

A. GIFTS, BEQUESTS AND ESTATES

1. U. T. System: Acceptance of Bequest from the Estate of Martha Hodgin Baker, San Antonio, Texas, and Establishment of the Laurence E. Baker Memorial Scholarship Fund.--The Board accepted a bequest valued in excess of $750,000 from the Estate of Martha Hodgin Baker, San Antonio, Texas, and established the Laurence E. Baker Memorial Scholarship Fund at The University of Texas System.

Under terms specified in the Will of Ms. Baker, income from this endowment "shall be used annually to provide scholarships for deserving students, who are doing premedical work in the undergraduate school of The University of Texas, or who are medical students at any of the medical schools of The University of Texas, and who without such scholarships, might not be able to obtain a medical education."

2. U. T. System: Acceptance of Gift from Mr. Nicholas David Hachar, Jr., Laredo, Texas, and Establishment of the N. David Hachar Endowment.--Upon recommendation of the Land and Investment Committee, the Board accepted a $10,000 gift from Mr. Nicholas David Hachar, Jr., Laredo, Texas, and established the N. David Hachar Endowment at The University of Texas System.

Income earned from the endowment will be for the unrestricted use of the Chancellor.
MEMORANDUM

To: Jettie
From: mg
Subject: Regents' Rules and Regulations

We had already xeroxed all of the January 1987 editorial amendments to Part One of the RRR when I noticed that there were some words missing at the bottom of pages III-36 and III-42 (see originals attached). Please check these two pages carefully but as they stand now I can't get them to tie in to pages III-37 and III-43.

Please send me revised originals of pages III-36 and III-42 only so I can get this project completed by tomorrow.

I do not want the missing words added to the top of pages III-37 or III-43. I want to distribute pages III-36 and III-42 only.

Thanks.

attachments
Sec. 21. Absence from Usual and Regular Duties.

21.1 Authorization for any member of a faculty or staff to be absent from his or her usual and regular duties will be granted only under the following conditions:
   21.11 When such absence is on state business, and
   21.12 When appropriate provisions are made to carry on the duties of the absent person without additional expense to the institution; or
   21.13 In the case of military leave, not to exceed 15 working days each year.

21.2 Permission to be absent from usual and regular duties shall be obtained as prescribed in the Fiscal Rules (See Part Two hereof).

Sec. 22. Authorization to Travel.

22.1 Authorization to travel will be granted only under the conditions specified in the Fiscal Rules (See Part Two hereof).

22.2 A faculty or staff member whose usual duties do not require travel shall not be absent from the regular place of work and usual duties except with permission obtained according to the Fiscal Rules (See Part Two hereof).

Sec. 23. Compensation for Correspondence and Extension Teaching of Full-Time Staff Members.--Compensation rates for correspondence courses and extension center teaching for full-time teachers on a nine months' basis or for other employees on a twelve months' basis shall be in accord with rates fixed by the then current appropriation bill. If not so fixed, they shall be set from year to year by the chief administrative officer with the approval of the Office of the Chancellor.

Sec. 24. Textbooks and Other Materials Prescribed for the Use of Students.

24.1 The policy of the Board concerning textbooks and other materials prescribed for the use of students is as follows:
   24.11 Although generally the individual instructor or the department should have wide discretion in the choice of materials to be used in the class on this page.
affidavit executed by the president, chairman, or other appropriate official of the organization stating that the organization does not presently have, nor during any period of registration will it have, as a member any person who is not a member of the faculty or staff of the institution.

32.32 If the chief administrative officer of the institution, or his or her designated delegate, determines that the statements in such affidavit are false, registration shall be denied, or if it is determined that such affidavit has become false during any period of registration, such registration shall be cancelled.

32.4 Each application for registration as a faculty or staff organization shall be accompanied by a complete list of the names and addresses of all persons who are officers of the organization and the application shall identify by name and address the person or persons who are authorized to speak for or represent the organization in its relations with the institution and who are authorized to receive for the organization any official notices, directives, or instructions from the institution. This required information shall be kept current during any period of registration. If at any time during a period of registration it is determined by the chief administrative officer of the institution, or his or her delegate, that such information is not current and the organization does not make such information current within ten (10) days after being notified of such deficiency, registration shall be cancelled.

32.5 A registered faculty or staff organization may state that its membership is composed of the faculty or staff of a component institution, but it shall not suggest or imply that it is acting with the authority or as an agency of the institution. A faculty or staff organization shall not use the name of a component institution or the name of The University of Texas System as a part of the name of the organization, and it shall neither display the seal of either.