

OMISSION

Pages 3326 - 3721

A. Ruth Baker

SIGNATURE OF OPERATOR

Meeting No. 754
THE MINUTES OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

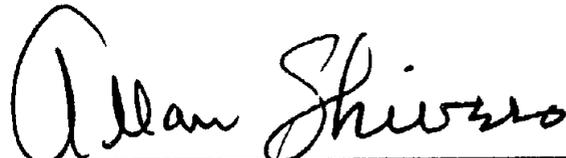
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June 8-9, 1978

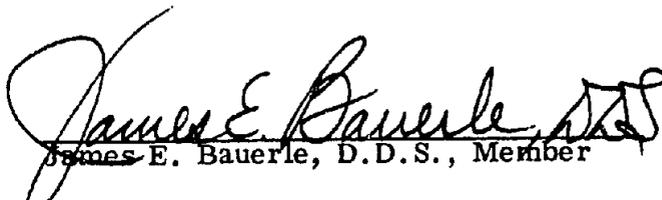
Austin, Texas

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 (June 8-9, 1978) to be reflected in the Minutes.

Signed this the 9th day of June A.D. 1978.


Allan Shivers, Chairman

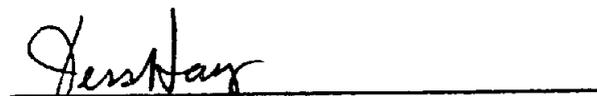

Dan C. Williams, Vice-Chairman


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

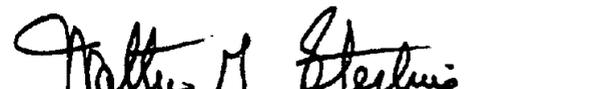

Jane Weinert Blumberg, Member
(Mrs. Roland K.)


Edward Clark, Member


Sterling H. Fly, Jr., M.D., Member


Jess Hay, Member


Thos. H. Law, Member


Walter G. Sterling, Member

MEETING NO. 754

THURSDAY, JUNE 8, 1978. -- At 2:00 p. m. in the Regents' Meeting Room on the ninth floor of Ashbel Smith Hall, Austin, Texas, Chairman Shivers called to order the meeting of the Board of Regents and stated that the Board had assembled for the specific purpose of considering items on the agenda of the Buildings and Grounds Committee. He announced that the Board would recess for the meeting of the Buildings and Grounds Committee and would reconvene as a Board at 9:00 a. m. on Friday, June 9, 1978.

The report of the meeting of the Buildings and Grounds Committee begins on Page 42.

FRIDAY, JUNE 9, 1978. -- The members of the Board of Regents of The University of Texas System reconvened in regular session at 9:00 a. m. on Friday, June 9, 1978, in the Regents' Meeting Room on the ninth floor of Ashbel Smith Hall, Austin, Texas, with the following in attendance and Chairman Shivers presiding:

ATTENDANCE. --Present

Chairman Shivers, presiding
 Vice-Chairman Williams
 Regent Bauerle
 Regent (Mrs.) Blumberg
 Regent Clark
 Regent Fly*
 Regent Hay
 Regent Law
 Regent Sterling

Absent

Secretary Thedford

Chancellor LeMaistre
 President Walker

Chairman Shivers called the meeting to order.

BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING ON APRIL 7-8, 1978. -- Upon motion of Vice-Chairman Williams, seconded by Regents Bauerle and Sterling, the Minutes of the regular meeting of the Board of Regents of The University of Texas System held on April 7-8, 1978, in Galveston were approved without objection as circulated by Secretary Thedford. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XXV, Pages 2557-3183.

*See Page 140.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1978: (1) RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1978, IN THE AMOUNT OF \$21,000,000 AND AWARDING THE SALE OF THE BONDS TO FIRST NATIONAL BANK IN DALLAS AND ASSOCIATES, DALLAS, TEXAS; (2) DESIGNATION OF THE AMERICAN NATIONAL BANK OF AUSTIN, AUSTIN, TEXAS; CITIBANK, N. A., NEW YORK, NEW YORK; AND HARRIS TRUST AND SAVINGS BANK, CHICAGO, ILLINOIS, PAYING AGENTS; AND (3) AWARD OF CONTRACT TO PRINT THE BONDS TO HART GRAPHICS & OFFICE CENTERS, INC., AUSTIN, TEXAS. --The following written Resolution (Pages 3-21) was duly introduced for the consideration of the Board and read in full. It was then duly moved by Regent Law and seconded by Vice-Chairman Williams that said Resolution be adopted; and after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: All members of said Board listed above as present voted "Aye."

NOES: None

The adoption of this Resolution authorized issuance of Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1978, in the amount of \$21,000,000 and awarded the sale of the bonds to the First National Bank in Dallas and Associates, Dallas, Texas, for the principal amount thereof and accrued interest to the date of delivery plus a premium of \$531 (Page 20) at rates of interest reflected on Page 10. The effective interest rate is 5.13884%.

For the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1978, in the amount of \$21,000,000, The American National Bank of Austin, Austin, Texas, bid to be the Texas Paying Agent with Citibank, N. A., New York, New York, and Harris Trust and Savings Bank, Chicago, Illinois, to be other Paying Agents and to pay the Board of Regents \$2,000 per annum as long as there are bonds outstanding. This bid was unanimously accepted (Pages 11, 15) upon motion of Regent Law, seconded by Vice-Chairman Williams.

Upon motion of Regent Law, seconded by Vice-Chairman Williams, a contract was awarded by unanimous vote to Hart Graphics & Office Centers, Inc., Austin, Texas, to print the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1978, in the amount of \$21,000,000. The bid of Hart Graphics provided that the bonds will be printed according to specifications with lithographed borders for the sum of \$2,227, there being five coupon rates; however since the delivery is to be made in Austin, Texas, Hart Graphics agreed to deduct \$195.

(The Official Notice of Sale and Official Statement will be incorporated in the Official Copy of the Minutes.)

Official Notice of SALE
&
Official STATEMENT

for

Board of Regents of The University of Texas System

Permanent University Fund Bonds

New Series 1978 **\$21,000,000**

Board of Regents of The Texas A&M University System

Permanent University Fund Bonds

New Series 1978 **\$11,000,000**

TO BE DATED JULY 1, 1978

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Part I

OFFICIAL NOTICE OF SALE

Board of Regents of The University of Texas System
Permanent University Fund Bonds
New Series 1978 \$21,000,000

Board of Regents of The Texas A&M University System
Permanent University Fund Bonds
New Series 1978 \$11,000,000

Bids to be Opened

Thursday, June 8, 1978, at 11:00 A.M., C.D.T.

Place and Time of Sale: Sealed bids will be received by representatives of the Board of Regents of The University of Texas System and the Board of Regents of The Texas A&M University System in the Office of Investments, Trusts and Lands, 210 W. 6th Street, Austin, Texas, until 11:00 A.M., C.D.T., June 8, 1978, for the bonds described in the OFFICIAL STATEMENT, at which time said bids will be publicly opened and read. The respective Boards will consider and act on said bids at separate meetings to be held at 9:00 A.M., C.D.T., Friday, June 9, 1978, by the Board of Regents of The University of Texas System and by the Board of Regents of The Texas A&M University System.

Address of Bids: Sealed bids, plainly marked "BID FOR PERMANENT UNIVERSITY FUND BONDS", should be addressed to "Board of Regents, The University of Texas System or Board of Regents, The Texas A&M University System, c/o Mr. W. L. Lobb, Executive Director for Investments, Trusts and Lands, The University of Texas System, 210 W. 6th Street, Austin, Texas 78701". All bids must be submitted on the "OFFICIAL BID FORM", copies of which are enclosed herewith.

Types of Bids and Interest Rates: Bids must be submitted separately for each of the two issues named above, and bids will be considered for either one or both of said issues. No proposal will be considered for the purchase of less than all the bonds of any one issue or a price less than par value plus accrued interest. "All or None" bids for the two issues will not be accepted. Bidders are invited to name the rate, or rates, of interest to be borne by the bonds, provided that the rates are stated in multiples of 1/8th or 1/20th of 1%, and that the difference between the lowest and highest interest rates named does not exceed one percent (1%). Bids involving more than five different coupon rates or four coupon changes or supplemental coupons or split interest rates will not be considered and all bonds of one maturity must bear the same rate. Ten percent (10%) is the maximum interest rate permitted by law.

Good Faith Deposit: Separate cashier's checks for each issue bid shall be drawn in the amounts and made payable as follows:

1. For the \$21,000,000 of Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1978, the good faith check must be payable to the Board of Regents of The University of Texas System in the amount of \$420,000.
2. For the \$11,000,000 of Board of Regents of The Texas A&M University System Permanent University Fund Bonds, New Series 1978, the good faith check must be payable to the Board of Regents of The Texas A&M University System in the amount of \$220,000.

These respective checks will be considered as a good faith deposit, and the check of the successful bidder will be cashed and retained by the respective Boards to secure performance of the contract by such bidder. In the event such bidder should fail or refuse to take up and pay for the bonds in accordance with his bid, then said good faith deposit will be applied to the purchase price of the bonds. The required cashier's check may accompany the "OFFICIAL BID FORM" or it may be submitted separately. If submitted separately, it shall be made available to the Boards prior to the opening of the bids and shall be accompanied by instructions from the bank on which drawn authorizing its use as a good faith deposit by the successful bidder who shall be named in such instructions. No interest will be allowed on the good faith deposit of the successful bidder, and the checks of the unsuccessful bidders will be returned as soon as the best bid is determined.

Method of Award: Comparison of bids will be made by taking the total interest cost at the rate or rates named in the respective bids calculated to the scheduled maturity date of each bond, deducting therefrom any premium bid in order to obtain the net interest cost. The issues will be awarded to the bidder for each separate issue whose bid on the above computation produces the lowest net interest cost. All bids should show the net interest cost and for informational purposes, the weighted average interest rate. In case of errors in net interest calculations, coupons named will govern; however, the Boards reserve the right to reject any and all bids to waive any and all irregularities.

Legal Opinion: The respective Boards will furnish a complete transcript of proceedings had incident to the authorization and issuance of the bonds, including the unqualified approving legal opinion of the Attorney General of Texas to the effect that the bonds are valid and legally binding obligations of the respective Boards. Based upon examination of such transcript of the proceedings, the unqualified approving legal opinions of Messrs. Vinson & Elkins, bond counsel for The University of Texas System, and Messrs. McCall, Parkhurst & Horton, bond counsel for The Texas A&M University System, to a like effect and to the effect that the interest on the bonds is exempt from federal income taxation under existing statutes, regulations and court decisions. Neither Messrs. Vinson & Elkins nor Messrs. McCall, Parkhurst & Horton took part in the preparation of the Official Notice of Sale or the Official Statement nor have such firms undertaken independently to verify the accuracy of the information contained therein, except that, in their capacity as bond counsel, such firms have viewed the information describing the bonds in such Notice and Statement to verify that such description conforms to the provisions of the bond resolution. The legal fees to be paid Messrs. Vinson & Elkins and Messrs. McCall, Parkhurst & Horton for services rendered in connection with the issuance of the bonds are contingent on the sale and delivery of the bonds.

No-Litigation Certificate: The respective Boards will execute and deliver to the successful purchaser a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain or enjoin the issuance or delivery of said bonds or the coupons appertaining thereto, or which would affect the provisions made for their payment or security, or in any manner questioning the validity of said bonds or coupons.

Verification as to Official Statement: At the time of payment for and delivery of the bonds, the respective Boards will furnish the successful bidder a certificate, executed by a proper officer or officers of such Boards, acting in their official capacity, to the effect that to the best of their knowledge and belief: (a) the description and statements of or pertaining to the issuers contained in the Official Statement, as supplemented and amended, on the date of such Official Statement, on the date of sale of the bonds and the acceptance of the best bid therefor, and on the date of the delivery of the bonds, were and are true and correct in all material respects; (b) insofar as the issuers and their affairs, including the financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein; in the light of the circumstances under which they were made, not misleading; and (c) insofar as the description and statements, including financial data contained in such Official Statement, as supplemented and amended, of or pertaining to entities other than the Boards and their activities are concerned, such statements and data have been obtained from sources which the Boards believe to be reliable and that the Boards have no reason to believe that they are untrue in any material respect.

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Printed Bonds: The respective Boards, at their cost, will furnish printed bonds on lithographed or steel engraved borders to the purchaser. The legal opinion of Messrs. Vinson & Elkins will be printed on The University of Texas System bonds and the legal opinion of Messrs. McCall, Parkhurst & Horton will be printed on The Texas A&M University System bonds.

CUSIP Numbers: It is anticipated that CUSIP identification numbers will be printed on said bonds, but neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for said bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on said bonds shall be paid for by the issuer, provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

Paying Agent Banks: On the date these bonds are sold, the Board of Regents of The University of Texas System and the Board of Regents of The Texas A&M University System, respectively, will select a Texas bank with assets in excess of \$200,000,000 as paying agent on these bonds and a New York City bank and a Chicago bank as co-paying agents. The selection of paying agents will be at the sole discretion of the respective Boards of Regents.

Delivery: Delivery of the bonds will be made at the expense of the respective Boards at a bank in Austin, Texas, provided, however, that the purchaser may arrange with the Boards for delivery of the bonds at a bank in New York or Chicago, at the expense of the purchaser. It is anticipated that delivery can be made on or about July 11, 1978, and it is understood and agreed that the purchaser will accept delivery and make payment in Federal Funds of the agreed purchase price, less the amount of the good faith deposit, on or before July 11, 1978, or thereafter when the bonds are tendered for delivery up to and including August 11, 1978. The purchaser shall be given at least seven days' notice of the time which the respective Boards have fixed for delivery. The purchaser shall make proper payment for the bonds prior to 12:00 noon, C.D.T., on the date so fixed for delivery. If for any reason The University of Texas System or The Texas A&M University System is unable to tender the bonds for delivery by August 11, 1978, then the System shall immediately contact the successful bidder to allow said bidder to extend his bid for an additional 30 days. If the successful bidder does not elect to extend his offer within five days after such notification, then the good faith deposit will be returned and both The University of Texas System or The Texas A&M University System and the successful bidder shall be relieved of further obligation.

Responsibility for Qualification of Bonds for Sale in Respective States: The Boards assume no responsibility for qualification of the bonds under the securities laws of any jurisdiction in which the bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

Additional Copies of Notice of Sale, Bid Form, and Bond Resolutions: Additional copies of the Official Notice of Sale, Official Statement, Official Bid Form, and copies of the respective Bond Resolutions may be obtained at the Office of the Executive Director for Investments, Trusts and Lands, The University of Texas System, 210 West Sixth Street, Austin, Texas 78701. Each successful bidder will be furnished with up to 100 copies of the Official Statement at no expense. Arrangements have been made with the printer to supply additional copies, if desired, at the successful bidder's expense.



W. C. Freeman,
Executive Vice Chancellor for Administration
The Texas A&M University System
College Station, Texas 77843

May 25, 1978



W. L. Lobb, Executive Director
for Investments, Trusts & Lands
The University of Texas System
210 West Sixth Street
Austin, Texas 78701

Part II
OFFICIAL STATEMENT

This Official Statement does not constitute an offer to sell Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, salesman, or any other person has been authorized to give any information or make any representation, other than those contained herein, in connection with the offering of these Bonds, and if given or made, such information or representation must not be relied upon. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board of Regents of The University of Texas System or the Board of Regents of The Texas A&M University System since the date hereof.

NEW ISSUE

\$21,000,000

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM
PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1978

\$11,000,000

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1978

DATE OF BONDS: July 1, 1978

FORM AND DENOMINATION OF BONDS: As to each issue, respectively, the bonds will be authorized and issued as negotiable bonds payable to bearer in the denomination of \$5,000 each, with provision for registering bonds as to principal only at the option of the holder.

PAYABLE: Annual principal (July 1) and semiannual interest (January 1 and July 1; first coupon payable January 1, 1979) are payable in lawful money of the United States of America at the following places without exchange or collection charges to the owners or holders thereof:

On the date these bonds are sold, the Board of Regents of The University of Texas System and the Board of Regents of The Texas A&M University System, respectively, will select for each issue a Texas bank with assets in excess of \$200,000,000 as paying agent and a New York City bank and a Chicago bank as co-paying agents. The compensation of such paying agents is to be paid from funds made available by the respective Boards for that purpose and pursuant to the terms of the respective contracts with the paying agents.

MATURITY SCHEDULE (July 1 of each year):

Year	The University of Texas System	The Texas A&M University System
1979	\$ 840,000	\$440,000
1980	840,000	440,000
1981	840,000	440,000
1982	840,000	440,000
1983	945,000	495,000
1984	945,000	495,000
1985	945,000	495,000
1986	945,000	495,000
1987	1,050,000	550,000
1988	1,050,000	550,000
1989	1,050,000	550,000
1990	1,050,000	550,000
1991	1,155,000	605,000
1992	1,155,000	605,000
1993	1,155,000	605,000
1994	1,155,000	605,000
1995	1,260,000	660,000
1996	1,260,000	660,000
1997	1,260,000	660,000
1998	1,260,000	660,000

CALL PRICE: Both issues of bonds are non-callable as a whole or in part prior to July 1, 1988. Beginning July 1, 1988, all bonds of both issues are callable on any interest payment date, on thirty days' notice, at the price effective on such date determined as follows:

Par and accrued interest to the date fixed for redemption plus a premium of one percent (1%) if redeemed on or after July 1, 1988, but prior to July 1, 1989, such premium declining by one-fourth of one percent (1/4%) on July 1, 1989, and each July 1 thereafter to par on July 1, 1992.

PURPOSE: The \$21,000,000 of Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1978, are being issued by said Board of Regents for the purpose of constructing, equipping, or acquiring buildings or other permanent improvements for The University of Texas System.

The \$11,000,000 of Board of Regents of The Texas A&M University System Permanent University Fund Bonds, New Series 1978, are being issued by said Board of Regents for the purpose of constructing, equipping, or acquiring buildings or other permanent improvements for The Texas A&M University System.

SECURITY AND ADDITIONAL PARITY BONDS AND NOTES: The Amendments to Section 18, Article VII of the Texas Constitution, adopted by vote of the people of Texas on November 6, 1956, and on November 8, 1966, provide that the Board of Regents of The University of Texas System and the Board of Regents of The Texas A&M University System are authorized to issue negotiable bonds and notes for the purpose of constructing, equipping, or acquiring buildings or other permanent improvements for their respective Systems, in a total amount not to exceed twenty percent (20%) of the value of the Permanent University Fund exclusive of real estate at the time of any issuance thereof (2/3rds of 20% for The University of Texas System and 1/3rd of 20% for The Texas A&M University System). The Board of Regents of The University of Texas System heretofore has authorized, issued, sold and delivered its Permanent University Fund Bonds, Series 1959, dated July 1, 1959, Series 1960, dated July 1, 1960, Series 1961, dated July 1, 1961, Series 1962, dated July 1, 1962, Series 1963, dated July 1, 1963, Series 1964, dated July 1, 1964, Series 1965, dated July 1, 1965,

and Series 1966, dated July 1, 1966, outstanding as of July 1, 1978, in the aggregate principal amount of \$13,190,000 with all of said bonds being on a parity and being payable from and secured by a first lien on and pledge of the interest of The University of Texas System in the income from the Permanent University Fund (hereinafter sometimes called "The University of Texas System Old Series Outstanding Bonds"). The Board of Regents of The Texas A&M University System heretofore has authorized, issued, sold and delivered its Permanent University Fund Bonds, Series 1959, dated July 1, 1959, Series 1961, dated July 1, 1961, and Series 1962, dated July 1, 1962, outstanding as of July 1, 1978, in the aggregate principal amount of \$2,460,000 with all of said bonds being on a parity and being payable from and secured by a first lien on and pledge of the interest of The Texas A&M University System in the income from the Permanent University Fund (hereinafter sometimes called "The Texas A&M University System Old Series Outstanding Bonds").

THE BOARDS OF REGENTS have determined not to issue any more bonds or notes on a parity with the above-described The University of Texas System Old Series Outstanding Bonds and The Texas A&M University System Old Series Outstanding Bonds because of the restrictive Permanent University Fund investment covenants required in connection with all of the aforesaid Old Series Outstanding Bonds heretofore issued.

THE BOARD OF REGENTS of The University of Texas System heretofore has authorized, issued, sold and delivered its Permanent University Fund Bonds, New Series 1967, dated July 1, 1967, New Series 1968, dated July 1, 1968, New Series 1969, dated July 1, 1969, New Series 1970, dated July 1, 1970, New Series 1971, dated July 1, 1971, New Series 1972, dated July 1, 1972, New Series 1973, dated July 1, 1973, New Series 1974, dated July 1, 1974, New Series 1975, dated July 1, 1975, New Series 1976, dated July 1, 1976, and New Series 1977, dated July 1, 1977, outstanding as of July 1, 1978, in the aggregate principal amount of \$102,090,000 (hereinafter sometimes called "The University of Texas System New Series Outstanding Bonds"), and the Board of Regents of The Texas A&M University System heretofore has authorized, issued, sold and delivered its Permanent University Fund Bonds, New Series 1967, dated July 1, 1967, New Series 1968, dated July 1, 1968, New Series 1969, dated July 1, 1969, New Series 1970, dated July 1, 1970, New Series 1971, dated July 1, 1971, New Series 1972, dated July 1, 1972, New Series 1973, dated July 1, 1973, New Series 1974, dated July 1, 1974, New Series 1975, dated July 1, 1975, New Series 1976, dated July 1, 1976, and New Series 1977, dated July 1, 1977, outstanding as of July 1, 1978, in the aggregate principal amount of \$54,540,000 (hereinafter sometimes called "The Texas A&M University System New Series Outstanding Bonds"), each issue of the aforesaid New Series Outstanding Bonds being payable from and secured by a lien on and pledge of the respective interest of each University in the income from the Permanent University Fund, subject only and subordinate to the first lien on and pledge of said interest, respectively, heretofore created in connection with the aforesaid Old Series Outstanding Bonds.

THE PERMANENT UNIVERSITY FUND BONDS, New Series 1978, herein offered for sale by the Boards of Regents, will be on a parity with the aforesaid New Series Outstanding Bonds and will be payable, together with the aforesaid New Series Outstanding Bonds, from and secured by a lien on and pledge of the respective interest of each University in the income from the Permanent University Fund, subject only and subordinate to the first lien on and pledge of said interest, respectively, heretofore created in connection with the aforesaid Old Series Outstanding Bonds.

BOTH BOARDS will reserve the right hereafter to issue installments of New Series Additional Parity Bonds and Notes from time to time which will be equally and ratably secured and payable in the same manner as The University of Texas System New Series Outstanding Bonds, The Texas A&M University System New Series Outstanding Bonds and the Permanent University Fund Bonds, New Series 1978, herein offered for sale, provided that no such New Series Additional Parity Bonds or Notes shall be issued unless the Executive Director for Investments, Trusts and Lands of The University of Texas System, or some other officer designated by the Board of Regents, executes:

(1) a certificate to the effect that there is then held in and owned by the Permanent University Fund an amount of direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which

(a) are at least equal in aggregate par or face value to the aggregate par or face value of (i) all outstanding bonds or notes which have been issued by the Board of Regents of The University of

Texas System and the Board of Regents of The Texas A&M University System and which are payable from the income from the Permanent University Fund, and (ii) the installment or series of New Series Additional Parity Bonds or Notes then proposed to be issued, and

(b) are then yielding annual interest at least equal to the maximum annual interest requirements of (i) all outstanding bonds or notes which have been issued by the Board of Regents of The University of Texas System or the Board of Regents of The Texas A&M University System and which are payable from income from the Permanent University Fund, and (ii) the installment or series of New Series Additional Parity Bonds or Notes then proposed to be issued.

(2) a certificate to the effect that for the fiscal year next preceding the date of said certificate the amount of the interest of the issuing Board in the income from the Permanent University Fund was at least 1-1/2 times the principal and interest requirements of all outstanding bonds or notes theretofore delivered by the issuing Board and payable from the income from the Permanent University Fund, and of the installment or series of New Series Additional Parity Bonds or Notes then proposed to be issued, during the calendar year in which said principal and interest requirements will be the greatest.

AS ADDITIONAL security and guaranty for the prompt and full payment of all principal and interest on all bonds and notes payable from the income from the Permanent University Fund, the Board of Regents of The University of Texas System (charged by law with the exclusive management and control of the Permanent University Fund) has covenanted and bound itself as follows:

(1) that while any bonds or notes of the Board of Regents of The University of Texas System or the Board of Regents of The Texas A&M University System heretofore or hereafter issued and delivered pursuant to the provisions of Section 18, Article VII of the Texas Constitution, approved by vote of the people of Texas on August 23, 1947, or pursuant to the provisions of the amendments to Section 18, Article VII of the Texas Constitution, approved by vote of the people of Texas on November 6, 1956, and on November 8, 1966, or pursuant to the provisions of Chapter 255, page 546, Acts of 1957, Fifty-fifth Legislature of Texas, Regular Session, codified as Section 66.21 through 66.25 of the Texas Education Code, or pursuant to any future amendment to Section 18, Article VII of the Texas Constitution, are outstanding and unpaid, the Board of Regents will maintain and invest and keep invested the Permanent University Fund, as required by law; and that while any such bonds and notes, and the interest thereon, are outstanding and unpaid, the Board of Regents will invest such Fund in eligible and legal securities which will yield a maximum rate of return consistent with the Board of Regents' long established policy of purchasing for said Fund only securities of high investment quality; and further that at all times the Fund will be maintained and invested so as to yield annually an amount of money not less than 1-1/2 times the principal and interest requirements of all of the aforesaid outstanding bonds or notes payable from income from the Permanent University Fund, during the calendar year in which said principal and interest requirements will be the greatest.

It is further additionally covenanted as follows:

(1) that so much of the Fund will be maintained and invested at all times in such amount of United States Government Bonds as will yield annually, at the effective rate or rates of interest borne by such United States Government Bonds, an amount of money not less than the principal and interest requirements of all outstanding bonds which are payable from income from the Permanent University Fund which were issued by said Boards of Regents prior to the year 1967, during the calendar year in which said principal and interest requirements of all such outstanding bonds issued prior to 1967 will be the greatest; and that neither the Board of Regents nor any officer of the Board of Regents of The University of Texas System shall be authorized to sell or withdraw any of said United States Government Bonds if by such sale or withdrawal the total amount of such United States Government Bonds remaining thereafter will yield annually an amount less than said principal and interest requirements of all such outstanding bonds issued prior to 1967, during the calendar year in which said principal and interest requirements will be the greatest, and

(2) that at all times (and regardless of whether or not any of the aforesaid Permanent University Fund bonds issued prior to 1967 remain outstanding, and regardless of the actual principal and interest re-

requirements of the aforesaid Permanent University Fund bonds issued prior to 1967) the Fund will be invested in an amount of direct obligations of, or obligations, the principal of and interest on which are guaranteed by the United States of America, which

(a) are at least equal in aggregate par or face value to the aggregate par or face value of all outstanding bonds or notes which have been issued by the Board of Regents of The University of Texas System or the Board of Regents of The Texas A&M University System and which are payable from income from the Permanent University Fund, irrespective of whether such bonds or notes were issued before, during or after 1967, and

(b) will yield annually an amount of interest which will be at least equal to the maximum annual interest requirements of all outstanding bonds or notes which have been issued by the Board of Regents of The University of Texas System or the Board of Regents of The Texas A&M University System and which are payable from income from the Permanent University Fund, irrespective of whether such bonds or notes were issued before, during or after 1967.

THE INTEREST of The University of Texas System in the income from the Permanent University Fund shall be credited as it accrues to The University of Texas System Available University Fund in the State Treasury, and not less than 45 days prior to each interest paying date sufficient moneys shall be transferred therefrom to The University of Texas System New Series Permanent University Fund Interest and Sinking Fund, also in the State Treasury, to meet all principal and interest requirements when due on the New Series Permanent University Fund bonds and notes issued by the Board of Regents of The University of Texas System. Not less than 30 days prior to each interest payment date, moneys shall be made available at the places of payment in the amounts required to pay the interest or the principal and interest coming due on each interest payment date.

THE INTEREST of The Texas A&M University System in the income from the Permanent University Fund shall be credited as it accrues to The Texas A&M University System Available University Fund in the State Treasury, and not less than 45 days prior to each interest paying date sufficient moneys shall be transferred therefrom to The Texas A&M University System New Series Permanent University Fund Interest and Sinking Fund, also in the State Treasury, to meet all principal and interest requirements when due on the New Series Permanent University Fund bonds and notes issued by the Board of Regents of The Texas A&M University System. Not less than 30 days prior to each interest payment date, moneys shall be made available at the places of payment in the amounts required to pay the interest or the principal and interest coming due on each interest payment date.

THE "Income from the Permanent University Fund" means the net amount remaining after deducting management expenses. The Board of Regents has covenanted that annual management expenses payable before debt service requirements will not exceed 1/5 of 1% of the book value of the Permanent University Fund.

OUTSTANDING Permanent University Fund Bonds, after issuance of the New Series 1978, will be as follows:

The University of Texas System	\$136,280,000
The Texas A&M University System	\$ 68,000,000

Attention is especially invited to the following data which appears in the Official Statement:

Table I, Page 12, sets forth the income available, and to become available, to The University of Texas System and The Texas A&M University System from the Permanent University Fund.

Table II, Page 13, sets forth projected debt service coverage with respect to all Permanent University Fund bonds, including New Series 1978, issued by The University of Texas System and The Texas A&M University System.

ELIGIBILITY OF BONDS FOR INVESTMENT AND SECURITY; EXEMPTION FROM TAXATION: Chapter 255, page 546, Acts of 1957, Fifty-fifth Legislature of Texas, Regular Session, codified as Section 66.21 through 66.25 of the Texas Education Code, provides that all of the bonds herein offered for sale shall be legal and authorized investments in Texas for banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries, trustees, guardians and for the sinking funds of cities, towns, villages, counties, school districts and all other political corporations or subdivisions of the State of Texas; and that such bonds shall be eligible to secure the deposit of any and all public funds of the State of Texas; and any and all public funds of cities, towns, villages, counties, school districts and all other political corporations or subdivisions of the State of Texas, to the full extent of their par value when accompanied by all unmatured coupons appurtenant thereto.

THE AFORESAID Act further provides that all of such bonds and their transfer and the income therefrom, including any profits made on the sale thereof, shall at all times be free from taxation within the State of Texas. In the opinion of Bond Counsels, the interest on all such bonds is exempt from Federal income taxes under existing statutes, regulations, rulings and court decisions.

PAYMENT RECORD: Neither The University of Texas System nor The Texas A&M University System has ever defaulted.

LEGALITY: The Attorney General of the State of Texas and Messrs. Vinson & Elkins, Houston, Texas, as to The University of Texas System bonds and Messrs. McCall, Parkhurst & Horton, Dallas, Texas, as to The Texas A&M University System bonds.

DELIVERY: When issued; anticipated on or about July 11, 1978.

The information set forth in this Official Statement has been obtained from issuer records and other sources which are believed to be reliable, but it is not guaranteed as to the accuracy or completeness thereof, and its inclusion herein is not to be construed as a representation on the part of the issuer to such effect. There is no guarantee or representation that any of the assumptions or estimates contained herein will ever be realized. All of the summaries or excerpts of statutes, documents and resolutions contained in this Official Statement do not purport to be complete statements and are made subject to all of the provisions of such statutes, documents and resolutions. Reference should be made to such original sources in all respects.

A. PERMANENT UNIVERSITY FUND

History

IN 1836, THE FOUNDERS of The Republic of Texas committed it to an enlightened and irrevocable policy of public education and endowed The University of Texas, as its capstone, with fifty leagues (approximately 222,000 acres) of land from the public domain. Through its ten years as an independent Republic, in its later years as a frontier State, and finally through war and reconstruction, its people kept faith with their forebears and fostered education as indispensable to freedom.

IN 1876, a new Constitution was adopted wherein it was decreed that there should be established a "University of the first class" including a branch college devoted to agriculture and the mechanic arts. This undertaking was endowed by granting to the Permanent University Fund an additional 1,000,000 acres from the public domain, to which the Legislature, in 1883, added approximately 1,000,000 acres.

Land

As of this date, the Permanent University Fund owns approximately 2,100,000 acres of land located in west Texas. Practically the whole of this acreage is under grazing leases. Annual surface income is in excess of \$1,000,000.

THE UNIVERSITY OF TEXAS SYSTEM does not explore or operate oil properties belonging to the Permanent University Fund. Instead, it sells under competitive bids leases on selected tracts of land to leading operators, including almost all of the major, as well as many strong independent, companies in the Southwest. As of February 28, 1978, 1,058,993 acres of land belonging to said Fund were under oil and gas leases, of which 367,434 were held by production from 5,903 oil wells and 237 gas wells.

DURING recent years approximately 32,700,000 barrels of crude oil and 134,000,000 MCF of gas were produced from these lands each year on which one-eighth to one-fifth royalty was reserved for the Permanent University Fund.

DECISIONS of the Supreme Court of Texas and of the Attorney General of Texas have decreed that the Permanent University Fund shall be forever kept intact, and that there shall be added to the corpus thereof all oil, gas, and water royalties received, all gains on investments, all rentals on mineral leases, all lease bonuses, and all consideration for such lands as may be sold.

Investments

As of February 28, 1978, securities owned by the Permanent University Fund which is administered by the Board of Regents of The University of Texas System were as follows:

	Fund Value
GOVERNMENT SECURITIES:	
U. S. Treasury Bonds	\$ 128,725,806
U. S. Guaranteed Bonds	154,435,969
FHA Real Estate Mortgages	8,897,249
Total Government Securities	<u>\$ 292,059,024</u>
CORPORATE SECURITIES:	
Bonds	\$ 293,587,175
Convertible Debentures	8,083,090
Convertible Preferred Stock	2,434,505
Common Stocks	350,207,374
Commercial Paper	56,334,000
Total Corporate Securities	<u>\$ 710,646,144</u>
TOTAL SECURITIES	<u>\$1,002,705,168</u>
CASH AND ACCOUNTS RECEIVABLE	<u>\$ 295,433</u>
TOTAL SECURITIES AND CASH	<u>\$1,003,000,601</u>

The following tabulation shows the sources from which the Permanent University Fund was built—(000 omitted):

Year	Total	Oil & Gas Royalty	Water Royalty	Mineral Lease Rentals & Misc.	Mineral Lease Bonuses
Prior to					
9/1/70	\$568,179	\$334,961	\$1,570	\$21,236	\$210,412
Additions					
FYE 8/31					
1971	26,671	18,388	173	6,272	1,838
1972	35,726	19,518	154	10,999	5,055
1973	38,780	18,967	131	12,716	6,966
1974	44,928	31,541	202	1,796	11,389
1975	67,488	58,513	156	753	8,066
1976	72,827	70,123†	192	(12,867)*	15,379
1977	91,472	76,598†	184	1,106	13,584
Total					
8/31/77	<u>\$946,071</u>	<u>\$628,609</u>	<u>\$2,762</u>	<u>\$42,011</u>	<u>\$272,689</u>

* Includes \$12,632,427 adjustment for certain bond exchanges not qualifying as bond "exchanges" under current procedures.

† Includes sulphur royalties.

Estimated Income

THE INCOME arising from the Permanent University Fund is apportioned to The University of Texas System and The Texas A&M University System by Chapter 42 of the Acts of the Regular Session of the 42nd Legislature of the State of Texas. A quotation from the pertinent section of the law follows:

"Beginning September 1, 1934, the Board of Directors of the Agricultural and Mechanical College of Texas shall so expend one-third of all the Available University Fund received from the Permanent University Fund arising from the 1,000,000 acres of land appropriated by the Constitution of 1876 and the land appropriated by the Act of 1883, except income from grazing leases on University Lands (less its proportion of expenses of administration and excluding any expenses of administration from grazing leases), and the Board of Regents of The University of Texas shall so expend the balance of said Available Fund, including all the income from grazing leases on University Lands (less its proportion of expenses of administration)."

THE FOREGOING statutory method of division of the income of the Permanent University Fund has been adopted and approved in Section 18, Article VII, of the Constitution of the State of Texas.

TABLE I
Permanent University Fund
Projected Annual Net Income (000 omitted)

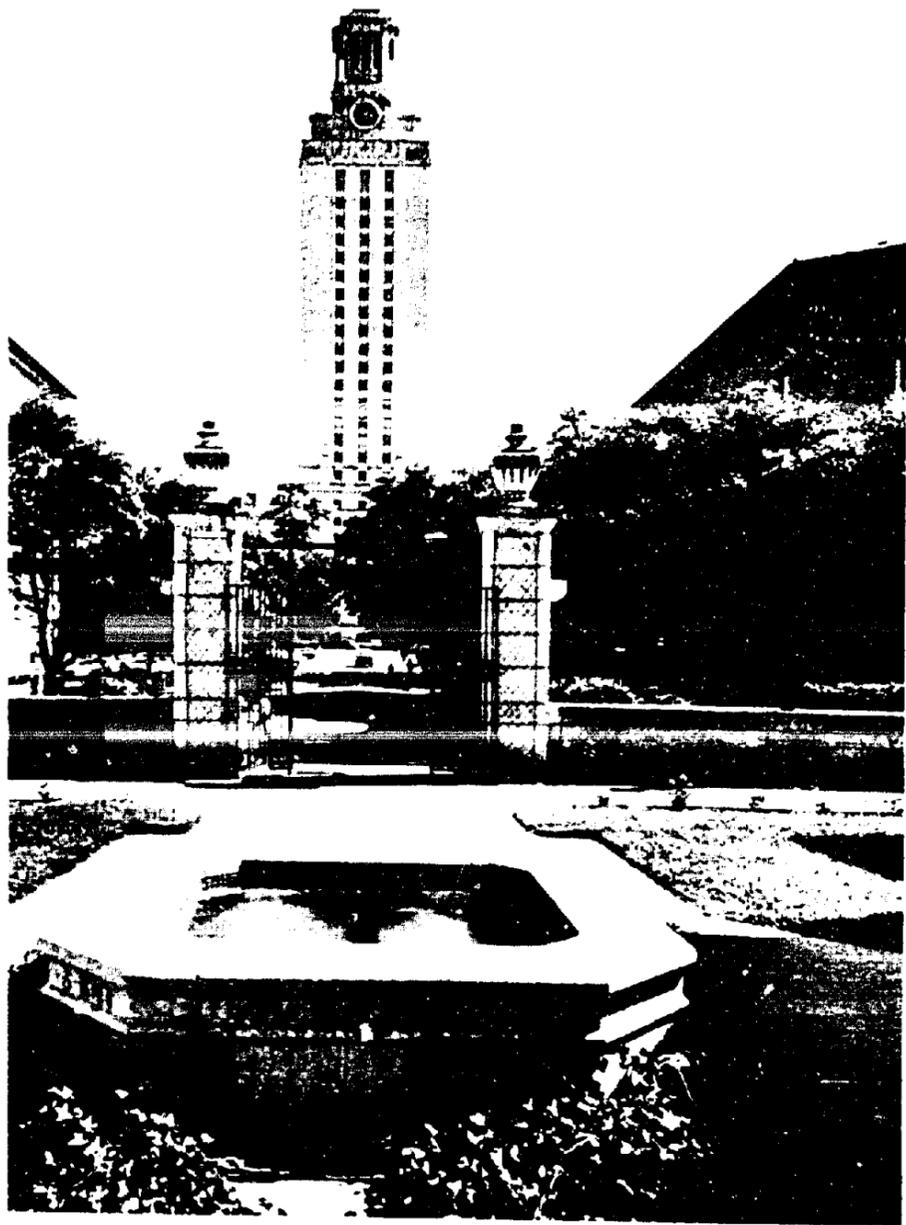
Fiscal Year Ending August 31	Investments for FYE 8/31	Net Investment Income-Est. (After Management Expense)			Other Income to U of T*	Total Avail. Univ. Fund to U of T
		Total	A&M	U of T		
1974†	\$ 714,284	\$35,611	\$11,870	\$23,741	\$1,532	\$25,273
1975†	781,772	39,105	13,035	26,070	1,539	27,609
1976†	854,598	46,542	15,514	31,028	1,544	32,572
1977†	946,071	53,409	17,803	35,606	1,645	37,251
1978	1,041,000	57,533	19,178	38,355	1,520	39,875
1979	1,126,000	62,938	20,979	41,959	1,520	43,479
1980	1,206,000	67,809	22,603	45,206	1,500	46,706
1981	1,281,000	72,363	24,121	48,242	1,500	49,742
1982	1,351,000	76,601	25,534	51,067	1,500	52,567
1983	1,421,000	80,595	26,865	53,730	1,500	55,230
1984	1,486,000	84,494	28,165	56,329	1,500	57,829
1985	1,557,000	88,145	29,382	58,763	1,500	60,263
1986	1,611,000	91,696	30,565	61,131	1,500	62,631
1987	1,666,000	94,920	31,640	63,280	1,500	64,780
1988 and thereafter	1,716,000	97,813	32,604	65,209	1,500	66,709

* Includes Grazing Lease rentals and miscellaneous income not divisible with The Texas A&M University System.
† Actual.

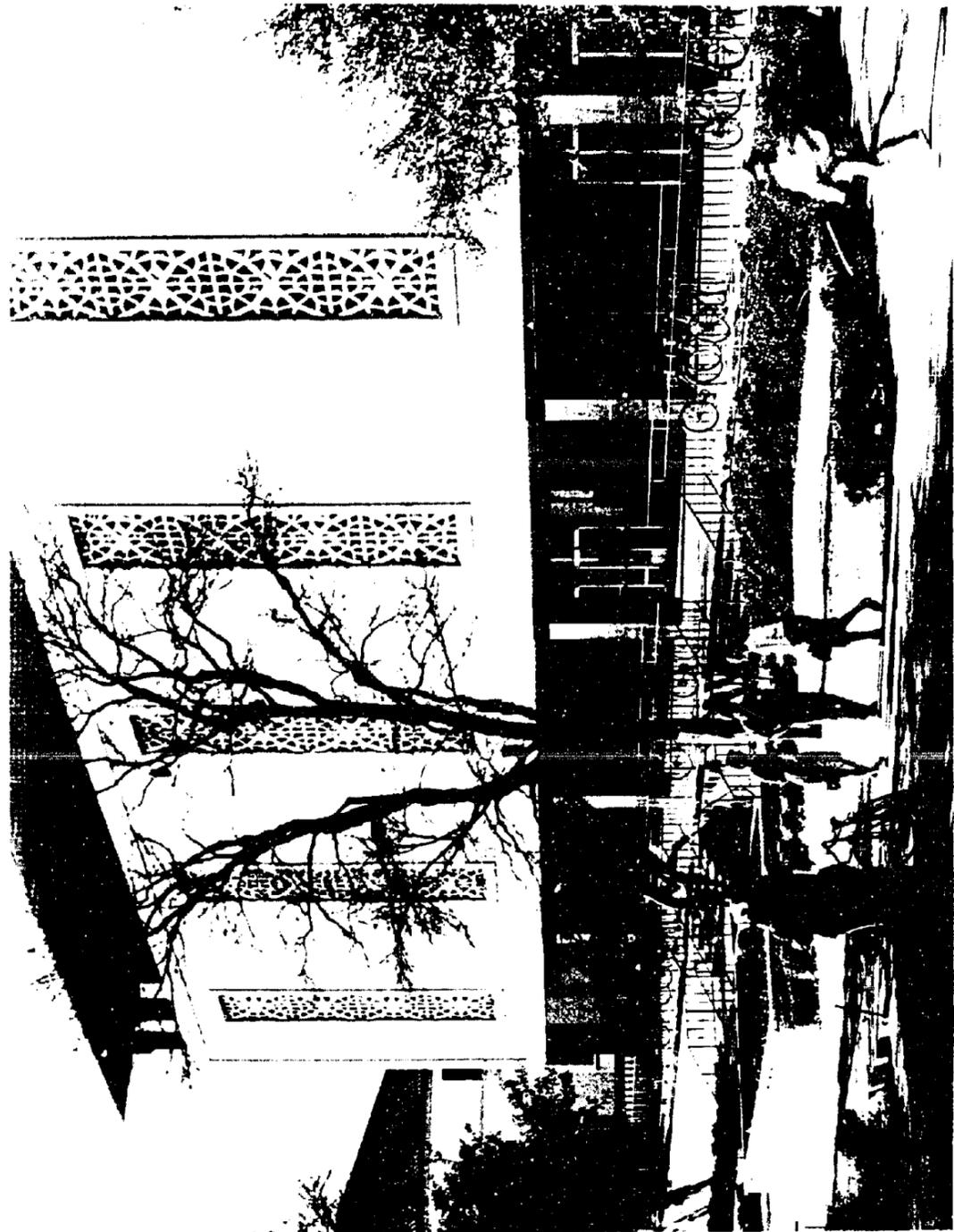
TABLE II
Projected Coverage of Actual and Estimated Annual Principal and Interest
Requirements of All University Fund Bonds*

Fiscal Year Ending 8/31	The University of Texas System			The Texas A&M University System		
	Annual Income	Debt Service	Coverage Times	Annual Income	Debt Service	Coverage Times
1979	\$43,479,552	\$16,128,610	2.7	\$20,979,433	\$8,050,538	2.6
1980	46,705,751	15,655,965	3.0	22,602,876	7,584,591	3.0
1981	49,742,327	15,139,120	3.3	24,121,163	7,462,028	3.2
1982	52,567,560	14,461,650	3.6	25,533,780	7,047,980	3.6
1983	55,230,316	14,080,198	3.9	26,865,158	6,648,693	4.0
1984	57,829,347	13,585,465	4.3	28,164,674	6,558,076	4.3
1985	60,263,282	13,106,180	4.6	29,381,641	6,438,675	4.5
1986	62,630,610	12,491,313	5.0	30,565,305	6,323,088	4.8
1987	64,779,671	11,591,400	5.6	31,639,835	6,216,575	5.1
1988	66,708,638	10,445,870	6.4	32,604,319	5,457,200	6.0
1989	66,708,638	9,279,405	7.2	32,604,319	5,019,750	6.5
1990	66,708,638	8,653,975	7.7	32,604,319	4,600,490	7.1
1991	66,708,638	8,015,870	8.3	32,604,319	4,202,275	7.8
1992	66,708,638	7,217,733	9.2	32,604,319	3,770,463	8.6
1993	66,708,638	6,452,065	10.3	32,604,319	3,351,100	9.7
1994	66,708,638	5,602,527	11.9	32,604,319	2,950,903	11.0
1995	66,708,638	4,800,510	13.9	32,604,319	2,511,600	13.0
1996	66,708,638	3,753,735	17.8	32,604,319	1,918,050	17.0
1997	66,708,638	2,628,760	25.4	32,604,319	1,353,300	24.1
1998	66,708,638	1,320,480	50.5	32,604,319	694,650	46.9

* Including the New Series 1978 Bonds proposed to be issued on which an interest rate of 5.25% has been assumed.



View of the University of Texas at Austin Main Building from the Path of Mrs. J. G. Brown, III



University of Texas at Austin, Texas, from the Path of Mrs. J. G. Brown, III

B. GENERAL INFORMATION

The University of Texas System

Administration

THE UNIVERSITY OF TEXAS was opened in 1883. It is supported by State appropriations, private endowments and gifts, Federal funds, student fees, miscellaneous sources of income, and its interest in the income of the Permanent University Fund.

GOVERNMENT of the University is vested in a board of nine regents who serve without pay. They are elected by the Governor for six-year terms, three each two years, and are subject to approval by the people. Administration of the University conforms to that of leading American universities.

MEMBERS of the Board of Regents are as follows:

The Honorable Allan Shivers, Chairman	Austin
Mr. Dan C. Williams, Vice Chairman	Dallas
James E. Bauerle, D.D.S.	San Antonio
Jane Weinert Blumberg (Mrs. Roland K.)	Seguin
The Honorable Edward Clark	Austin
Sterling H. Fly, Jr., M.D.	Uvalde
Mr. Jess Thomas Hay	Dallas
Mr. Thos. H. Law	Fort Worth
Mr. Walter G. Sterling	Houston
Betty Anne Thedford, Secretary	

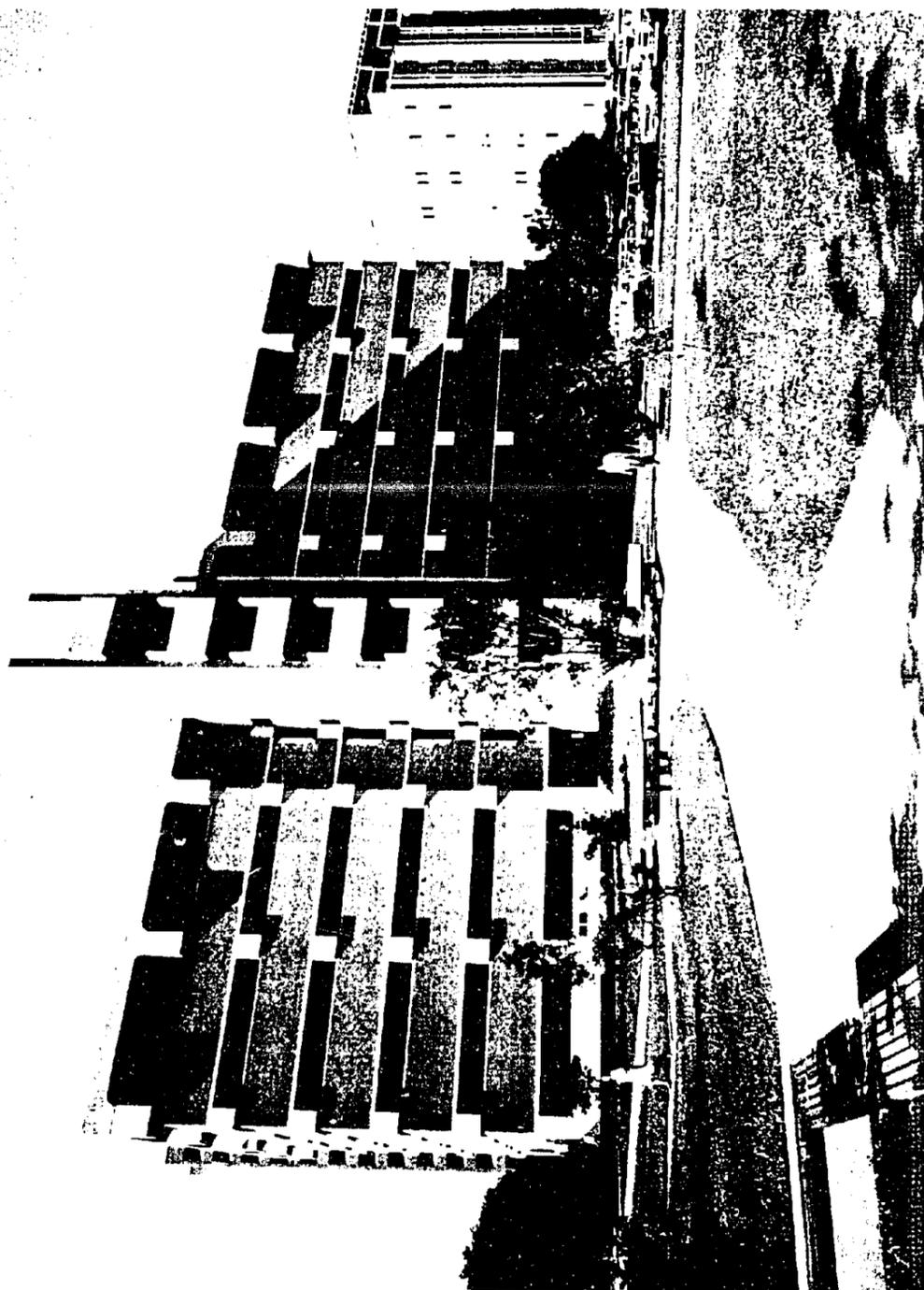
PRINCIPAL ADMINISTRATIVE OFFICERS and Staff of the System are as follows:

Dr. Charles A. LeMaistre, Chancellor
 Dr. E. D. Walker, President and Chief Operating Officer
 Dr. Ernest T. Smerdon, Vice President for Academic Affairs
 Mr. Robert L. Hardesty, Vice President for Administration
 Mr. Joe E. Boyd, Jr., Vice President for Business Affairs
 Mr. James T. Fitzpatrick, Vice President and General Counsel
 Dr. Edward N. Brandt, Jr., Vice President for Health Affairs
 Mr. Graves W. Landrum, Vice President for Operations
 Mr. W. L. Lobb, Executive Director for Investments, Trusts and Lands
 Mr. Frank Graydon, Budget Director
 Mr. R. L. Anderson, Comptroller
 Mr. R. S. Kristoferson, Director of Facilities Planning and Construction
 Mr. Herman Adams, Director for Public Affairs
 Mr. James C. Werchan, Director of Accounting

Organization

THE COMPONENT INSTITUTIONS of The University of Texas System, with the administrative heads shown, are:

The University of Texas at ARLINGTON
 Dr. Wendell Nedderman, President
 The University of Texas Institute of Urban Studies at Arlington
 Dr. Sherman Wyman, Director
 The University of Texas School of Nursing at Arlington
 Dr. Myrna Pickard, Dean





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- The University of Texas at AUSTIN
 Dr. Lorene L. Rogers, President
 The University of Texas Marine Science Institute at Galveston and Port Aransas
 Dr. Creighton A. Burk, Director
 The University of Texas McDonald Observatory at Mount Locke
 Dr. Harlan Smith, Director
 The University of Texas School of Nursing at Austin
 Dr. Billye Brown, Dean
- The University of Texas at DALLAS
 Dr. Bryce Jordan, President
- The University of Texas at EL PASO
 Dr. Arleigh B. Templeton, President
 The University of Texas School of Nursing at El Paso
 Dr. Eileen Jacobi, Dean
- The University of Texas of the PERMIAN BASIN
 Dr. V. R. Cardozer, President
- The University of Texas at SAN ANTONIO
 Dr. James W. Wagener, Acting President
 The University of Texas Institute of Texan Cultures at San Antonio
 Mr. Jack R. Maguire, Executive Director
- The University of Texas Health Science Center at DALLAS
 Dr. Charles C. Sprague, President
 The University of Texas Southwestern Medical School at Dallas
 Dr. Frederick Bonte, Dean
 The University of Texas Graduate School of Biomedical Sciences at Dallas
 Dr. Kern Wildenthal, Dean
 The University of Texas School of Allied Health Sciences at Dallas
 Dr. John Schermerhorn, Dean
- The University of Texas Medical Branch at GALVESTON
 Dr. William C. Levin, President
 The University of Texas Medical School at Galveston
 Dr. George T. Bryan, Dean
 The University of Texas Graduate School of Biomedical Sciences at Galveston
 Dr. J. Palmer Saunders, Dean
 The University of Texas School of Allied Health Sciences at Galveston
 Dr. Robert K. Bing, Dean
 The University of Texas Institute for the Medical Humanities at Galveston
 Dr. William B. Bean, Director
 The University of Texas Marine Biomedical Institute at Galveston
 Dr. William D. Willis, Acting Director
 The University of Texas School of Nursing at Galveston
 Dr. Dorothy Damewood, Dean
- The University of Texas Health Science Center at HOUSTON
 Dr. Truman G. Blocker, Jr., Acting President
 The University of Texas Medical School at Houston
 Dr. Robert L. Tuttle, Dean
 The University of Texas Dental Branch at Houston
 Dr. John V. Olson, Dean
 The University of Texas Graduate School of Biomedical Sciences at Houston
 Dr. Roger Hewitt, Acting Dean

- The University of Texas School of Allied Health Sciences at Houston
 Dr. Alton Hodget, Dean
 The University of Texas School of Public Health at Houston
 Dr. Reuel A. Stallones, Dean
 The University of Texas Speech and Hearing Institute at Houston
 Dr. Tina Bangs, Director
 The University of Texas School of Nursing at Houston
 Dr. Arlowayne Swort, Dean
- The University of Texas Health Science Center at SAN ANTONIO
 Dr. Frank Harrison, President
 The University of Texas Medical School at San Antonio
 Dr. Stanley E. Crawford, Dean
 The University of Texas Dental School at San Antonio
 Dr. Edwin M. Collins, Acting Dean
 The University of Texas Graduate School of Biomedical Sciences at San Antonio
 Dr. Armand J. Guarino, Dean
 The University of Texas School of Nursing at San Antonio
 Dr. Patty Lynn Hawken, Dean
- The University of Texas System Cancer Center
 Dr. R. Lee Clark, President
 The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston
 Dr. Robert C. Hickey, Director
 The University of Texas Science Park—Research Division
 Dr. Ronald M. Humphrey, Associate Director
- The University of Texas System Health Center at TYLER
 Dr. George Hurst, Superintendent

GENERAL ACADEMIC INSTITUTIONS

THE UNIVERSITY OF TEXAS AT ARLINGTON is located midway between Dallas and Fort Worth, reflecting the energy of one of the state's most rapidly expanding areas. Founded in 1895 as a private college, U.T. Arlington, under various names, was one of the nation's leading junior colleges and a part of the Texas A&M System before joining The University of Texas System in 1965. U. T. Arlington's enrollment has been annually increasing to its current level. Current degree programs offer bachelor's degrees in 40 fields, master's degrees in 34 fields and doctoral programs in six fields. To serve the growing enrollment and expanding degree programs, the physical plant is being expanded with construction valued at \$31 million, with completion scheduled for 1978.

THE UNIVERSITY OF TEXAS AT AUSTIN is located in the capital city of Texas, resulting from popular vote in 1881. The present site has expanded into more than 360 acres since classes began on the original 40 acres near downtown Austin. Additional University-owned property located in other areas of Austin includes the Balcones Research Center and the Brackenridge Tract, partially used for married student housing. U. T. Austin teaches over 3,800 courses and offers master's and doctoral degrees in more than 50 fields; its library system contains more than four million volumes. The McDonald Observatory on Mount Locke in West Texas and the Marine Science Institute at Galveston and Port Aransas on the Gulf Coast are also operated as units of U.T. Austin.

THE UNIVERSITY OF TEXAS AT DALLAS was established in 1969 by the Texas Legislature which authorized curriculum leading to degrees at the baccalaureate, master's and doctoral levels. U.T. Dallas was authorized to enroll junior and senior undergraduates in September, 1975, with an anticipated enrollment of 4,500 students. The present U.T. Dallas campus encompasses 608 acres of land and 900,000 square feet of buildings.

THE UNIVERSITY OF TEXAS AT EL PASO was initially established by the Texas Legislature in 1913 as the Texas School of Mines and Metallurgy and placed under the control of the Board of Regents of The University of Texas. In 1949, the school's name was changed to Texas Western College; in 1967, the name again changed to The University of Texas at El Paso. U. T. El Paso is composed of six separate schools, has more than 450 faculty members and offers over 60 major fields of study. An unusual Bhutanese architectural design adapted for the rocky foothill location on the border of Mexico has been utilized for the buildings on campus.

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN in Odessa opened for classes in September, 1973, with 1,112 students. As directed by the Texas Legislature in 1969, U. T. Permian Basin accepts only upper-level students and offers baccalaureate degrees in 31 fields and master's degrees in 15 fields. The U. T. Permian Basin Library opened with more than 250,000 volumes, and more than 105,000 volumes were added during the first year of operation. Buildings in the first phase of development of the 588-acre campus had a total project cost of approximately \$13 million, with the initial occupancy of the innovative classroom and laboratory facility taking place during the summer of 1974.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO was authorized in 1969 by the Texas Legislature. The campus is located on 600 acres in the northwestern area of greater San Antonio. After completion of site development work, construction contracts were awarded in the spring of 1972, with an estimated completion date of May, 1975. In early 1972, the Board of Regents of The University of Texas System and the Coordinating Board, Texas College and University System, approved U. T. San Antonio's academic organization of five colleges with seventeen divisions and its proposed forty-two degree programs. Current academic organization consists of five colleges with fourteen divisions, in addition to a Division of Continuing Education. Graduate courses were first offered to approximately 670 students in June, 1973, with the initial enrollment of undergraduate students in September, 1973.

HEALTH-RELATED INSTITUTIONS

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT DALLAS was established by The University of Texas Board of Regents in the fall of 1972 as a component institution composed of three schools: Southwestern Medical School, the Graduate School of Biomedical Sciences, and the School of Allied Health Sciences. An outgrowth of Southwestern Medical College, founded in 1943 by Southwestern Medical Foundation and added to The University of Texas System in 1949, the Dallas Health Science Center is engaged in broad programs of training, research, and patient care in conjunction with its principal teaching hospital and fifteen other affiliated institutions. A \$50 million building program, with the first phase completed, will nearly double the number of doctors graduated each year and expand teaching of other health professions.

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON is located two miles from the Texas mainland and represents the largest single industry on Galveston Island. The Medical Branch has awarded more than 6,716 Doctor of Medicine degrees since its founding in 1890; with over 700 undergraduate medical students currently enrolled, it is the largest medical school in Texas. The Medical Branch also includes the Graduate School of Biomedical Sciences and the School of Allied Health Sciences as units located in the University medical complex, each offering its own degree programs. Nine hospitals are among the more than 50 major buildings in the University medical complex, including the John Sealy Hospital, which serves as the principal service and teaching facility on campus. The Medical Branch also operates the Institute for the Medical Humanities and the Marjorie Biomedical Institute on campus, which serves as a major research facility for the area.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON was established by the Board of Regents in the fall of 1972. Four of its operational units had previously been components of the U. T. System: the Medical School since creation by the Texas Legislature in 1969, the Dental Branch since 1943, the Graduate School of Biomedical Sciences since 1963 and the School of Public Health since 1967. Other units of the Health Science Center include the Speech and Hearing Institute and the Division of Continuing Education, both formerly divisions of the Graduate School of Biomedical Sciences, and the School of Allied Health Sciences, activated in 1973. Units of the Health Science Center are located in or near the Texas Medical Center. The Medical School graduated its first class in 1973 and has extensive facilities under construction. The Health Science Center is committed to providing a broad program of biomedical education, research, and patient and related services.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO was established by the Board of Regents in the fall of 1972. The operational units of the Health Science Center include the San Antonio Medical School, the San Antonio Dental School, the Graduate School of Biomedical Sciences and the School of Allied Health Sciences. The Medical and Dental Schools had previously been individual component institutions within the U. T. System, authorized by the Legislature in 1959 and 1969, respectively. The Medical School first began admitting students in 1966, graduating its first class in 1970, while the Dental School conferred its first degrees in 1974. The U. T. Health Science Center at San Antonio is located on 100 acres of land in the South Texas Medical Center in northwest San Antonio. Principal teaching hospitals include the Bexar County Hospital and the Audie Murphy Veterans' Hospital located in the South Texas Medical Center.

THE UNIVERSITY OF TEXAS SYSTEM CANCER CENTER was established by the Board of Regents in the fall of 1972 as a component institution. The Cancer Center is composed of the M. D. Anderson Hospital and Tumor Institute at Houston and the Environmental Science Park. Founded by the Legislature in 1941, M. D. Anderson is one of three major comprehensive cancer centers in the United States where research, education and improved cancer patient care are primary concerns. The Hospital and Clinic facilities are located in the Texas Medical Center, with a major expansion program currently underway to provide an additional 350 beds, and clinical facilities to accommodate 1,200 outpatients per day. These new facilities will be housed in the Lutheran Hospital Pavilion and the Clinic Building, while 100,000 square feet of laboratory and research space are being added to existing structures. The Extramural Programs Division coordinates cooperative cancer research at all U. T. System biomedical components and supervises the development of the Environmental Science Park at Smithville, a center devoted to investigation of the interaction between man and environment and the possible causes of carcinogenesis.

THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER. The 65th Legislature transferred all jurisdiction over the East Texas Chest Hospital and its operations from the Texas Department of Health Resources to The University of Texas System, effective September 1, 1977, and pursuant to such authority, the Board of Regents of The University of Texas System changed the name of the East Texas Chest Hospital to The University of Texas Health Center at Tyler, to be effective on the same date. The Center will continue to provide a program for the treatment of patients with chest diseases and a program is being developed for treatment of patients with other diseases. The Center is to be used as a teaching facility related to the various health related educational programs of other components of The University of Texas System.

THE CURRENT BUDGET for The University of Texas System for the fiscal year ending August 31, 1978, is slightly over \$757,357,000 from all sources. The budget for The University of Texas System for the fiscal year ending August 31, 1979, is estimated to be over \$800,000,000.

Enrollment

THE ENROLLMENT at the teaching institutions of The University of Texas System in the fall of 1977 was as follows:

U. T. Arlington	17,201
U. T. Austin	41,660
U. T. Dallas	5,333
U. T. El Paso	15,836
U. T. Permian Basin	1,575
U. T. San Antonio	7,849
Dallas Health Science Center	1,312
Galveston Medical Branch	1,468
Houston Health Science Center	2,162
San Antonio Health Science Center	1,749
Total	96,145

CURRENT REVENUES AND EXPENDITURES OF THE U. T. SYSTEM for the past three fiscal years were as follows:

	Fiscal Year Ended August 31		
	1975	1976	1977
CURRENT REVENUES			
Tuition and Fees	\$ 34,038,275	\$ 37,113,131	\$ 40,154,601
Federal Funds	94,357,130	103,050,426	114,029,385
State Appropriations	273,019,312	359,865,867	408,334,353
Private Gifts	23,222,270	26,132,234	33,273,177
Endowment Income (Includes transfers from Available University Fund)	10,468,184	14,953,267	17,137,713
Sales and Services of Auxiliary Enterprises	28,481,534	34,245,265	38,548,980
Sales and Services of Hospitals and Clinics; Professional Fees	65,317,505	77,351,011	91,025,130
Sales and Services of Educational Departments and Other Sources	12,867,365	18,116,506	21,272,761
Total Current Revenues	\$541,771,575	\$670,827,707	\$763,776,100
CURRENT EXPENDITURES AND MANDATORY TRANSFERS			
Educational and General	\$465,137,468	\$552,090,903	\$644,044,133
Auxiliary Enterprises	30,980,381	38,949,885	45,325,841
Mandatory Transfers	25,346,608	28,763,154	26,249,347
Total Current Expenditures and Mandatory Transfers	\$521,464,457	\$619,803,942	\$715,619,321
EXCESS REVENUES OVER EXPENDITURES AND MANDATORY TRANSFERS	\$ 20,307,118	\$ 51,023,765	\$ 48,156,779

THE TABLE below reports the assets of The University of Texas System, including all component institutions, as at August 31, 1977.

THE UNIVERSITY OF TEXAS SYSTEM CONDENSED STATEMENT OF ASSETS AND NET WORTH

At August 31, 1977

ASSETS	
I. Current Funds	
A. General	\$ 86,078,771
B. Auxiliary Enterprises and Activities	24,237,749
C. Designated	86,145,100
D. Restricted	159,772,930
Total Current Funds	\$ 356,238,550
II. Loan Funds	\$ 25,792,698
III. Endowment and Similar Funds	
A. State (Permanent University Fund)	\$ 956,072,982
B. Other than State	108,188,637
Total Endowment and Similar Funds	\$1,064,261,619
IV. Annuity and Life Income Funds	\$ 2,873,468
V. Available University Fund	\$ 17,487,942
VI. Plant Funds	
A. Unexpended	\$ 155,492,098
B. Renewals and Replacements	2,384,198
C. Funds for Retirement of Indebtedness	61,891,315
D. Invested in Plant	1,419,137,559
Total Plant Funds	\$1,638,905,174
VII. Agency Funds	\$ 9,837,596
DEDUCT: Inter-Fund Groups Accounts	\$ 66,713,458
GRAND TOTAL ASSETS	\$3,048,683,589
Less: Total Liabilities (not including orders and contracts)	610,559,305
FUND BALANCES (i.e., Net Worth)	\$2,438,124,284

Outstanding Indebtedness

THE UNIVERSITY OF TEXAS SYSTEM has no bank loans or other unfunded indebtedness outstanding except current accounts payable. Following is a table showing all bonded indebtedness outstanding and the condition of the unpaid portions thereof as of February 28, 1978. Previously retired or refunded issues have been omitted from the schedule.

THE UNIVERSITY OF TEXAS SYSTEM
ALL OUTSTANDING BONDED INDEBTEDNESS BY UNITS OF THE SYSTEM

THE UNIVERSITY OF TEXAS SYSTEM	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
General Tuition Revenue Bonds, Series 1971, 6.5%, 5.8%, 5.25%, 5.4%, 5.5%, 5.6%, 5%, due serially 4/1/72 through 4/1/2002	\$50,000,000	\$44,535,000	\$15,100,308
General Tuition Revenue Bonds, Series 1972, 6%, 5.80%, 5.25%, 5.30%, 5.40%, 5.50%, 5%, due serially 4/1/74 through 4/1/2002	50,000,000	46,795,000	(1)
General Tuition Revenue Bonds, Series 1972A, 6%, 5.25%, 4.80%, 4.90%, 5%, 4.50%, due serially 4/1/74 through 4/1/2002	17,000,000	16,180,000	(1)
General Tuition Revenue Bonds, New Series 1974, 8%, 7.80%, 7.10%, 7.25%, 7.50%, 6.50%, due serially 4/1/79 through 4/1/96	33,000,000	33,000,000	8,188,669
¹ Series 1972 and Series 1972A are parity issues with Series 1971. Interest and Sinking Fund figure for 1971 issue includes all three.			
PERMANENT UNIVERSITY FUND			
Permanent University Fund Bonds, Series 1959, 4%, 3¼% and 3.4%, dated 7/1/59, due serially 7/1/60 through 7/1/79	\$ 4,000,000	\$ 480,000	(1)
Permanent University Fund Bonds, Series 1960, 4½%, 3% and 3.1%, dated 7/1/60, due serially 7/1/61 through 7/1/80	5,000,000	900,000	(1)
Permanent University Fund Bonds, Series 1961, 4½%, 3% and 3.2%, dated 7/1/61, due serially 7/1/62 through 7/1/81	6,000,000	1,440,000	(1)
Permanent University Fund Bonds, Series 1962, 2½%, 2¾%, 2.9% and 3%, dated 7/1/62, due serially 7/1/63 through 7/1/82	5,000,000	1,475,000	(1)
Permanent University Fund Bonds, Series 1963, 4½%, 2¾%, 2.9% and 3%, dated 7/1/63, due serially 7/1/64 through 7/1/83	4,000,000	1,400,000	(1)
Permanent University Fund Bonds, Series 1964, 4½%, 2.8%, 2.9% and 3%, dated 7/1/64, due serially 7/1/65 through 7/1/84	4,000,000	1,620,000	(1)
Permanent University Fund Bonds, Series 1965, 4½%, 3.4%, 3% and 3.1%, dated 7/1/65, due serially 7/1/66 through 7/1/85	6,000,000	2,760,000	(2)
Permanent University Fund Bonds, Series 1966, 4½%, 3.9%, 3.7% and 3.75%, dated 7/1/66, due serially 7/1/67 through 7/1/86	11,000,000	5,610,000	(1)
Permanent University Fund Bonds, New Series 1967, 4.40%, 3.6%, 3.70% and 3.75%, dated 7/1/67, due serially 7/1/68 through 7/1/87	14,000,000	7,840,000	(2)
Permanent University Fund Bonds, New Series 1968, 4¾%, 4%, 4.1% and 4.2%, dated 7/1/68, due serially 7/1/69 through 7/1/88	15,000,000	9,150,000	(2)
Permanent University Fund Bonds, New Series 1969, 6.20%, 5.40%, 5.50%, 5.60% and 5.25%, dated 7/1/69, due serially 7/1/70 through 7/1/89	7,000,000	4,620,000	(2)

PERMANENT UNIVERSITY FUND—(continued)

	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
Permanent University Fund Bonds, New Series 1970, 6.5%, 6.10%, 6%, 6.20% and 5.5%, dated 7/1/70, due serially 7/1/71 through 7/1/90	\$ 7,500,000	\$ 5,295,000	(2)
Permanent University Fund Bonds, New Series 1971, 5.50%, 4.60%, 4.75%, 4.90% and 5%, dated 7/1/71, due serially 7/1/72 through 7/1/91	9,000,000	6,750,000	(2)
Permanent University Fund Bonds, New Series 1972, 5%, 4.60%, 4.50%, 4.80% and 4%, dated 7/1/72, due serially 7/1/73 through 7/1/92	9,000,000	7,155,000	(2)
Permanent University Fund Bonds, New Series 1973, 6%, 5%, 5.10%, 5.20% and 5.25%, dated 7/1/73, due serially 7/1/74 through 7/1/93	11,000,000	9,240,000	(2)
Permanent University Fund Bonds, New Series 1974, 6.5%, 6%, 6.10%, 6.20% and 5.50%, dated 7/1/74, due serially 7/1/75 through 7/1/94	11,000,000	9,680,000	(2)
Permanent University Fund Bonds, New Series 1975, 6%, and 5%, dated 7/1/75, due serially 7/1/76 through 7/1/95	14,000,000	12,880,000	(2)
Permanent University Fund Bonds, New Series 1976, 4.5%, 5%, 5.2%, 5.3% and 5.5%, dated 7/1/76 due serially 7/1/77 through 7/1/96	16,000,000	15,360,000	(2)
Permanent University Fund Bonds, New Series 1977, 5%, 4.5%, 4.7%, 4.75% and 4%, dated 7/1/77, due serially 7/1/78 through 7/1/97	20,000,000	20,000,000	(2)
¹ Secured by a first lien on and pledge of the interest of The University of Texas System in the income from the Permanent University Fund.			
² Secured by a lien on and pledge of the interest of The University of Texas System in the income from the Permanent University Fund, subject only and subordinate to the first lien on and pledge of said interest heretofore created in connection with all Permanent University Fund Bonds issued prior to 1967 as listed above.			
U. T. AUSTIN			
University of Texas Hospital Refunding Bonds, 2¼% and 2%, dated 1/1/51, due serially through 1/1/80 ¹	\$ 980,000	\$ 95,000	\$ 100,316
Dormitory Revenue Bonds, Series 1954, 4%, 2½%, 2¾%, 2.90% and 3%, dated 9/1/54, due serially from 9/1/57 through 9/1/94 (Simkins, Blanton, Moore, Varsity Cafeteria) ²	3,402,000	1,998,000	522,854
Dormitory Revenue Bonds, Series 1956, 2¾%, dated 4/1/56, due serially from 4/1/59 through 4/1/96 (Kinsolving) ³	4,150,000	2,611,000	722,031
University of Texas Student Union Revenue Bonds, Series 1958, Series A—\$400,000, 4%, 3.40% and 3.50%, dated 10/1/58, due serially 10/1/61 through 10/1/73; Series B—\$1,220,000, 2¾%, dated 10/1/58, due serially 10/1/61 through 10/1/88 ⁴	1,620,000	765,000	320,070
Student Housing Revenue Bonds of 1963, 3½%, dated 10/1/63, due serially 10/1/66 through 10/1/2003 ⁵	1,800,000	1,455,000	236,693
Housing System Revenue Bonds, Series 1967, 5%, 4.4%, 4¼%, 4%, 4.1% and 4.15%, dated 1/1/67, due serially 5/1/71 through 5/1/2007 ⁶	16,500,000	14,975,000	1,501,374

U. T. AUSTIN—(continued)

	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
Building Revenue Bond of 1968, 3%, dated 5/1/68, due serially 5/1/71 through 5/1/2010 ¹	\$ 520,000	\$ 469,000	\$ 61,376
Building Revenue Bonds, Series 1969, 6%, 5.80%, 5.40% and 4.25%, due serially 5/1/72 through 5/1/2005 ²	25,000,000	23,095,000	1,848,016
Combined Fee Revenue Bonds, Series 1970, 8.5%, 7.8%, 7.3%, 7.4%, 7.5% and 7%, dated 6/1/70, due serially 6/1/71 through 6/1/2000 ³	10,000,000	9,120,000	7,015,180
Combined Fee Revenue Bonds, Series 1971, 6.75%, 5.25%, 5.50%, 5.75% and 6%, dated 2/1/71, due serially 6/1/72 through 6/1/2001 ⁴	20,000,000	18,490,000	(1)
Married Student Housing Revenue Bonds, Series 1971, 7.5%, 6.75%, 6.7%, 6.75% and 6%, dated 8/1/71, due serially 8/1/75 through 8/1/2006 ⁵	3,100,000	3,015,000	323,198
Combined Fee Revenue Bonds, Series 1972, 6%, 5.75%, 5.20%, 5.25%, 5.30% and 4.50%, dated 10/1/72, due serially 6/1/73 through 6/1/2002 ⁶	10,000,000	9,135,000	(1)
Combined Fee Revenue Bonds, Series 1973, 6.50%, 6%, 5.40%, 5.50%, 5.60%, 5.70% and 5%, dated 10/1/73, due serially 6/1/74 through 6/1/2004 ⁷	34,000,000	32,560,000	(1)
Building Revenue Bonds, Series 1974, 6.50%, 5.50%, 5.60%, 5.70% and 5%, dated 1/1/74, due serially 4/1/75 through 4/1/2004 ⁸	53,000,000	50,820,000	8,301,368
Building Revenue Bonds, Series 1974-A, 8.50%, 7.25%, 7.40%, 7.50%, 7.60% and 7.00%, dated 10/1/74, due serially 4/1/76 through 4/1/98 ⁹	6,600,000	5,850,000	(1)
Combined Fee Revenue Bonds, Series 1974, 8.00%, 7.75%, 7.50%, 7.60%, 7.70%, 7.75% and 6.50%, dated 12/1/74, due serially 6/1/74 through 6/1/99 ¹⁰	6,900,000	6,565,000	(1)

¹ Secured by first lien on and pledge of revenues from compulsory student hospital fee

² Secured by first lien on and pledge of net revenues from Blanton Dormitory, Simkins Hall, Moore Hall, and Varsity Cafeteria.

³ Secured by first lien on and pledge of net revenues from Kinsolving Dormitory, plus surplus revenues from debt-free Andrews and Carothers Dormitories for Women.

⁴ Series B, originally \$1,500,000 but \$280,000 cancelled prior to delivery. Secured by first lien on and pledge of revenues from compulsory student union fee.

⁵ Secured by first lien on and pledge of net revenues from 200 apartments for married students.

⁶ Secured by first lien on and pledge of gross revenues of University Housing System.

⁷ Secured by first lien on and pledge of gross revenues from Student Co-op Housing System.

⁸ Secured by first lien on and pledge of net revenues of Utility Plant and gross Student Building Use Fees.

⁹ Secured by first lien on and pledge of Building Use Fee and General Fee.

¹⁰ Secured by first lien on gross revenues from Married Student Housing System.

¹¹ Interest and Sinking Funds for Combined Fee Revenue Bonds Series 1970, 1971, 1972, 1973 and 1974 consolidated.

¹² Secured by first lien on and pledge of Available Fund Surplus and Special Fee.

¹³ Interest and Sinking Funds for Building Revenue Bonds Series 1974 and 1974-A consolidated.

U. T. EL PASO

Texas Western College, Student Union Revenue Bonds, Series A of 1967, 2½%, dated 10/1/67, due serially 10/1/68 through 10/1/87; and Series B of 1967, 6%, 5.8%, 5%, 5.1% and 5.2%, dated 10/1/67, due serially 10/1/69 through 10/1/2001 ¹	\$ 3,158,000	\$ 2,667,000	\$ 198,931
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¹ Secured by first lien on and pledge of student use fees and net revenues of operation of all services afforded. Series A issued in amount of \$458,000 refunding Series 1957; Series B issued in amount of \$2,700,000.

U. T. EL PASO—(continued)

	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
Texas Western College, Student Housing Revenue Bonds of 1961, Bonds 1-120, 3½% and 3%, dated 10/1/61, due serially 10/1/64 through 10/1/71; Bond R-1, 3½%, dated 10/1/61, due serially 10/1/72 through 10/1/2001 ¹	\$ 1,000,000	\$ 736,000	\$ 119,884
Building Revenue Bonds, Series 1969, 6.50%, 6%, 5.60% and 4%, dated 5/1/69, due serially 11/1/72 through 11/1/2005 ²	8,500,000	7,960,000	624,722
Combined Fee Revenue Bonds, Series 1970, 8%, 6.70%, 6.80%, 7.90%, 7% and 7.10%, dated 5/1/70, due serially 5/1/73 through 5/1/2006 ³	5,500,000	5,260,000	1,499,570
Combined Fee Revenue Bonds, Series 1971, 6%, 5%, 5.10%, 5.20%, 5.25% and 4.50%, dated 11/1/71, due serially 5/1/72 through 5/1/2006 ⁴	4,000,000	3,750,000	(1)
Combined Fee Revenue Bonds, Series 1973, 6.50%, 5.30%, 5.40%, 5.50%, 5.60%, 5.70% and 5%, dated 10/1/73, due serially 5/1/75 through 5/1/2004 ⁵	5,000,000	4,805,000	(1)
Combined Fee Revenue Bonds, Series 1974, 8.25%, 7.90%, 7.60% and 6.75%, dated 11/1/74, due serially 5/1/76 through 5/1/97 ⁶	1,500,000	1,440,000	(1)

¹ Secured by first lien on and pledge of net revenues from project operation.

² Secured by first lien on and pledge of net revenues from Housing System and student fees for Gymnasium and Library Facilities.

³ Secured by first lien on and pledge of Building Use Fee and General Fee.

⁴ Interest and Sinking Fund for Combined Fee Revenue Bonds, Series 1970, 1971, 1973 and 1974 consolidated.

GALVESTON MEDICAL BRANCH

University of Texas, Medical Branch Dormitory Revenue Bonds, Series 1955, 4%, 3¼% and 3.3%, dated 9/1/55, due serially 9/1/57 through 9/1/94 ¹	\$ 2,512,000	\$ 1,475,000	\$ 660,897
University of Texas Medical Branch, Endowment and Hospital Revenue Bonds, Series 1973, 6.25%, 5.70%, 5.60%, 5.70%, 5.80%, 5.90% and 4.75%, dated 7/1/73, due serially 7/1/77 through 7/1/99 ²	34,500,000	33,740,000	6,921,765

¹ Secured by first lien on and pledge of net revenues from project operation.

² Secured by first lien on proceeds of the sale of endowment land, pledge of net revenues from the Sealy & Smith Foundation for the John Sealy Hospital and pledge of net revenues from patients fees and charges.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE AT HOUSTON

Endowment and Hospital Revenue Bonds, Series 1972, 6%, 5.40%, 5.20%, 5.25%, 5.30%, 5.40% and 4.50%, due serially 8/1/77 through 8/1/97 ¹	\$16,000,000	\$15,600,000	\$ 3,080,155
Endowment and Hospital Revenue Bonds, Series 1976, 5%, 5.30%, 5.45%, 5.75%, 5.85% and 6%, due serially 8/1/79 through 8/1/93 ²	2,500,000	2,500,000	(1)
Hospital Revenue Bonds, Subordinate Lien Series 1976, 6.02%, maturing 7/1/79 through 7/1/86 ³	4,770,000	4,770,000	136,300

¹ Secured by first lien on proceeds of the sale of endowment land and pledge of gross revenues from patients fees and charges.

² Interest and Sinking Fund combined with Series 1972 Issue.

³ Secured by pledge of surplus gross revenues of the hospital facilities and other income.

U. T. PERMIAN BASIN

Building and General Fee Revenue Bonds, Series 1976, 5.25%, due serially 4/1/77 through 4/1/81 ¹	\$ 600,000	\$ 475,000	\$ 214,836
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¹ Secured by first lien on and pledge of Housing System revenue and General Fee.

U. T. ARLINGTON	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
Student Center Fee Bonds, Series 1960, 4½% and 4¾%, dated 7/1/60, due serially 7/1/62 through 7/1/89 ¹	\$ 600,000	\$ 356,000	\$ 82,345
Gymnasium Fee Bonds, Series 1961, 4¼%, 4% and 4¼%, dated 7/1/61, due serially 7/1/63 through 7/1/90 ²	650,000	404,000	87,186
West Campus Dormitory Revenue Notes, Series 1963, 3%, dated 4/1/63, due serially 4/1/65 through 4/1/79 ³	75,000	12,025	31
Housing System Revenue Refunding Bonds, Series 1963, 3.375%, 2½%, 3%, 3¼%, 3½% and 3¾%, dated 7/1/63, due serially 7/1/64 through 7/1/93 ⁴	1,806,000	1,221,000	110,664
Parking Facilities Revenue Bonds, Series 1964, 3¼%, dated 3/1/64, due serially 3/1/65 through 3/1/79 ⁵	350,000	60,000	34,987
Student Fee Revenue Bonds, Series 1964, 5%, 4%, 3¾%, 3.9% and 0.10%, dated 7/1/64, due serially 7/1/66 through 7/1/96 ⁶	3,250,000	2,410,000	467,076
Student Fee Revenue Bonds, Series 1966, 5%, 4.25% and 4.40%, dated 1/1/66, due serially 7/1/68 through 7/1/97 ⁷	1,750,000	1,370,000	(7)
Student Fee Revenue Bond, Series 1968, 3%, dated 7/1/68, due serially 7/1/71 through 7/1/98 ⁸	1,285,000	1,055,000	(7)
Combined Fee Revenue Bonds, Series 1971, 3¼% and 4%, dated 1/1/71, due serially 7/1/71 through 7/1/82 ⁹	875,000	420,000	2,006,084
Combined Fee Revenue Bonds, Series 1971-A, 6.50%, 5.30%, 5.70%, 5.90%, 6% and 5%, dated 4/1/71, due serially 7/1/72 through 7/1/2001 ⁹	5,000,000	4,560,000	(10)
State Ad Valorem Tax Bonds, Series 1972, 4%, 3.70%, 3.90% and 4%, dated 4/1/72, due serially 9/1/73 through 9/1/78 ¹²	10,300,000	2,200,000	(11)
Combined Fee Revenue Bonds, Series 1973, 6%, 5.30%, 5%, 5.10%, 5.20% and 4.50%, dated 1/1/73, due serially 7/1/74 through 7/1/2002 ⁹	8,500,000	8,075,000	(10)
Combined Fee Revenue Bonds, Series 1973-A, 6.50%, 6%, 5.40%, 5.50%, 5.60%, 5.70% and 5%, dated 10/1/73, due serially 7/1/74 through 7/1/2004 ⁹	7,500,000	7,280,000	(10)
State Ad Valorem Tax Bonds, Series 1974, 5.65%, 5.30%, 4.15% and 4.20%, due serially 9/1/74 through 9/1/78 ¹²	1,865,000	445,000	(11)
Combined Fee Revenue Bonds, Series 1974, 8.25%, 6.80%, 7.30%, 7.50%, 7.60%, 7.70% and 7.85%, dated 11/1/74, due serially 6/1/75 through 6/1/97 ⁹	1,300,000	1,225,000	(10)
Subordinate State Ad Valorem Tax Bonds, Series 1976, 3.8%, total due 9/1/78 ¹²	4,750,000	4,750,000	(11)

¹ Secured by first lien on student center use fees.

² Secured by first lien on gymnasium use fees.

³ Secured by net revenues from West Campus housing and dining facilities.

⁴ Secured by net revenues from dormitories for 604 men and 339 women.

⁵ Secured by revenues from parking fees.

⁶ Secured by first lien on auditorium and hospital use fees.

⁷ Interest and Sinking Funds for Student Fee Revenue Bonds—Series 1964, 1966 and 1968 combined.

⁸ Secured by first lien on library use fee, auditorium and hospital use fee and student center use fee (subject to Student Center Fee Bonds, Series 1960).

⁹ Secured by first lien on building use fee and general fee.

¹⁰ Interest and Sinking Funds for Combined Fee Revenue Bonds, Series 1971, 1971-A, 1973, 1973-A, and 1974, consolidated.

¹¹ Interest and Sinking Fund maintained by State Treasury.

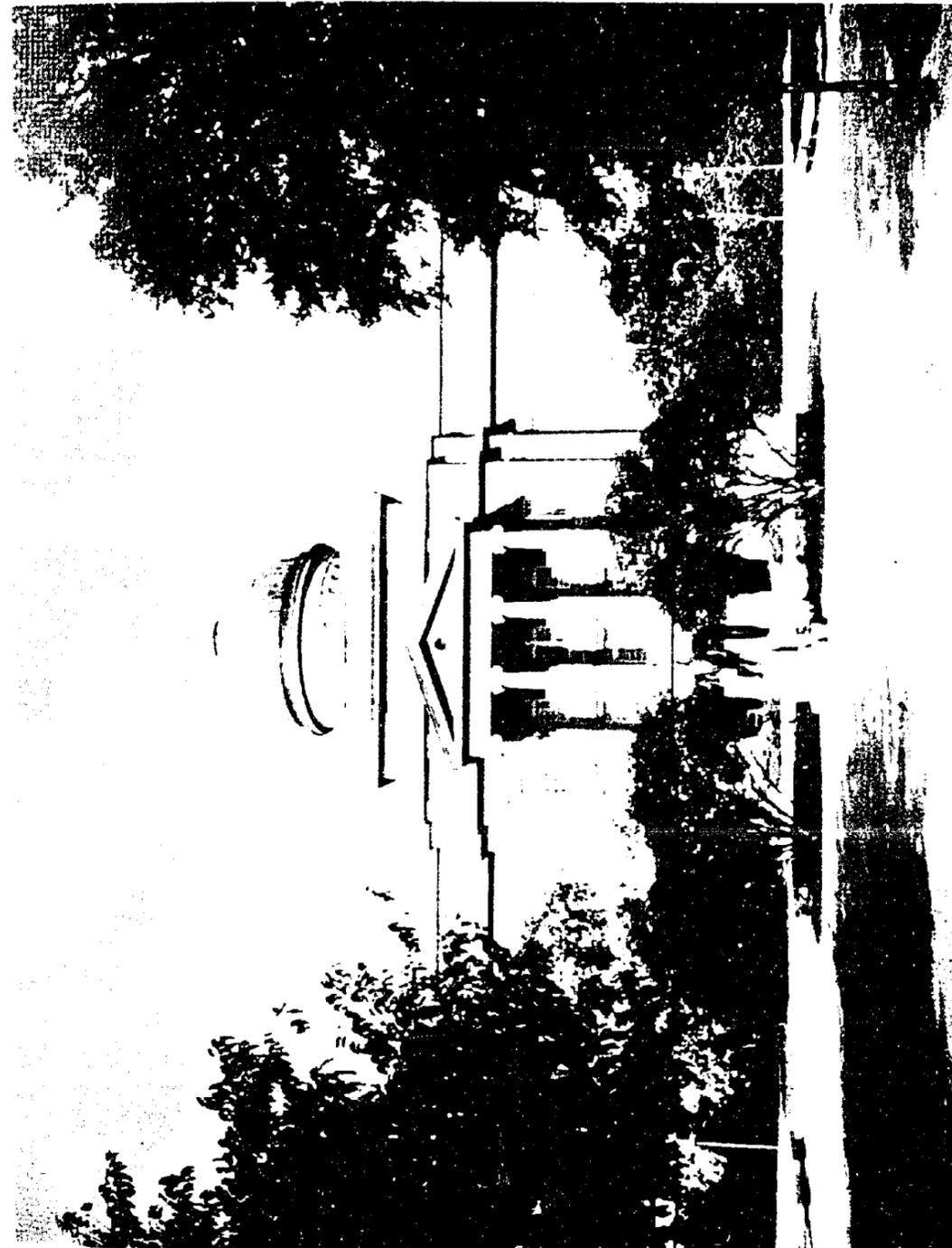
¹² Secured by a lien upon U.T. Arlington's prorata portion of a constitutional tax levied at the rate of 10¢ per \$100 valuation on all of the taxable property in the State of Texas.



Academic Building, Texas A&M University

U. T. ARLINGTON¹

	Original Amount Issued	Outstanding February 28, 1978	I & S and Reserve Funds February 28, 1978
Student Center Fee Bonds, Series 1960, 4 1/2% and 4 3/8%, dated 7-1-60, due serially 7-1-62 through 7-1-89 ²	\$ 600,000	\$ 356,000	\$ 82,335
Gymnasium Fee Bonds, Series 1961, 4 1/2%, 4% and 4 1/4%, dated 7-1-61, due serially 7-1-63 through 7-1-90 ³	650,000	404,000	87,196
West Campus Dormitory Revenue Notes, Series 1963, 3%, dated 4-1-63, due serially 4-1-65 through 4-1-79 ⁴	75,000	12,025	0
Housing System Revenue Refunding Bonds, Series 1963, 3.375%, 2 1/2%, 3%, 3 1/4%, 3 1/2% and 3 3/4%, dated 7-1-63, due serially 7-1-64 through 7-1-93 ⁵	1,806,000	1,221,000	110,063
Parking Facilities Revenue Bonds, Series 1964, 3 1/4%, dated 3-1-64, due serially 3-1-65 through 3-1-79 ⁶	350,000	60,000	61,337
Student Fee Revenue Bonds, Series 1964, 5%, 4%, 3 1/4%, 3.9% and 0.10%, dated 7-1-64, due serially 7-1-66 through 7-1-96 ⁷	3,250,000	2,410,000	467,376
Student Fee Revenue Bonds, Series 1966, 5%, 4.25% and 4.10%, dated 1-1-66, due serially 7-1-68 through 7-1-97 ⁸	1,750,000	1,370,000	0
Student Fee Revenue Bond, Series 1968, 3%, dated 7-1-68, due serially 7-1-71 through 7-1-98 ⁹	1,285,000	1,055,000	0
Combined Fee Revenue Bonds, Series 1971, 3 1/4% and 4%, dated 1-1-71, due serially 7-1-71 through 7-1-82 ¹⁰	875,000	120,000	23,006.83
Combined Fee Revenue Bonds, Series 1971-A, 6.50%, 5.30%, 5.70%, 5.90%, 6% and 5%, dated 1-1-71, due serially 7-1-72 through 7-1-2001 ¹¹	5,000,000	4,560,000	0
State Ad Valorem Tax Bonds, Series 1972, 4%, 3.70%, 3.90% and 4%, dated 4-1-72, due serially 9-1-73 through 9-1-78 ¹²	10,300,000	2,200,000	0
Combined Fee Revenue Bonds, Series 1973, 6%, 5.30%, 5%, 5.10%, 5.20% and 4.50%, dated 1-1-73, due serially 7-1-74 through 7-1-2002 ¹³	8,500,000	8,075,000	0
Combined Fee Revenue Bonds, Series 1973-A, 6.50%, 6%, 5.30%, 5.50%, 5.60%, 5.70% and 5%, dated 10-1-73, due serially 7-1-74 through 7-1-2001 ¹⁴	7,500,000	7,280,000	0
State Ad Valorem Tax Bonds, Series 1974, 5.65%, 5.30%, 4.15% and 4.20%, due serially 9-1-74 through 9-1-78 ¹⁵	1,865,000	415,000	0
Combined Fee Revenue Bonds, Series 1974, 8.25%, 6.80%, 7.30%, 7.50%, 7.60%, 7.70% and 7.85%, dated 11-1-74, due serially 6-1-75 through 6-1-97 ¹⁶	1,300,000	1,225,000	0
Subordinate State Ad Valorem Tax Bonds, Series 1976, 3.8%, total due 9-1-78 ¹⁷	4,750,000	4,750,000	0

¹ Secured by first lien on student center use fees.² Secured by first lien on gymnasium use fees.³ Secured by net revenues from West Campus housing and dining facilities.⁴ Secured by net revenues from dormitories for 604 men and 339 women.⁵ Secured by revenues from parking fees.⁶ Secured by first lien on auditorium and hospital use fees.⁷ Interest and Sinking Funds for Student Fee Revenue Bonds - Series 1964, 1966 and 1968 combined.⁸ Secured by first lien on library use fee, auditorium and hospital use fee and student center use fee (subject to Student Center Fee Bonds, Series 1960).⁹ Secured by first lien on building use fee and general fee.¹⁰ Interest and Sinking Funds for Combined Fee Revenue Bonds, Series 1971, 1971-A, 1973, 1973-A, and 1974, consolidated.¹¹ Interest and Sinking Fund maintained by State Treasury.¹² Secured by a lien upon U.T. Arlington's prorata portion of a constitutional tax levied at the rate of 10¢ per \$100 valuation on all of the taxable property in the State of Texas.

C. GENERAL INFORMATION

The Texas A&M University System

Administration

THE TEXAS A&M UNIVERSITY SYSTEM is the Land-Grant University organization for Texas and one of the nation's six Sea Grant Colleges. It is a state-wide organization for teaching, research and extension work in Agriculture and Engineering and in such related fields as the Legislature assigns to it from time to time. Its duties as an agency of the State are clearly defined in the Constitution and Laws of Texas. The System is supported by state appropriations, state endowment, private endowment and gifts, Federal appropriations, students' fees, sales and services, and revenues derived from other sources.

THE SYSTEM government is vested in a board of nine regents, who serve without pay. They are appointed by the Governor and approved by the Senate. Three regents are appointed each two years for six-year terms of office.

THE MEMBERS of the Board of Regents as of March 1, 1978, were as follows:

Mr. Clyde H. Wells, Chairman, Granbury
 Mr. Richard A. Goodson, Vice Chairman, Dallas
 Mr. Ross C. Watkins, Uvalde
 Mr. Alfred I. Davies, Dallas
 Mr. H. C. Bell, Jr., Austin
 Mr. John R. Blocker, Houston
 Mrs. Wilmer Smith, Wilson
 Dr. John B. Coleman, Houston
 Mr. Joe H. Reynolds, Houston

THE PRINCIPAL officers of the general administrative offices of the System are as follows:

Dr. Jack K. Williams, Chancellor
 Mr. W. C. Freeman, Executive Vice Chancellor for Administration

Organization

THE INSTITUTIONS, services and agencies of The Texas A&M University System, with the administrative head of each shown, are:

Texas A&M University
 Dr. Jarvis E. Miller, President
 Prairie View A&M University
 Dr. A. I. Thomas, President
 Tarleton State University
 Dr. W. O. Trogdon, President
 Moody College
 Dr. William H. Clayton, President
 Texas Agricultural Experiment Station
 Dr. Neville P. Clarke, Director

Texas Agricultural Extension Service and Rodent and Predatory Animal Control Service
 Dr. Daniel C. Pfannstiel, Director

Texas Forest Service
 Mr. Paul R. Kramer, Director

Texas Engineering Extension Service
 Mr. James R. Bradley, Director

Texas Engineering Experiment Station
 Mr. Fred J. Benson, Director

Texas Transportation Institute
 Dr. C. V. Wootan, Director

THE BUDGET for The Texas A&M University System for the current fiscal year is in excess of \$310,000,000, including expenditure of funds derived from gifts and grants and from other sources. The System has over 12,000 full-time and part-time employees and owns in campuses, farms, timberlands, etc., over 54,000 acres of Texas land.

TEXAS A&M UNIVERSITY offers both undergraduate and graduate instruction in Agriculture, Engineering, Geosciences, Science, Liberal Arts, Architecture and Environmental Design, Business Administration, Education, Medicine and Veterinary Medicine. The Prairie View A&M University offers instruction in Agriculture, Engineering, Arts and Sciences, Nursing, Industrial Education, Home Economics and Teacher Education. The Tarleton State University places its emphasis on Agriculture and Liberal Arts. The Moody College offers degree programs in Marine Biology, Marine Engineering, Marine Sciences, Marine Transportation, and Maritime Systems Engineering.

EACH OF THE INSTITUTIONS has its own campus and physical plant which, in addition to its research and educational facilities, includes dormitories, laundries, hospitals, student centers and other facilities. The buildings and facilities of the institutions, services and agencies of the System are carried at a cost of approximately \$458,500,000.

Enrollment

THE ENROLLMENT at teaching institutions of The Texas A&M University System in the fall of 1977 was as follows:

Texas A&M University	28,833
Prairie View A&M University	5,146
Tarleton State University	3,317
Moody College	581
Total	<u>37,877</u>

Financial Position

THE CURRENT funds income of The Texas A&M University System for the fiscal year ended August 31, 1977, was as follows:

TEXAS A&M UNIVERSITY	
1. State Appropriations	\$ 60,371,821.00
2. Student Fees	6,373,979.14
3. Income from State Endowment	17,802,962.45*
4. Restricted Funds	23,037,524.64
5. Sales and Services	656,344.09
6. Other Sources	2,056,312.94
Total Educational and General	<u>110,298,944.26</u>
7. Designated Funds	1,707,450.43
8. Auxiliary Enterprises and Activities (Dining Halls, Dormitories, College Store, Laundry, etc.)	30,840,825.63
TOTAL TEXAS A&M UNIVERSITY	<u>142,847,220.32</u>
MOODY COLLEGE	2,999,001.52
TARLETON STATE UNIVERSITY	7,906,476.53
PRAIRIE VIEW A&M UNIVERSITY	23,027,737.48
TEXAS AGRICULTURAL EXPERIMENT STATION	29,857,437.15
TEXAS AGRICULTURAL EXTENSION SERVICE	31,888,175.83
TEXAS FOREST SERVICE	6,488,910.52
TEXAS ENGINEERING EXPERIMENT STATION	10,947,954.71
TEXAS ENGINEERING EXTENSION SERVICE	4,010,139.24
TEXAS TRANSPORTATION INSTITUTE	3,390,867.59
THE TEXAS A&M UNIVERSITY SYSTEM	
ADMINISTRATIVE AND GENERAL OFFICES	938,840.83
GRAND TOTAL THE TEXAS A&M UNIVERSITY SYSTEM	<u>\$264,302,761.72</u>

* See page 12 for statement of the apportionment of the income from Permanent University Fund as between The University of Texas System and The Texas A&M University System.

THE ASSETS of The Texas A&M University System as at August 31, 1977, were as follows:

ASSETS	
I. CURRENT FUNDS	
A. General	\$ 25,003,939.92
B. Designated	17,146,232.17
C. Auxiliary Enterprises	27,187,467.57
D. Restricted	21,723,168.35
Total Current Funds Assets	<u>\$ 91,060,808.01</u>
II. LOAN FUNDS	
III. ENDOWMENT FUNDS	
A. State	*
B. Other than State	11,713,583.99
Total Endowment Funds Assets	<u>11,713,583.99</u>
IV. ANNUITY AND LIFE INCOME FUNDS	
V. PLANT FUNDS	
A. Unexpended	
Available A&M University Fund	23,004,617.59
Other Plant Funds	71,915,709.46
Total Unexpended Plant Funds	<u>94,920,327.05</u>
B. For Retirement of Indebtedness	15,437,003.49
C. Invested in Plant	458,484,038.10
Total Plant Funds Assets	<u>568,841,368.64</u>
VI. AGENCY FUNDS	
GRAND TOTAL ASSETS	<u>680,531,169.27</u>
Less: Total Liabilities	216,323,626.31
FUND BALANCES (i.e., Net Worth)	<u>\$464,207,542.96</u>

* The Texas A&M University System shares in the income from the Permanent University Fund which Fund as of August 31, 1977, was carried on the books of The University of Texas System at \$946,070,599, excluding land.

Outstanding Indebtedness

THE TEXAS A&M UNIVERSITY SYSTEM has no bank loans or other unfunded indebtedness as of February 28, 1978. Following is a table showing all funded indebtedness outstanding and the condition of the unpaid portions thereof as of February 28, 1978. Previously, retired or refunded issues have been omitted from the schedule.

THE TEXAS A&M UNIVERSITY SYSTEM ALL OUTSTANDING BONDED INDEBTEDNESS BY UNITS OF THE SYSTEM

THE TEXAS A&M UNIVERSITY SYSTEM	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
Tuition Revenue Bonds, Series 1973, 6.50%, 5.25%, 5.50%, 5.60%, 5.65%, 5.70% and 5.00%, due serially through 11/1/03 ¹	\$ 3,500,000	\$ 3,340,000	\$ 556,936†
Tuition Revenue Bonds, Series 1974, 8.50%, 7.60%, 7.70%, 7.80%, 7.90% and 7.00%, due serially through 11/1/03 ¹	4,000,000	3,820,000	†
PERMANENT UNIVERSITY FUND			
Permanent University Fund Bonds, Series 1958, 4%, 2.50% and 2.70%, due serially through 7/1/78 ²	5,000,000	300,000	304,095
Permanent University Fund Bonds, Series 1959, 4%, 3.25% and 3.40%, due serially through 7/1/79 ²	6,000,000	720,000	372,283
Permanent University Fund Bonds, Series 1961, 4.50%, 3% and 3.20%, due serially through 7/1/81 ²	5,000,000	1,200,000	319,254
Permanent University Fund Bonds, Series 1962, 2.50%, 2.75%, 2.90% and 3%, due serially through 7/1/82 ²	5,000,000	1,475,000	296,996
Permanent University Fund Bonds, New Series 1967, 4.40%, 3.60%, 3.70% and 3.75%, due serially through 7/1/87 ²	10,000,000	5,600,000	603,550
Permanent University Fund Bonds, New Series 1968, 4.875%, 4%, 4.10% and 4.20%, due serially through 7/1/88 ²	5,000,000	3,050,000	312,750
Permanent University Fund Bonds, New Series 1969, 6.20%, 5.40%, 5.50%, 5.60% and 5.25%, due serially through 7/1/89 ²	5,000,000	3,300,000	342,063
Permanent University Fund Bonds, New Series 1970, 6.50%, 6.10%, 6.00%, 6.20% and 5.50%, due serially through 7/1/90 ²	5,000,000	3,525,000	331,288
Permanent University Fund Bonds, New Series 1971, 5.50%, 4.60%, 4.75%, 4.90% and 5.00%, due serially through 7/1/91 ²	5,000,000	3,750,000	315,369
Permanent University Fund Bonds, New Series 1972, 5.00%, 4.60%, 4.50%, 4.80% and 4.00%, due serially through 7/1/92 ²	5,000,000	3,975,000	317,725
Permanent University Fund Bonds, New Series 1973, 6.00%, 5.00%, 5.10%, 5.20% and 5.25%, due serially through 7/1/93 ²	5,000,000	4,200,000	331,625
Permanent University Fund Bonds, New Series 1974, 6.50%, 6.00%, 6.10%, 6.20% and 5.50%, due serially through 7/1/94 ²	6,000,000	5,280,000	402,960

PERMANENT UNIVERSITY FUND—(continued)

	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
Permanent University Fund Bonds, New Series 1975, 6.00%, 5.30%, 5.50%, 5.70% and 6.00%, due serially through 7/1/95 ²	\$ 8,000,000	\$ 7,360,000	\$ 529,400
Permanent University Fund Bonds, New Series 1976, 5.50%, 5.00%, 5.20%, 5.30% and 4.50%, due serially through 7/1/96 ²	8,000,000	7,680,000	519,360
Permanent University Fund Bonds, New Series 1977, 5.00%, 4.50%, 4.70%, 4.75% and 4.00%, due serially through 7/1/97 ²	10,000,000	10,000,000	636,038
TEXAS A&M UNIVERSITY (At College Station)			
Agricultural and Mechanical College of Texas Press Building Revenue Bonds, Series 1954, 3.1%, due serially through 10/1/83 ³	220,000	60,000	62,422
Agricultural and Mechanical College of Texas Power Plant Revenue Bonds, Series 1963, 3.75%, 3%, 3.25% and 3.375%, due serially through 7/1/83 ³	2,500,000	975,000	571,194
Agricultural and Mechanical College of Texas Building Revenue Bonds, Series 1963, 3.5%, due serially through 4/1/03 ³	4,743,000	3,833,000	895,627
Texas A&M University Student Fee Revenue Bonds, Series 1966, 5% and 4.25%, due serially through 7/1/05 ⁷	2,200,000	1,900,000	300,702
Texas A&M University Student Fee Revenue Bonds, Series 1966A, 5%, 4.50%, 4.55% and 4.60%, due serially through 7/1/90 ⁸	800,000	555,000	116,421
Texas A&M University Athletic Facilities Revenue Bonds, Series 1966, 4.5%, due serially through 10/1/79 ⁹	400,000	80,000	2,369
Texas A&M University Housing System Revenue Bonds, Series 1966, 5%, 4.40% and 4.25%, due serially through 6/1/98 ⁴	2,000,000	1,545,000	3,916,027*
Texas A&M University Housing System Revenue Bonds, Series 1967, 6%, 4.50%, 4.75%, 4.90% and 5.00%, due serially through 6/1/98 ⁴	1,000,000	945,000	*
Texas A&M University Utility System Student Fee Revenue Bonds, Series 1970, 7.50%, 7.10%, 7.00%, 7.10% and 6.50%, due serially through 8/1/99 ¹²	9,500,000	8,820,000	1,767,664***
Texas A&M University Housing System Revenue Bonds, Series 1970, 8.00%, 7.90%, 7.25%, 7.30%, 7.40% and 7.50%, due serially through 6/1/09 ⁵	5,000,000	4,850,000	*
Texas A&M University Combined Fee Revenue Bonds, Series 1971, 6.50%, 6.25%, 5.80%, 6.00%, 6.10% and 5.00%, due serially through 5/1/01 ¹¹	6,500,000	6,040,000	2,799,539††
Texas A&M University Student Fee Revenue Bonds, Series 1972, 6.50%, 5.10%, 5.20%, 5.25%, 5.40% and 5.00%, due serially through 4/1/02 ¹¹	1,600,000	1,520,000	132,433
Texas A&M University Junior Lien Building Revenue Bonds, Series 1972, 5.00%, 5.50%, 5.7% and 6.00%, due serially through 6/1/94 ⁵	1,600,000	1,365,000	186,805
Texas A&M University Student Family Apartment Revenue Refunding Bonds, Series 1972, 2.875%, due serially through 4/1/96 ⁵	1,632,000	1,367,000	**

TEXAS A&M UNIVERSITY (At College Station)
 (continued)

	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
Texas A&M University Student Family Apartment Revenue Bonds, Series 1972, 5.50%, 5.25%, 5.40%, 5.50% and 5.60%, due serially through 4/1/97 ^a	\$ 2,500,000	\$ 2,320,000	\$ 892,610***
Texas A&M University Housing System Revenue Bonds, Series 1973, 7.00%, 6.10%, 5.80%, 5.90% and 6.00%, due serially through 6/1/05 ^b	7,500,000	7,260,000	*
Texas A&M University Utility System Student Fee Revenue Bonds, Series 1974, 8.00%, 7.50%, 7.75%, 7.90%, 8.00% and 6.50%, due serially through 8/1/00 ¹²	9,500,000	9,345,000	***
Texas A&M University Combined Fee Revenue Bonds, Series 1974, 8.50%, 7.60%, 7.70%, 7.80%, 7.90% and 7.00%, due serially through 5/1/05 ¹¹	25,000,000 ¹⁴	24,520,000	††

* Interest and Sinking Fund for Housing System Revenue Bonds, Series 1966, 1967, 1970 and 1973.

** Interest and Sinking Fund for Student Family Apartment Revenue Bonds, Series 1972 and Student Family Apartment Revenue Refunding Bonds, Series 1972.

*** Interest and Sinking Fund for Utility System Student Fee Revenue Bonds, Series 1970 and Utility System Student Fee Revenue Bond, Series 1974.

† Interest and Sinking Fund for Tuition Revenue Bonds, Series 1973 and 1974.

†† Interest and Sinking Fund for Combined Fee Revenue Bonds, Series 1971 and 1974.

TARLETON STATE UNIVERSITY (At Stephenville)

Tarleton State College Dormitory Revenue Bonds, Series 1952, 3.25%, 3.40% and 3.50%, due serially through 6/1/79 ^a	300,000	32,000	33,146
Tarleton State College Housing System Revenue Bonds, Series 1967, Series A 2.875%, Series B 3.5%, Series C 3% and Series D 4.375%, due serially through 4/1/07 ^b	1,700,000	1,238,000	133,287
Tarleton State College Building Use Fee Revenue Bonds, Series 1967, 4.75%, due serially through 6/1/92 ¹⁰	160,000	120,000	13,344
Tarleton State College Student Tuition Fee Revenue Bonds, Series 1967, 4.75%, due serially through 6/1/98 ¹¹	250,000	210,000	333,435
Tarleton State College Crockett Hall Dormitory Revenue Bonds, Series 1969, 6.00%, due serially through 9/1/94 ^b	330,000	265,000	5,000
Tarleton State College General Fee Revenue Bonds, Series 1972, 5.50%, 5.25%, 5.50%, 5.60%, 5.70% and 5.75%, due serially through 4/1/01 ¹¹	500,000	480,000	43,147
Tarleton State University General Fee Revenue Bonds, Series 1973, 5.40%, 5.50%, 5.60%, 5.70% and 5.75%, due serially through 4/1/98 ¹¹	300,000	285,000	26,213
Tarleton State University Combined Fee Revenue Bonds, Series 1974, 7.75% and 8.00%, due serially through 4/1/03 ¹¹	4,000,000	3,905,000	250,025

PRAIRIE VIEW A&M UNIVERSITY (At Prairie View)

Prairie View Agricultural and Mechanical College of Texas Student Fee Revenue Bonds, Series 1967, 5%, 4%, 4.10% and 4.15%, due serially through 8/1/94 ¹⁰	400,000	325,000	199,314
Prairie View Agricultural and Mechanical College of Texas Dormitory Revenue Refunding Bonds, Series 1970, 3%, 3.10%, 3.30% and 4%, due serially through 12/1/81 ^b	915,000	325,000	356,403

PRAIRIE VIEW A&M UNIVERSITY
 (At Prairie View)—(continued)

	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
Prairie View Agricultural and Mechanical College of Texas Utility System Student Fee Revenue Bonds, Series 1970, 7%, 5.50% and 6.10%, due serially through 4/1/83 ¹³	\$ 500,000	\$ 360,000	\$ 183,746
Prairie View Agricultural and Mechanical College of Texas Housing System Revenue Bonds, Series 1970-A, 3.625%, due serially through 4/1/04 ^b	2,313,000	2,028,000	2,726,426*
Prairie View Agricultural and Mechanical College of Texas Housing System Revenue Bonds, Series 1970-B, 9.25%, 8.25% and 8.10%, due serially through 4/1/10 ^b	11,000,000	10,810,000	*
Prairie View Agricultural and Mechanical College of Texas Student Fee Revenue Bonds, Series 1972, 7.20%, 5.70%, 5.75%, 5.80% and 5.90%, due serially through 4/1/98 ¹¹	750,000	700,000	205,885
Prairie View A&M University Combined Fee Revenue Bonds, Series 1974, 8.50%, 7.95%, 8.00%, 8.10%, 8.20% and 7.00%, due serially through 6/1/00 ¹¹	6,400,000	6,215,000	469,873

* Interest and Sinking Fund for Housing System Series 1970-A and 1970-B.

¹ Secured by first lien on and pledge of student tuition charges received by Texas A&M University.

² Secured by first lien on and pledge of the interest of the The Texas A&M University System in the income from the Permanent University Fund.

³ Secured by lien on and pledge of the interest of The Texas A&M University System in the income from the Permanent University Fund, subject only and subordinate to the first lien on and pledge of said interest heretofore created in connection with all Permanent University Fund Bonds issued prior to 1967 as listed above.

⁴ Secured by first lien on and pledge of net revenues derived from operations of the A&M Press.

⁵ Secured by first lien on and pledge of net revenues derived from specific housing and dining hall operations.

⁶ Secured by first lien on and pledge of net revenues derived from operations of the Power Plant.

⁷ Secured by pledge of Coliseum and Library Use Fee charged all students attending the University.

⁸ Secured by pledge of Stadium Use Fee charged all students attending the University.

⁹ Secured by first lien on and pledge of net revenues derived from intercollegiate athletic events.

¹⁰ Secured by pledge of Library Use Fee charged all students attending the University.

¹¹ Secured by first lien on and pledge of a Building Use Fee charged all tuition-paying students attending the University.

¹² Secured by first lien on and pledge of a Student Fee charged all students attending the University, net revenues from the operation of the Utility System, and a lien on and pledge of net revenues from the operation of the existing Power Plant subject to the lien securing the Power Plant Revenue Bonds, Series 1963.

¹³ Secured by first lien on and pledge of a Student Fee to be charged all students attending Prairie View A&M University and net revenues derived from the operation of the Utility System.

¹⁴ Refunded in advance on May 1, 1978, with funds provided by the Board of Regents of The Texas A&M University System—Texas A&M University Combined Fee Revenue Refunding Bonds, Series 1978.

These respective checks will be considered as a good faith deposit, and the check of the successful bidder will be cashed and retained by the respective Boards to secure performance of the contract by such bidder. In the event such bidder should fail or refuse to take up and pay for the bonds in accordance with his bid, then said good faith deposit shall be accepted by the Board as full and complete liquidated damages. Otherwise, said good faith deposit will be applied to the purchase price of the bonds. The required cashier's check may accompany the "OFFICIAL BID FORM" or it may be submitted separately. If submitted separately, it shall be made available to the Boards prior to the opening of the bids and shall be accompanied by instructions from the bank on which drawn authorizing its use as a good faith deposit by the successful bidder who shall be named in such instructions. No interest will be allowed on the good faith deposit of the successful bidder, and the checks of the unsuccessful bidders will be returned as soon as the best bid is determined.

Basis of Award: Comparison of bids will be made by taking the total interest cost at the rate or rates named in the respective bids calculated to the scheduled maturity date of each bond, deducting therefrom any premium bid in order to obtain the net interest cost. The issues will be awarded to the bidder for each separate issue whose bid on the above computation produces the lowest net interest cost. All bids should show the net interest cost and for informational purposes, the weighted average interest rate. In case of errors in net interest cost calculations, coupons named will govern; however, the Boards reserve the right to reject any and all bids and to waive any and all irregularities.

Legal Opinion: The respective Boards will furnish a complete transcript of proceedings had incident to the authorization and issuance of the bonds, including the unqualified approving legal opinion of the Attorney General of Texas to the effect that the bonds are valid and legally binding obligations of the respective Boards, and, based upon examination of such transcript of the proceedings, the unqualified approving legal opinions of Messrs. Vinson & Elkins, bond counsel for The University of Texas System, and Messrs. McCall, Parkhurst & Horton, bond counsel for The Texas A&M University System, to a like effect and to the effect that the interest on the bonds is exempt from federal income taxation under existing statutes, regulations and court decisions. Neither Messrs. Vinson & Elkins nor Messrs. McCall, Parkhurst & Horton took part in the preparation of the Official Notice of Sale or the Official Statement nor have such firms undertaken independently to verify any of the information contained therein, except that, in their capacity as bond counsel, such firms have reviewed the information describing the bonds in such Notice and Statement to verify that such description conforms to the provisions of the bond resolution. The legal fees to be paid Messrs. Vinson & Elkins and Messrs. McCall, Parkhurst & Horton for services rendered in connection with the issuance of the bonds are contingent on the sale and delivery of the bonds.

No-Litigation Certificate: The respective Boards will execute and deliver to the successful purchaser a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain or enjoin the issuance or delivery of said bonds or the coupons appertaining thereto, or which would affect the provisions made for their payment or security, or in any manner questioning the validity of said bonds or coupons.

Certification as to Official Statement: At the time of payment for and delivery of the bonds, the respective Boards will furnish the successful bidder a certificate, executed by a proper officer or officers of such Boards, acting in their official capacity, to the effect that to the best of their knowledge and belief: (a) the description and statements of or pertaining to the issuers contained in the Official Statement, as supplemented and amended, on the date of such Official Statement, on the date of sale of the bonds and the acceptance of the best bid therefor, and on the date of the delivery of the bonds, were and are true and correct in all material respects; (b) insofar as the issuers and their affairs, including the financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein; in the light of the circumstances under which they were made, not misleading; and (c) insofar as the description and statements, including financial data contained in such Official Statement, as supplemented and amended, of or pertaining to entities other than the Boards and their activities are concerned, such statements and data have been obtained from sources which the Boards believe to be reliable and that the Boards have no reason to believe that they are untrue in any material respect.

Printed Bonds: The respective Boards, at their cost, will furnish printed bonds on lithographed or steel engraved borders to the purchaser. The legal opinion of Messrs. Vinson & Elkins will be printed on The University of Texas System bonds and the legal opinion of Messrs. McCall, Parkhurst & Horton will be printed on The Texas A&M University System bonds.

CUSIP Numbers: It is anticipated that CUSIP identification numbers will be printed on said bonds, but neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for said bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on said bonds shall be paid for by the issuer, provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

Paying Agent Banks: On the date these bonds are sold, the Board of Regents of The University of Texas System and the Board of Regents of The Texas A&M University System, respectively, will select a Texas bank with assets in excess of \$200,000,000 as paying agent on these bonds and a New York City bank and a Chicago bank as co-paying agents. The selection of paying agents will be at the sole discretion of the respective Boards of Regents.

Delivery: Delivery of the bonds will be made at the expense of the respective Boards at a bank in Austin, Texas, provided, however, that the purchaser may arrange with the Boards for delivery of the bonds at a bank in New York or Chicago, at the expense of the purchaser. It is anticipated that delivery can be made on or about July 11, 1978, and it is understood and agreed that the purchaser will accept delivery and make payment in Federal Funds of the agreed purchase price, less the amount of the good faith deposit, on or before July 11, 1978, or thereafter when the bonds are tendered for delivery up to and including August 11, 1978. The purchaser shall be given at least seven days' notice of the time which the respective Boards have fixed for delivery. The purchaser shall make proper payment for the bonds prior to 12:00 noon, C.D.T., on the date so fixed for delivery. If for any reason The University of Texas System or The Texas A&M University System is unable to tender the bonds for delivery by August 11, 1978, then the System shall immediately contact the successful bidder to allow said bidder to extend his bid for an additional 30 days. If the successful bidder does not elect to extend his offer within five days after such notification, then the good faith deposit will be returned and both The University of Texas System or The Texas A&M University System and the successful bidder shall be relieved of further obligation.

Responsibility for Qualification of Bonds for Sale in Respective States: The Boards assume no responsibility for qualification of the bonds under the securities laws of any jurisdiction in which the bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

Additional Copies of Notice of Sale, Bid Form, and Bond Resolutions: Additional copies of the Official Notice of Sale, Official Statement, Official Bid Form, and copies of the respective Bond Resolutions may be obtained at the Office of the Executive Director for Investments, Trusts and Lands, The University of Texas System, 210 West Sixth Street, Austin, Texas 78701. Each successful bidder will be furnished with up to 100 copies of the Official Statement at no expense. Arrangements have been made with the printer to supply additional copies, if desired, at the successful bidder's expense.



W. C. Freeman,
Executive Vice Chancellor for Administration
The Texas A&M University System
College Station, Texas 77843



W. L. Lobb, Executive Director
for Investments, Trusts & Lands
The University of Texas System
210 West Sixth Street
Austin, Texas 78701

Mar 26, 1978

Part II
OFFICIAL STATEMENT

This Official Statement does not constitute an offer to sell Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, salesman, or any other person has been authorized to give any information or make any representation, other than those contained herein, in connection with the offering of these Bonds, and if given or made, such information or representation must not be relied upon. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board of Regents of The University of Texas System or the Board of Regents of The Texas A&M University System since the date hereof.

NEW ISSUE

\$21,000,000

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM
PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1978

\$11,000,000

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1978

DATE OF BONDS: July 1, 1978

FORM AND DENOMINATION OF BONDS: As to each issue, respectively, the bonds will be authorized and issued as negotiable bonds payable to bearer in the denomination of \$5,000 each, with provision for registering bonds as to principal only at the option of the holder.

PAYABLE: Annual principal (July 1) and semiannual interest (January 1 and July 1; first coupon payable January 1, 1979) are payable in lawful money of the United States of America at the following places without exchange or collection charges to the owners or holders thereof:

On the date these bonds are sold, the Board of Regents of The University of Texas System and the Board of Regents of The Texas A&M University System, respectively, will select for each issue a Texas bank with assets in excess of \$200,000,000 as paying agent and a New York City bank and a Chicago bank as co-paying agents. The compensation of such paying agents is to be paid from funds made available by the respective Boards for that purpose and pursuant to the terms of the respective contracts with the paying agents.

MATURITY SCHEDULE (July 1 of each year):

Year	The University of Texas System	The Texas A&M University System
1979	\$ 840,000	\$440,000
1980	840,000	440,000
1981	840,000	440,000
1982	840,000	440,000
1983	945,000	495,000
1984	945,000	495,000
1985	945,000	495,000
1986	945,000	495,000
1987	1,050,000	550,000
1988	1,050,000	550,000
1989	1,050,000	550,000
1990	1,050,000	550,000
1991	1,155,000	605,000
1992	1,155,000	605,000
1993	1,155,000	605,000
1994	1,155,000	605,000
1995	1,260,000	660,000
1996	1,260,000	660,000
1997	1,260,000	660,000
1998	1,260,000	660,000

CALL PRICE: Both issues of bonds are non-callable as a whole or in part prior to July 1, 1988. Beginning July 1, 1988, all bonds of both issues are callable on any interest payment date, on thirty days' notice, at the price effective on such date determined as follows:

Par and accrued interest to the date fixed for redemption plus a premium of one percent (1%) if redeemed on or after July 1, 1988, but prior to July 1, 1989, such premium declining by one-fourth of one percent (1/4%) on July 1, 1989, and each July 1 thereafter to par on July 1, 1992.

PURPOSE: The \$21,000,000 of Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1978, are being issued by said Board of Regents for the purpose of constructing, equipping, or acquiring buildings or other permanent improvements for The University of Texas System.

The \$11,000,000 of Board of Regents of The Texas A&M University System Permanent University Fund Bonds, New Series 1978, are being issued by said Board of Regents for the purpose of constructing, equipping, or acquiring buildings or other permanent improvements for The Texas A&M University System.

SECURITY AND ADDITIONAL PARITY BONDS AND NOTES: The Amendments to Section 18, Article VII of the Texas Constitution, adopted by vote of the people of Texas on November 6, 1956, and on November 8, 1966, provide that the Board of Regents of The University of Texas System and the Board of Regents of The Texas A&M University System are authorized to issue negotiable bonds and notes for the purpose of constructing, equipping, or acquiring buildings or other permanent improvements for their respective Systems, in a total amount not to exceed twenty percent (20%) of the value of the Permanent University Fund exclusive of real estate at the time of any issuance thereof (2/3rds of 20% for The University of Texas System and 1/3rd of 20% for The Texas A&M University System). The Board of Regents of The University of Texas System heretofore has authorized, issued, sold and delivered its Permanent University Fund Bonds, Series 1959, dated July 1, 1959, Series 1960, dated July 1, 1960, Series 1961, dated July 1, 1961, Series 1962, dated July 1, 1962, Series 1963, dated July 1, 1963, Series 1964, dated July 1, 1964, Series 1965, dated July 1, 1965,

and Series 1966, dated July 1, 1966, outstanding as of July 1, 1978, in the aggregate principal amount of \$13,190,000 with all of said bonds being on a parity and being payable from and secured by a first lien on and pledge of the interest of The University of Texas System in the income from the Permanent University Fund (hereinafter sometimes called "The University of Texas System Old Series Outstanding Bonds"). The Board of Regents of The Texas A&M University System heretofore has authorized, issued, sold and delivered its Permanent University Fund Bonds, Series 1959, dated July 1, 1959, Series 1961, dated July 1, 1961, and Series 1962, dated July 1, 1962, outstanding as of July 1, 1978, in the aggregate principal amount of \$2,460,000 with all of said bonds being on a parity and being payable from and secured by a first lien on and pledge of the interest of The Texas A&M University System in the income from the Permanent University Fund (hereinafter sometimes called "The Texas A&M University System Old Series Outstanding Bonds").

THE BOARDS OF REGENTS have determined not to issue any more bonds or notes on a parity with the above-described The University of Texas System Old Series Outstanding Bonds and The Texas A&M University System Old Series Outstanding Bonds because of the restrictive Permanent University Fund investment covenants required in connection with all of the aforesaid Old Series Outstanding Bonds heretofore issued.

THE BOARD OF REGENTS of The University of Texas System heretofore has authorized, issued, sold and delivered its Permanent University Fund Bonds, New Series 1967, dated July 1, 1967, New Series 1968, dated July 1, 1968, New Series 1969, dated July 1, 1969, New Series 1970, dated July 1, 1970, New Series 1971, dated July 1, 1971, New Series 1972, dated July 1, 1972, New Series 1973, dated July 1, 1973, New Series 1974, dated July 1, 1974, New Series 1975, dated July 1, 1975, New Series 1976, dated July 1, 1976, and New Series 1977, dated July 1, 1977, outstanding as of July 1, 1978, in the aggregate principal amount of \$102,090,000 (hereinafter sometimes called "The University of Texas System New Series Outstanding Bonds"), and the Board of Regents of The Texas A&M University System heretofore has authorized, issued, sold and delivered its Permanent University Fund Bonds, New Series 1967, dated July 1, 1967, New Series 1968, dated July 1, 1968, New Series 1969, dated July 1, 1969, New Series 1970, dated July 1, 1970, New Series 1971, dated July 1, 1971, New Series 1972, dated July 1, 1972, New Series 1973, dated July 1, 1973, New Series 1974, dated July 1, 1974, New Series 1975, dated July 1, 1975, New Series 1976, dated July 1, 1976, and New Series 1977, dated July 1, 1977, outstanding as of July 1, 1978, in the aggregate principal amount of \$54,540,000 (hereinafter sometimes called "The Texas A&M University System New Series Outstanding Bonds"), each issue of the aforesaid New Series Outstanding Bonds being payable from and secured by a lien on and pledge of the respective interest of each University in the income from the Permanent University Fund, subject only and subordinate to the first lien on and pledge of said interest, respectively, heretofore created in connection with the aforesaid Old Series Outstanding Bonds.

THE PERMANENT UNIVERSITY FUND BONDS, New Series 1978, herein offered for sale by the Boards of Regents, will be on a parity with the aforesaid New Series Outstanding Bonds and will be payable, together with the aforesaid New Series Outstanding Bonds, from and secured by a lien on and pledge of the respective interest of each University in the income from the Permanent University Fund, subject only and subordinate to the first lien on and pledge of said interest, respectively, heretofore created in connection with the aforesaid Old Series Outstanding Bonds.

BOTH BOARDS will reserve the right hereafter to issue installments of New Series Additional Parity Bonds and Notes from time to time which will be equally and ratably secured and payable in the same manner as The University of Texas System New Series Outstanding Bonds, The Texas A&M University System New Series Outstanding Bonds and the Permanent University Fund Bonds, New Series 1978, herein offered for sale, provided that no such New Series Additional Parity Bonds or Notes shall be issued unless the Executive Director for Investments, Trusts and Lands of The University of Texas System, or some other officer designated by the Board of Regents, executes:

(1) a certificate to the effect that there is then held in and owned by the Permanent University Fund an amount of direct obligations of, or obligations, the principal of and interest on which are guaranteed by the United States of America, which

(a) are at least equal in aggregate par or face value to the aggregate par or face value of (i) all outstanding bonds or notes which have been issued by the Board of Regents of The University of

Texas System and the Board of Regents of The Texas A&M University System and which are payable from the income from the Permanent University Fund, and (ii) the installment or series of New Series Additional Parity Bonds or Notes then proposed to be issued, and

(b) are then yielding annual interest at least equal to the maximum annual interest requirements of (i) all outstanding bonds or notes which have been issued by the Board of Regents of The University of Texas System or the Board of Regents of The Texas A&M University System and which are payable from income from the Permanent University Fund, and (ii) the installment or series of New Series Additional Parity Bonds or Notes then proposed to be issued.

(2) a certificate to the effect that for the fiscal year next preceding the date of said certificate the amount of the interest of the issuing Board in the income from the Permanent University Fund was at least 1-1/2 times the principal and interest requirements of all outstanding bonds or notes theretofore delivered by the issuing Board and payable from the income from the Permanent University Fund, and of the installment or series of New Series Additional Parity Bonds or Notes then proposed to be issued, during the calendar year in which said principal and interest requirements will be the greatest.

AS ADDITIONAL security and guaranty for the prompt and full payment of all principal and interest on all bonds and notes payable from the income from the Permanent University Fund, the Board of Regents of The University of Texas System (charged by law with the exclusive management and control of the Permanent University Fund) has covenanted and bound itself as follows:

(1) that while any bonds or notes of the Board of Regents of The University of Texas System or the Board of Regents of The Texas A&M University System heretofore or hereafter issued and delivered pursuant to the provisions of Section 18, Article VII of the Texas Constitution, approved by vote of the people of Texas on August 23, 1947, or pursuant to the provisions of the amendments to Section 18, Article VII of the Texas Constitution, approved by vote of the people of Texas on November 6, 1956, and on November 8, 1966, or pursuant to the provisions of Chapter 255, page 546, Acts of 1957, Fifty-fifth Legislature of Texas, Regular Session, codified as Section 66.21 through 66.25 of the Texas Education Code, or pursuant to any future amendment to Section 18, Article VII of the Texas Constitution, are outstanding and unpaid, the Board of Regents will maintain and invest and keep invested the Permanent University Fund, as required by law; and that while any such bonds and notes, and the interest thereon, are outstanding and unpaid, the Board of Regents will invest such Fund in eligible and legal securities which will yield a maximum rate of return consistent with the Board of Regents' long established policy of purchasing for said Fund only securities of high investment quality; and further that at all times the Fund will be maintained and invested so as to yield annually an amount of money not less than 1-1/2 times the principal and interest requirements of all of the aforesaid outstanding bonds or notes payable from income from the Permanent University Fund, during the calendar year in which said principal and interest requirements will be the greatest.

It is further additionally covenanted as follows:

(1) that so much of the Fund will be maintained and invested at all times in such amount of United States Government Bonds as will yield annually, at the effective rate or rates of interest borne by such United States Government Bonds, an amount of money not less than the principal and interest requirements of all outstanding bonds which are payable from income from the Permanent University Fund which were issued by said Boards of Regents prior to the year 1967, during the calendar year in which said principal and interest requirements of all such outstanding bonds issued prior to 1967 will be the greatest; and that neither the Board of Regents nor any officer of the Board of Regents of The University of Texas System shall be authorized to sell or withdraw any of said United States Government Bonds if by such sale or withdrawal the total amount of such United States Government Bonds remaining thereafter will yield annually an amount less than said principal and interest requirements of all such outstanding bonds issued prior to 1967, during the calendar year in which said principal and interest requirements will be the greatest, and

(2) that at all times (and regardless of whether or not any of the aforesaid Permanent University Fund bonds issued prior to 1967 remain outstanding, and regardless of the actual principal and interest re-

quirements of the aforesaid Permanent University Fund bonds issued prior to 1967) the Fund will be invested in an amount of direct obligations of, or obligations, the principal of and interest on which are guaranteed by the United States of America, which

(a) are at least equal in aggregate par or face value to the aggregate par or face value of all outstanding bonds or notes which have been issued by the Board of Regents of The University of Texas System or the Board of Regents of The Texas A&M University System and which are payable from income from the Permanent University Fund, irrespective of whether such bonds or notes were issued before, during or after 1967, and

(b) will yield annually an amount of interest which will be at least equal to the maximum annual interest requirements of all outstanding bonds or notes which have been issued by the Board of Regents of The University of Texas System or the Board of Regents of The Texas A&M University System and which are payable from income from the Permanent University Fund, irrespective of whether such bonds or notes were issued before, during or after 1967.

THE INTEREST of The University of Texas System in the income from the Permanent University Fund shall be credited as it accrues to The University of Texas System Available University Fund in the State Treasury, and not less than 45 days prior to each interest paying date sufficient moneys shall be transferred therefrom to The University of Texas System New Series Permanent University Fund Interest and Sinking Fund, also in the State Treasury, to meet all principal and interest requirements when due on the New Series Permanent University Fund bonds and notes issued by the Board of Regents of The University of Texas System. Not less than 30 days prior to each interest payment date, moneys shall be made available at the places of payment in the amounts required to pay the interest or the principal and interest coming due on each interest payment date.

THE INTEREST of The Texas A&M University System in the income from the Permanent University Fund shall be credited as it accrues to The Texas A&M University System Available University Fund in the State Treasury, and not less than 45 days prior to each interest paying date sufficient moneys shall be transferred therefrom to The Texas A&M University System New Series Permanent University Fund Interest and Sinking Fund, also in the State Treasury, to meet all principal and interest requirements when due on the New Series Permanent University Fund bonds and notes issued by the Board of Regents of The Texas A&M University System. Not less than 30 days prior to each interest payment date, moneys shall be made available at the places of payment in the amounts required to pay the interest or the principal and interest coming due on each interest payment date.

THE "Income from the Permanent University Fund" means the net amount remaining after deducting management expenses. The Board of Regents has covenanted that annual management expenses payable before debt service requirements will not exceed 1/5 of 1% of the book value of the Permanent University Fund.

OUTSTANDING Permanent University Fund Bonds, after issuance of the New Series 1978, will be as follows:

The University of Texas System	\$136,280,000
The Texas A&M University System	\$ 68,000,000

Attention is especially invited to the following data which appears in the Official Statement:

Table I, Page 12, sets forth the income available, and to become available, to The University of Texas System and The Texas A&M University System from the Permanent University Fund.

Table II, Page 13, sets forth projected debt service coverage with respect to all Permanent University Fund bonds, including New Series 1978, issued by The University of Texas System and The Texas A&M University System.

ELIGIBILITY OF BONDS FOR INVESTMENT AND SECURITY; EXEMPTION FROM TAXATION: Chapter 255, page 546, Acts of 1957, Fifty-fifth Legislature of Texas, Regular Session, codified as Section 66.21 through 66.25 of the Texas Education Code, provides that all of the bonds herein offered for sale shall be legal and authorized investments in Texas for banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries, trustees, guardians and for the sinking funds of cities, towns, villages, counties, school districts and all other political corporations or subdivisions of the State of Texas; and that such bonds shall be eligible to secure the deposit of any and all public funds of the State of Texas; and any and all public funds of cities, towns, villages, counties, school districts and all other political corporations or subdivisions of the State of Texas, to the full extent of their par value when accompanied by all unmatured coupons appurtenant thereto.

THE AFORESAID Act further provides that all of such bonds and their transfer and the income therefrom, including any profits made on the sale thereof, shall at all times be free from taxation within the State of Texas. In the opinion of Bond Counsels, the interest on all such bonds is exempt from Federal income taxes under existing statutes, regulations, rulings and court decisions.

PAYMENT RECORD: Neither The University of Texas System nor The Texas A&M University System has ever defaulted.

LEGALITY: The Attorney General of the State of Texas and Messrs. Vinson & Elkins, Houston, Texas, as to The University of Texas System bonds and Messrs. McCall, Parkhurst & Horton, Dallas, Texas, as to The Texas A&M University System bonds.

DELIVERY: When issued; anticipated on or about July 11, 1978.

The information set forth in this Official Statement has been obtained from issuer records and other sources which are believed to be reliable, but it is not guaranteed as to the accuracy or completeness thereof, and its inclusion herein is not to be construed as a representation on the part of the issuer to such effect. There is no guarantee or representation that any of the assumptions or estimates contained herein will ever be realized. All of the summaries or excerpts of statutes, documents and resolutions contained in this Official Statement do not purport to be complete statements and are made subject to all of the provisions of such statutes, documents and resolutions. Reference should be made to such original sources in all respects.

A. PERMANENT UNIVERSITY FUND

History

IN 1836, THE FOUNDERS of The Republic of Texas committed it to an enlightened and irrevocable policy of public education and endowed The University of Texas, as its capstone, with fifty leagues (approximately 222,000 acres) of land from the public domain. Through its ten years as an independent Republic, in its later years as a frontier State, and finally through war and reconstruction, its people kept faith with their forebears and fostered education as indispensable to freedom.

IN 1876, a new Constitution was adopted wherein it was decreed that there should be established a "University of the first class" including a branch college devoted to agriculture and the mechanic arts. This undertaking was endowed by granting to the Permanent University Fund an additional 1,000,000 acres from the public domain, to which the Legislature, in 1883, added approximately 1,000,000 acres.

Land

AS OF this date, the Permanent University Fund owns approximately 2,100,000 acres of land located in west Texas. Practically the whole of this acreage is under grazing leases. Annual surface income is in excess of \$1,000,000.

THE UNIVERSITY OF TEXAS SYSTEM does not explore or operate oil properties belonging to the Permanent University Fund. Instead, it sells under competitive bids leases on selected tracts of land to leading operators, including almost all of the major, as well as many strong independent, companies in the Southwest. As of February 28, 1978, 1,058,993 acres of land belonging to said Fund were under oil and gas leases, of which 367,434 were held by production from 5,903 oil wells and 237 gas wells.

DURING recent years approximately 32,700,000 barrels of crude oil and 134,000,000 MCF of gas were produced from these lands each year on which one-eighth to one-fifth royalty was reserved for the Permanent University Fund.

DECISIONS of the Supreme Court of Texas and of the Attorney General of Texas have decreed that the Permanent University Fund shall be forever kept intact, and that there shall be added to the corpus thereof all oil, gas, and water royalties received, all gains on investments, all rentals on mineral leases, all lease bonuses, and all consideration for such lands as may be sold.

Investments

As of February 28, 1978, securities owned by the Permanent University Fund which is administered by the Board of Regents of The University of Texas System were as follows:

	Fund Value
GOVERNMENT SECURITIES:	
U. S. Treasury Bonds	\$ 128,725,806
U. S. Guaranteed Bonds	154,435,969
FHA Real Estate Mortgages	8,897,249
Total Government Securities	<u>\$ 292,059,024</u>
CORPORATE SECURITIES:	
Bonds	\$ 293,587,175
Convertible Debentures	8,083,090
Convertible Preferred Stock	2,434,505
Common Stocks	350,207,374
Commercial Paper	56,334,000
Total Corporate Securities	<u>\$ 710,646,144</u>
TOTAL SECURITIES	<u>\$1,002,705,168</u>
CASH AND ACCOUNTS RECEIVABLE	<u>\$ 295,433</u>
TOTAL SECURITIES AND CASH	<u>\$1,003,000,601</u>

The following tabulation shows the sources from which the Permanent University Fund was built—(000 omitted):

Year	Total	Oil & Gas Royalty	Water Royalty	Mineral Lease Rentals & Misc.	Mineral Lease Bonuses
Prior to 9/1/70	\$568,179	\$334,961	\$1,570	\$21,236	\$210,412
Additions					
FYE 8/31					
1971	26,671	18,388	173	6,272	1,838
1972	35,726	19,518	154	10,999	5,055
1973	38,780	18,967	131	12,716	6,966
1974	44,928	31,541	202	1,796	11,389
1975	67,488	58,513	156	753	8,066
1976	72,827	70,123†	192	(12,867)*	15,379
1977	91,472	76,598†	184	1,106	13,584
Total 8/31/77	<u>\$946,071</u>	<u>\$628,609</u>	<u>\$2,762</u>	<u>\$42,011</u>	<u>\$272,689</u>

* Includes \$12,632,427 adjustment for certain bond exchanges not qualifying as bond "exchanges" under current procedures.

† Includes sulphur royalties.

Estimated Income

THE INCOME arising from the Permanent University Fund is apportioned to The University of Texas System and The Texas A&M University System by Chapter 42 of the Acts of the Regular Session of the 42nd Legislature of the State of Texas. A quotation from the pertinent section of the law follows:

"Beginning September 1, 1934, the Board of Directors of the Agricultural and Mechanical College of Texas shall so expend one-third of all the Available University Fund received from the Permanent University Fund arising from the 1,000,000 acres of land appropriated by the Constitution of 1876 and the land appropriated by the Act of 1883, except income from grazing leases on University Lands (less its proportion of expenses of administration and excluding any expenses of administration from grazing leases), and the Board of Regents of The University of Texas shall so expend the balance of said Available Fund, including all the income from grazing leases on University Lands (less its proportion of expenses of administration)."

THE FOREGOING statutory method of division of the income of the Permanent University Fund has been adopted and approved in Section 18, Article VII, of the Constitution of the State of Texas.

TABLE I
Permanent University Fund
Projected Annual Net Income (000 omitted)

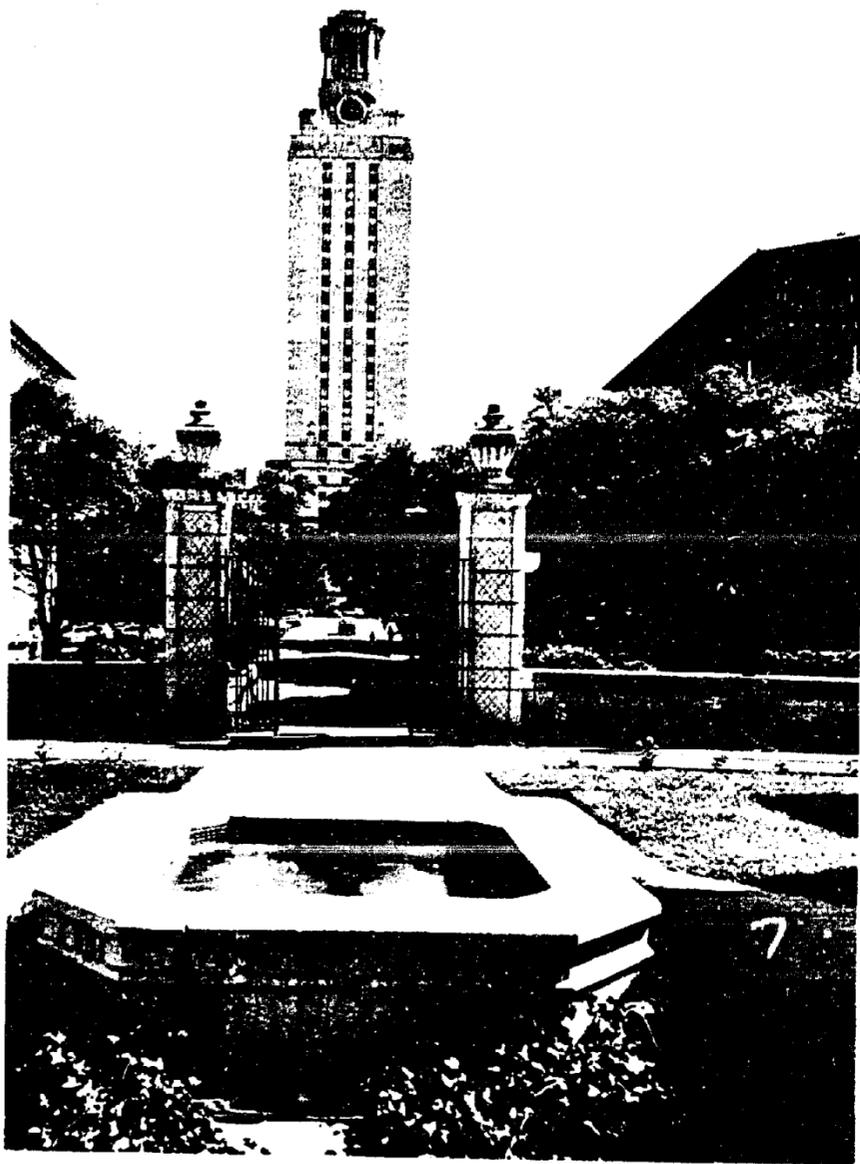
Fiscal Year Ending August 31	Investments for FYE 8/31	Net Investment Income-Est. (After Management Expense)			Other Income to U of T*	Total Avail. Univ. Fund to U of T
		Total	A&M	U of T		
1974†	\$ 714,284	\$35,611	\$11,870	\$23,741	\$1,532	\$25,273
1975†	781,772	39,105	13,035	26,070	1,539	27,609
1976†	854,598	46,542	15,514	31,028	1,544	32,572
1977†	946,071	53,409	17,803	35,606	1,645	37,251
1978	1,041,000	57,533	19,178	38,355	1,520	39,875
1979	1,126,000	62,938	20,979	41,959	1,520	43,479
1980	1,206,000	67,809	22,603	45,206	1,500	46,706
1981	1,281,000	72,363	24,121	48,242	1,500	49,742
1982	1,351,000	76,601	25,534	51,067	1,500	52,567
1983	1,421,000	80,595	26,865	53,730	1,500	55,230
1984	1,486,000	84,494	28,165	56,329	1,500	57,829
1985	1,557,000	88,145	29,382	58,763	1,500	60,263
1986	1,611,000	91,696	30,565	61,131	1,500	62,631
1987	1,666,000	94,920	31,640	63,280	1,500	64,780
1988 and thereafter	1,716,000	97,813	32,604	65,209	1,500	66,709

* Includes Grazing Lease rentals and miscellaneous income not divisible with The Texas A&M University System.
† Actual.

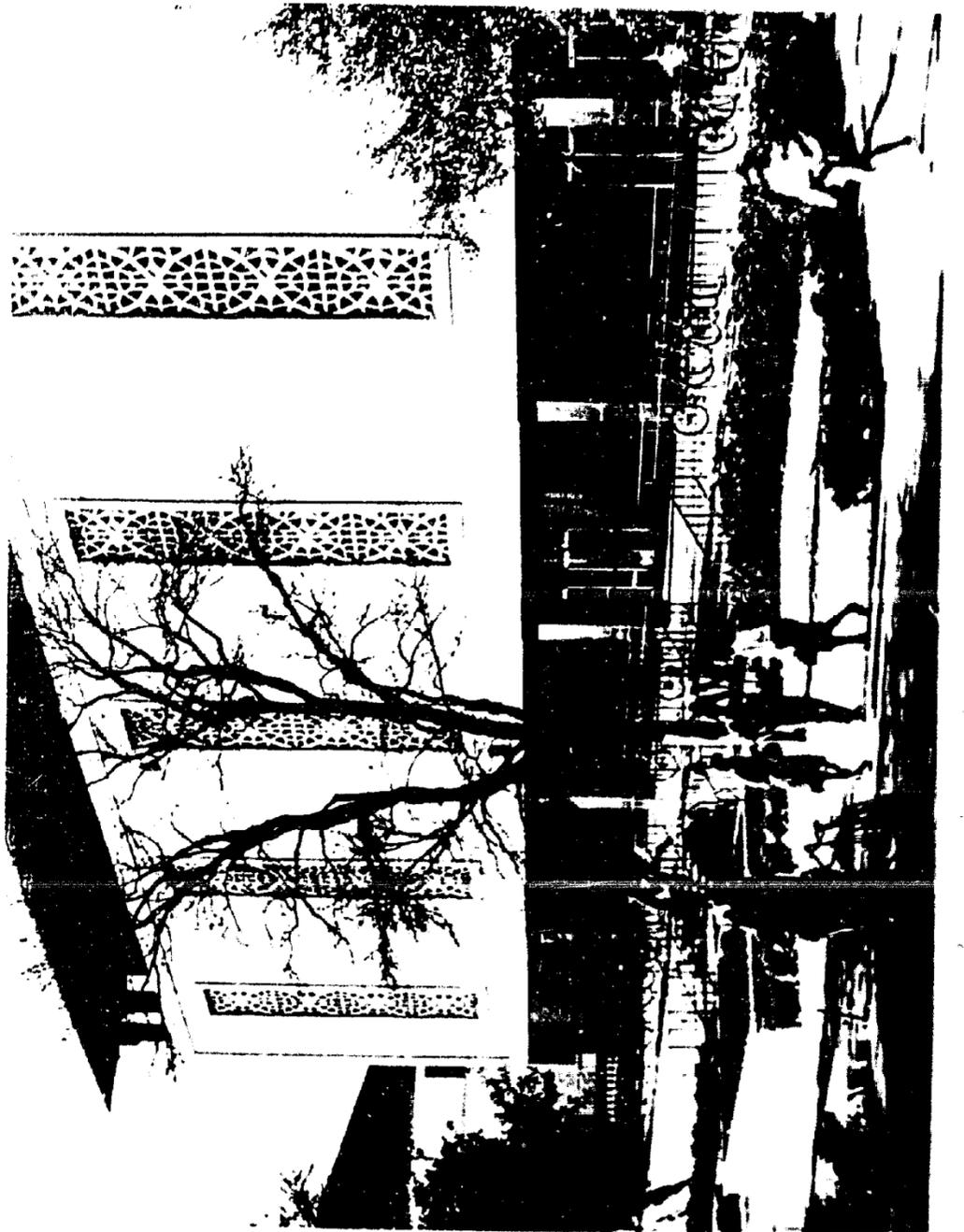
TABLE II
Projected Coverage of Actual and Estimated Annual Principal and Interest
Requirements of All University Fund Bonds*

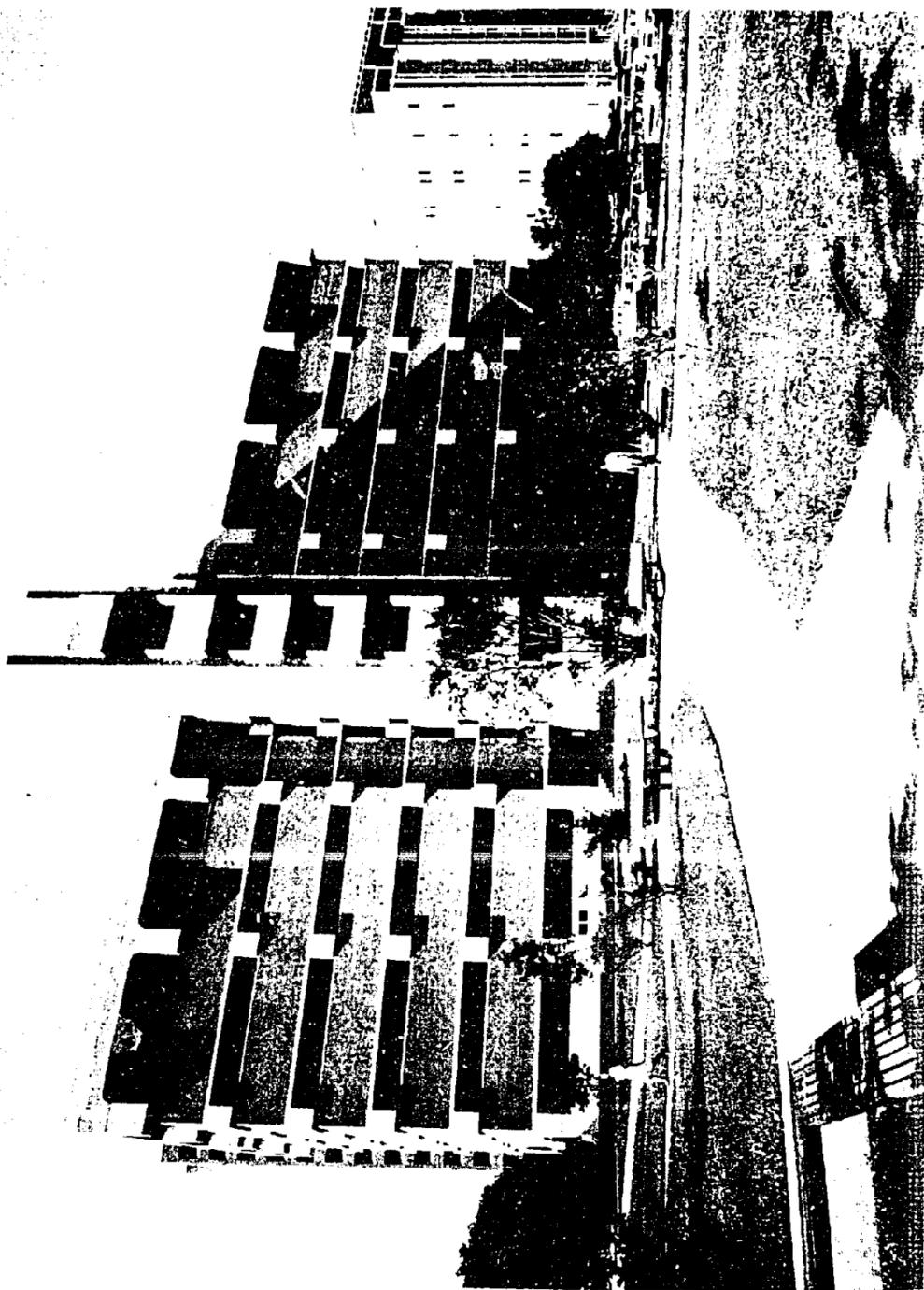
Fiscal Year Ending 8/31	The University of Texas System			The Texas A&M University System		
	Annual Income	Debt Service	Coverage Times	Annual Income	Debt Service	Coverage Times
1979	\$43,479,552	\$16,128,610	2.7	\$20,979,433	\$8,050,538	2.6
1980	46,705,751	15,655,965	3.0	22,602,876	7,584,591	3.0
1981	49,742,327	15,139,120	3.3	24,121,163	7,462,028	3.2
1982	52,567,560	14,461,650	3.6	25,533,780	7,047,980	3.6
1983	55,230,316	14,080,198	3.9	26,865,158	6,648,693	4.0
1984	57,829,347	13,585,469	4.3	28,164,674	6,558,076	4.3
1985	60,263,282	13,106,180	4.6	29,381,641	6,438,675	4.5
1986	62,630,610	12,491,313	5.0	30,565,305	6,323,088	4.8
1987	64,779,671	11,591,400	5.6	31,639,835	6,216,575	5.1
1988	66,708,638	10,445,870	6.4	32,604,319	5,457,200	6.0
1989	66,708,638	9,279,405	7.2	32,604,319	5,019,750	6.5
1990	66,708,638	8,653,975	7.7	32,604,319	4,600,490	7.1
1991	66,708,638	8,015,870	8.3	32,604,319	4,202,275	7.8
1992	66,708,638	7,217,733	9.2	32,604,319	3,770,463	8.6
1993	66,708,638	6,452,065	10.3	32,604,319	3,351,100	9.7
1994	66,708,638	5,602,327	11.9	32,604,319	2,950,903	11.0
1995	66,708,638	4,800,510	13.9	32,604,319	2,511,600	13.0
1996	66,708,638	3,753,735	17.8	32,604,319	1,918,050	17.0
1997	66,708,638	2,628,760	25.4	32,604,319	1,353,300	24.1
1998	66,708,638	1,320,480	50.5	32,604,319	694,650	46.9

* Including the New Series 1978 Bonds proposed to be issued on which an interest rate of 5.25% has been assumed.



View of the University of Texas at Austin, Main Building, from the Path of
Main, E. Green, II.





B. GENERAL INFORMATION

The University of Texas System

Administration

THE UNIVERSITY OF TEXAS was opened in 1883. It is supported by State appropriations, private endowments, gifts, Federal funds, student fees, miscellaneous sources of income, and its interest in the income of the Permanent University Fund.

GOVERNMENT of the University is vested in a board of nine regents who serve without pay. They are elected by the Governor for six-year terms, three each two years, and are subject to approval by the Legislature. The administration of the University conforms to that of leading American universities.

MEMBERS of the Board of Regents are as follows:

- | | |
|---------------------------------------|-------------|
| Mr. Honorable Allan Shivers, Chairman | Austin |
| Mr. Dan C. Williams, Vice Chairman | Dallas |
| Mr. E. Bauerle, D.D.S. | San Antonio |
| Mr. Weibert Blumberg, Mrs. Roland K. | Seguin |
| Mr. Honorable Edward Clark | Austin |
| Mr. H. Fly, Jr., M.D. | Uvalde |
| Mr. Jess Thomas Hay | Dallas |
| Mr. Hoss, H. Law | Fort Worth |
| Mr. Walter G. Sterling | Houston |
| Miss Betty Anne Thedford, Secretary | |

PRINCIPAL ADMINISTRATIVE OFFICERS and Staff of the System are as follows:

- Mr. Charles A. LeMaistre, Chancellor
- Mr. L. D. Walker, President and Chief Operating Officer
- Mr. Ernest E. Smerdon, Vice President for Academic Affairs
- Mr. Robert L. Hardesty, Vice President for Administration
- Mr. Joe E. Boyd, Jr., Vice President for Business Affairs
- Mr. James I. Fitzpatrick, Vice President and General Counsel
- Mr. Edward N. Brandt, Jr., Vice President for Health Affairs
- Mr. Gray W. Landrum, Vice President for Operations
- Mr. W. L. Lobb, Executive Director for Investments, Trusts and Lands
- Mr. Frank Graydon, Budget Director
- Mr. R. L. Anderson, Comptroller
- Mr. R. S. Kristoferson, Director of Facilities Planning and Construction
- Mr. Herman Adams, Director for Public Affairs
- Mr. James C. Werchan, Director of Accounting

Organization

THE COMPONENT INSTITUTIONS of The University of Texas System, with the administrative heads shown, are:

- The University of Texas at ARLINGTON
Dr. Wendell Nedderman, President
- The University of Texas Institute of Urban Studies at Arlington
Dr. Sherman Wyman, Director
- The University of Texas School of Nursing at Arlington
Dr. Myrna Pickard, Dean



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- The University of Texas at AUSTIN
Dr. Lorene L. Rogers, President
- The University of Texas Marine Science Institute at Galveston and Port Aransas
Dr. Creighton A. Burk, Director
- The University of Texas McDonald Observatory at Mount Locke
Dr. Harlan Smith, Director
- The University of Texas School of Nursing at Austin
Dr. Billye Brown, Dean
- The University of Texas at DALLAS
Dr. Bryce Jordan, President
- The University of Texas at EL PASO
Dr. Arleigh B. Templeton, President
- The University of Texas School of Nursing at El Paso
Dr. Eileen Jacobi, Dean
- The University of Texas of the PERMIAN BASIN
Dr. V. R. Cardozier, President
- The University of Texas at SAN ANTONIO
Dr. James W. Wagener, Acting President
- The University of Texas Institute of Texan Cultures at San Antonio
Mr. Jack R. Maguire, Executive Director
- The University of Texas Health Science Center at DALLAS
Dr. Charles C. Sprague, President
- The University of Texas Southwestern Medical School at Dallas
Dr. Frederick Bonte, Dean
- The University of Texas Graduate School of Biomedical Sciences at Dallas
Dr. Kern Wildenthal, Dean
- The University of Texas School of Allied Health Sciences at Dallas
Dr. John Schermerhorn, Dean
- The University of Texas Medical Branch at GALVESTON
Dr. William C. Levin, President
- The University of Texas Medical School at Galveston
Dr. George T. Bryan, Dean
- The University of Texas Graduate School of Biomedical Sciences at Galveston
Dr. J. Palmer Saunders, Dean
- The University of Texas School of Allied Health Sciences at Galveston
Dr. Robert K. Bing, Dean
- The University of Texas Institute for the Medical Humanities at Galveston
Dr. William B. Bean, Director
- The University of Texas Marine Biomedical Institute at Galveston
Dr. William D. Willis, Acting Director
- The University of Texas School of Nursing at Galveston
Dr. Dorothy Damewood, Dean
- The University of Texas Health Science Center at HOUSTON
Dr. Truman G. Blocker, Jr., Acting President
- The University of Texas Medical School at Houston
Dr. Robert L. Tuttle, Dean
- The University of Texas Dental Branch at Houston
Dr. John V. Olson, Dean
- The University of Texas Graduate School of Biomedical Sciences at Houston
Dr. Roger Hewitt, Acting Dean

- The University of Texas School of Allied Health Sciences at Houston
Dr. Alton Hodges, Dean
- The University of Texas School of Public Health at Houston
Dr. Reuel A. Stallones, Dean
- The University of Texas Speech and Hearing Institute at Houston
Dr. Tina Bangs, Director
- The University of Texas School of Nursing at Houston
Dr. Arlowayne Swort, Dean
- The University of Texas Health Science Center at SAN ANTONIO
Dr. Frank Harrison, President
- The University of Texas Medical School at San Antonio
Dr. Stanley E. Crawford, Dean
- The University of Texas Dental School at San Antonio
Dr. Edwin M. Collins, Acting Dean
- The University of Texas Graduate School of Biomedical Sciences at San Antonio
Dr. Armand J. Guarino, Dean
- The University of Texas School of Nursing at San Antonio
Dr. Patty Lynn Hawken, Dean
- The University of Texas System Cancer Center
Dr. R. Lee Clark, President
- The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston
Dr. Robert C. Hickey, Director
- The University of Texas Science Park—Research Division
Dr. Ronald M. Humphrey, Associate Director
- The University of Texas System Health Center at TYLER
Dr. George Hurst, Superintendent

GENERAL ACADEMIC INSTITUTIONS

THE UNIVERSITY OF TEXAS AT ARLINGTON is located midway between Dallas and Fort Worth, reflecting the energy of one of the state's most rapidly expanding areas. Founded in 1895 as a private college, U.T. Arlington, under various names, was one of the nation's leading junior colleges and a part of the Texas A&M System before joining The University of Texas System in 1965. U. T. Arlington's enrollment has been annually increasing to its current level. Current degree programs offer bachelor's degrees in 40 fields, master's degrees in 34 fields and doctoral programs in six fields. To serve the growing enrollment and expanding degree programs, the physical plant is being expanded with construction valued at \$31 million, with completion scheduled for 1978.

THE UNIVERSITY OF TEXAS AT AUSTIN is located in the capital city of Texas, resulting from popular vote in 1881. The present site has expanded into more than 360 acres since classes began on the original 40 acres near downtown Austin. Additional University-owned property located in other areas of Austin includes the Balcones Research Center and the Brackenridge Tract, partially used for married student housing. U. T. Austin teaches over 3,800 courses and offers master's and doctoral degrees in more than 50 fields; its library system contains more than four million volumes. The McDonald Observatory on Mount Locke in West Texas and the Marine Science Institute at Galveston and Port Aransas on the Gulf Coast are also operated as units of U.T. Austin.

THE UNIVERSITY OF TEXAS AT DALLAS was established in 1969 by the Texas Legislature which authorized curriculum leading to degrees at the baccalaureate, master's and doctoral levels. U.T. Dallas was authorized to enroll junior and senior undergraduates in September, 1975, with an anticipated enrollment of 4,500 students. The present U.T. Dallas campus encompasses 608 acres of land and 900,000 square feet of buildings.

THE UNIVERSITY OF TEXAS AT EL PASO was initially established by the Texas Legislature in 1913 as the Texas School of Mines and Metallurgy and placed under the control of the Board of Regents of The University of Texas. In 1949, the school's name was changed to Texas Western College; in 1967, the name again changed to The University of Texas at El Paso. U. T. El Paso is composed of six separate schools, has more than 450 faculty members and offers over 60 major fields of study. An unusual Bhutanese architectural design adapted for the rocky foothill location on the border of Mexico has been utilized for the buildings on campus.

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN in Odessa opened for classes in September, 1973, with 1,112 students. As directed by the Texas Legislature in 1969, U. T. Permian Basin accepts only upper-level students and offers baccalaureate degrees in 31 fields and master's degrees in 15 fields. The U. T. Permian Basin Library opened with more than 250,000 volumes, and more than 105,000 volumes were added during the first year of operation. Buildings in the first phase of development of the 588-acre campus had a total project cost of approximately \$13 million, with the initial occupancy of the innovative classroom and laboratory facility taking place during the summer of 1974.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO was authorized in 1969 by the Texas Legislature. The campus is located on 600 acres in the northwestern area of greater San Antonio. After completion of site development work, construction contracts were awarded in the spring of 1972, with an estimated completion date of May, 1975. In early 1972, the Board of Regents of The University of Texas System and the Coordinating Board, Texas College and University System, approved U. T. San Antonio's academic organization of five colleges with seventeen divisions and its proposed forty-two degree programs. Current academic organization consists of five colleges with fourteen divisions, in addition to a Division of Continuing Education. Graduate courses were first offered to approximately 670 students in June, 1973, with the initial enrollment of undergraduate students in September, 1975.

HEALTH-RELATED INSTITUTIONS

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT DALLAS was established by The University of Texas Board of Regents in the fall of 1972 as a component institution composed of three schools: Southwestern Medical School, the Graduate School of Biomedical Sciences, and the School of Allied Health Sciences. An outgrowth of Southwestern Medical College, founded in 1943 by Southwestern Medical Foundation and added to The University of Texas System in 1949, the Dallas Health Science Center is engaged in broad programs of training, research, and patient care in conjunction with its principal teaching hospital and fifteen other affiliated institutions. A \$50 million building program, with the first phase completed, will nearly double the number of doctors graduated each year and expand teaching of other health professions.

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON is located two miles from the Texas mainland and represents the largest single industry on Galveston Island. The Medical Branch has awarded more than 6,716 Doctor of Medicine degrees since its founding in 1890; with over 700 undergraduate medical students currently enrolled, it is the largest medical school in Texas. The Medical Branch also includes the Graduate School of Biomedical Sciences and the School of Allied Health Sciences as units located in the University medical complex, each offering its own degree programs. Nine hospitals are among the more than 50 major buildings in the University medical complex, including the John Sealy Hospital, which serves as the principal service and teaching facility on campus. The Medical Branch also operates the Institute for the Medical Humanities and the Marine Biomedical Institute on campus, which serves as a major research facility for the area.

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THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO was established by the Board of Regents in the fall of 1972. The operational units of the Health Science Center include the San Antonio Medical School, the San Antonio Dental School, the Graduate School of Biomedical Sciences and the School of Allied Health Sciences. The Medical and Dental Schools had previously been individual component institutions within the U. T. System, authorized by the Legislature in 1959 and 1969, respectively. The Medical School first began admitting students in 1966, graduating its first class in 1970, while the Dental School conferred its first degrees in 1974. The U. T. Health Science Center at San Antonio is located on 100 acres of land in the South Texas Medical Center in northwest San Antonio. Principal teaching hospitals include the Bexar County Hospital and the Audie Murphy Veterans' Hospital located in the South Texas Medical Center.

THE UNIVERSITY OF TEXAS SYSTEM CANCER CENTER was established by the Board of Regents in the fall of 1972 as a component institution. The Cancer Center is composed of the M. D. Anderson Hospital and Tumor Institute at Houston and the Environmental Science Park. Founded by the Legislature in 1941, M. D. Anderson is one of three major comprehensive cancer centers in the United States where research, education and improved cancer patient care are primary concerns. The Hospital and Clinic facilities are located in the Texas Medical Center, with a major expansion program currently underway to provide an additional 350 beds, and clinical facilities to accommodate 1,200 outpatients per day. These new facilities will be housed in the Lutheran Hospital Pavilion and the Clinic Building, while 100,000 square feet of laboratory and research space are being added to existing structures. The Extramural Programs Division coordinates cooperative cancer research at all U. T. System biomedical components and supervises the development of the Environmental Science Park at Smithville, a center devoted to investigation of the interaction between man and environment and the possible causes of carcinogenesis.

THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER. The 65th Legislature transferred all jurisdiction over the East Texas Chest Hospital and its operations from the Texas Department of Health Resources to The University of Texas System, effective September 1, 1977, and pursuant to such authority, the Board of Regents of The University of Texas System changed the name of the East Texas Chest Hospital to The University of Texas Health Center at Tyler, to be effective on the same date. The Center will continue to provide a program for the treatment of patients with chest diseases and a program is being developed for treatment of patients with other diseases. The Center is to be used as a teaching facility related to the various health related educational programs of other components of The University of Texas System.

THE CURRENT BUDGET for The University of Texas System for the fiscal year ending August 31, 1978, is slightly over \$757,357,000 from all sources. The budget for The University of Texas System for the fiscal year ending August 31, 1979, is estimated to be over \$800,000,000.

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THE UNIVERSITY OF TEXAS AT SAN ANTONIO was authorized in 1969 by the Texas Legislature. The campus is located on 600 acres in the northwestern area of greater San Antonio. After completion of construction contracts were awarded in the spring of 1972, with an estimated cost of \$100 million. In early 1972, the Board of Regents of The University of Texas System and Texas College and University System, approved U. T. San Antonio's academic organization with seventeen divisions and its proposed forty-two degree programs. Current academic programs include five colleges with fourteen divisions, in addition to a Division of Continuing Education. The first classes were first offered to approximately 670 students in June, 1973, with the initial enrollment of students in September, 1975.

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CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

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Enrollment

THE ENROLLMENT at the teaching institutions of The University of Texas System in the fall of 1977 was as follows:

U. T. Arlington	17,201
U. T. Austin	41,660
U. T. Dallas	5,333
U. T. El Paso	15,836
U. T. Permian Basin	1,575
U. T. San Antonio	7,849
Dallas Health Science Center	1,312
Galveston Medical Branch	1,468
Houston Health Science Center	2,162
San Antonio Health Science Center	1,749
Total	96,145

CURRENT REVENUES AND EXPENDITURES OF THE U. T. SYSTEM for the past three fiscal years were as follows:

	Fiscal Year Ended August 31		
	1975	1976	1977
CURRENT REVENUES			
Tuition and Fees	\$ 34,038,275	\$ 37,113,131	\$ 40,154,601
Federal Funds	94,357,130	103,050,426	114,029,385
State Appropriations	273,019,312	359,865,867	408,334,353
Private Gifts	23,222,270	26,132,234	33,273,177
Endowment Income (Includes transfers from Available University Fund)	10,468,184	14,953,267	17,137,713
Sales and Services of Auxiliary Enterprises	28,481,534	34,245,265	38,548,980
Sales and Services of Hospitals and Clinics; Professional Fees	65,317,505	77,351,011	91,025,130
Sales and Services of Educational Departments and Other Sources	12,867,365	18,116,506	21,272,761
Total Current Revenues	\$541,771,575	\$670,827,707	\$763,776,109
CURRENT EXPENDITURES AND MANDATORY TRANSFERS			
Educational and General	\$465,137,468	\$552,090,903	\$644,044,133
Auxiliary Enterprises	30,980,381	38,949,885	45,325,841
Mandatory Transfers	25,346,608	28,763,154	26,249,347
Total Current Expenditures and Mandatory Transfers	\$521,464,457	\$619,803,942	\$715,619,321
EXCESS REVENUES OVER EXPENDITURES AND MANDATORY TRANSFERS	\$ 20,307,118	\$ 51,023,765	\$ 48,156,779

THE TABLE below reports the assets of The University of Texas System, including all component institutions, as at August 31, 1977.

THE UNIVERSITY OF TEXAS SYSTEM CONDENSED STATEMENT OF ASSETS AND NET WORTH

At August 31, 1977

ASSETS

I. Current Funds	
A. General	\$ 86,078,771
B. Auxiliary Enterprises and Activities	24,237,749
C. Designated	86,149,100
D. Restricted	159,772,930
Total Current Funds	\$ 356,238,550
II. Loan Funds	\$ 25,792,698
III. Endowment and Similar Funds	
A. State (Permanent University Fund)	\$ 956,072,982
B. Other than State	108,188,637
Total Endowment and Similar Funds	\$1,064,261,619
IV. Annuity and Life Income Funds	\$ 2,873,468
V. Available University Fund	\$ 17,487,942
VI. Plant Funds	
A. Unexpended	\$ 155,492,098
B. Renewals and Replacements	2,384,198
C. Funds for Retirement of Indebtedness	61,891,319
D. Invested in Plant	1,419,137,559
Total Plant Funds	\$1,638,905,174
VII. Agency Funds	\$ 9,837,596
DEDUCT: Inter-Fund Groups Accounts	\$ 66,713,458
GRAND TOTAL ASSETS	\$3,048,683,589
Less: Total Liabilities (not including orders and contracts)	610,559,305
FUND BALANCES (i.e., Net Worth)	\$2,438,124,284

Outstanding Indebtedness

THE UNIVERSITY OF TEXAS SYSTEM has no bank loans or other unfunded indebtedness outstanding except current accounts payable. Following is a table showing all bonded indebtedness outstanding and the condition of the unpaid portions thereof as of February 28, 1978. Previously retired or refunded issues have been omitted from the schedule.

THE UNIVERSITY OF TEXAS SYSTEM
ALL OUTSTANDING BONDED INDEBTEDNESS BY UNITS OF THE SYSTEM

THE UNIVERSITY OF TEXAS SYSTEM	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
General Tuition Revenue Bonds, Series 1971, 6.5%, 5.8%, 5.25%, 5.4%, 5.5%, 5.6%, 5%, due serially 4/1/72 through 4/1/2002	\$50,000,000	\$44,535,000	\$15,100,308
General Tuition Revenue Bonds, Series 1972, 6%, 5.80%, 5.25%, 5.30%, 5.40%, 5.50%, 5%, due serially 4/1/74 through 4/1/2002	50,000,000	46,795,000	(1)
General Tuition Revenue Bonds, Series 1972A, 6%, 5.25%, 4.80%, 4.90%, 5%, 4.50%, due serially 4/1/74 through 4/1/2002	17,000,000	16,180,000	(1)
General Tuition Revenue Bonds, New Series 1974, 8%, 7.80%, 7.10%, 7.25%, 7.50%, 6.50%, due serially 4/1/79 through 4/1/96	33,000,000	33,000,000	8,188,66 ¹
¹ Series 1972 and Series 1972A are parity issues with Series 1971. Interest and Sinking Fund figure for 1971 issue includes all three.			
PERMANENT UNIVERSITY FUND			
Permanent University Fund Bonds, Series 1959, 4%, 3¼% and 3.4%, dated 7/1/59, due serially 7/1/60 through 7/1/79	\$ 4,000,000	\$ 480,000	(1)
Permanent University Fund Bonds, Series 1960, 4½%, 3% and 3.1%, dated 7/1/60, due serially 7/1/61 through 7/1/80	5,000,000	900,000	(1)
Permanent University Fund Bonds, Series 1961, 4½%, 3% and 3.2%, dated 7/1/61, due serially 7/1/62 through 7/1/81	6,000,000	1,440,000	(1)
Permanent University Fund Bonds, Series 1962, 2½%, 2¾%, 2.9% and 3%, dated 7/1/62, due serially 7/1/63 through 7/1/82	5,000,000	1,475,000	(1)
Permanent University Fund Bonds, Series 1963, 4½%, 2¾%, 2.9% and 3%, dated 7/1/63, due serially 7/1/64 through 7/1/83	4,000,000	1,400,000	(1)
Permanent University Fund Bonds, Series 1964, 4½%, 2.8%, 2.9% and 3%, dated 7/1/64, due serially 7/1/65 through 7/1/84	4,000,000	1,620,000	(1)
Permanent University Fund Bonds, Series 1965, 4½%, 3.4%, 3% and 3.1%, dated 7/1/65, due serially 7/1/66 through 7/1/85	6,000,000	2,760,000	(1)
Permanent University Fund Bonds, Series 1966, 4½%, 3.9%, 3.7% and 3.75%, dated 7/1/66, due serially 7/1/67 through 7/1/86	11,000,000	5,610,000	(1)
Permanent University Fund Bonds, New Series 1967, 4.40%, 3.6%, 3.70% and 3.75%, dated 7/1/67, due serially 7/1/68 through 7/1/87	14,000,000	7,840,000	(2)
Permanent University Fund Bonds, New Series 1968, 4¾%, 4%, 4.1% and 4.2%, dated 7/1/68, due serially 7/1/69 through 7/1/88	15,000,000	9,150,000	(2)
Permanent University Fund Bonds, New Series 1969, 6.20%, 5.40%, 5.50%, 5.60% and 5.25%, dated 7/1/69, due serially 7/1/70 through 7/1/89	7,000,000	4,620,000	(2)

PERMANENT UNIVERSITY FUND—(continued)

	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
Permanent University Fund Bonds, New Series 1970, 6.5%, 6.10%, 6%, 6.20% and 5.5%, dated 7/1/70, due serially 7/1/71 through 7/1/90	\$ 7,500,000	\$ 5,295,000	(1)
Permanent University Fund Bonds, New Series 1971, 5.50%, 4.60%, 4.75%, 4.90% and 5%, dated 7/1/71, due serially 7/1/72 through 7/1/91	9,000,000	6,750,000	(1)
Permanent University Fund Bonds, New Series 1972, 5%, 4.60%, 4.50%, 4.80% and 4%, dated 7/1/72, due serially 7/1/73 through 7/1/92	9,000,000	7,155,000	(1)
Permanent University Fund Bonds, New Series 1973, 6%, 5%, 5.10%, 5.20% and 5.25%, dated 7/1/73, due serially 7/1/74 through 7/1/93	11,000,000	9,240,000	(2)
Permanent University Fund Bonds, New Series 1974, 6.5%, 6%, 6.10%, 6.20% and 5.50%, dated 7/1/74, due serially 7/1/75 through 7/1/94	11,000,000	9,680,000	(2)
Permanent University Fund Bonds, New Series 1975, 6%, and 5%, dated 7/1/75, due serially 7/1/76 through 7/1/95	14,000,000	12,880,000	(2)
Permanent University Fund Bonds, New Series 1976, 4.5%, 5%, 5.2%, 5.3% and 5.5%, dated 7/1/76 due serially 7/1/77 through 7/1/96	16,000,000	15,360,000	(2)
Permanent University Fund Bonds, New Series 1977, 5%, 4.5%, 4.7%, 4.75% and 4%, dated 7/1/77, due serially 7/1/78 through 7/1/97	20,000,000	20,000,000	(2)
¹ Secured by a first lien on and pledge of the interest of The University of Texas System in the income from the Permanent University Fund.			
² Secured by a lien on and pledge of the interest of The University of Texas System in the income from the Permanent University Fund, subject only and subordinate to the first lien on and pledge of said interest heretofore created in connection with all Permanent University Fund Bonds issued prior to 1967 as listed above.			
U. T. AUSTIN			
University of Texas Hospital Refunding Bonds, 2¼% and 2%, dated 1/1/51, due serially through 1/1/80 ¹	\$ 980,000	\$ 95,000	\$ 100,316
Dormitory Revenue Bonds, Series 1954, 4%, 2½%, 2¾%, 2.90% and 3%, dated 9/1/54, due serially from 9/1/57 through 9/1/94 (Simkins, Blanton, Moore, Varsity Cafeteria) ²	3,402,000	1,998,000	522,854
Dormitory Revenue Bonds, Series 1956, 2¾%, dated 4/1/56, due serially from 4/1/59 through 4/1/96 (Kinsolving) ³	4,150,000	2,611,000	722,031
University of Texas Student Union Revenue Bonds, Series 1958, Series A—\$400,000, 4%, 3.40% and 3.50%, dated 10/1/58, due serially 10/1/61 through 10/1/73; Series B—\$1,220,000, 2¾%, dated 10/1/58, due serially 10/1/61 through 10/1/88 ⁴	1,620,000	765,000	320,070
Student Housing Revenue Bonds of 1963, 3½%, dated 10/1/63, due serially 10/1/66 through 10/1/2003 ⁵	1,800,000	1,455,000	236,693
Housing System Revenue Bonds, Series 1967, 5%, 4.4%, 4¼%, 4%, 4.1% and 4.15%, dated 1/1/67, due serially 5/1/71 through 5/1/2007 ⁶	16,500,000	14,975,000	1,501,374

U. T. AUSTIN—(continued)	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
Building Revenue Bond of 1968, 3%, dated 5/1/68, due serially 5/1/71 through 5/1/2010 ¹	\$ 520,000	\$ 469,000	\$ 61,376
Building Revenue Bonds, Series 1969, 6%, 5.80%, 5.40% and 4.25%, due serially 5/1/72 through 5/1/2005 ²	25,000,000	23,095,000	1,848,016
Combined Fee Revenue Bonds, Series 1970, 8.5%, 7.8%, 7.3%, 7.4%, 7.5% and 7%, dated 6/1/70, due serially 6/1/71 through 6/1/2000 ³	10,000,000	9,120,000	7,015,180
Combined Fee Revenue Bonds, Series 1971, 6.75%, 5.25%, 5.50%, 5.75% and 6%, dated 2/1/71, due serially 6/1/72 through 6/1/2001 ⁴	20,000,000	18,490,000	(11)
Married Student Housing Revenue Bonds, Series 1971, 7.5%, 6.75%, 6.7%, 6.75% and 6%, dated 8/1/71, due serially 8/1/75 through 8/1/2006 ⁵	3,100,000	3,015,000	323,198
Combined Fee Revenue Bonds, Series 1972, 6%, 5.75%, 5.20%, 5.25%, 5.30% and 4.50%, dated 10/1/72, due serially 6/1/73 through 6/1/2002 ⁶	10,000,000	9,135,000	(11)
Combined Fee Revenue Bonds, Series 1973, 6.50%, 6%, 5.40%, 5.50%, 5.60%, 5.70% and 5%, dated 10/1/73, due serially 6/1/74 through 6/1/2004 ⁷	34,000,000	32,560,000	(11)
Building Revenue Bonds, Series 1974, 6.50%, 5.50%, 5.60%, 5.70% and 5%, dated 1/1/74, due serially 4/1/75 through 4/1/2004 ⁸	53,000,000	50,820,000	8,301,368
Building Revenue Bonds, Series 1974-A, 8.50%, 7.25%, 7.40%, 7.50%, 7.60% and 7.00%, dated 10/1/74, due serially 4/1/76 through 4/1/98 ⁹	6,000,000	5,850,000	(12)
Combined Fee Revenue Bonds, Series 1974, 8.00%, 7.75%, 7.50%, 7.60%, 7.70%, 7.75% and 6.50%, dated 12/1/74, due serially 6/1/74 through 6/1/99 ¹⁰	6,900,000	6,565,000	(11)

¹ Secured by first lien on and pledge of revenues from compulsory student hospital fee.

² Secured by first lien on and pledge of net revenues from Blanton Dormitory, Simkins Hall, Moore Hall, and Varsity Cafeteria and Garothers Dormitories for Women.

³ Secured by first lien on and pledge of net revenues from Kinsolving Dormitory, plus surplus revenues from debt-free Andrews and Garothers Dormitories for Women.

⁴ Series B, originally \$1,500,000 but \$280,000 cancelled prior to delivery. Secured by first lien on and pledge of revenues from compulsory student union fee.

⁵ Secured by first lien on and pledge of net revenues from 200 apartments for married students.

⁶ Secured by first lien on and pledge of gross revenues of University Housing System.

⁷ Secured by first lien on and pledge of gross revenues from Student Co-op Housing System.

⁸ Secured by first lien on and pledge of net revenues of Utility Plant and gross Student Building Use Fees.

⁹ Secured by first lien on and pledge of Building Use Fee and General Fee.

¹⁰ Secured by first lien on gross revenues from Married Student Housing System.

¹¹ Interest and Sinking Funds for Combined Fee Revenue Bonds Series 1970, 1971, 1972, 1973 and 1974 consolidated.

¹² Secured by first lien on and pledge of Available Fund Surplus and Special Fee.

¹³ Interest and Sinking Funds for Building Revenue Bonds Series 1974 and 1974-A consolidated.

U. T. EL PASO

Texas Western College, Student Union Revenue Bonds, Series A of 1967, 2 $\frac{7}{8}$ %, dated 10/1/67, due serially 10/1/68 through 10/1/87; and Series B of 1967, 6%, 5.8%, 5%, 5.1% and 5.2%, dated 10/1/67, due serially 10/1/69 through 10/1/2001 ¹	\$ 3,158,000	\$ 2,667,000	\$ 198,931
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¹ Secured by first lien on and pledge of student use fees and net revenues of operation of all services afforded. Series A issued in amount of \$458,000 refunding Series 1957; Series B issued in amount of \$2,700,000.

U. T. EL PASO—(continued)	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
Texas Western College, Student Housing Revenue Bonds of 1961, Bonds 1-120, 3 $\frac{1}{2}$ % and 3%, dated 10/1/61, due serially 10/1/64 through 10/1/71; Bond R-1, 3 $\frac{1}{2}$ %, dated 10/1/61, due serially 10/1/72 through 10/1/2001 ²	\$ 1,000,000	\$ 736,000	\$ 119,884
Building Revenue Bonds, Series 1969, 6.50%, 6%, 5.60% and 4%, dated 5/1/69, due serially 11/1/72 through 11/1/2005 ³	8,500,000	7,960,000	624,722
Combined Fee Revenue Bonds, Series 1970, 8%, 6.70%, 6.80%, 7.90%, 7% and 7.10%, dated 5/1/70, due serially 5/1/73 through 5/1/2006 ⁴	5,500,000	5,260,000	1,499,570
Combined Fee Revenue Bonds, Series 1971, 6%, 5%, 5.10%, 5.20%, 5.25% and 4.50%, dated 11/1/71, due serially 5/1/72 through 5/1/2006 ⁵	4,000,000	3,750,000	(6)
Combined Fee Revenue Bonds, Series 1973, 6.50%, 5.30%, 5.40%, 5.50%, 5.60%, 5.70% and 5%, dated 10/1/73, due serially 5/1/75 through 5/1/2004 ⁶	5,000,000	4,805,000	(5)
Combined Fee Revenue Bonds, Series 1974, 8.25%, 7.90%, 7.60% and 6.75%, dated 11/1/74, due serially 5/1/76 through 5/1/97 ⁷	1,500,000	1,440,000	(5)

² Secured by first lien on and pledge of net revenues from project operation.

³ Secured by first lien on and pledge of net revenues from Housing System and student fees for Gymnasium and Library Facilities.

⁴ Secured by first lien on and pledge of Building Use Fee and General Fee.

⁵ Interest and Sinking Fund for Combined Fee Revenue Bonds, Series 1970, 1971, 1973 and 1974 consolidated.

GALVESTON MEDICAL BRANCH

University of Texas, Medical Branch Dormitory Revenue Bonds, Series 1955, 4%, 3 $\frac{3}{4}$ % and 3.3%, dated 9/1/55, due serially 9/1/57 through 9/1/91 ¹	\$ 2,512,000	\$ 1,475,000	\$ 660,897
University of Texas Medical Branch, Endowment and Hospital Revenue Bonds, Series 1973, 6.25%, 5.70%, 5.60%, 5.70%, 5.80%, 5.90% and 4.75%, dated 7/1/73, due serially 7/1/77 through 7/1/99 ²	34,500,000	33,740,000	6,921,765

¹ Secured by first lien on and pledge of net revenues from project operation.

² Secured by first lien on proceeds of the sale of endowment land, pledge of net revenues from the Sealy & Smith Foundation for the John Sealy Hospital and pledge of net revenues from patients fees and charges.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE AT HOUSTON

Endowment and Hospital Revenue Bonds, Series 1972, 6%, 5.40%, 5.20%, 5.25%, 5.30%, 5.40% and 4.50%, due serially 8/1/77 through 8/1/97 ¹	\$16,000,000	\$15,600,000	\$ 3,080,155
Endowment and Hospital Revenue Bonds, Series 1976, 5%, 5.30%, 5.45%, 5.75%, 5.85% and 6%, due serially 8/1/79 through 8/1/93 ²	2,500,000	2,500,000	(2)
Hospital Revenue Bonds, Subordinate Lien Series 1976, 6.02%, maturing 7/1/79 through 7/1/86 ³	4,770,000	4,770,000	136,300

¹ Secured by first lien proceeds of the sale of endowment land and pledge of gross revenues from patients fees and charges.

² Interest and Sinking Fund combined with Series 1972 Issue.

³ Secured by pledge of surplus gross revenues of the hospital facilities and other income.

U. T. PERMIAN BASIN

Building and General Fee Revenue Bonds, Series 1976, 5.25%, due serially 4/1/77 through 4/1/81 ¹	\$ 600,000	\$ 475,000	\$ 214,836
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¹ Secured by first lien on and pledge of Housing System revenue and General Fee.

U. T. ARLINGTON

	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
Student Center Fee Bonds, Series 1960, 4½% and 4¾%, dated 7/1/60, due serially 7/1/62 through 7/1/89 ¹	\$ 600,000	\$ 356,000	\$ 82,345
Gymnasium Fee Bonds, Series 1961, 4½%, 4% and 4¼%, dated 7/1/61, due serially 7/1/63 through 7/1/90 ²	650,000	404,000	87,186
West Campus Dormitory Revenue Notes, Series 1963, 3%, dated 4/1/63, due serially 4/1/65 through 4/1/79 ³	75,000	12,025	31
Housing System Revenue Refunding Bonds, Series 1963, 3.375%, 2½%, 3%, 3¼%, 3½% and 3¾%, dated 7/1/63, due serially 7/1/64 through 7/1/93 ⁴	1,806,000	1,221,000	110,664
Parking Facilities Revenue Bonds, Series 1964, 3¼%, dated 3/1/64, due serially 3/1/65 through 3/1/79 ⁵	350,000	60,000	34,987
Student Fee Revenue Bonds, Series 1964, 5%, 4%, 3¾%, 3.9% and 0.10%, dated 7/1/64, due serially 7/1/66 through 7/1/96 ⁶	3,250,000	2,410,000	467,076
Student Fee Revenue Bonds, Series 1966, 5%, 4.25% and 4.40%, dated 1/1/66, due serially 7/1/68 through 7/1/97 ⁷	1,750,000	1,370,000	(7)
Student Fee Revenue Bond, Series 1968, 3%, dated 7/1/68, due serially 7/1/71 through 7/1/98 ⁸	1,285,000	1,055,000	(7)
Combined Fee Revenue Bonds, Series 1971, 3¼% and 4%, dated 1/1/71, due serially 7/1/71 through 7/1/82 ⁹	875,000	420,000	2,006,084
Combined Fee Revenue Bonds, Series 1971-A, 6.50%, 5.30%, 5.70%, 5.90%, 6% and 5%, dated 4/1/71, due serially 7/1/72 through 7/1/2001 ⁹	5,000,000	4,560,000	(10)
State Ad Valorem Tax Bonds, Series 1972, 4%, 3.70%, 3.90% and 4%, dated 4/1/72, due serially 9/1/73 through 9/1/78 ¹²	10,300,000	2,200,000	(11)
Combined Fee Revenue Bonds, Series 1973, 6%, 5.30%, 5%, 5.10%, 5.20% and 4.50%, dated 1/1/73, due serially 7/1/74 through 7/1/2002 ⁹	8,500,000	8,075,000	(10)
Combined Fee Revenue Bonds, Series 1973-A, 6.50%, 6%, 5.40%, 5.50%, 5.60%, 5.70% and 5%, dated 10/1/73, due serially 7/1/74 through 7/1/2004 ⁹	7,500,000	7,280,000	(10)
State Ad Valorem Tax Bonds, Series 1974, 5.65%, 5.30%, 4.15% and 4.20%, due serially 9/1/74 through 9/1/78 ¹²	1,865,000	445,000	(11)
Combined Fee Revenue Bonds, Series 1974, 8.25%, 6.80%, 7.30%, 7.50%, 7.60%, 7.70% and 7.85%, dated 11/1/74, due serially 6/1/75 through 6/1/97 ⁹	1,300,000	1,225,000	(10)
Subordinate State Ad Valorem Tax Bonds, Series 1976, 3.8%, total due 9/1/78 ¹²	4,750,000	4,750,000	(11)

¹ Secured by first lien on student center use fees.² Secured by first lien on gymnasium use fees.³ Secured by net revenues from West Campus housing and dining facilities.⁴ Secured by net revenues from dormitories for 604 men and 339 women.⁵ Secured by revenues from parking fees.⁶ Secured by first lien on auditorium and hospital use fees.⁷ Interest and Sinking Funds for Student Fee Revenue Bonds—Series 1964, 1966 and 1968 combined.⁸ Secured by first lien on library use fee, auditorium and hospital use fee and student center use fee (subject to Student Center Fee Bonds, Series 1960).⁹ Secured by first lien on building use fee and general fee.¹⁰ Interest and Sinking Funds for Combined Fee Revenue Bonds, Series 1971, 1971-A, 1973, 1973-A, and 1974, consolidated.¹¹ Interest and Sinking Fund maintained by State Treasury.¹² Secured by a lien upon U.T. Arlington's prorata portion of a constitutional tax levied at the rate of 10¢ per \$100 valuation on all of the taxable property in the State of Texas.

Academic Building, Texas A&M University

U. T. ARLINGTON

	Original Amount Issued	Outstanding February 28, 1978	T & S and Reserve Funds February 28, 1978
Student Center Fee Bonds, Series 1960, 4½% and 4¾%, dated 7-1-60, due serially 7-1-62 through 7-1-89 ¹	\$ 600,000	\$ 356,000	\$ 82,345
Gymnasium Fee Bonds, Series 1961, 4½%, 4% and 4¼%, dated 7-1-61, due serially 7-1-63 through 7-1-90	650,000	404,000	87,186
West Campus Dormitory Revenue Notes, Series 1963, 3%, dated 1-1-63, due serially 1-1-65 through 1-1-79 ²	75,000	12,025	0
Housing System Revenue Refunding Bonds, Series 1963, 3.375%, 2½%, 3%, 3¼%, 3½% and 3¾%, dated 7-1-63, due serially 7-1-64 through 7-1-93 ³	1,806,000	1,221,000	110,664
Parking Facilities Revenue Bonds, Series 1964, 3¼%, dated 3-1-64, due serially 3-1-65 through 3-1-70 ⁴	350,000	60,000	34,927
Student Fee Revenue Bonds, Series 1964, 5%, 4%, 3¼%, 3.9% and 0.10%, dated 7-1-64, due serially 7-1-66 through 7-1-96 ⁵	3,250,000	2,410,000	467,076
Student Fee Revenue Bonds, Series 1966, 5%, 4.25% and 4.10%, dated 1-1-66, due serially 7-1-68 through 7-1-97 ⁶	1,750,000	1,370,000	0
Student Fee Revenue Bond, Series 1968, 3%, dated 7-1-68, due serially 7-1-71 through 7-1-98 ⁷	1,285,000	1,055,000	0
Combined Fee Revenue Bonds, Series 1971, 3¼% and 4%, dated 1-1-71, due serially 7-1-71 through 7-1-82 ⁸	875,000	120,000	2,006,964
Combined Fee Revenue Bonds, Series 1971-A, 6.50%, 5.30%, 5.70%, 5.90%, 6% and 5%, dated 4-1-71, due serially 7-1-72 through 7-1-2001 ⁹	5,000,000	4,560,000	0
State Ad Valorem Tax Bonds, Series 1972, 4%, 3.70%, 3.90% and 4%, dated 4-1-72, due serially 9-1-73 through 9-1-78 ¹⁰	10,300,000	2,200,000	0
Combined Fee Revenue Bonds, Series 1973, 6%, 5.30%, 5%, 5.10%, 5.20% and 4.50%, dated 1-1-73, due serially 7-1-74 through 7-1-2002 ¹¹	8,500,000	8,075,000	0
Combined Fee Revenue Bonds, Series 1973-A, 6.50%, 6%, 5.40%, 5.50%, 5.60%, 5.70% and 5%, dated 10-1-73, due serially 7-1-74 through 7-1-2004 ¹²	7,500,000	7,280,000	0
State Ad Valorem Tax Bonds, Series 1974, 5.65%, 5.30%, 4.15% and 4.20%, due serially 9-1-74 through 9-1-78 ¹³	1,865,000	415,000	0
Combined Fee Revenue Bonds, Series 1974, 8.25%, 6.80%, 7.30%, 7.50%, 7.60%, 7.70% and 7.85%, dated 11-1-74, due serially 6-1-75 through 6-1-97 ¹⁴	1,300,000	1,225,000	0
Subordinate State Ad Valorem Tax Bonds, Series 1976, 3.8%, total due 9-1-78 ¹⁵	4,750,000	4,750,000	0

¹ Secured by first lien on student center use fees.

² Secured by first lien on gymnasium use fees.

³ Secured by net revenues from West Campus housing and dining facilities.

⁴ Secured by net revenues from dormitories for 604 men and 339 women.

⁵ Secured by revenues from parking fees.

⁶ Secured by first lien on auditorium and hospital use fees.

⁷ Interest and Sinking Funds for Student Fee Revenue Bonds - Series 1964, 1966 and 1968 combined.

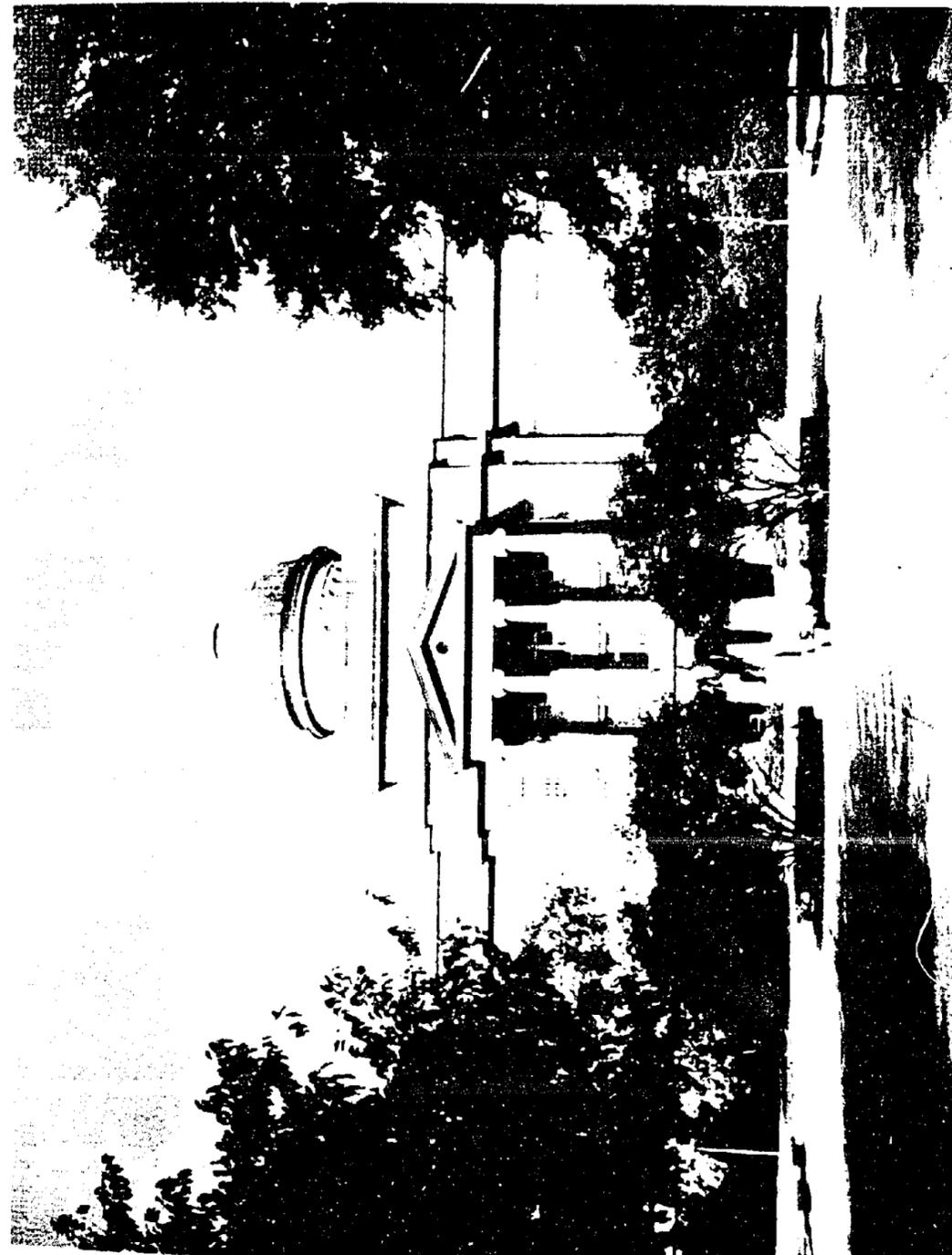
⁸ Secured by first lien on library use fee, auditorium and hospital use fee and student center use fee (subject to Student Center Fee Bonds, Series 1964).

⁹ Secured by first lien on building use fee and general fee.

¹⁰ Interest and Sinking Funds for Combined Fee Revenue Bonds, Series 1971, 1971-A, 1973, 1974-A, and 1974, consolidated.

¹¹ Interest and Sinking Fund maintained by State Treasury.

¹² Secured by a lien upon U. T. Arlington's prorata portion of a constitutional tax levied at the rate of 10¢ per \$100 valuation on all of the taxable property in the State of Texas.



C. GENERAL INFORMATION

The Texas A&M University System

Administration

THE TEXAS A&M UNIVERSITY SYSTEM is the Land-Grant University organization for Texas and one of the nation's six Sea Grant Colleges. It is a state-wide organization for teaching, research and extension work in Agriculture and Engineering and in such related fields as the Legislature assigns to it from time to time. Its duties as an agency of the State are clearly defined in the Constitution and Laws of Texas. The System is supported by state appropriations, state endowment, private endowment and gifts, Federal appropriations, students' fees, sales and services, and revenues derived from other sources.

THE SYSTEM government is vested in a board of nine regents, who serve without pay. They are appointed by the Governor and approved by the Senate. Three regents are appointed each two years for six-year terms of office.

THE MEMBERS of the Board of Regents as of March 1, 1978, were as follows:

Mr. Clyde H. Wells, Chairman, Granbury
 Mr. Richard A. Goodson, Vice Chairman, Dallas
 Mr. Ross C. Watkins, Uvalde
 Mr. Alfred I. Davies, Dallas
 Mr. H. C. Bell, Jr., Austin
 Mr. John R. Blocker, Houston
 Mrs. Wilmer Smith, Wilson
 Dr. John B. Coleman, Houston
 Mr. Joe H. Reynolds, Houston

THE PRINCIPAL officers of the general administrative offices of the System are as follows:

Dr. Jack K. Williams, Chancellor
 Mr. W. C. Freeman, Executive Vice Chancellor for Administration

Organization

THE INSTITUTIONS, services and agencies of The Texas A&M University System, with the administrative head of each shown, are:

Texas A&M University
 Dr. Jarvis E. Miller, President
 Prairie View A&M University
 Dr. A. I. Thomas, President
 Tarleton State University
 Dr. W. O. Trogdon, President
 Moody College
 Dr. William H. Clayton, President
 Texas Agricultural Experiment Station
 Dr. Neville P. Clarke, Director

Texas Agricultural Extension Service and Rodent and Predatory Animal Control Service
 Dr. Daniel C. Pfannstiel, Director

Texas Forest Service
 Mr. Paul R. Kramer, Director

Texas Engineering Extension Service
 Mr. James R. Bradley, Director

Texas Engineering Experiment Station
 Mr. Fred J. Benson, Director

Texas Transportation Institute
 Dr. C. V. Wootan, Director

THE BUDGET for The Texas A&M University System for the current fiscal year is in excess of \$310,000,000, including expenditure of funds derived from gifts and grants and from other sources. The System has over 12,000 full-time and part-time employees and owns in campuses, farms, timberlands, etc., over 54,000 acres of Texas land.

TEXAS A&M UNIVERSITY offers both undergraduate and graduate instruction in Agriculture, Engineering, Geosciences, Science, Liberal Arts, Architecture and Environmental Design, Business Administration, Education, Medicine and Veterinary Medicine. The Prairie View A&M University offers instruction in Agriculture, Engineering, Arts and Sciences, Nursing, Industrial Education, Home Economics and Teacher Education. The Tarleton State University places its emphasis on Agriculture and Liberal Arts. The Moody College offers degree programs in Marine Biology, Marine Engineering, Marine Sciences, Marine Transportation, and Maritime Systems Engineering.

EACH OF THE INSTITUTIONS has its own campus and physical plant which, in addition to its research and educational facilities, includes dormitories, laundries, hospitals, student centers and other facilities. The buildings and facilities of the institutions, services and agencies of the System are carried at a cost of approximately \$458,500,000.

Enrollment

THE ENROLLMENT at teaching institutions of The Texas A&M University System in the fall of 1977 was as follows:

Texas A&M University	28,833
Prairie View A&M University	5,146
Tarleton State University	3,317
Moody College	581
Total	<u>37,877</u>

Financial Position

THE CURRENT funds income of The Texas A&M University System for the fiscal year ended August 31, 1977, was as follows:

TEXAS A&M UNIVERSITY	
1. State Appropriations	\$ 60,371,821.00
2. Student Fees	6,373,979.14
3. Income from State Endowment	17,802,952.45*
4. Restricted Funds	23,037,524.64
5. Sales and Services	656,344.09
6. Other Sources	2,056,312.94
Total Educational and General	110,298,944.26
7. Designated Funds	1,707,450.43
8. Auxiliary Enterprises and Activities (Dining Halls, Dormitories, College Store, Laundry, etc.)	30,840,825.63
TOTAL TEXAS A&M UNIVERSITY	142,847,220.32
MOODY COLLEGE	2,999,001.52
TARLETON STATE UNIVERSITY	7,906,476.53
PRAIRIE VIEW A&M UNIVERSITY	23,027,737.48
TEXAS AGRICULTURAL EXPERIMENT STATION	29,857,437.15
TEXAS AGRICULTURAL EXTENSION SERVICE	31,888,175.83
TEXAS FOREST SERVICE	6,488,910.52
TEXAS ENGINEERING EXPERIMENT STATION	10,947,954.71
TEXAS ENGINEERING EXTENSION SERVICE	4,010,139.24
TEXAS TRANSPORTATION INSTITUTE	3,390,867.59
THE TEXAS A&M UNIVERSITY SYSTEM	
ADMINISTRATIVE AND GENERAL OFFICES	938,840.83
GRAND TOTAL THE TEXAS A&M	
UNIVERSITY SYSTEM	\$264,302,761.72

* See page 12 for statement of the apportionment of the income from Permanent University Fund as between The University of Texas System and The Texas A&M University System.

THE ASSETS of The Texas A&M University System as at August 31, 1977, were as follows:

ASSETS	
I. CURRENT FUNDS	
A. General	\$ 25,003,939.92
B. Designated	17,146,232.17
C. Auxiliary Enterprises	27,187,467.57
D. Restricted	21,723,168.35
Total Current Funds Assets	\$ 91,060,808.01
II. LOAN FUNDS	
4,909,331.28	
III. ENDOWMENT FUNDS	
A. State	*
B. Other than State	11,713,583.99
Total Endowment Funds Assets	11,713,583.99
IV. ANNUITY AND LIFE INCOME FUNDS	
894,537.61	
V. PLANT FUNDS	
A. Unexpended	
Available A&M University Fund	23,004,617.59
Other Plant Funds	71,915,709.46
Total Unexpended Plant Funds	94,920,327.05
B. For Retirement of Indebtedness	15,437,003.49
C. Invested in Plant	458,484,038.10
Total Plant Funds Assets	568,841,368.64
VI. AGENCY FUNDS	
3,111,539.74	
GRAND TOTAL ASSETS	
680,531,169.27	
Less: Total Liabilities	
216,323,626.31	
FUND BALANCES (i.e., Net Worth)	
\$464,207,542.96	

* The Texas A&M University System shares in the income from the Permanent University Fund which Fund as of August 31, 1977, was carried on the books of The University of Texas System at \$946,070,599, excluding land.

Outstanding Indebtedness

THE TEXAS A&M UNIVERSITY SYSTEM has no bank loans or other unfunded indebtedness as of February 28, 1978. Following is a table showing all funded indebtedness outstanding and the condition of the unpaid portions thereof as of February 28, 1978. Previously, retired or refunded issues have been omitted from the schedule.

THE TEXAS A&M UNIVERSITY SYSTEM ALL OUTSTANDING BONDED INDEBTEDNESS BY UNITS OF THE SYSTEM

THE TEXAS A&M UNIVERSITY SYSTEM	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
Tuition Revenue Bonds, Series 1973, 6.50%, 5.25%, 5.50%, 5.60%, 5.65%, 5.70% and 5.00%, due serially through 11/1/03 ¹	\$ 3,500,000	\$ 3,340,000	\$ 556,936†
Tuition Revenue Bonds, Series 1974, 8.50%, 7.60%, 7.70%, 7.80%, 7.90% and 7.00%, due serially through 11/1/03 ²	4,000,000	3,820,000	†
PERMANENT UNIVERSITY FUND			
Permanent University Fund Bonds, Series 1958, 4%, 2.50% and 2.70%, due serially through 7/1/78 ³	5,000,000	300,000	304,095
Permanent University Fund Bonds, Series 1959, 4%, 3.25% and 3.40%, due serially through 7/1/79 ²	6,000,000	720,000	372,283
Permanent University Fund Bonds, Series 1961, 4.50%, 3% and 3.20%, due serially through 7/1/81 ²	5,000,000	1,200,000	319,254
Permanent University Fund Bonds, Series 1962, 2.50%, 2.75%, 2.90% and 3%, due serially through 7/1/82 ²	5,000,000	1,475,000	296,996
Permanent University Fund Bonds, New Series 1967, 4.40%, 3.60%, 3.70% and 3.75%, due serially through 7/1/87 ³	10,000,000	5,600,000	603,550
Permanent University Fund Bonds, New Series 1968, 4.875%, 4%, 4.10% and 4.20%, due serially through 7/1/88 ³	5,000,000	3,050,000	312,750
Permanent University Fund Bonds, New Series 1969, 6.20%, 5.40%, 5.50%, 5.60% and 5.25%, due serially through 7/1/89 ³	5,000,000	3,300,000	342,063
Permanent University Fund Bonds, New Series 1970, 6.50%, 6.10%, 6.00%, 6.20% and 5.50%, due serially through 7/1/90 ³	5,000,000	3,525,000	331,288
Permanent University Fund Bonds, New Series 1971, 5.50%, 4.60%, 4.75%, 4.90% and 5.00%, due serially through 7/1/91 ³	5,000,000	3,750,000	315,369
Permanent University Fund Bonds, New Series 1972, 5.00%, 4.60%, 4.50%, 4.80% and 4.00%, due serially through 7/1/92 ³	5,000,000	3,975,000	317,725
Permanent University Fund Bonds, New Series 1973, 6.00%, 5.00%, 5.10%, 5.20% and 5.25%, due serially through 7/1/93 ³	5,000,000	4,200,000	331,625
Permanent University Fund Bonds, New Series 1974, 6.50%, 6.00%, 6.10%, 6.20% and 5.50%, due serially through 7/1/94 ³	6,000,000	5,280,000	402,960

PERMANENT UNIVERSITY FUND—(continued)

	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
Permanent University Fund Bonds, New Series 1975, 6.00%, 5.30%, 5.50%, 5.70% and 6.00%, due serially through 7/1/95 ³	\$ 8,000,000	\$ 7,360,000	\$ 529,400
Permanent University Fund Bonds, New Series 1976, 5.50%, 5.00%, 5.20%, 5.30% and 4.50%, due serially through 7/1/96 ³	8,000,000	7,680,000	519,360
Permanent University Fund Bonds, New Series 1977, 5.00%, 4.50%, 4.70%, 4.75% and 4.00%, due serially through 7/1/97 ³	10,000,000	10,000,000	636,038
TEXAS A&M UNIVERSITY (At College Station)			
Agricultural and Mechanical College of Texas Press Building Revenue Bonds, Series 1954, 3.1%, due serially through 10/1/83 ⁴	220,000	60,000	62,422
Agricultural and Mechanical College of Texas Power Plant Revenue Bonds, Series 1963, 3.75%, 3%, 3.25% and 3.375%, due serially through 7/1/83 ⁴	2,500,000	975,000	571,194
Agricultural and Mechanical College of Texas Building Revenue Bonds, Series 1963, 3.5%, due serially through 4/1/03 ⁵	4,743,000	3,833,000	895,627
Texas A&M University Student Fee Revenue Bonds, Series 1966, 5% and 4.25%, due serially through 7/1/05 ⁷	2,200,000	1,900,000	300,702
Texas A&M University Student Fee Revenue Bonds, Series 1966A, 5%, 4.50%, 4.55% and 4.60%, due serially through 7/1/90 ⁸	800,000	555,000	116,421
Texas A&M University Athletic Facilities Revenue Bonds, Series 1966, 4.5%, due serially through 10/1/79 ⁹	400,000	80,000	2,369
Texas A&M University Housing System Revenue Bonds, Series 1966, 5%, 4.40% and 4.25%, due serially through 6/1/98 ¹⁰	2,000,000	1,545,000	3,916,027*
Texas A&M University Housing System Revenue Bonds, Series 1967, 6%, 4.50%, 4.75%, 4.90% and 5.00%, due serially through 6/1/98 ¹⁰	1,000,000	945,000	*
Texas A&M University Utility System Student Fee Revenue Bonds, Series 1970, 7.50%, 7.10%, 7.00%, 7.10% and 6.50%, due serially through 8/1/99 ¹²	9,500,000	8,820,000	1,767,664***
Texas A&M University Housing System Revenue Bonds, Series 1970, 8.00%, 7.90%, 7.25%, 7.30%, 7.40% and 7.50%, due serially through 6/1/09 ¹³	5,000,000	4,850,000	*
Texas A&M University Combined Fee Revenue Bonds, Series 1971, 6.50%, 6.25%, 5.80%, 6.00%, 6.10% and 5.00%, due serially through 5/1/01 ¹¹	6,500,000	6,040,000	2,799,539††
Texas A&M University Student Fee Revenue Bonds, Series 1972, 6.50%, 5.10%, 5.20%, 5.25%, 5.40% and 5.00%, due serially through 4/1/02 ¹¹	1,600,000	1,520,000	132,433
Texas A&M University Junior Lien Building Revenue Bonds, Series 1972, 5.00%, 5.50%, 5.75% and 6.00%, due serially through 6/1/94 ⁴	1,600,000	1,365,000	186,805
Texas A&M University Student Family Apartment Revenue Refunding Bonds, Series 1972, 2.875%, due serially through 4/1/96 ³	1,632,000	1,367,000	**

TEXAS A&M UNIVERSITY (At College Station) (continued)	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
Texas A&M University Student Family Apartment Revenue Bonds, Series 1972, 5.50%, 5.25%, 5.40%, 5.50% and 5.60%, due serially through 4/1/97 ^a	\$ 2,500,000	\$ 2,320,000	\$ 892,610 ^{***}
Texas A&M University Housing System Revenue Bonds, Series 1973, 7.00%, 6.10%, 5.80%, 5.90% and 6.00%, due serially through 6/1/05 ^a	7,500,000	7,260,000	*
Texas A&M University Utility System Student Fee Revenue Bonds, Series 1974, 8.00%, 7.50%, 7.75%, 7.90%, 8.00% and 6.50%, due serially through 8/1/00 ¹²	9,500,000	9,345,000	***
Texas A&M University Combined Fee Revenue Bonds, Series 1974, 8.50%, 7.60%, 7.70%, 7.80%, 7.90% and 7.00%, due serially through 5/1/05 ¹¹	25,000,000 ¹⁴	24,520,000	††

^a Interest and Sinking Fund for Housing System Revenue Bonds, Series 1966, 1967, 1970 and 1973.

¹² Interest and Sinking Fund for Student Family Apartment Revenue Bonds, Series 1972 and Student Family Apartment Revenue Refunding Bonds, Series 1972.

^{***} Interest and Sinking Fund for Utility System Student Fee Revenue Bonds, Series 1970 and Utility System Student Fee Revenue Bonds, Series 1974.

¹¹ Interest and Sinking Fund for Tuition Revenue Bonds, Series 1973 and 1974.

¹⁴ Interest and Sinking Fund for Combined Fee Revenue Bonds, Series 1971 and 1974.

TARLETON STATE UNIVERSITY (At Stephenville)

Tarleton State College Dormitory Revenue Bonds, Series 1952, 3.25%, 3.40% and 3.50%, due serially through 6/1/79 ^a	300,000	32,000	33,145
Tarleton State College Housing System Revenue Bonds, Series 1967, Series A 2.875%, Series B 3.5%, Series C 3% and Series D 4.375%, due serially through 4/1/07 ^a	1,700,000	1,238,000	133,287
Tarleton State College Building Use Fee Revenue Bonds, Series 1967, 4.75%, due serially through 6/1/92 ¹⁰	160,000	120,000	13,344
Tarleton State College Student Tuition Fee Revenue Bonds, Series 1967, 4.75%, due serially through 6/1/98 ¹¹	250,000	210,000	333,435
Tarleton State College Crockett Hall Dormitory Revenue Bonds, Series 1969, 6.00%, due serially through 9/1/94 ^a	330,000	265,000	5,000
Tarleton State College General Fee Revenue Bonds, Series 1972, 5.50%, 5.25%, 5.50%, 5.60%, 5.70% and 5.75%, due serially through 4/1/01 ¹¹	500,000	480,000	43,147
Tarleton State University General Fee Revenue Bonds, Series 1973, 5.40%, 5.50%, 5.60%, 5.70% and 5.75%, due serially through 4/1/98 ¹¹	300,000	285,000	26,213
Tarleton State University Combined Fee Revenue Bonds, Series 1974, 7.75% and 8.00%, due serially through 4/1/03 ¹¹	4,000,000	3,905,000	250,025

PRAIRIE VIEW A&M UNIVERSITY (At Prairie View)

Prairie View Agricultural and Mechanical College of Texas Student Fee Revenue Bonds, Series 1967, 5%, 4%, 4.10% and 4.15%, due serially through 8/1/94 ¹⁰	400,000	325,000	199,314
Prairie View Agricultural and Mechanical College of Texas Dormitory Revenue Refunding Bonds, Series 1970, 3%, 3.10%, 3.30% and 4%, due serially through 12/1/81 ^a	915,000	325,000	356,403

PRAIRIE VIEW A&M UNIVERSITY (At Prairie View) — (continued)

	Original Amount Issued	Outstanding February 28, 1978	I. & S. and Reserve Funds February 28, 1978
Prairie View Agricultural and Mechanical College of Texas Utility System Student Fee Revenue Bonds, Series 1970, 7%, 5.50% and 6.10%, due serially through 4/1/83 ¹¹	\$ 500,000	\$ 360,000	\$ 183,746
Prairie View Agricultural and Mechanical College of Texas Housing System Revenue Bonds, Series 1970-A, 3.625%, due serially through 4/1/04 ^a	2,313,000	2,028,000	2,726,426*
Prairie View Agricultural and Mechanical College of Texas Housing System Revenue Bonds, Series 1970-B, 9.25%, 8.25% and 8.10%, due serially through 4/1/10 ^a	11,000,000	10,810,000	*
Prairie View Agricultural and Mechanical College of Texas Student Fee Revenue Bonds, Series 1972, 7.20%, 5.70%, 5.75%, 5.80% and 5.90%, due serially through 4/1/98 ¹¹	750,000	700,000	205,885
Prairie View A&M University Combined Fee Revenue Bonds, Series 1974, 8.50%, 7.95%, 8.00%, 8.10%, 8.20% and 7.00%, due serially through 6/1/00 ¹¹	6,400,000	6,215,000	469,873

^a Interest and Sinking Fund for Housing System Series 1970-A and 1970-B.

^{*} Secured by first lien on and pledge of student tuition charges received by Texas A&M University.

¹¹ Secured by first lien on and pledge of the interest of the The Texas A&M University System in the income from the Permanent University Fund.

¹⁰ Secured by lien on and pledge of the interest of The Texas A&M University System in the income from the Permanent University Fund, subject only and subordinate to the first lien on and pledge of said interest heretofore created in connection with all Permanent University Fund Bonds issued prior to 1967 as listed above.

⁹ Secured by first lien on and pledge of net revenues derived from operations of the A&M Press.

⁸ Secured by first lien on and pledge of net revenues derived from specific housing and dining hall operations.

⁷ Secured by first lien on and pledge of net revenues derived from operations of the Power Plant.

⁶ Secured by pledge of Coliseum and Library Use Fee charged all students attending the University.

⁵ Secured by pledge of Stadium Use Fee charged all students attending the University.

⁴ Secured by first lien on and pledge of net revenues derived from intercollegiate athletic events.

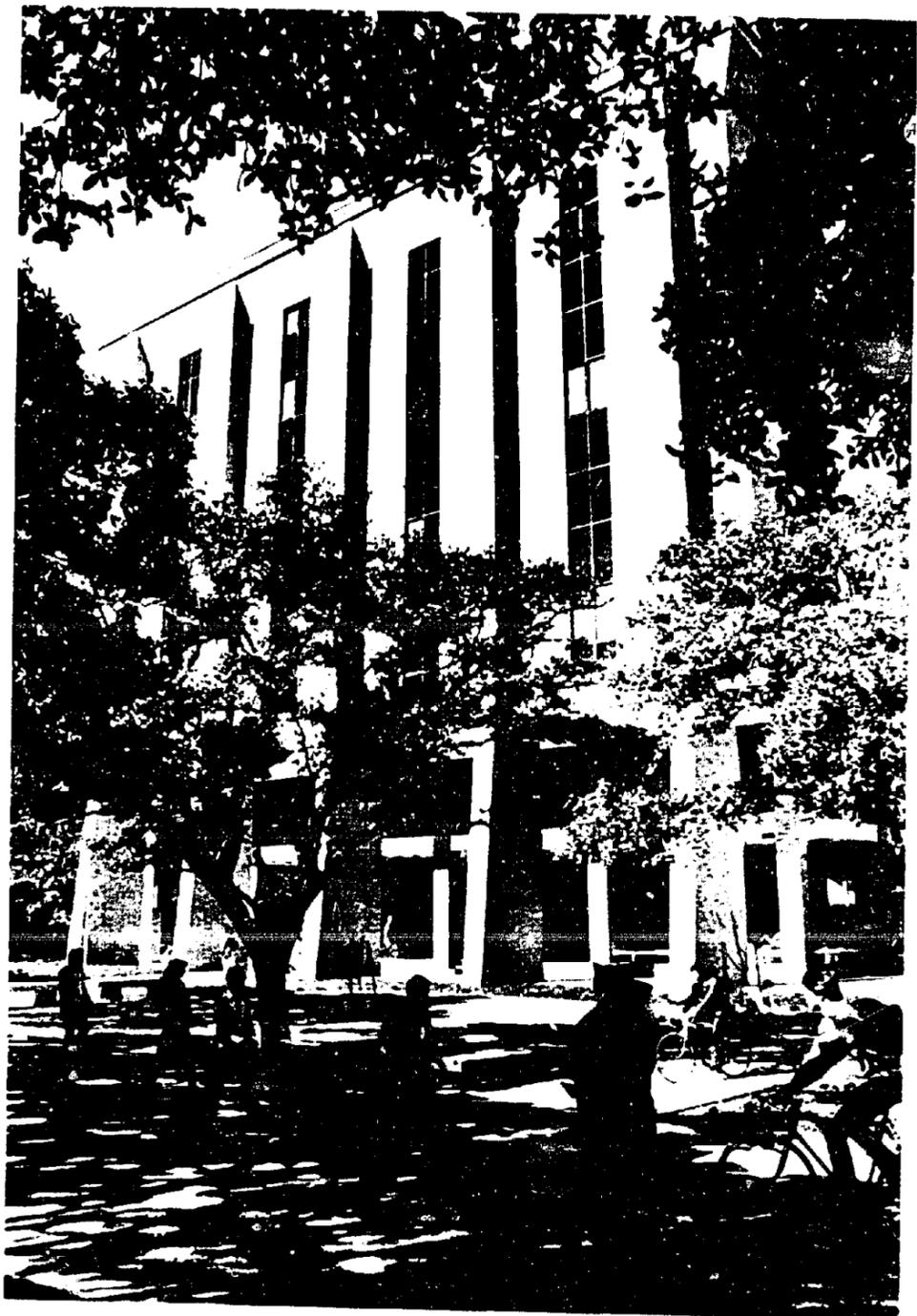
³ Secured by pledge of Library Use Fee charged all students attending the University.

² Secured by first lien on and pledge of a Building Use Fee charged all tuition-paying students attending the University.

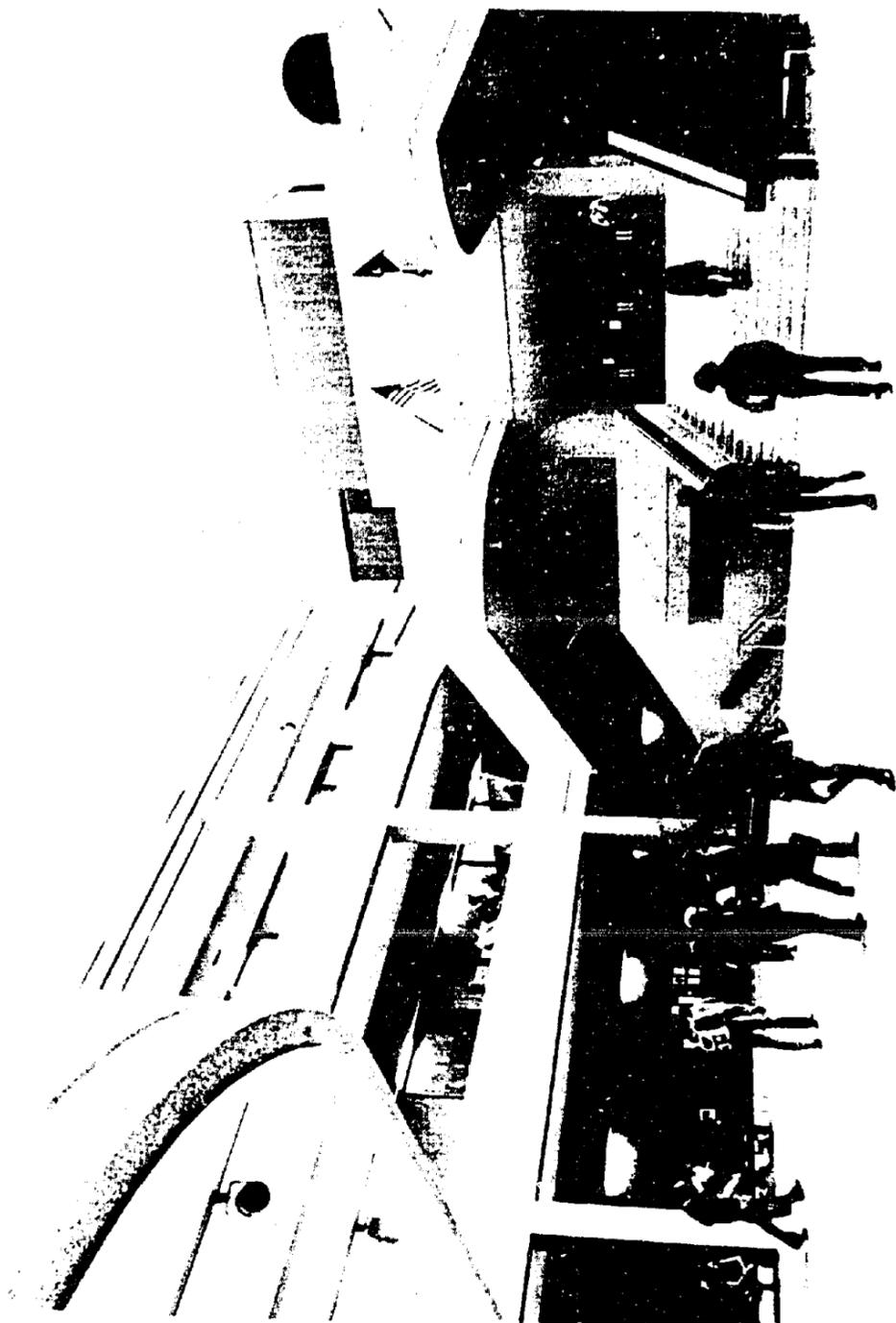
¹ Secured by first lien on and pledge of a Student Fee charged all students attending the University, net revenues from the operation of the Utility System, and a lien on and pledge of net revenues from the operation of the existing Power Plant subject to the lien securing the Power Plant Revenue Bonds, Series 1963.

¹² Secured by first lien on and pledge of a Student Fee to be charged all students attending Prairie View A&M University and the net revenues derived from the operation of the Utility System.

¹³ Refunded in advance on May 1, 1978, with funds provided by the Board of Regents of The Texas A&M University System—Texas A&M University Combined Fee Revenue Refunding Bonds, Series 1978.



M. T. Harris, Inc. Education Center, Texas A&M University



Zachry Development Building, Texas A&M University

BID FORM

Date

To: The Board of Regents of The University of Texas System
The Board of Regents of The Texas A&M University System

Address:
W. L. Lobb, Executive Director
for Investments, Trusts and Lands
The University of Texas System
210 West Sixth Street
Austin, Texas 78701

Gentlemen:

In accordance with the Notice of Sale, dated May 26, 1978, we will pay par and accrued interest to the date of delivery, plus the premium as indicated below, for the following bonds: (Fill in blanks for which bids are made.)

A. SEPARATE BID ON

\$21,000,000 par value Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1978, dated July 1, 1978:

FOR BONDS MATURING	COUPON RATE
1979 through%
..... through%
..... through%
..... through%
..... through%
Premium	\$
Net Interest Cost*	\$
Weighted Average Annual Interest Rate†%

B. SEPARATE BID ON

\$11,000,000 par value Board of Regents of The Texas A&M University System Permanent University Fund Bonds, New Series 1978, dated July 1, 1978:

FOR BONDS MATURING	COUPON RATE
1979 through%
..... through%
..... through%
..... through%
..... through%
Premium	\$
Net Interest Cost*	\$
Weighted Average Annual Interest Rate†%

Check No.	Drawn On	For	Amount of check
.....	U. T. Bonds	\$420,000
.....	A&M Bonds	220,000

Name of Firm or Syndicate:

Signed by:

Address:

If bid(s) here made (is, are) not accepted, above-described check(s) should be returned to

.....
(Name)

.....
(Address)

Good faith check(s) returned to bidder this day of June, 1978:

* Comparison of bids will be made by taking the net interest cost at the rates named in the bids calculated to the scheduled maturity date.
† Shown for information only.

JUN 9 1978 3186

RESOLUTION

BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1978, IN THE AMOUNT OF \$21,000,000.

WHEREAS, the Board of Regents of The University of Texas System (hereinafter sometimes called the "Board") heretofore has authorized, issued, and delivered that issue of Board of Regents of The University of Texas Permanent University Fund Refunding Bonds, Series 1958, dated July 1, 1958, said bonds having been authorized pursuant to the provisions of Section 18, Article VII of the Constitution of Texas, and said Refunding Bonds, Series 1958, now having matured and having been paid, canceled and discharged; and

WHEREAS, said Refunding Bonds, Series 1958, were payable from and secured by a first lien on and pledge of the Interest of The University of Texas System in the income from the Permanent University Fund, in the manner and to the extent provided in the resolution authorizing said Refunding Bonds, Series 1958; and

WHEREAS, the resolution adopted on July 23, 1958, authorizing the issuance of said Refunding Bonds, Series 1958, reserved the right and power in the Board to issue, under certain conditions, Additional Parity Bonds and Notes for the purposes and to the extent provided in the Amendment to Section 18, Article VII of the Texas Constitution, adopted by vote of the people of Texas on November 6, 1956, said Additional Parity Bonds and Notes to be on a parity with the aforesaid Refunding Bonds, Series 1958 (now retired), and equally and ratably secured by and payable from a first lien on and pledge of the Interest of The University of Texas System in the income from the Permanent University Fund,

in the same manner and to the same extent as were said Refunding Bonds, Series 1958; and

WHEREAS, the Amendments to Section 18, Article VII of the Texas Constitution, adopted by vote of the people of Texas on November 6, 1956, and on November 8, 1966, provide that the Board is authorized to issue negotiable bonds and notes for the purpose of constructing, equipping, or acquiring buildings or other permanent improvements for The University of Texas System, in a total amount not to exceed two-thirds (2/3) of Twenty percent (20%) of the value of the Permanent University Fund exclusive of real estate at the time of any issuance thereof; and

WHEREAS, the Board heretofore has authorized, issued, sold and delivered its Permanent University Fund Bonds, Series 1959 dated July 1, 1959, Series 1960, dated July 1, 1960, Series 1961, dated July 1, 1961, Series 1962, dated July 1, 1962, Series 1963, dated July 1, 1963, Series 1964, dated July 1, 1964, Series 1965, dated July 1, 1965, and Series 1966, dated July 1, 1966, as installments or issues of such Additional Parity Bonds; and

WHEREAS, the Board has deemed it necessary and advisable that no more of said Additional Parity Bonds shall be issued because of the excessively restrictive Permanent University Fund investment covenants made in connection with all of the aforesaid Permanent University Fund Bonds heretofore issued; and

WHEREAS, the Board is required by law to keep said investment covenants in full force and effect as to all of the aforesaid Permanent University Fund Bonds heretofore issued and to affirm the first lien on and pledge accruing to said outstanding Permanent University Fund Bonds heretofore issued on the Interest of the University of Texas System in the income from the Permanent University Fund; and

JUN 9 1978 3188

WHEREAS, pursuant to a resolution adopted on June 16, 1967, the Board authorized, issued, sold and delivered an installment or issue of negotiable bonds designated as the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1967, dated July 1, 1967 (hereinafter sometimes called the "New Series 1967 Bonds"), in the principal amount of \$14,000,000, payable from and secured by a lien on and pledge of the Interest of The University of Texas System in the Permanent University Fund, subject only and subordinate to the first lien on and pledge of said Interest heretofore created in connection with the aforesaid outstanding Permanent University Fund Bonds; and

WHEREAS, in said resolution adopted on June 16, 1967, the Board set forth the terms and conditions under which additional bonds may be issued to be on a parity with the aforesaid New Series 1967 subordinate lien bonds, and the Board has issued its Permanent University Fund Bonds, New Series 1968, New Series 1969, New Series 1970, New Series 1971, New Series 1972, New Series 1973, New Series 1974, New Series 1975, New Series 1976 and New Series 1977, in accordance therewith; and

WHEREAS, the Board has determined to authorize, issue, sell and deliver an additional installment or issue of such subordinate lien parity New Series Bonds in the principal amount of \$21,000,000; and

WHEREAS, the Board hereby officially finds and determines that the value of the Permanent University Fund, exclusive of real estate is in excess of \$1,022,872,740;

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

1. Throughout this resolution the following terms and expressions as used herein shall have the meanings set forth below:

The term "Permanent University Fund," "Permanent Fund," and "Fund" used interchangeably herein shall mean the Permanent University Fund as created by Article VII, Section 11 of the Constitution, further implemented by the provisions of Title 49, Chapter 1, of the Revised Civil Statutes of Texas, 1925, as amended and supplemented.

The expression "Interest of the University" in the Permanent University Fund shall mean all of the income to such Fund from grazing leases on University lands, and all of the other income from such Fund, after making provision for the payment of the University's proportion of the expenses of administering such Fund, excepting one-third of the income arising and accruing to The Texas A&M University from the 1,000,000 acres of land appropriated by the Constitution of 1876 and the land appropriated by the Act of 1883, as more particularly defined by Section 66.03, Texas Education Code (Chapter 42 of the Acts of the Regular Session of the 42nd Legislature of the State of Texas).

The term "Resolution" as used herein and in the Bonds shall mean this resolution authorizing the Bonds.

The term "Bonds" or "New Series 1978 Bonds" shall mean the New Series 1978 Bonds authorized in this Resolution, unless the context clearly indicates otherwise.

The term "Old Series Outstanding Bonds" shall mean the outstanding bonds of the following issues:

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1959, dated July 1, 1959, originally issued in the amount of \$4,000,000.

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Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1960, dated July 1, 1960, originally issued in the amount of \$5,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, dated July 1, 1961, originally issued in the amount of \$6,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1962, dated July 1, 1962, originally issued in the amount of \$5,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1963, dated July 1, 1963, originally issued in the amount of \$4,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1964, dated July 1, 1964, originally issued in the amount of \$4,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1965, dated July 1, 1965, originally issued in the amount of \$6,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1966, dated July 1, 1966, originally issued in the amount of \$11,000,000.

The term "New Series Additional Parity Bonds and Notes" and "Additional Parity Bonds and Notes" shall mean the additional parity bonds and the additional parity notes permitted to be issued pursuant to Section 11 of the Resolution adopted on June 16, 1967, authorizing the issuance of the New Series 1967 Bonds.

The term "New Series Outstanding Bonds" shall mean the outstanding bonds of the following issues:

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1967, dated July 1, 1967,

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originally issued in the amount of \$14,000,000 pursuant to a resolution adopted on June 16, 1967.

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1968, dated July 1, 1968, originally issued in the amount of \$15,000,000, pursuant to a resolution adopted on June 25, 1968.

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1969, dated July 1, 1969, originally issued in the amount of \$7,000,000, pursuant to a resolution adopted on June 20, 1969.

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1970, dated July 1, 1970, originally issued in the amount of \$7,500,000, pursuant to a resolution adopted on July 10, 1970.

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1971, dated July 1, 1971, originally issued in the amount of \$9,000,000, pursuant to a resolution adopted on June 4, 1971.

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1972, dated July 1, 1972, originally issued in the amount of \$9,000,000, pursuant to a resolution adopted on June 9, 1972.

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1973, dated July 1, 1973, originally issued in the amount of \$11,000,000, pursuant to a resolution adopted on July 27, 1973.

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1974, dated July 1, 1974, originally issued in the amount of \$11,000,000, pursuant to a resolution adopted on July 19, 1974.

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1975, dated July 1, 1975, originally issued in the amount of \$14,000,000, pursuant to a resolution adopted on July 26, 1975.

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1976, dated July 1, 1976, originally issued in the amount of \$16,000,000, pursuant to a resolution adopted on July 9, 1976.

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1977, dated July 1, 1977, originally issued in the amount of \$20,000,000, pursuant to a resolution adopted on July 29, 1977.

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

2. That said Board's negotiable coupon bonds, to be designated the "Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1978," are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas in the principal amount of \$21,000,000 for the purpose of constructing, equipping, or acquiring buildings or other permanent improvements for The University of Texas System, to the extent and in the manner provided by law.

3. That said bonds shall be dated July 1, 1978, shall be in the denomination of \$5,000 each, shall be numbered consecutively from 1 through 4,200, and shall mature serially on July 1 in each of the years, and in the amounts, respectively, as set forth in the following schedule:

\$ 840,000	1979/1982
945,000	1983/1986
1,050,000	1987/1990
1,155,000	1991/1994
1,260,000	1995/1998

Said bonds may be redeemed prior to their scheduled maturities, at the option of said Board, on the dates stated, for the prices, and in the manner provided, in the FORM OF BOND set forth in this Resolution; and further, said bonds shall be registrable as to principal only, at the option of the owner, in the manner provided in said FORM OF BOND.

4. That the bonds scheduled to mature during the years, respectively, set forth below shall bear interest from their date, until maturity or redemption, at the following rates, per annum:

maturities 1979 through 1980, 4.50 %,
 maturities 1981 through 1992, 5.00 %,
 maturities 1993 through 1994, 5.10 %,
 maturities 1995 through 1996, 5.25 %,
 maturities 1997 through 1998, 5.40 %.

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

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

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

FORM OF BOND:

No. _____

\$5,000

UNITED STATES OF AMERICA
STATE OF TEXAS

BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM
PERMANENT UNIVERSITY FUND BOND
NEW SERIES 1978

ON JULY 1, 19____, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM promises to pay to bearer, or if this bond be registered as to principal, then to the registered owner hereof, the principal amount of

FIVE THOUSAND DOLLARS

and to pay interest thereon, from the date hereof, at the rate of _____% per annum, evidenced by interest coupons payable JANUARY 1, 1979, and semiannually thereafter on each JULY 1 and JANUARY 1 while this bond is outstanding. The principal of this bond and the interest coupons appertaining hereto shall be payable to bearer, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this bond or proper interest coupon, at _____

The American National Bank of Austin, Austin,
Texas, or, at the option of the bearer, at Citibank, N.A.
_____, New York, New York, or
Harris Trust and Savings Bank

Chicago, Illinois, which places shall be the paying agents for this Series of bonds.

THIS BOND is one of a Series of negotiable coupon bonds dated JULY 1, 1978, issued in the principal amount of \$21,000,000 FOR THE PURPOSE OF CONSTRUCTING, EQUIPPING, OR ACQUIRING BUILDINGS OR OTHER PERMANENT IMPROVEMENTS FOR THE UNIVERSITY OF TEXAS SYSTEM, to the extent and in the manner provided by law, in

accordance with the provisions of the Amendments to Section 18, Article VII of the Texas Constitution, adopted by a vote of the people of Texas on November 6, 1956, and on November 8, 1966.

ON JULY 1, 1988, OR ON ANY INTEREST PAYMENT DATE THEREAFTER, any outstanding bonds of this Series may be redeemed prior to their scheduled maturities, at the option of said Board, IN WHOLE, OR FROM TIME TO TIME IN PART, for the following redemption prices (expressed as percentages of the principal amount) plus unpaid accrued interest on the bonds called for redemption to the date fixed for redemption:

<u>Redemption Date</u>	<u>Redemption Price</u>
July 1, 1986, or January 1, 1989	101%
July 1, 1989, or January 1, 1990	100-3/4%
July 1, 1990, or January 1, 1991	100-1/2%
July 1, 1991, or January 1, 1992	100-1/4%
July 1, 1992, or thereafter	100%

At least thirty days before the date fixed for any such redemption the Board shall cause a written notice of such redemption to be published at least once in a financial publication published in the City of New York, New York. By the date fixed for any such redemption, due provision shall be made with the paying agents for the payment of par and accrued interest to the date fixed for redemption of the bonds to be redeemed, plus the required premium. If the written notice of redemption is published, and if due provision for such payment is made, all as provided above, the bonds, which are to be so redeemed, thereby automatically shall be redeemed prior to maturity, and they shall not bear interest after the date fixed for redemption, and shall not be regarded as being outstanding except for the purpose of being paid by the paying agents with the funds so provided for such payment.

IT IS HEREBY certified, recited and covenanted that this bond has been duly and validly issued and delivered; that all

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acts, conditions and things required or proper to be performed, exist and be done precedent to or in the issuance and delivery of this bond have been performed, existed and been done in accordance with law; and that the interest on and principal of this bond, and the Series of which it is a part, together with the other New Series Outstanding Bonds, are equally and ratably secured by and payable from a lien on and pledge of the Interest of The University of Texas System in the income from the Permanent University Fund, as such Interest is apportioned by Section 66.03, Texas Education Code (Chapter 42 of the Acts of the Regular Session of the 42nd Legislature of the State of Texas), subject only and subordinate to the first lien on and pledge of said Interest heretofore created in connection with the Old Series Outstanding Bonds (as such terms are defined in the Resolution authorizing this Series of bonds).

SAID BOARD has reserved the right, subject to the restrictions referred to in the Resolution authorizing this Series of bonds, to issue additional parity bonds and notes which also may be secured by and made payable from a lien on and pledge of the aforesaid Interest of The University of Texas System in the income from the Permanent University Fund, in the same manner and to the same extent as this Series of bonds.

THIS BOND, at the option of the owner hereof, is registrable as to principal only on the books of the Registrar. For such purpose the Comptroller of The University of Texas System shall be the Registrar. If registered, the fact of registration shall be noted on the back hereof and thereafter no transfer of this bond shall be valid unless made on the books of the Registrar at the instance of the registered owner and similarly noted hereon. Registration as to principal may be discharged by transfer to

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bearer, after which this bond again may be registered as before. The registration of this bond as to principal shall not affect or impair the negotiability of the interest coupons appertaining hereto, which shall continue to be negotiable by delivery merely. Subject to said provisions for the registration of this bond as to principal only, nothing contained herein shall affect or impair the negotiability of this bond, and this bond shall constitute a negotiable instrument within the meaning of the laws of the State of Texas.

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

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

Secretary

Chairman

FORM OF REGISTRATION CERTIFICATE:

COMPTROLLER'S REGISTRATION CERTIFICATES REGISTER NO. _____

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

Witness my signature and seal this

Comptroller of Public Accounts
of the State of Texas

(SEAL)

FORM OF INTEREST COUPON:

No. _____ \$ _____

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ON _____ 1, 19 __, * THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM promises to pay to bearer the amount shown on this interest coupon, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this interest coupon, at The American National Bank of Austin, Austin, Texas, or, at the option of the bearer, at Citibank, N.A. _____, New York, New York, or at Harris Trust and Savings Bank, Chicago, Illinois, said amount being interest due that day on the bond bearing the number hereinafter designated, of that issue of BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1978, DATED JULY 1, 1978. BOND NO. _____.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

Secretary

Chairman

*(Coupons maturing after July 1, 1988, shall contain the following additional clause:

unless the bond to which this coupon appertains has been called for redemption and due provision made to redeem same,)

FORM OF ENDORSEMENT FOR REGISTRATION AS TO PRINCIPAL:

ENDORSEMENT FOR REGISTRATION AS TO PRINCIPAL

(NO WRITING TO BE MADE HEREON EXCEPT BY THE REGISTRAR DESIGNATED FOR THIS ISSUE OF BONDS)

It is hereby certified that, at the request of the owner of the within bond, I have this day registered it as to principal in the name of such owner, as indicated in the registration blank below, on the books kept by me for such purpose. The principal of this bond shall be payable only to the registered owner hereof named in the registration blank below, or his legal representative, and this bond shall be transferable only on the books of the

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Registrar and by an appropriate notation in such registration blank. If the last transfer recorded on the books of the Registrar and in the registration blank below shall be to bearer, the principal of this bond shall be payable to bearer and it shall be in all respects negotiable. In no case shall negotiability of the interest coupons appertaining hereto be affected or impaired by any registration as to principal.

<u>NAME OF REGISTERED OWNER</u>	<u>DATE OF REGISTRATION</u>	<u>SIGNATURE OF REGISTRAR</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

7. (a) It is hereby certified and recited that the Bonds authorized in this Resolution are Additional Parity Bonds permitted to be issued under Section 11 of the resolution of the Board adopted on June 16, 1967, authorizing the issuance of the New Series 1967 Bonds, and that all conditions and requirements of said Section 11 have been or will be met prior to the delivery of the New Series 1978 Bonds herein authorized. The New Series 1978 Bonds and the New Series Outstanding Bonds are and shall be on a parity and in all respects of equal dignity.

(b) Pursuant to the provisions of the amendments to Section 18, Article VII, of the Texas Constitution, approved by vote of the people of Texas on November 6, 1956, and on November 8, 1966, the New Series 1978 Bonds, the New Series Outstanding Bonds, and any other New Series Additional Parity Bonds and Notes hereinafter issued, and the interest thereon, shall be and are hereby equally and ratably secured by and payable from a lien on and pledge of

the Interest of the University in the income from the Permanent University Fund, as such Interest is defined in Section 1 of this Resolution, subject only and subordinate to the first lien on and pledge of said Interest heretofore created in connection with the Old Series Outstanding Bonds.

8. (a) The aforesaid resolution adopted June 16, 1967, authorizing the issuance of the New Series 1967 Bonds has provided that the Comptroller of Public Accounts of the State of Texas shall establish in the State Treasury a fund to be known as "Board of Regents of The University of Texas System New Series Permanent University Fund Interest and Sinking Fund" (hereinafter called the "Interest and Sinking Fund"). In addition to the moneys required to be transferred to the credit of the Interest and Sinking Fund in connection with the New Series Outstanding Bonds, the Comptroller of Public Accounts of the State of Texas shall, for the benefit of the New Series 1978 Bonds, transfer to the Interest and Sinking Fund, out of The University of Texas System Available University Fund (the fund in the State Treasury to which is deposited the Interest of the University), on or before November 15, 1978, and semiannually thereafter on or before May 15 and November 15 of each year while the New Series 1978 Bonds, or interest thereon, are outstanding and unpaid, the amount of interest or principal and interest which will become due on the New Series 1978 Bonds on the January 1 or July 1 next following. It is hereby recognized that the amounts necessary for the payment of principal and interest on the Old Series Outstanding Bonds will have been transferred on or before May 1 and November 1 of each year from the aforesaid Available University Fund to the interest and sinking fund heretofore created for the benefit of the Old Series Outstanding Bonds.

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(b) To the end that money will be available at the places of payment in ample time to pay the principal of and interest on the Bonds as such principal and interest respectively mature, on or before November 15, 1978, and semiannually thereafter on or before May 15 and November 15 of each year while any of the New Series 1978 Bonds, or interest thereon, are outstanding and unpaid, the Comptroller of The University of Texas System, or such officer as may hereafter be designated by the Board to perform the duties now vested in such officer, shall perform the following duties:

(1) Prepare and file with the Comptroller of Public Accounts of the State of Texas (hereinafter called the "Comptroller of Public Accounts") a voucher based on which the Comptroller of Public Accounts shall draw a warrant against the Interest and Sinking Fund in the amount of the interest or principal and interest on the New Series 1978 Bonds (when both are scheduled to accrue and mature) which will become due on the January 1 or July 1 next following.

(2) In the event New Series 1978 Bonds shall have been called for redemption on January 1 or July 1 next following of any year, prepare and file with the Comptroller of Public Accounts a voucher based on which the Comptroller of Public Accounts shall draw a warrant against funds of The University of Texas System legally available for such purpose in an amount sufficient to redeem the New Series 1978 Bonds thus called.

(c) Whenever a voucher is so filed with the Comptroller of Public Accounts, he shall make the warrant based thereon payable to the order of the paying agent situated in the State of Texas,

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specified in Section 6 hereof, and shall deliver such warrant to such paying agent on or before the December 1 or June 1 next following.

(d) The paying agent situated in the State of Texas, designated in Section 6 hereof, shall, out of moneys remitted to it under the provisions of this Section 8 hereof, and not otherwise, make available at the other paying agents specified in Section 6 hereof, funds sufficient to pay such of the New Series 1978 Bonds (whether payable to the bearer or payable to the registered owner thereof) and such of the coupons as are presented for payment, and said paying agent situated in the State of Texas by accepting designation as such paying agent agrees and is obligated to perform such service.

(e) The paying agents shall totally destroy all paid New Series 1978 Bonds and coupons, and shall furnish the Board with an appropriate certificate of destruction covering the New Series 1978 Bonds and coupons thus destroyed.

(f) The Board shall make provision with the paying agents for the rendition of a statement to The University of Texas System for any sums due such paying agents for services rendered in connection with the payment of the New Series 1978 Bonds and coupons by such paying agents, and the amount of such charges shall be paid by the Board from funds available for such purpose.

9. That all of the language, terms, provisions, covenants and agreements of Section 7 through 13, both inclusive, of the resolution adopted June 16, 1967, authorizing the issuance of the New Series 1967 Bonds are hereby referred to, adopted, and made applicable to the New Series 1978 Bonds authorized by this Resolution, for all purposes.

10. That after said New Series 1978 Bonds shall have been

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executed, it shall be the duty of the Chairman of the Board or some officer of the Board acting under his authority, to deliver said Bonds and all necessary records and proceedings to the Attorney General of Texas, for examination and approval by the Attorney General. After said bonds shall have been approved by the Attorney General, they shall be delivered to the Comptroller of Public Accounts of the State of Texas for registration. Upon registration of said Bonds, the Comptroller of Public Accounts (or a deputy lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein to be printed and endorsed on each of said Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each of said Bonds.

11. That said New Series 1978 Bonds are hereby sold and shall be delivered to First National Bank in Dallas and Associates, for the principal amount thereof and accrued interest to the date of delivery, plus a premium of \$ 531.00.

12. That the Board certifies that based upon all facts, estimates and circumstances now known or reasonably expected to be in existence of the date the Bonds are delivered and paid for, the Board reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds or any portion of the Bonds to be an "arbitrage bond" under Section 103(c)(2) of the Internal Revenue Code of 1954, as amended, and the temporary and proposed regulations heretofore prescribed thereunder. Furthermore, all officers, employees and agents of the University are authorized and directed to provide certifications of facts, estimates and circumstances which are material to the reasonable expectations of the Board as of the date the Bonds are delivered and paid for, and any such certifications may be relied upon by

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counsel, by the owners or holders of the Bonds, or by any person interested in the exemption of interest on the Bonds from Federal income taxation. Moreover, the Board covenants that it shall make such use of the proceeds of the Bonds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that the Bonds shall not be "arbitrage bonds" under Section 103(c) of the Internal Revenue Code of 1954, as amended, and regulations prescribed from time to time thereunder.

13. That the Official Notice of Sale, Official Statement and Official Bid Form relating to the Bonds and submitted to this Board are hereby approved for use in connection with the solicitation of bids for and sale of the Bonds.

INTRODUCTION OF JOHN BEN SHEPPERD; ROY VAUGHAN; AND FACULTY AND STUDENT REPRESENTATIVES. -- Prior to the introduction by the institutional heads of their respective faculty and student representatives, Chairman Shivers commented that he had the pleasure of introducing, a long time friend of his, a former Attorney General of Texas and the recently elected President of the Ex-Students' Association - John Ben Shepperd.

In response to this introduction, the Honorable John Ben Shepperd pledged complete cooperation of the Ex-Students' Association with the Board of Regents and expressed the hope the Association could emulate the Board's example of hard work and dedication.

Chairman Shivers then presented the Executive Director of the Ex-Students' Association, Mr. Roy Vaughan.

The following faculty and student representatives were introduced:

Faculty Representatives

Student Representatives

U. T. Austin - President Rogers introduced:

Dr. William Livingston
Chairman, Faculty Senate
(See Page 142.)

Ms. Kathi Chatas, Chairperson
Senior Cabinet
Ms. Victoria Loe, Managing
Editor, The Daily Texan
Mr. Tom Kessler, Reporter
The Daily Texan
Mr. John McMillan, Reporter
The Daily Texan
Ms. Karen Rosen, Reporter
The Daily Texan

U. T. Arlington - President Nedderman introduced:

Dr. Edward Bellion, Outgoing
Chairman, Faculty Senate

Mr. Keith Head, President
Student Congress
Ms. Tammy Bice, Vice
President, Student Congress
Mr. John Ostdick, Reporter
the Shorthorn

U. T. Dallas - President Jordan introduced:

Dr. George Kimeldorf, Speaker
of the Faculty

Ms. Sandra Shafto, President
Student Government
Ms. Jan Sparks, Representative
college IX General Studies
Mr. Tom Dunlap, Representative
college I Math & Sciences
Mr. Russ Miller, Representative
college III & IV Business &
Public Administration

U. T. Permian Basin - President Cardozier introduced:

Dr. Munro Shintani, President
Faculty Senate

U. T. San Antonio - Acting President Wagener introduced:

Dr. Curtis W. Hayes, Outgoing
Secretary, The General Faculty
and The University Assembly

Mr. Martin Hinojosa, President
Student Representative Assembly
Mr. Jerald Flores, Student
Former Parliamentarian of
Student Representative Assembly

Dallas Health Science Center - President Sprague introduced:

Dr. Maurice Korman, Professor
and Chairman, Division of Psychology
Department of Psychiatry, Dallas
Southwestern Medical School

Ms. Karen Stone, Student
Rehabilitation Science
School of Allied Health Sciences

Galveston Medical Branch - President Levin introduced:

John M. Wallace, M. D., Professor
Department of Internal Medicine
Department of Pharmacology and
Toxicology (faculty member-at large
to the Executive Committee of the
Faculty of Medicine)

Ms. Mary Naranjo, Graduate
Student in Biochemistry
(Senator to UTMB Student
Government)

Houston Health Science Center - Acting President Blocker introduced:

John Ribble, M. D., Associate Dean
of Medicine
Robert Tuttle, M. D., Dean of
Medicine

Mrs. Nadine Spring
1st Year M. P. H. Student at
the School of Public Health in
International Health

San Antonio Health Science Center - President Harrison introduced:

Mrs. Nita Zinnecker, Instructor
Dental Hygiene Education

Ms. Sandra Mick
Dental Laboratory Technology

University Cancer Center - President Clark introduced:

Evan M. Hersh, M. D., Professor
of Medicine, Deputy Head
Department of Developmental
Therapeutics

Joseph E. Russ, M. D.
Clinical Associate (Special
Training) in Surgery

Tyler Health Center - Dr. Hurst introduced:

Dr. William T. Matlage
Clinical Director
Mr. Oran Ferrell, Assistant
Administrator
Mr. Dan Davis, Member of
Staff

At the conclusion of the introductions, Chairman Shivers personally and on behalf of the Board of Regents expressed delight in welcoming the faculty and student representatives and extended an invitation for them to come with or without their presidents. Regent Clark expressed the hope that the faculty and student representatives would continue to attend the meetings to which they had been given a cordial invitation by the Chairman.

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RECESS FOR COMMITTEE MEETINGS AND EXECUTIVE SESSION OF THE COMMITTEE OF THE WHOLE.--Chairman Shivers announced that (1) the Board of Regents would recess (9:15 a.m.) for meetings of the Standing Committees and (2) following the open session of the Committee of the Whole the Board would reassemble in the Regents' Committee Room as a Committee of the Whole in Executive Session pursuant to Article 6252-17, Sections 2(e), (f) and (g), V.T.C.S. to consider:

1. Pending or Contemplated Litigation - Section 2(e)
2. Land Acquisition and Negotiated Contracts - Section 2(f)
 - a. U. T. System: Negotiated Lease Contract Under Appropriation Bill, Article V, Section 18
 - b. U. T. Austin: Negotiated Contract for Proposed Purchase of Books
 - c. U. T. Austin: Negotiated Contract for Purchase of Art Collection (Tom Lea)
 - d. U. T. El Paso: Proposed Acquisition of Land Adjacent to Campus
 - e. Houston Health Science Center: Negotiated Contract for Acquisition of Real Property, 6436 Fannin Street, Houston, Texas
3. Personnel Matters - Section 2(g)
 - a. U. T. System: Proposed 1978-79 Operating Budgets
 - b. Houston Health Science Center: Selection of President

RECONVENE.--At 12:30 p.m., when all committees had concluded their business, the Board of Regents reconvened.

U. T. AUSTIN: ACCEPTANCE OF BARBARA JORDAN TO LYNDON B. JOHNSON PUBLIC SERVICE PROFESSORSHIP.--Chairman Shivers asked President Rogers to read the following message from the Honorable Barbara Jordan accepting her appointment to the Lyndon B. Johnson Public Service Professorship at The University of Texas at Austin to which she was named earlier at the meeting (Page 124).

"With pleasure and with anticipation, I have accepted an appointment to the faculty of the LBJ School of Public Affairs at The University of Texas at Austin. I am particularly pleased that the position has been designated the Lyndon B. Johnson Public Service Professorship. Lyndon Johnson was my friend and I am proud of that fact.

"In December, when I announced that I would not seek re-election to the Congress, I said that I wanted to do something different and that I had made no plans whatsoever for 1979. Those truths were received with incredulity in some quarters. Since December, I have read and heard of future plans which were presumed to be mine. None of the possibilities I actually considered, nor indeed any of the manufactured possibilities, held more appeal than the LBJ School.

"My affiliation in January 1979 with the LBJ School provides a challenge and it provides a different avenue for public service. I intend to validate the trust that has been placed in me by the LBJ School's extraordinary Dean, Elspeth Rostow, by my future faculty colleagues, and by the Administration and Board of Regents of The University of Texas at Austin. And, I do not intend to lose sight of the fact that students are the University's reason for being. "

REPORTS OF STANDING COMMITTEES

Chairman Shivers called for the reports of the Standing Committees. All meetings had been conducted in open session in the Regents' Meeting Room, ninth floor, Ashbel Smith Hall except the Executive Session of the Committee of the Whole.

REPORT OF SYSTEM ADMINISTRATION COMMITTEE (Pages 25-33). -- Vice-Chairman Williams, Chairman of the System Administration Committee, submitted the following report. He stated that the recommendations had been approved in open session and moved the adoption of the report. The report was adopted without objection.

Report

The System Administration Committee in open session this morning approved after discussion but without objection each of the following recommendations of the administration and submits them in this report to the Board of Regents for formal approval:

1. U. T. Austin, U. T. Dallas, Dallas Health Science Center, Galveston Medical Branch (Galveston Medical School), Houston Health Science Center (Houston Medical School) and San Antonio Health Science Center (San Antonio Medical School): Amendments to the 1977-78 Budget (7-B-78 and 8-B-78). --

RECOMMENDATION

The appropriate chief administrative officers, concurred in by System Administration, recommend that their respective 1977-78 Operating Budget be amended as indicated on the pages set out below:

- The University of Texas at Austin, Pages 26-28
- The University of Texas at Dallas, Page 28
- The University of Texas Health Science Center at Dallas, Page 29
- The University of Texas Medical Branch at Galveston (Galveston Medical School), Pages 29-30
- The University of Texas Health Science Center at Houston (Houston Medical School), Page 30
- The University of Texas Health Science Center at San Antonio (San Antonio Medical School) Page 31

The source of funds will be from departmental appropriations unless otherwise specified.

THE UNIVERSITY OF TEXAS AT AUSTIN

1977-78 BUDGET

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
	Auxiliary Enterprises - Intercollegiate Athletics for Men			
27.	Head Basketball Coach A. E. Lemons	\$ 31,500	\$ 36,500	4-1-78
28.	Assistant Basketball Coach David B. Dowd	\$ 21,000	\$ 23,500	4-1-78
29.	H. Stephen Moeller	17,500	19,500	4-1-78
	Source of Funds: Allocation for Budget Adjustments			

It is further recommended that these basketball coaches be permitted as a part of their contract to use University facilities for training camps and clinics under conditions approved by the Athletics Council and under conditions that are not in conflict with University regulations or other activities.

30. Auxiliary Enterprises -
Intercollegiate Athletics for Men

Transfer of Funds

From: Intercollegiate Athletics for
Men Unappropriated Balances

To: Intercollegiate Athletics for
Men - Allocation for Budget
Adjustments

Amount of Transfer

\$ 160,000

\$ 160,000

This transfer is required to supplement the Allocation for Budget Adjustment Account for Men's Intercollegiate Athletics. \$87,000 of the \$160,000 total reflects anticipated increases in estimated income from the following sources:

a) SWC Track and Field Championship	\$ 35,000
b) SWC Baseball Tournament	34,000
c) AAU National Swimming Championship	12,000
d) SWC Swimming and Diving Meet	6,000
	<u>\$ 87,000</u>

1977-78 BUDGET

Additionally, it is requested that \$73,000 be transferred from Intercollegiate Athletics for Men's Operating Reserve Account. These funds will be required to fund budget adjustments in the following categories:

Football game expense and stadium upkeep	\$ 9,000
Basketball game expense, travel, and supplies	30,000
Office Supplies & Service	9,000
Repair and Maintenance (Bellmont Hall Remodeling)	<u>25,000</u>
	<u>\$ 73,000</u>

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Item No.	Explanation	Present Status	Proposed Status	Effective Dates
31.	Auxiliary Enterprises - Parking and Traffic			
	Transfer of Funds	From: Parking and Traffic - Unappropriated Balance	To: Demolition of Building and Improvement of Parking Lot 86 (26th and Speedway) \$ 28,000 Improvement of Parking Lot 58 (near Simkins Hall) <u>32,000</u>	
	Amount of Transfer	\$ 60,000	<u>\$ 60,000</u>	---
32.	Auxiliary Enterprises - McDonald Observatory (Visitor's Center and Transient Quarters)			
	Transfer of Funds	From: McDonald Observatory - Unappropriated Balances \$ 3,415 Allocation for Budget Adjustment <u>750</u>	To: McDonald Observatory - Salaries and Wages \$ 2,041 Other Expenses <u>2,124</u>	
	Amount of Transfer	<u>\$ 4,165</u>	<u>\$ 4,165</u>	---

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THE UNIVERSITY OF TEXAS AT AUSTIN

1977-78 BUDGET

<u>Item No.</u>	<u>Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
33.	Plant Funds - Project 102 - 196 Addition to Chemistry Building Transfer of Funds	From: Available University Fund Unappropriated Balance (Allocation for Academic and Research Development Projects)	To: Project 102 - 196 Addition to Chemistry Building - Furniture and Equipment Account	
	Amount of Transfer	\$ 128,000	\$ 128,000	---

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THE UNIVERSITY OF TEXAS AT DALLAS

<u>Item No.</u>	<u>Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
2.	Carolyn L. Galerstein (Tenure) School of General Studies Academic Rate	Dean, Associate Professor, and Master \$ 21,500	Dean, Associate Professor, and Master \$ 24,000	3/1/78

JUN 9 1978 3211

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT DALLAS

1977-78 BUDGET

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
15.	Special Activities - Investigative and Clinical Laboratory			
	Transfer of Funds	From: Investigative and Clinical Laboratory Unappropriated Balance via Estimated Income	To: Investigative and Clinical Laboratory Salaries \$ 10,165 Fringe Benefits 98	
	Amount of Transfer	\$ 10,263	\$ 10,263	---

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THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

Item No.	Explanation	Present Status			Proposed Status			Effective Dates
		Salary Rate	Augmentation	Total Compensation	Salary Rate	Augmentation	Total Compensation	
<u>Galveston Medical School</u>								
26.	Patrick J. Kelly (Non-tenure) Surgery Assistant Professor	\$ 31,000	\$ 15,500	\$ 46,500	\$ 33,000	\$ 16,500	\$ 49,500	3/1/78
	Source of Funds: Unallocated Salaries and MSRDP							

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THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

1977-78 BUDGET

Item No.	Explanation	Present Status			Proposed Status			Effective Dates
		Salary Rate	Augmentation	Total Compensation	Salary Rate	Augmentation	Total Compensation	
27.	James E. Rose (Non-tenure) Surgery Assistant Professor	\$ 28,000	\$ 14,000	\$ 42,000	\$ 30,000	\$ 15,000	\$ 45,000	3/1/78
	Source of Funds: Unallocated Salaries and MSRDP							
28.	Gordon P. James (Non-tenure) Pathology and Clinical Laboratory Assistant Professor and Clinical Toxicologist	\$ 26,000	---	\$ 26,000	\$ 30,000	---	\$ 30,000	3/1/78
	Source of Funds: MSRDP							

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THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

Item No.	Explanation	Present Status			Proposed Status			Effective Dates
		Salary Rate	Augmentation	Total Compensation	Salary Rate	Augmentation	Total Compensation	
<u>Houston Medical School</u>								
21.	Carl M. Sandler (Non-tenure) Radiology Assistant Professor	\$ 30,000	\$ 10,000	\$ 40,000	\$ 30,000	\$ 15,000	\$ 45,000	3/1/78
	Source of Funds: MSRDP							

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3213

1977-78 BUDGET

Item No.	Explanation	Present Status			Proposed Status			Effective Dates
		Salary Rate	Augmentation	Total Compensation	Salary Rate	Augmentation	Total Compensation	
<u>San Antonio Medical School</u>								
36.	William H. Hadnott (Non-tenure) Anesthesiology Clinical Associate Professor (20%T) Stipend for 20% Time	\$ 43,000 (\$ 8,600)	--- ---	\$ 43,000 (\$ 8,600)	\$ 44,000 (\$ 8,800)	\$ 3,200 (\$ 3,200)	\$ 47,200 (\$ 12,000)	4/1/78
37.	Somayaji Ramamurthy (Non-tenure) Anesthesiology Associate Professor Source of Funds: MSRDP	\$ 44,000	\$ 16,000	\$ 60,000	\$ 44,000	\$ 19,000	\$ 63,000	4/1/78

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JUN 9 1978 3214

JUN 9 1978

2. U. T. System: Policies for Preparation of Legislative Budget Requests for 1980-1981. -- The following Policies for Preparing the Legislative Budget Requests for the Biennium beginning September 1, 1979, are recommended by System Administration:

The instructions issued by the Coordinating Board, Texas College and University System and by the Legislative Budget Office and by the Governor's Budget and Planning Office will be used as guidelines in the preparation of the Legislative Budget Requests for the Biennium beginning September 1, 1979.

- a. Salary Advances for Faculty and Professional Staff

Funds may be requested to grant salary increases up to 10% in 1980 and an additional 8% in 1981.

- b. Salary Advances for Classified Personnel

Funds may be requested to provide for a 10.2% increase in 1980 and an additional 6.8% increase in 1981. In addition, requests may include sufficient funds for a 3.4% merit increase for approximately one-half of all employees each year.

- c. New Positions

All requests for new positions must be based on new or expanded programs or on improvements in existing programs, and be fully justified.

- d. Maintenance, Operation, and Equipment

The general guideline for requesting funds for this item should be for an increase up to 20% in 1980 plus an additional 10% increase in 1981. In limited situations such as scientific equipment, medical supplies, and like items, in which price escalation or other factors make the above limitations totally impractical, actual needs must be the basis for the request. In these situations the variance from the general standard stated above must be carefully justified.

- e. Special Equipment

Inasmuch as equipment items included in Item "d" are regular and routine acquisitions, Special Equipment requests should be related only to new or expanded program requirements or major replacement and updating of obsolete teaching, research, and hospital equipment. Special Equipment requests must be based on actual needs and fully documented.

- f. Utilities

Requests for Purchased Utilities are to be based on projected needs using the best available rate estimates, carefully documented. In addition, System policy supports an emergency utility request to meet deficiencies in the 1978-79 Purchased Utilities appropriations.

g. Staff Benefits

- (1) Employee Insurance Premiums. Use \$30 per month for each person in requesting funds for payment of the State's contribution toward the cost of insurance premiums. Eligible employees are those covered under provisions of the "Texas State College and University Employees Uniform Insurance Benefits Act" (Senate Bill 95).

NOTE: In support of this request, include calculations in three parts:

- (1) Employees paid from the General Appropriations Bill funds;
- (2) All other eligible employees;
- (3) Retired Employees (per S.B. 95)

Employee counts are to be as of October 31, 1978.

- (2) O.A.S.I. - State's Contribution of Employees' Share of Tax. As a System policy, the Legislature will be requested to continue the payment of the employees' share of the O.A.S.I. Tax and to expand the payments from the current 5.85% on \$16,500 to the actual tax levied by the Federal Government.

Inasmuch as the request to increase this cost to "actual" requires an amendment of the Statute, institutional requests for payment of the employees' share must be limited to the current statutory provision (even though requests for the employer's share is based on actual cost).

It was noted that for the general academic institutions approximately 85% of the requests are controlled by formulas recommended by the Coordinating Board.

3. U. T. System: Amendment to Plan for Professional Medical Malpractice Self-Insurance (8-CW-78). --It is recommended by System Administration that the Plan for Professional Medical Malpractice Self-Insurance for The University of Texas System be amended by changing Article III, APPLICABILITY OF PLAN PROVISION, to read as follows:

The coverage afforded by this Plan is subject to the particular terms, conditions and limitations (including, but not limited to limits of liability) of this Plan and the interpretation thereby by the Board or its authorized representative. Notwithstanding any other language of the Plan the coverage afforded by the Plan applies only to medical malpractice claims arising out of incidents, transactions or events occurring on or after April 1, 1977.

REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (Pages 34 - 41). --Committee Chairman Sterling stated that all matters of the Academic and Developmental Affairs Committee were conducted in open session and had been approved without objection unless otherwise indicated. He filed the following report. There being no objection, the report was adopted:

1. U. T. System: Docket No. 6 of the President of the System (Attachment No. 1) (Catalog Change). --Committee Chairman Sterling reported that no exception had been received to Docket No. 6 of the President of the System. At the meeting no objections were offered during the consideration of the Docket, and the Docket was unanimously approved in the form distributed by the Secretary. It is attached (Attachment No. 1) following Page 142 and made a part of these Minutes.

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

It was ordered that any item included in this Docket that normally is published in the catalogs of the various institutions be reflected in the next catalogs printed by the respective institutions.

2. U. T. Austin: Appointment of (a) Dr. James Vick to William David Blunk Memorial Professorship; (b) Sr. Guillermo A. O'Donnell to Edward Larocque Tinker Chair as Visiting Professor in Latin American Studies; and (c) Dr. Ernest L. Lundelius, Jr., to John A. Wilson Professorship in Vertebrate Paleontology. --By separate motions, approval was given to the recommendations of President Rogers and System Administration that:

- a. Dr. James Vick be appointed the first recipient of the William David Blunk Professorship at The University of Texas at Austin for the academic year 1978-79.

Dr. Vick, Associate Professor of Mathematics, has a truly outstanding record of teaching in the Department of Mathematics. His students are enriched by his personal interaction with them. Dr. Vick has received international acclaim for his recent developments in algebraic and differential topology and his recent book on this subject is considered among the very best.

- b. Sr. Guillermo A. O'Donnell be appointed to the Edward Larocque Tinker Chair as Visiting Professor in Latin American Studies at The University of Texas at Austin for the Spring Semester 1979 in accordance with the provisions of the endowment for this Chair.

Sr. O'Donnell is a distinguished Argentine political scientist who holds law and political science degrees from the University of Buenos Aires and from Yale University. His specialities include factors in the

growth and breakdown in democratic government in national states and the phenomenon of political authoritarianism. He is author of a number of books and papers and comes with the highest recommendation from his professional colleagues over the nation.

- c. Dr. Ernest L. Lundelius, Jr., be appointed the first recipient of the John A. Wilson Professorship in Vertebrate Paleontology at The University of Texas at Austin effective September 1, 1978.

Professor Lundelius is a distinguished scholar in vertebrate paleontology and a productive researcher. He has published widely and has received numerous awards, including Fulbright Fellowships, Senior Scholar Awards in 1954 and 1976, and two substantial grants from the National Science Foundation.

3. U. T. El Paso: Authority to Seek Permission from Coordinating Board to Establish Bachelor of Arts Degree with Major in Social Work (Catalog Change). -- Authority was granted to seek permission from the Coordinating Board, Texas College and University System to establish a Bachelor of Arts Degree with a Major in Social Work at The University of Texas at El Paso based on the recommendation of President Templeton and concurred in by System Administration.

If this program is approved by the Coordinating Board, the Academic and Developmental Affairs Committee ordered that the next appropriate catalog published at U. T. El Paso be amended to reflect this new program.

4. U. T. El Paso: Constitution of Student Association as Amended. -- In a special election the Student Body at The University of Texas at El Paso approved amendments to the Constitution of the Student Association. Upon recommendation of President Templeton and System Administration approval was given to the proposed amendments, and the Constitution of the Student Association at U. T. El Paso as amended (set out on Pages 36 - 41) was adopted without objection subject to editorial changes which have been made.

CONSTITUTION OF THE STUDENT ASSOCIATION
OF
THE UNIVERSITY OF TEXAS AT EL PASO
1976

PREAMBLE

We, the students of The University of Texas at El Paso, in order to establish a democratic student government representing all students regardless of race, sex, religion, and political or social belief, in providing the official voice through which student opinion may be expressed, in encouraging the development of student participation in the overall policies in the decision-making process of the University and in providing means for responsible and effective participation in the organization of student affairs and in the planning of its activities and in defending the rights of each student of the University, do hereby establish this Constitution.

ARTICLE I

- Section 1. The students at The University of Texas at El Paso shall be known as the Student Association of The University of Texas at El Paso.
- Section 2. Each student enrolled at this institution shall be a member of the Student Association and shall have the privilege of voting in Student Association elections and referenda.
- Section 3. The Student Association shall contain a governing body and that body shall be organized into two branches: the Student Council and the Judicial Branch.
- Section 4. Each student duly elected or appointed to office in the Student Association shall, before assuming the duties of that office, take the following oath administered by the Dean of Students or his representative: "I (officer repeats full name) do solemnly affirm that I will, to the best of my ability, fulfill, defend, and further the purpose and goals of the Student Association of The University of Texas at El Paso as stated in the Constitution."

ARTICLE II

- Section 1. All Executive and Legislative powers shall be vested in a Student Council composed of an internal Affairs Vice-President and sixteen (16) members and five (5) alternate members selected at-large in a General Election of the Student Association.

Section 2. To qualify as an officer in the Student Association, a student must be enrolled for at least six (6) credit hours during the fall semester and be enrolled for at least six (6) credit hours during the spring semester; must have a 2.5 cumulative grade point average at the time he or she takes office and maintain a 2.5 grade point average during his or her term of office as stipulated by Article II, Section 8 of this Constitution: must have at least thirty (30) credit hours at The University of Texas at El Paso by the time that he or she takes office; and must not be on disciplinary or scholastic probation of any kind. Anyone who takes office without meeting stated requirements or who fails to meet stated qualifications during his or her term of office shall forfeit his seat on the Student Association Council and the next alternate in the line of succession shall take the vacated seat and all rights and privileges thereof.

Section 3. The Council seats, except the seats of the Student Association President and the Internal Affairs Vice President, shall be filled by the required number of candidates receiving the greatest number of votes. Each student shall vote for no more than three (3) candidates for Council seats.

Section 4. The offices of the Student Association President and Student Activities Coordinator shall be filled by the candidate in each race receiving a majority of the votes cast in a general election. Each student shall vote for no more than one (1) candidate for the office of Student Association President and for no more than one (1) candidate for the office of Activities Coordinator.

Section 5. A vacant seat on the Council shall be filled by the Alternate Member who received the greatest number of votes in the General Election.

Section 6. Any office-holder of the Student Association shall be removed from office upon conviction in an impeachment trial or upon suspension for improper conduct.

Section 7. Monthly Stipends for officers of the Student Association shall be as follows:

Student Association President	\$190
Student Activities Coordinator	\$190
Internal Affairs Vice-President	\$140
External Affairs Vice-President	\$140
Council Member	\$ 40

Any Council member who fails to attend any regular Council meeting or any regular meeting to which he/she has been appointed shall forfeit from his/her stipend ten dollars for each regular Council meeting and five dollars for each regular meeting, unless excused for such absence by a 2/3 vote of the Council. The total amount forfeited in any one month shall not exceed the total stipend for that month.

Section 8. The term of office for all officers shall be one year commencing on June 1 and ending May 31.

- Section 9. The office of the Student Association Internal Affairs Vice-President shall be filled by the candidate receiving a majority of the votes cast in this race in a General Election. Each student shall vote for no more than one candidate.

ARTICLE III

- Section 1. The Student Association President shall have the following powers and duties:

- a. To act as Chief Executive of the Student Association.
- b. To act with the Council to enforce this Constitution and legislation of the Student Association.
- c. To call Special Sessions of the Council and to call the First Sessions of the Council after a General Election if the Council has not met by the third week of its tenure.
- d. To sit as a non-voting Member of the Council and all of its Committees.
- e. To veto legislation, but not resolutions, of the Council in totality but not in item.
- f. To sit as Chairman of the Executive Committee of the Council.

- Section 2. The office of Student Association Internal Affairs Vice-President shall be filled by the candidate receiving a majority of votes cast in a General Election. The Internal Affairs Vice-President shall have the following powers and duties:

- a. To preside over sessions of the Council if not acting as Student Association President.
- b. To become Student Association President if the office becomes vacant and to assume the office of President if the President is absent or disabled.
- c. To call Special Sessions of the Council.

- Section 3. The Council shall elect, by 2/3 Roll Call Vote, from among its membership an External Affairs Vice-President who shall have the following powers and duties:

- a. To act as liaison between the Student Association and local, state, and national student organizations.
- b. To preside over Sessions of the Council in the absence of the Internal Affairs Vice-President.
- c. To recommend to the Council students to travel on Student Association funds.

- Section 4. The Student Activities Coordinator shall have the following powers and duties in conjunction with the Student Program Advisor:

- a. To plan, coordinate, and carry out Student Activities on campus.
- b. To appoint committees to help in planning Student Activities.
- c. To spend, contract, and/or arbitrate the use of funds allocated to Student Activities.

- Section 5. Alternate Members of the Council shall have the same privileges as Members except the privilege of voting in Council and Committee Sessions.
- Section 6. The Council shall appoint an Attorney General to represent the Student Association in the University Judicial System and to prosecute violations of the Constitution, legislation of the Student Association, and any other regulations within the jurisdiction of the Student Association.
- Section 7. The council shall appoint a Public Defender to represent students accused of violation of the Constitution, legislation of the Student Association, and any other regulations within the jurisdiction of the Student Association.
- Section 8. The Student Association President shall have the power to make Interim appointments. Said Interim appointments shall be effective for thirty (30) calendar days. The Council shall have thirty (30) days to make a permanent appointment to any position filled by an Interim appointee. No Interim appointee shall be allowed to succeed himself or herself as an Interim appointee.

ARTICLE IV

- Section 1. The Council shall appoint, on or before its fourth Session, an Executive Committee composed of the Student Association President, the Internal and External Affairs Vice-Presidents, the Activities Coordinator, and the Chairpersons of the Finance and Ways and Means Committees. The Executive Committee shall have the following powers and duties:
- a. To recommend to the Council applicants to fill appointive positions in the Student Association.
 - b. To recommend to the Council the formation of Student Association Ad Hoc Committees.
 - c. To formulate, and recommend to the Council, goals and policies for the Student Association.
- Section 2. The Council shall appoint from among its membership, on or before its fourth Session, a Ways and Means Committee to advise the Council on all procedural matters of the Student Association.
- Section 3. The Council shall appoint from among its membership, on or before its fourth Session, a Finance Committee to advise the Council on all financial matters of the Student Association.
- Section 4. The Council shall appoint an Election Commission to compile an Election Code to set forth all necessary regulations for Student Association elections. The Election Code shall be submitted to the Council for approval by a 2/3 Roll Call Vote.
- Section 5. A majority of the Roll fo the Council shall constitute a quorum for the transaction of business and shall be called a Session of the Council.

- Section 6. The Council shall approve by a 2/3 Roll Call Vote all rules and regulations necessary to its expedient and proper operation.
- Section 7. The Council shall have the sole power of impeachment by a 2/3 Roll Call Vote. Any member of the Student Association may initiate impeachment charges. The Chief Justice of the Supreme Court shall preside over the Council in an impeachment trial except in cases involving members of the Judicial Branch in which case the Internal Affairs Vice-President shall preside.
- Section 8. All Sessions of the Council and its Committees shall be open.

ARTICLE V

- Section 1. All judicial powers shall be vested in a Supreme Court and such inferior courts as may be established by the Council. The Supreme Court shall consist of seven students appointed by the Council from those students submitting petitions. Justices shall remain in their positions unless they are disqualified, impeached and convicted, or resign.
- Section 2. The Supreme Court shall have original jurisdiction over cases involving the Constitution, statutes of the Student Association, and any other case referred to it by the Council, as stipulated by the Constitution, and/or the Office of Student Affairs.
- Section 3. If any statute of the Student Association, in part or in its entirety, be found contrary to the Constitution, said statute shall be declared null and void by the Supreme Court.
- Section 4. The Supreme Court shall have appellate jurisdiction over all inferior court decisions.
- Section 5. The Supreme Court shall approve by 2/3/ Roll Call Vote all rules and regulations necessary for its proper and expedient operation and the proper and expedient operation of the Judicial Branch.
- Section 6. The Supreme Court shall publish three bound copies of its official proceedings at the end of the academic year to be permanently located at the following places:
- a. Office of the Student Association.
 - b. Office of Student Affairs.
 - c. Office of the University Librarian.

ARTICLE VI

- Section 1. Legislation may be initiated by any member of the Student Association.

- Section 2. A presidential veto of an act passed by the Council may be overridden by a 2/3 Roll Call Vote of the Council.
- a. All legislation passed by the Council and signed by the Student Association President shall be embodied in the law of the Student Association.
 - b. If the Student Association President does not sign an act of the Council within ten days of its passage, the act shall become law.
- Section 3. All official records, orders, journals, and proceedings of the Council shall become an official record of the University and shall be distributed as follows:
- a. The Office of the Student Association.
 - b. The Office of Student Affairs.
 - c. The Office of the University Librarian.

ARTICLE VII

- Section 1. An amendment to the Constitution may be initiated by the Council or by petition of fifty (50) members of the Student Association to the Council. If an amendment is initiated by petition bearing three hundred fifty (350) signatures of members of the Student Association or two-and-one half per cent ($2\frac{1}{2}\%$) of the Student Association, whichever is greater, then the amendment shall be submitted to the student electorate for a vote.
- Section 2. If an amendment proposed to Council receives the support of a majority of the Roll of the Council in Regular Session, it shall be submitted to the student electorate for a vote. Proposed amendments must be presented to the University newspaper in full text preceding its presentation to the student electorate for approval. Full texts must be made available to all Student Association members prior to the election upon request.
- Section 3. A majority of the ballots cast upon an amendment shall be necessary for the amendment to become part of this Constitution.
- Section 4. All amendments to the Constitution shall replace the Articles and Sections for which they are written.

ARTICLE VIII

This Constitution, and any amendment thereto, shall not be effective unless and until approved by the Board of Regents of The University of Texas System; and, shall otherwise in all respects be subject to the Rules and Regulations of said Board of Regents. Notwithstanding any such approval, any provision of this Constitution, or any amendment thereto, which is in conflict with said Rules and Regulations (as determined by the Board of Regents) shall be null and void.

REPORT OF BUILDINGS AND GROUNDS COMMITTEE (Pages 42-63). -- Committee Chairman Bauerle filed the following report of the Buildings and Grounds Committee stating that all items were considered in open session. There being no objection, the report was adopted.

Report

Report of Committee Meeting on Thursday, June 8, 1978. -- The Buildings and Grounds Committee met on Thursday, June 8, 1978, at 2:00 p.m. in the Regents' Meeting Room on the ninth floor of Ashbel Smith Hall, Austin, Texas, pursuant to the resolution adopted on September 16, 1977. This resolution provides for a meeting of the Buildings and Grounds Committee, attendance at which is voluntary, on the day preceding each meeting of the Board of Regents for in-depth study of the Administration's recommendations. The resolution further provides that any formal action relating to the recommendations should be taken as in the past by the full Board and not by the Committee on the preceding day.

All members (Page 1) were in attendance at this committee meeting. Upon the suggestion of Regent Shivers and upon a motion duly made and seconded, that portion of the resolution that "provides for formal action relating to the recommendations should be taken as in the past by the full Board and not by the Committee on the preceding day" was waived. (See Page 63.)

Each item on the agenda was considered as outlined below:

1. U. T. System - Ashbel Smith Hall - Completion of Fifth Floor: Award of Contracts for Furniture and Furnishings to Rockford Furniture and Carpets, Inc., Austin, Texas, and to San Antonio Floor Finishers, Inc., San Antonio, Texas. -- After consideration of the tabulation of bids and the recommendation of System Administration, the Buildings and Grounds Committee without objection awarded contracts to the lowest responsible bidders as set out below for the furniture and furnishings for the Completion of the Fifth Floor of Ashbel Smith Hall, The University of Texas System:

Rockford Furniture & Carpets, Inc., Austin, Texas	
Base Bid "A" (General Items)	\$35,976.28
Base Bid "B" (Metal Items)	<u>6,457.14</u>
Total Contract Award to Rockford Furniture & & Carpets, Inc.	\$42,433.42
San Antonio Floor Finishers, Inc., San Antonio, Texas	
Base Bid "C" (Carpet)	<u>9,043.00</u>
Grand Total Contract Awards	<u>\$51,476.42</u>

The funds necessary to cover these contract awards are available in the Furniture and Equipment Account for this project.

2. U. T. Arlington - Remodeling of College Hall: Report of Negotiations, Award of Contract to Nico Industries, Inc., Dallas, Texas, and Additional Appropriation Therefor. -- The Administration reported that as indicated at the April 7, 1978 meeting, the Office of Facilities Planning and Construction had continued investigations on the cost overrun for the Remodeling of College Hall at The University of Texas at Arlington with the lowest responsible bidder. It had been concluded that the cost could be reduced \$209,000 without significantly restricting the functional use of the remodeled building.

After a detailed discussion of the items that had been deleted from this project, Regent Law moved that the recommendations as presented in the Material Supporting the Agenda be amended by including the audio visual equipment in the amount of \$6,000. This motion was duly seconded and carried.

The question recurred on the recommendations as amended and on motion of Regent Shivers, duly seconded, the Buildings and Grounds Committee without objection:

- a. Awarded the construction contract for Remodeling of College Hall at U. T. Arlington to the lowest responsible bidder, Nico Industries, Inc., Dallas, Texas, as follows:

Base Bid	\$999,000
Less Negotiated Reductions	<u>-203,000</u>
Total Contract Award	<u>\$796,000</u>

- b. Authorized a revised total project cost of \$881,000 to cover the building construction contract award, movable furnishings and equipment, air balancing, landscaping, fees and related project expenses
- c. Appropriated additional funds in the amount of \$154,901 from Interest on Bond proceeds to provide for the total project cost

It was noted that previous appropriations for this project include \$694,824 Legislative appropriations and \$31,275 appropriated by the Board of Regents from Combined Fee Revenue Bond proceeds.

3. U. T. Arlington: Waiver of Regents' Easement Policy and Authorization to Grant Easement to Texas Electric Service Company for Continuation of Right-of-Way and Service to Existing Overhead Electrical Line Along Morgan Court in Northwest Quadrant of Campus. -- Upon the recommendation of President Nedderman and System Administration and without objection, the Buildings and Grounds Committee waived the Regents' underground easement policy and authorized an overhead easement and right-of-way to Texas Electric Service Company with the understanding that if the Board in the future so requests Texas Electric Service Company will relocate the easement underground. This easement is to be five feet in width and three hundred feet in length along the east line of Lot 10, Block 2, Morgan Addition, City of Arlington, Texas.

This easement in effect is the existing overhead electric service line easement presently from the City of Arlington and is located

along Morgan Court, an abandoned public street on the campus of The University of Texas at Arlington.

The Chairman of the Board of Regents was authorized to execute the easement document when it had been approved as to content by System President Walker and as to form by an attorney in the Office of General Counsel.

4. U. T. Austin - College of Fine Arts and Performing Arts Center (Fine Arts Library and Administration Building; Concert Hall; Drama Workshops; Opera Lab Theatre; and Music Building and Recital Hall); Inscriptions on Plaques. --After discussion as to names and titles to be placed on the plaques, the original recommendation of the Administration that the inscriptions set out below be approved for the College of Fine Arts and Performing Arts Center (Fine Arts Library and Administration Building; Concert Hall, Drama Workshops, Opera Lab Theatre, and Music Building and Recital Hall) at The University of Texas at Austin was approved. These inscriptions follow the standard pattern approved by the Board of Regents at its October 1, 1966 meeting:

FINE ARTS LIBRARY AND ADMINISTRATION BUILDING

1976

BOARD OF REGENTS

Allan Shivers, Chairman
 Dan C. Williams, Vice-Chairman
 James E. Bauerle, D.D.S.
 Edward Clark
 Mrs. Lyndon B. Johnson
 Thos. H. Law
 A. G. McNeese, Jr.
 Joe T. Nelson, M.D.
 Walter G. Sterling

Charles A. LeMaistre, M.D.
 Chancellor, The University
 of Texas System

Lorene L. Rogers, President
 The University of Texas
 at Austin

Fisher and Spillman Architects, Inc.
 Project Architect

Zapata Warrior Constructors,
 A Division of Zapata Constructors, Inc.
 Contractor

CONCERT HALL

1976

BOARD OF REGENTS

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 James E. Bauerle, D.D.S.
 Edward Clark
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 A. G. McNeese, Jr.
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 Contractor

DRAMA WORKSHOPS

1976

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Contractor

OPERA LAB THEATRE

1976

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Lorene L. Rogers, President
The University of Texas
at Austin

Fisher and Spillman Architects, Inc.
Project Architect

Zapata Warrior Constructors,
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Contractor

MUSIC BUILDING AND RECITAL HALL

1976

BOARD OF REGENTS

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Contractor

5. U. T. Austin - Robert Lee Moore Hall - Fusion Research Center - Texas Experimental Tokamak (TEXT) Project: Approval of Preliminary Plans and Authorization to Submit to Coordinating Board; Authorization to Prepare Final Plans Subject to Coordinating Board Approval. --Mr. Jerry Riddle and Mr. Scotty Curtis of the firm of Bovay Engineers, Inc., Austin, Texas, Project Engineer, presented the preliminary plans and specifications for the Texas Experimental Tokamak (TEXT) Project at the Fusion Research Center in Robert Lee Moore Hall at The University of Texas at Austin.

Following a series of questions and in-depth discussion, the Buildings and Grounds Committee without objection:

- a. Approved the preliminary plans and specifications for the Texas Experimental Tokamak (TEXT) Project at the Fusion Research Center in Robert Lee Moore Hall at The University of Texas at Austin at an estimated total project cost of \$756,000 and authorized the submission of the project to the Coordinating Board, Texas College and University System

This is to be funded from a federal research grant from the Energy Research and Development Administration reported and approved by the Board of Regents on February 10, 1978 (Page A-37, Items 38 and 39 or Permanent Minutes, Volume XXV, Page 2149).

The plans and specifications, prepared by the Project Engineer, Bovay Engineers, Inc., Austin, Texas, include interior modifications of the existing 7,500 square foot underground laboratory, construction of approximately 1,308 gross square feet of new underground vault space, and site modifications to accommodate the new and larger Tokamak machine and ancillary equipment.

- b. Subject to the approval of the Coordinating Board, authorized the Project Engineer to prepare final plans and specifications for consideration of the Board of Regents at a future meeting.

6. U. T. Austin - Addition to Pharmacy Building (Including Renovation of Existing Building): Approval of Preliminary Plans. --There was on exhibit at the Regents' meeting a model of the present Pharmacy Building and the proposed Addition thereto. Mr. John Van Ness and Mr. Ray Beets of The White Budd Van Ness Partnership, the Project Architect, presented in detail the plans and justified the high cost by pointing out the extensive laboratory space involved.

Following a discussion, the Buildings and Grounds Committee without objection:

- a. Approved the preliminary plans and specifications prepared by the Project Architect, The White Budd VanNess Partnership, Houston, Texas, for the Addition to the Pharmacy Building at The University of Texas at Austin. These plans are based on an estimated total project cost of \$8,878,000 and include existing building renovation, new building addition, extension of utilities to the site and institutional procurement of equipment.

- b. Authorized the Project Architect to prepare final plans and specifications for consideration of the Board of Regents at a future meeting.

It was noted that \$8, 878, 000 had been previously appropriated for this project.

- 7. U. T. Austin - Former Nike Missile Base Property: Easement to Travis County, Texas, for Highway Right-of-Way Purposes to Maintain Public Road South of Bee Caves Road. -- Upon the recommendation of President Rogers and System Administration and without objection, the Buildings and Grounds Committee granted an easement to Travis County, Texas, covering a sixty-foot right-of-way for a public road dedication across University property within the Chris Parker Survey No. 703 in Travis County, Texas (former Nike Missile Base property, The University of Texas at Austin, and presently the site of the Police Academy facility).

The Chairman of the Board of Regents was authorized to execute the easement document when it had been approved as to content by System President Walker and as to form by an attorney in the Office of General Counsel.

- 8. U. T. Dallas - Phase III Fine Arts Building - Initial Studio Facilities: Award of Contracts for Furniture and Furnishings to Rockford Furniture & Carpets, Inc., Austin, Texas; Clegg/Austin, Inc., Austin, Texas; Stewart Office Supply Co., Dallas, Texas; and Abel Contract Furniture & Equipment Co., Inc., Austin, Texas, and Additional Appropriation Therefor. -- A detailed written report with respect to the bids received for furniture and furnishings for the Initial Studio Facilities, Phase III Fine Arts Building at The University of Texas at Dallas was submitted by the Administration.

It was pointed out that only one bid was received for Base Proposal "A" (Classroom Chairs) and no bid was received for Base Proposal "E" (Kitchen Furnishings). In both cases it was found out by a poll of the bidders solicited that they were too busy with other work, were unable to get factory suppliers, were unfamiliar with the work and/or were geographically too far from the work site. One bid was lost in the mail.

Upon the recommendation of President Jordan and System Administration and without objection, the Buildings and Grounds Committee:

- a. Awarded contracts for the furniture and furnishings for the Initial Studio Facilities, Phase III Fine Arts Building at U. T. Dallas to the following lowest responsible bidders:

Rockford Furniture & Carpets,
Inc., Austin, Texas

Base Bid "A" (Classroom Chairs)	\$1, 426. 00
Base Bid "D" (Desks & Files)	<u>6, 269. 24</u>

Total Contract Award to Rockford Furniture & Carpets, Inc.	\$ 7, 695. 24
--	---------------

Clegg/Austin, Inc., Austin, Texas	
Base Bid "B" (Gallery Chairs)	5,826.56
Stewart Office Supply Co. Dallas, Texas	
Base Bid "C" (Desk Chairs)	6,175.17
Abel Contract Furniture & Equipment Co., Inc., Austin, Texas	
Base Bid "F" (Miscellaneous Items)	<u>27,963.95</u>
Grant Total Contract Awards	<u>\$47,660.92</u>

- b. Authorized purchase of Kitchen Furnishings (Base Proposal "E") through local institutional procurement, inasmuch as no bids were received out of fifteen solicitations and rebidding would probably not produce improved results
- c. Appropriated \$23,610.92 from Unexpended Plant Funds (UTD Account No. 9399-00) to cover the additional equipment included in the contract awards
9. U. T. Dallas - Founders West Annex (Original Utility Building of Founders Building Under Southwest Center for Advanced Studies) - Conversion of Utility Building to Classroom and Office Building: Authorization for Project Completion and Appropriation Therefor. -- Upon the recommendation of President Jordan and System Administration, the Buildings and Grounds Committee without objection:
- a. Approved the remodeling of approximately 6,000 square feet of the Utility Building [Founders West Annex (original utility building of Founders Building under Southwest Center for Advanced Studies)] for Conversion to Classroom and Office Building at The University of Texas at Dallas at an estimated total project cost of \$222,000
- b. Authorized the U. T. Dallas Administration to take all necessary action in this remodeling project and the Physical Plant Department to do the work with its own forces or through contract services after consultation with the Office of Facilities Planning and Construction
- c. Appropriated the sum of \$222,000 made available by the 65th Legislature for the Conversion of the Utility Building to a Classroom and Office Building at U. T. Dallas

10. U. T. Dallas - Student Union Building (Initial Phase): Approval of Preliminary Plans and Authorization to Submit Request for Approval to Coordinating Board; Authorization to Prepare Final Plans Subject to Coordinating Board Approval, and Additional Appropriation Therefor. -- The preliminary plans and specifications for the Student Union Building (Initial Phase) at The University of Texas at Dallas were presented by representatives of the Project Architect, Mr. Pat Spillman of the firm of Fisher and Spillman Architects, Inc., Dallas, Texas, and Mr. Norcell Haywood of the firm of Haywood, Jordan, McCowan, Inc., San Antonio, Texas.

Following a discussion, the Buildings and Grounds Committee without objection:

- a. Approved the preliminary plans and specifications prepared by the Project Architect, Fisher and Spillman Architects, Inc., in association with Haywood, Jordan, McCowan, Inc., for the initial phase of the Student Union Building at The University of Texas at Dallas, at an estimated total project cost of \$2,000,000 and authorized the submission of the project to the Coordinating Board, Texas College and University System
- b. Authorized the Project Architect to prepare final plans and specifications for consideration of the Board of Regents at a future meeting subject to Coordinating Board approval
- c. Appropriated additional funds in the amount of \$60,000 from Unappropriated Plant Funds for fees and related project expenses through completion of final plans and specifications

It was pointed out that it would be possible to add future phases of construction to expand the Student Union Building when enrollment increased and when funds could be developed for such expansion.

11. U. T. Dallas - Thermal Energy Plant: Authorization to Expand and to Make Commitment to Win-Sam, Inc., Regarding Cost Therefor; Appointment of Committee to Approve Revised Rate Schedule. -- A report in the Material Supporting the Agenda pointed out the additional needs for thermal energy on the campus of The University of Texas at Dallas.

Upon the recommendation of President Jordan and System Administration, the Buildings and Grounds Committee without objection:

- a. Authorized expansion of the Thermal Energy Plant at The University of Texas at Dallas
- b. Authorized President Walker to make a commitment to Win-Sam, Inc., on an actual cost basis in accordance with the terms of the existing contract, but in no event to exceed \$1,500,000, for reimbursement of its investment in expansion of its Thermal Energy Plant at U. T. Dallas in the event that the University fails to execute

a revised rate schedule as called for in the terms of the existing contract. In such an unlikely event, title to the capital improvements installed for expansion would vest in the Board of Regents upon payment of the reimbursement.

- c. Appointed a committee consisting of Board Chairman Shivers, Committee Chairman Bauerle, President Walker, Vice President for Operations Landrum, Director Kristoferson and Vice President Fallis to review and approve the detailed terms of the revised rate schedule
- d. Authorized Chairman Shivers to sign the revised contract when the terms had been approved by the committee, the form by the General Counsel, and the content by President Walker

The revised contract will subsequently be submitted to the Board of Regents for ratification.

12. U. T. El Paso - Repair, Rehabilitation and Additions to El Paso Centennial Museum: Award of Contract to C. A. Goetting Company, Inc., El Paso, Texas.-- Upon recommendation of President Templeton and System Administration, the Buildings and Grounds Committee without objection:

- a. Awarded the construction contract for the Repair, Rehabilitation and Additions to the El Paso Centennial Museum at The University of Texas at El Paso to the lowest responsible bidder, C. A. Goetting Company, Inc., El Paso, Texas, as follows:

Base Bid	\$ 581,000
Additive Alternates:	
No. 1 Drive and Parking Lot Paving	9,376
No. 2 Replace Entrance Walks	2,960
No. 3 Vinyl Asbestos Tile in 4 Rooms	627
No. 4 Track Light System	<u>2,600</u>
Total Contract Award	<u>\$ 596,563</u>

- b. Approved a total project cost of \$735,500 to cover the building construction contract award, movable furnishings and equipment, air balancing, fees and related project expenses. (This amount had previously been appropriated; it includes the sum of \$525,000 made available by the 65th Legislature.)

13. Dallas Health Science Center (Dallas Southwestern Medical School) - Philip R. Jonsson Basic Science Research Building - Remodeling of Animal Areas and Academic Space: Approval of Preliminary Plans and Additional Appropriation Therefor.--Mr. Preston Geren and Mr. T. J. Garrett, representing the firm of Geren Associates, Fort Worth, Texas, Project Architect, did not have a rendering of the Remodeling of the Animal Areas and Academic Space in the Philip R. Jonsson Basic Science Research Building at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas but did explain the project in detail.

Following this presentation, the Buildings and Grounds Committee without objection:

- a. Approved the preliminary plans and specifications for the Remodeling of Animal Areas and Academic Space in the Philip R. Jonsson Basic Science Research Building at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas at an estimated total project cost of \$650,000
- b. Authorized the Project Architect, Geren Associates, Fort Worth, Texas, to prepare final plans and specifications for consideration of the Board of Regents at a future meeting
- c. Appropriated additional funds in the amount of \$15,000 from Dallas Health Science Center Unappropriated Balance Plant Fund Account No. 729910 for fees and related project expenses through completion of final plans and specifications

It was noted that a Legislative appropriation in the amount of \$500,000 had been made toward the cost of this project and that additional funds are available in unexpended plant funds.

14. Dallas Health Science Center - Thermal Energy Plant: Ratification of Contract Modifications with Lone Star Energy Company. --The following report was received in the Material Supporting the Agenda from the Special Committee (composed of Chairman Shivers, Committee Chairman Bauerle, Vice-Chairman Williams, President Walker, Vice President Landrum, Director Kristoferson and Vice President Weeks) appointed at the June 5, 1975, meeting of the Board of Regents to review the negotiated terms of a contract with Lone Star Energy Company with respect to the expansion of the Thermal Energy Plant at The University of Texas Health Science Center at Dallas:

The existing contract with Lone Star Energy Company for thermal services at the Dallas Health Science Center has been renegotiated to provide for 5,000 tons of additional chilling capacity to serve new buildings on the campus. The firm of Stone and Webster, Management Consultants, Inc., was retained to assist the University in the negotiations. The terms of the revised contract have been reviewed and approved by the special committee, and the committee report has been filed with the Secretary to the Board of Regents.

This revised contract has been approved by a University attorney as to form and by President Walker as to content, and Chairman Shivers has signed same.

The foregoing report of the Special Committee was approved, and the Amendment and Modification Agreement, set out on Pages 52-58, of the existing contract with Lone Star Energy Company for thermal service at The University of Texas Health Science Center at Dallas was in all things approved, confirmed and ratified by unanimous vote.

THIS AGREEMENT made and entered into this _____ day of _____, 197_, and between LONE STAR ENERGY COMPANY, a Texas Corporation, hereinafter sometimes referred to as "Seller", and the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, hereinafter sometimes referred to as "Board",

W I T N E S S E T H

WHEREAS, there exists a Service Agreement dated June 8, 1970, between Lone Star Gas Company and Board of Regents of the University of Texas System, such Service Agreement, as amended, being hereinafter referred to as "Service Agreement", that provides for the construction of a central plant and underground distribution system, the operation and maintenance thereof and the furnishing of chilled water and steam therefrom to provide the thermal energy requirements, up to the capacity of Seller's plant and distribution system, to certain present and future buildings listed on Exhibit "A" and further described in the Exhibit "B", constituting The University of Texas (Southwestern) Medical School at Dallas, now known as The University of Texas Health Science Center at Dallas; and

WHEREAS, there exists a Lease Agreement dated June 8, 1970, between Lone Star Gas Company and Board of Regents of the University of Texas System, such Lease Agreement, as amended, being hereinafter referred to as "Lease Agreement", under which land and easements necessary to the construction and operation of the central plant and related facilities are leased; and

WHEREAS, Lone Star Gas Company on December 15, 1970 assigned the Service Agreement and Lease Agreement to Lone Star Energy Company with approval of Board; and

WHEREAS, in accordance with the Service Agreement and approved plans and specifications therefor, the central plant and underground distribution system were completed with capacity sufficient to provide chilled water and steam to the existing and future buildings described on Exhibit "B", and chilled water and steam have been furnished by Seller and accepted by Board in accordance with the Service Agreement; and

WHEREAS, the Service Agreement was amended by letter agreement between the parties hereto dated June 30, 1975; and

WHEREAS, in order to enlarge the leased premises and to provide a metes and bounds description of the property subject to the Lease Agreement, Seller and Board have amended the Lease Agreement by a Lease Amendment dated April 19, 1976; and

WHEREAS, the Board has requested that Seller expand the central plant to 12,000 tons of cooling capacity to accommodate the load added by new construction by the Board, and Seller desires to do so, as hereinafter provided, based upon modifications in the Service Agreement, including a change in the rate schedule and provisions for Seller to recover other costs relating to providing chilled water and steam as hereinafter set forth, and wherever the term "central plant" is used, it shall be deemed to mean "thermal energy plant".

NOW, THEREFORE, in consideration of the payment of one dollar (\$1.00) by Seller to Board, the receipt of which is hereby acknowledged, and the mutual covenants hereinafter set forth, Seller and Board agree as follows:

I.

THIS AGREEMENT:

Seller and Board acknowledge that the original construction of the existing central plant of 7,000 tons cooling capacity and 246 thousand pounds of steam per hour boiler capacity and underground distribution system has been completed in accordance with the terms of the Service Agreement and approved plans and specifications. This Amendment and Modification Agreement will provide for the construction by Seller of an addition to the central plant (but not to the distribution system) to increase the capacity of the central plant, in accordance with plans and specifications to be furnished by Lockwood, Andrews and Newnam, Inc., to provide chilled water and steam to meet the increased

requirements of the Board, occasioned by new construction, up to the capacity of the expanded central plant and the existing distribution system. Therefore, the Service Agreement as it pertains to the operation and expansion of the central plant and the underground distribution system, shall continue in effect as amended and modified hereby.

II.

EXCLUSIVE SERVICE:

The last sentence of the first paragraph of Article 1, "Construction of Plant and Distribution System", of the Service Agreement shall be deleted and the following sentence shall be substituted for and in lieu thereof;

"Board agrees that during the term of this agreement it will not provide or otherwise obtain chilled water and steam from any other source for those buildings owned by the Board and shown on Exhibits "A" and "B" or as shown on Exhibit "I" attached hereto and by reference made a part hereof."

III.

CONSTRUCTION OF PLANT EXPANSION:

The following paragraph shall be added to Article 1, "Construction of Central Plant and Distribution System", of the Service Agreement;

"1-A. Construction of Plant Expansion. Pursuant to a letter dated November 24, 1976 from the University of Texas System to Lone Star Energy Company, Seller will expand its existing central plant located on the leased property described in the Lease Agreement, as amended, for the purpose of serving the increased requirements of the Board, occasioned by new construction, up to the capacity of the existing distribution system and the expanded central plant when completed in accordance with the provisions hereof and in accordance with plans and specifications prepared by Lockwood, Andrews & Newnam, Inc., whose selection as consulting engineers for the plant expansion contemplated hereby has been approved by the duly authorized representative of the Board by letter dated May 21, 1976. It is acknowledged that because of the Board's needs for chilled water and steam, Seller has been required to commence and proceed with the construction of the central plant expansion before the completion of plans and specifications by the consulting engineers, and accordingly, the cost of construction on the central plant expansion can only be estimated. The estimated cost to construct the central plant expansion is \$6,805,000, which includes cost of underground fuel oil facilities and transfer system, which are now in operation, as designed by Wm. E. Wallis and Associates, installed by Seller pursuant to a letter agreement dated August 28, 1975. Seller shall be responsible for advancing such costs of construction, whether more or less than estimated, and Seller shall be reimbursed by the Board by means of the rate schedule provided herein.

"Seller promptly commenced the construction contemplated, and has and will diligently pursue and continue construction until the expansion of the central plant is completed, subject to interruption in the work brought about by causes beyond the control of Seller.

"The central plant expansion shall maintain the same general architectural appearance as the original plant and the construction shall be substantially in accordance with preliminary plans prepared by Lockwood, Andrews & Newnam, Inc., Consulting Engineers, and approved by the Board's authorized representative, the Director of the Office of Facilities Planning & Construction. The Board may arrange to have an inspector on the job site to verify that construction is proceeding in accordance with the plans and specifications."

IV.

DESIGN CRITERIA:

To the extent that Article 2 of the Service Agreement deals with design criteria applicable to the existing central plant, the parties acknowledge that such requirements have been satisfied. The design criteria applicable to the central plant expansion shall be generally in conformity with the design criteria applicable to the existing central plant except as modified by the plans and specifications prepared by Lockwood, Andrews & Newnam, Inc., or as modified with approval of the authorized representatives of the parties hereto. Also since the Board has installed primary metering and switchgear elsewhere,

associated with the central electrical system of the school, it is agreed that the last paragraph of Article 2 of the Service Agreement shall be of no further effect and is hereby deleted therefrom.

V.

QUANTITY AND QUALITY OF SERVICE:

The term "40°F" as it appears in the third line of the first paragraph of Article 5, "Quantity and Quality of Service", of the Service Agreement shall be changed to read "42°F, provided no unreasonable loss of humidity control is suffered by Board"; and the figure "150 psig" appearing in the second line of the second paragraph of Article 5 shall be changed to read "250 psig".

VI.

RETURN OF CHILLED WATER AND STEAM CONDENSATE:

The figure "\$1.25" in the second line of subparagraph d. of Article 6, "Return of Chilled Water and Steam Condensate", of the Service Agreement shall be changed to read "\$2.25".

VII.

METERING EQUIPMENT: POINT OF DELIVERY:

The three (3) paragraphs of Article 7, "Metering Equipment: Point of Delivery", of the Service Agreement shall be amended to read as follows:

"7. Metering Equipment: Point of Delivery. Equipment for measuring and metering the chilled water and steam delivered and condensate returned and waste heat recovered shall be located in the central plant and shall be maintained by Seller accurate within plus or minus two-percent (2%) at all normal conditions. Present delivery points are designated on Exhibit "II". Circulation of chilled water, steam and condensate through the system of the buildings shown on Exhibit "II" to and from delivery points shall be the responsibility of Board. It is further agreed that the meters presently installed in the existing buildings being served from the central plant shall be the property of Board."

VIII.

RATES FOR CHILLED WATER AND STEAM:

The parties hereto acknowledge that the central plant expansion contemplated hereby is an expansion coming within the provisions of Article 14 of the Service Agreement; therefore, the provisions of the Service Agreement now in effect, including the rate provisions set out in Article 9 and Article 10 and the amendments previously effected by the letter agreement dated June 30, 1975, shall continue in effect until the effective date. Thereafter, and beginning with the effective date, the following rate schedule shall govern the charges for chilled water and steam made available and/or delivered to Board from the central plant and distribution system:

"Rate Schedule. Subject to adjustment as hereinafter provided, Board shall pay to Seller for the chilled water and steam made available and/or delivered from the central plant and distribution system to buildings comprising the University of Texas Health Science Center at Dallas, as described in Exhibit "I" hereof, on a monthly basis, an amount equal to the sum of the following:

1. A fixed monthly charge equal to \$212,600.
2. \$0.0669 per ton hour of chilled water delivered from steam operated chillers.
3. \$0.0193 per ton hour of chilled water delivered from engine driven chillers.
4. \$3.015 per million BTU of steam.

From such amount, the Board shall be entitled to a credit of \$2.80 per MMBTU of recovered waste heat from engine driven chillers. As used herein, the

term "ton-hour" means 12,000 BTU, and the term "BTU" means British Thermal Unit. The monthly charges set out above in subparagraph 2, 3 and 4 shall be decreased or increased, as the case may be, as follows:

a. By an amount equal to the increase or decrease in cost of electricity purchased for use in the central plant during the monthly billing period from a base amount equal to the number of KWH so purchased, priced at \$0.035 per KWH. The term "KWH" shall mean kilowatt hour.

b. By an amount equal to the increase or decrease in cost of fuels used in the central plant during the primary fuel billing period immediately preceding the current monthly billing period from a base amount equal to the number of BTU's used, priced at \$2.00 per million BTU. The term "primary fuel billing period" shall mean the monthly billing period for natural gas.

c. By an amount equal to the increase or decrease in cost of water utilized in the central plant during the monthly billing period immediately preceding the current monthly billing period from a base amount equal to the number of gallons used, priced at \$0.75 per thousand gallons.

d. By an amount equal to eight and thirty-three hundredths percent (8.33%) of the difference between (i) the actual taxes (other than Federal Income Taxes) charged, paid or accrued in the most recent taxable year and (ii) a tax base of \$51,220 shall be added to or deducted from amounts due Seller. If customers other than Board are served from the central plant, the amount to be added to or deducted from the rate shall be a prorata part based on the total dollar sales volume to each customer.

e. By an amount equal to \$180.00 for each one percent (1%) increase or decrease, as the case may be, in the average cost of labor prevailing for manufacturing employees in the Dallas labor market for the month of December of the preceding year from the average cost of labor prevailing in the Dallas labor market for December 1976. Fractional percentages shall be proportionally applied. The average cost of labor prevailing for manufacturing employees in the Dallas labor market shall be determined by references to and in conformance with the Index of Gross Average Hours and Earnings in the Dallas Metropolitan Area published by the Texas Employment Commission in cooperation with the United States Bureau of Labor Statistics.

f. By \$16.85 for each one thousand dollars (\$1,000) the cost of expanding the central plant is over or under the estimated cost of \$6,805,000.

To determine the proportion of utility escalation costs in the above paragraphs a., b. and c. to be borne by Board, the total equivalent MMBTU (million BTU) used by Board in the preceding month, including steam, will be divided by the total equivalent MMBTU, including steam, sold from the plant and multiplied by the total utility escalation costs. Each ton hour of refrigeration sold will be considered the equivalent of 0.008 MMBTU."

IX.

Article 11, "Statement for Charges; Payment of the Service Agreement" shall be amended by adding the following to Article 11:

"Amounts unpaid after forty-five (45) days shall bear interest on the unpaid balance equal to the prime rate plus 1/2% established by the Republic National Bank at Dallas until payment is made."

X.

INABILITY TO PERFORM

Article 18, "Inability to Perform", of the Service Agreement shall be amended by adding the following to Article 18:

"The term 'retire primary indebtedness' shall mean 'pay to Seller the amount of Seller's net book investment at the time of takeover'. The term 'net book investment' is defined as the capital cost of plant and equipment when installed, less accumulated straight-line depreciation over the term of this Service Agreement. Such payment to Seller shall be made monthly in accordance with Article 11 except that the Board shall render Seller a monthly statement."

RIGHT OF PURCHASE

Article 19, "Right of Purchase", of the Service Agreement shall be deleted in its entirety.

XII.

NOTICES:

Article 22, "Notices", of the Service Agreement shall be deleted in its entirety and the following shall be substituted for and in lieu thereof:

"22. Notices. All notices and statements required hereunder shall be in writing and shall be deemed to have been delivered when deposited in the United States mail, postage prepaid, if properly addressed as follows:

If to Board: The University of Texas Health Science Center
at Dallas, Texas 75235

If to Seller: Lone Star Energy Company
P. O. Box 2820
Dallas, Texas 75221

Either party may, by written notice to the other, change its address for purposes of notices and bills hereunder."

XIII.

RECOVERY OF COSTS NOT INCLUDED IN RATES:

The following Article 31 shall be added to the Service Agreement:

"31. Recovery of Costs not Included in Rates. The parties hereto agree that Board shall adjust its reimbursement to pay Seller for a portion of any change in costs incurred by Seller as a result of any rules, regulations or laws imposed on Seller by local, state or federal governments or any agency thereof, except for fines and penalties assessed against Seller by said governmental agency by reason of willful or negligent acts within the control of Seller. The portion to be reimbursed by Board shall be determined by dividing the total equivalent MMBTU used by Board in the most recent calendar year by the total equivalent MMBTU sold from the plant in the most recent calendar year."

XIV.

DISTRIBUTION SYSTEM:

It is recognized that the central plant, when expanded, will have more production capacity than the present distribution system can accommodate; and at some time in the future, additional distribution system capacity may be required by the Board. Prior to expansion of the distribution system by Seller, the expansion to be made and rate adjustment to compensate Seller therefor should be agreed upon between the parties.

XV.

EFFECT:

The Service Agreement dated June 8, 1970, as previously amended prior to the date hereof, subject to the modifications and amendments made hereby, shall be deemed to be in full force and effect and continued during the remaining term thereof. It is recognized that this Amendment and Modification Agreement was actually made and entered into as of the date hereof; however, this Amendment and Modification Agreement shall be deemed to be effective retroactive from November 24, 1976, except that Articles V, VI, VII, VIII, IX, X, XI, XII, XIII and XIV shall be deemed to be operational effective on and after the "effective date", as defined herein. For the purposes hereof, the "effective date" shall mean the first day of the month following the date of issuance of a Certificate of Completion by Lockwood, Andrews and Newnam, Inc., which is finally accepted by the Director of Facilities Planning and Construction of the University of Texas System for the Board, even though such acceptance may be conditional.

JUN 9 1978 3240

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and delivered in quadruplicate originals as of the day and year first hereinabove written.

ATTEST:

LONE STAR ENERGY COMPANY

Louis O. Andrews
Assistant Corporate Secretary

By [Signature]
Vice President

ATTEST:

BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM

[Signature]
BETTY ANNE THIEDFORD, SECRETARY
Board of Regents of
The University of Texas System

By [Signature]
ALLAN SHIVERS, CHAIRMAN
Board of Regents of
The University of Texas System

APPROVED AS TO FORM:

[Signature]
University Attorney

APPROVED AS TO CONTENT:

[Signature]
President
The University of Texas System
APP [Signature]

JUN 9 1978

3241

EXHIBIT I
BUILDINGS SERVED FROM CENTRAL PLANT

BUILDING
INDEX

	<u>NAME</u>
A	Entry Pavilion
B	Eugene McDermott Academic Administration Building
C	Tom & Lula Gooch Auditorium & Cafeteria Building
D	Eugene McDermott Plaza Building
E	Fred F. Florence Bioinformation Center
F	Edward H. Cary Basic Science Building
G	Karl Hoblitzelle Clinical Science Building
H	Dan Danciger Research Building
J	Harry S. Moss Clinical Science Building
K	Philip R. Jonsson Basic Science Research Building
L	Cecil H. & Ida Green Science Building
M	Skillern Student Union Building
N	Ophthalmology Building
P	Physical Plant Buildings
S	Service Building

EXHIBIT II

DESIGNATING POINTS OF DELIVERY (SEE OFFICIAL COPY OF
DOCUMENT IN FILE 400.)

15. Galveston Medical Branch (Galveston Hospitals) - Renovation and Addition to Graves Hospital; Request to Approve Preliminary Plans for Addition Only, to Increase Scope Subject to Availability of Funds, to Submit to Coordinating Board and Texas Health Facilities Commission, to Prepare Final Plans and to Appropriate Additional Funds (DEFERRED). -- At the request of the Administration, consideration of the Renovation and Addition to Graves Hospital at The University of Texas Medical Branch at Galveston was deferred until a later meeting.

16. Galveston Medical Branch (Galveston Medical School) - Learning Center (Including Addition of Floors 3, 4, 5 and 6 Subject to Availability of Funds): Approval of Final Plans, Authorization to Advertise for Bids and Additional Appropriation Therefor. -- Mr. R. S. Kristoferson, Director of the Office of Facilities Planning and Construction, reported that plans had not been prepared for the four floors to be added to the Learning Center at The University of Texas Medical Branch at Galveston but he did show the rendering of the project.

After a brief discussion and upon the recommendation of President Levin and System Administration, the Buildings and Grounds Committee without objection:

- a. Approved final plans and specifications for the Learning Center at the Galveston Medical School of The University of Texas Medical Branch at Galveston at an estimated total project cost of \$9,800,000 including the addition of floors 3, 4, 5 and 6 subject to availability of funds
- b. Authorized the Director of the Office of Facilities Planning and Construction to advertise for bids in such a manner to secure a base bid, alternate one for shelling four additional floors, and separate alternates for the completion of each of the four additional floors. Results of the bids will be reported to the Board of Regents at a future meeting with recommendations for the action to be taken at that time.
- c. Approved an additional appropriation in the amount of \$200,000 from Medical Branch Plant Funds - Learning Center to cover fees and miscellaneous expenses through the completion of final plans and specifications

17. Galveston Medical Branch (Galveston Hospitals) - Texas Department of Corrections Hospital Including Housing for Guards: Approval of Preliminary Plans for Hospital and Authorization to Submit to Texas Health Facilities Commission; Approval of Site for Housing Guards and Authorization to Prepare Preliminary Plans Therefor. -- The preliminary plans and specifications for the Texas Department of Corrections Hospital at The University of Texas Medical Branch at Galveston were presented by Mr. Bill Ferro of the firm of Bernard Johnson, Inc., Houston, Texas, and Mr. Fred Day of the firm of Jessen Associates, Inc., Austin, Texas, Project Architect.

There was considerable discussion of the plans, including questions with respect to the site for housing the guards, both married and single, specific security measures being taken and procedures to be followed.

During the discussion of security measures, President Walker reported that he had a letter from the Texas Department of Corrections endorsing the site and general layout of the hospital. The letter from the Department of Corrections concluded with this statement: "The Department of Corrections intends to assume full responsibility for the security of this hospital at the time of its completion and occupancy by inmates."

Regent Law expressed the hope that the plan as to how the facility would be operated would be reduced to writing. It was suggested that there probably would be an Operations Procedural Manual.

Chairman Shivers pointed out that the Federal Department of Corrections had offered cooperation in the planning for this project and he strongly urged that these people be contacted; Regent Law concurred.

Following this discussion, the Buildings and Grounds Committee without objection:

- a. Approved the preliminary plans and specifications for the Texas Department of Corrections Hospital at an estimated total project cost of \$40,000,000 from Legislative appropriations and authorized the Project Architect, Bernard Johnson, Inc., and Jessen Associates, Inc., a Joint Venture, to prepare the final plans and specifications to be presented to the Board of Regents for consideration at a future meeting.
- b. Authorized submission of the details of this project to the Texas Health Facilities Commission for approval
- c. Approved a site between Twelfth and Thirteenth Streets, Mechanic and Texas Avenue (one-half block site) for housing the guards, both married and single, and authorized the Project Architect to prepare preliminary plans therefor to be presented to the Board of Regents for consideration at a future meeting

18. Houston Health Science Center - Facilities Control and Monitoring System (Formerly Called Central Data Acquisition System - CDAS) for Dental Branch Building, Speech and Hearing Institute Building and Phase I Building of Public Health School: Award of Contract to Burns International Security Services, Inc., Houston, Texas, and Appropriation Therefor. --A written report with respect to the bids received for the expansion of the facilities control and monitoring system at The University of Texas Health Science Center at Houston was submitted by the Administration.

It was noted that technical evaluation of the bids by the system designer showed that McCane-Sondock Energy Management Systems' proposal was not fully responsive in that there is no included cost for cabling and raceways for fire alarm or environmental services in any of the three buildings, no project management outline and no submittal of bidder

qualifications. Moreover, with respect to a key additive alternate for expansion from 4,000 to 20,000 points, a portion of the equipment needed to satisfy this requirement had been omitted and the expansion is not possible as quoted.

Upon the recommendation of Acting President Blocker and System Administration, the Buildings and Grounds Committee:

- a. Awarded the Facilities Control and Monitoring System (formerly called Central Data Acquisition System) for the Dental Branch Building, Speech and Hearing Institute Building and Phase I Building of the Public Health School of The University of Texas Health Science Center at Houston to the lowest responsible bidder, Burns International Security Systems, Inc., Houston, Texas, as follows:

Base Bid	\$ 345,575
Additive Alternates	
No. 1 Profiles	45,489
No. 2 2nd Printer	5,295
No. 5b Graphic Slides	8,750
No. 6 Power Limiting	<u>14,731</u>
Total Contract Award	<u>\$ 419,840</u>

- b. Authorized the Office of Facilities Planning and Construction to exercise the option to negotiate the cost of desirable parts of unawarded additive alternates within remaining project funds and, if successful, issue a change order therefor
- c. Appropriated the \$522,500 legislative appropriation for the total project cost which includes the contract award, future work, other related work, fees, miscellaneous expenses and contingencies

- 19. San Antonio Health Science Center - Expansion of Basic Science Teaching Space - Lecture Halls: Approval of Preliminary Plans and Additional Appropriation Therefor. --Preliminary plans and specifications for the construction of Lecture Halls as the next phase of the Expansion of Basic Science Teaching Space at The University of Texas Health Science Center at San Antonio were presented by Mr. Pat Chumney of the firm of Bartlett Cocke & Associates, Inc., representing the Project Architect, Phelps & Simmons & Garza and Bartlett Cocke & Associates, Inc., San Antonio, Texas.

Following a detailed discussion, and upon the recommendation of President Harrison and System Administration, the Buildings and Grounds Committee without objection:

- a. Approved the preliminary plans and specifications for the Lecture Halls - Expansion of Basic Science Teaching Space at the San Antonio Health Science Center at an estimated total project cost of \$2,250,000.

These plans provide approximately 21,000 square feet for two lecture rooms with a capacity of 300 students each and additional excavation of 14,250 square feet at the lower level available for future completion.

- b. Authorized the Project Architect to prepare final plans and specifications for consideration of the Board of Regents at a future meeting
- c. Appropriated \$1,800,000 from San Antonio Health Science Center Unexpended Plant Funds to provide for the total project

20. University Cancer Center (M. D. Anderson) - Remodeling of Present Building - Phase II: Approval of Final Plans and Authorization to Advertise for Bids. -- The Administration presented the final plans and specifications for the Phase II Remodeling of M. D. Anderson at The University of Texas System Cancer Center. These plans had been prepared by the Project Architect, Kenneth Bentsen and Associates, Houston, Texas. This Phase II Remodeling project is for the purpose of improving the existing second, third, fifth and sixth floor nursing wings and four existing elevators in the hospital at an estimated construction cost of \$9,200,000.

The Administration reported that as funding becomes available final plans for additional remodeling phases would be brought to the Board of Regents for consideration for the rehabilitation work on the first floor and the remaining spaces on the second, third and fifth floors of the existing building.

Upon recommendation of President Clark and System Administration, the Buildings and Grounds Committee:

- a. Approved the final plans and specifications for the Phase II Remodeling of the Present Building of M. D. Anderson Hospital at an estimated total project cost of \$10,362,600
- b. Authorized the Office of Facilities Planning and Construction to advertise for bids which will be presented to the Board of Regents at a subsequent meeting

21. Tyler Health Center: Authorization to Construct Chapel Addition and to Amend Master Plan to Include; Appointment of Page Southerland Page, Austin, Texas, Project Architect, and Appropriation Therefor. -- The Administration advised that pastoral, counseling and volunteer services at The University of Texas Health Center at Tyler were limited because of the lack of adequate facilities and that the Building Advisory Committee with assistance had developed a plan for a small facility to meet these needs. The Administration pointed out that it was contemplated that private gifts could be obtained for the construction but that it would greatly assist in the raising of money for the project if the preliminary plans could be completed.

After Director Kristoferson had shown an architect's sketch of the hospital under construction and pointed out the proposed location for the Chapel, the Buildings and Grounds Committee without objection:

- a. Authorized an amendment to the Master Plan for the Tyler Health Center to provide for a Chapel Addition to be located adjacent to the new hospital now under construction
- b. Authorized construction of a chapel and related facilities (counselor and volunteer offices, instructional space, conference rooms for teaching and group therapy and concurrently provide facilities for community and staff meetings or other special events) at the Tyler Health Center covering approximately 3,800 square feet at an estimated total project cost of \$360,000 subject to availability of funds
- c. Appointed the firm of Page Southerland Page, Austin, Texas, the architects for the additions presently under construction, Project Architect to prepare preliminary plans and a cost estimate to be presented to the Board of Regents for consideration at a future meeting
- d. Appropriated \$6,000 from Account No. 630-0201-7150, Mae Alice Wiley Fund, for fees and related expenses through completion of preliminary plans

During the discussion and in response to Regent Law's inquiry about plans for a development board for the Tyler Health Center, Superintendent Hurst replied that he planned to submit a recommendation for such organization at the next Regents' meeting.

Report of Committee Meeting on Friday, June 9, 1978. --At the committee meeting on Friday, June 9, 1978, Committee Chairman Bauerle stated that Items Nos. 1-14 and Nos. 16-21 were considered on Thursday, June 8, and that Item No. 15 was deferred until the next meeting. There was discussion regarding names and titles on the various plaques in Item No. 4 but it had been resolved to leave the names as recommended by the Administration.

Committee Chairman Bauerle moved that Items Nos. 1-14 and Nos. 16-21 as set out on Pages 42-63 be adopted. Regent Clark seconded the motion which prevailed by unanimous vote.

REPORT OF HEALTH AFFAIRS COMMITTEE (Pages 64 - 105).--Committee Chairman Law stated that all actions of the Health Affairs Committee had been taken in open session and had been approved without objection unless otherwise indicated. He submitted the following report which was adopted without objection:

Report

1. U. T. Arlington: Affiliation Agreements with Humana of Texas Inc. d/b/a/ Medical City Dallas Hospital, Dallas, Texas, and Texas College of Osteopathic Medicine, Fort Worth, Texas. -- Upon recommendation of President Nedderman and System Administration, unanimous approval was given to affiliation agreements by and between the following facilities and The University of Texas at Arlington, Arlington, Texas, to be effective immediately:
 - a. Humana of Texas Inc. d/b/a Medical City Dallas Hospital, Dallas, Texas
 - b. Texas College of Osteopathic Medicine, Fort Worth, Texas

These agreements follow the format approved for affiliation agreements by the Board of Regents on December 16, 1977. Each agreement will permit additional educational facilities primarily for the nursing students at U. T. Arlington.

2. U. T. Arlington (School of Nursing): Affiliation Agreement with Dallas County Mental Health and Mental Retardation Center, Dallas, Texas. -- Upon the recommendation of President Nedderman and System Administration, the affiliation agreement set out on Pages 65-70 between The University of Texas at Arlington, School of Nursing, and the Dallas County Mental Health and Mental Retardation Center, Dallas, Texas, was authorized without objection to be effective immediately.

This agreement will permit additional educational facilities to be used for nursing students. It does not precisely follow the standard affiliation agreement format approved; however, it has been reviewed and approved by the Office of General Counsel and endorsed by the Office of Academic Affairs.

JUN 9 1978 3248

HEALTH CARE
EDUCATIONAL EXPERIENCE PROGRAM
AFFILIATION AGREEMENT

THIS AGREEMENT made the _____ day of _____, 19____, by and between the University of Texas at Arlington, School of Nursing ("University"), a component institution of the University of Texas System, ("System"), and Dallas County Mental Health and Mental Retardation Center ("Facility"), a community center authorized by Article 5547-203 V.A.C.S., having its principal office at 2710 Stemmons Freeway, 1200 Stemmons Tower North, Dallas, State of Texas.

WITNESSETH:

WHEREAS, Facility now operates several facilities located in the City of Dallas, State of Texas, and therein provides health care services for persons in need of such services; and University provides an academic program with respect to health care; and,

WHEREAS, University periodically desires to provide health care related educational experiences for its students, which are not otherwise available to them under the existing program of University, by utilization of appropriate facilities and personnel of Facility; and,

WHEREAS, Facility is committed to a goal of providing the best obtainable supply of personnel educated in the field of health care as being in the best interests of Facility, and believes that achievement of such goal can best be accomplished by affording health care students the opportunity to participate in meaningful educational experiences as a part of an academic health care program, through utilization of appropriate facilities and personnel of Facility; and,

WHEREAS, in order to accomplish such objectives, University and Facility intend to establish and implement from time to time, one or more educational experience programs which will involve the students and personnel of University, and the facilities and personnel of Facility;

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NOW, THEREFORE, in consideration of the premises and of the benefits derived and to be derived therefrom and from the program or programs established and implemented by said parties, University and Facility agree that any program agreed to by and between Facility and University, during the term of this Agreement, for purposes of achieving the above described objectives of said parties (hereinafter called "Educational Experience Program," or "Program"), shall be covered by and subject to the following terms and conditions:

1. The Program shall not become effective until all agreements between the parties with respect to Program have been reduced to writing ("Program Agreement"), executed by the duly authorized representatives of Facility and University, and approved in writing by the President of the University of Texas System.

2. The Program may be cancelled by either party by giving such written notice to the other of its intention to terminate the Program as provided in the Program Agreement; provided, however, that the Program shall automatically terminate upon termination of this Agreement.

3. In the event of conflict between the text of Program Agreement and the text of this Agreement, this Agreement shall govern.

4. After Program Agreement becomes effective, no amendments thereto shall be valid unless in writing and executed by the duly authorized representatives of Facility and University, and approved by the President of the University of Texas System.

5. Except for certain acts to be performed by University pursuant to express provisions of this Agreement, Facility hereby agrees to furnish the premises, personnel, services, and all other things necessary for the Educational Experience Program, as specified in the Program Agreement, and, in connection with such Program, further agrees:

(a) To comply with all Federal, State and Municipal laws, ordinances, rules and regulations applicable to performance by Facility of its obligations under this Agreement, and all applicable accreditation requirements, and to certify

such compliance to University or other entity when requested to do so by University.

(b) To permit the authority responsible for accreditation of University's curriculum to inspect such facilities, services and other things provided by Facility pursuant to this Agreement as are necessary for accreditation evaluation.

(c) To appoint a person to serve for Facility as liaison (Liaison) to the faculty and students engaged in the Program; provided, however, that no person not having the prior written approval of University shall be appointed Liaison; and, in such connection, Facility shall furnish in writing to University (not later than thirty (30) days prior to the date the Liaison appointment is to become effective) the name and professional and academic credentials of the person proposed by Facility to be Liaison, and within ten (10) days after receipt of same, University shall notify Facility of University's approval or disapproval of such person. In the event the Liaison becomes unacceptable to University after appointment, and University so notifies Facility in writing, Facility will appoint another person to serve as Liaison in accordance with the procedure stated in the first sentence of this sub-paragraph (c).

6. University hereby agrees:

(a) To furnish Facility with the names of the students assigned by University to participate in the program.

(b) To assign for participation in the Program only those students (1) who have satisfactorily completed those portions of its curriculum which, according to Program Agreement, are prerequisite to such participation, all as determined by University in its sole discretion, and (2) who have entered into a written agreement with University and Facility that they will not publish any material relating to the Program, or their experience in participating therein, without the prior written approval of University and Facility.

(c) To appoint a person to serve for University as liaison (Liaison) to the faculty and students engaged in the Program; provided, however, that no person not having the prior written approval of Facility shall be appointed Liaison; and, in such connection, University shall furnish in writing to Facility (not later than thirty (30) days prior to the date the Liaison appointment is to become effective) the name and professional and academic credentials of the person proposed by University to be Liaison, and within ten (10) days after receipt of same, Facility shall notify University of Facility's approval or disapproval of such person. In the event the Liaison become unacceptable to Facility after appointment, and Facility so notifies University in writing, University will appoint another person to serve as Liaison in accordance with the procedure stated in the first sentence of this sub-paragraph (c).

7. All notices under this Agreement shall be provided to the party to be notified in writing, either by personal delivery or by United States mail. All notices under this Agreement shall be deemed given to a party when received by such party's designated representative.

8. All the agreements between the parties on the subject matter hereof have been reduced to writing herein. No amendments to this Agreement shall be valid unless in writing and signed by the duly authorized representatives of the parties, and approved by the Board of Regents of the University of Texas System.

9. No oral representations of any officer, agent, or employee of Facility or the University of Texas System, or any of its component institutions, (including, but not limited to University), either before or after the effective date of this Agreement, shall affect or modify any obligations of either party hereunder or under any Program Agreement.

10. University shall, to the extent authorized under the constitution and laws of the State of Texas, hold Facility harmless

from liability resulting from University's acts or omissions within the terms of this Agreement; provided, however, University shall not hold Facility harmless from any claims, demands, or causes of action arising in favor of any person or entity, growing out of, incident to, or resulting directly or indirectly from negligence (whether sole, joint, concurring or otherwise) of Facility, its officers, agents, representatives, or employees, or any person or entity not subject to University's supervision or control.

11. This Agreement shall be binding on and shall inure to the benefit of the parties and their respective successors and assignees; provided, however, that no assignment by either party shall be effective without prior written approval of the other party. A delay in or failure of performance of either party shall not constitute default hereunder, or give rise to any claim for damages, if and to the extent such delay or failure is caused by occurrences beyond the control of either party.

12. This Agreement shall not become effective unless and until approved by the Board of Regents of the University of Texas System and the Board of Trustees for the Facility. If so approved, this Agreement shall become effective on the date of such approval, and shall continue in effect for an initial term ending one (1) year after the date and year of execution by Facility and University, and after such initial term, from year to year unless one party shall have given one hundred eighty (180) days' prior written notice to the other party of intention to terminate this Agreement. If such notice is given, this Agreement shall terminate: (a) at the end of the term of this Agreement during which the last day of such one hundred eighty (180) day notice period falls, or, (b) when all students enrolled in the Program at the end of the term of this Agreement have completed their respective courses of study under the Program, whichever event last occurs.

JUN 9 1978 3253

This agreement is for a term of one year, and thereafter from year to year unless terminated by either party upon giving six months' advance notice in writing to the other party by certified mail.

EXECUTED by the parties on the day and year first above written.

ATTEST: BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

ALLAN SHIVERS, Chairman

Approved as to Form:

Approved as to Content:

W.D. Atwater
Attorney, Office of General Counsel, The University of Texas System

Cliff Walker
President, the University of Texas System

Ernest Anderson
Vice President for Academic Affairs, The University of Texas System

ATTEST: DALLAS COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER

Bob Carpenter
BOB CARPENTER
Executive Director

Doug Barnes
DOUG BARNES, Chairman
Board of Trustees

3. U. T. El Paso: Affiliation Agreements with (a) Texas Department of Human Resources, Children Services, El Paso, Texas, (b) Visiting Nurse Association of El Paso, Inc., El Paso, Texas, and (c) Four Seasons Nursing Center of El Paso, El Paso, Texas. -- Upon recommendation of President Templeton and System Administration, unanimous approval was given to affiliation agreements by and between the following facilities and The University of Texas at El Paso, El Paso, Texas, to be effective immediately:

- a. Texas Department of Human Resources, Children Services
El Paso, Texas
- b. Visiting Nurse Association of El Paso, Inc., El Paso, Texas
- c. Four Seasons Nursing Center of El Paso, El Paso, Texas

These agreements follow the format approved for affiliation agreements by the Board of Regents on December 16, 1977. They will permit additional educational facilities primarily for the nursing students at U. T. El Paso.

4. U. T. San Antonio: Affiliation Agreement with Sports Medicine and Rehabilitation Clinic, Inc. -- Upon the recommendation of Acting President Wagener and System Administration, unanimous approval was given to an affiliation agreement that had been executed on February 23, 1978, by Dr. James W. Wagener, Acting President of The University of Texas at San Antonio, and James W. Simmons, M. D., Medical Director and President of Sports Medicine and Rehabilitation Clinic, Inc., of San Antonio, Texas, to be effective when approved by the Board of Regents.

This agreement follows the format approved for affiliation agreements by the Board of Regents on December 16, 1977. It will permit additional educational facilities primarily for students in the Division of Allied Health and Life Sciences, specifically in Physical Therapy, at U. T. San Antonio.

5. Dallas Health Science Center (Dallas Allied Health Sciences School): Affiliation Agreements with (a) Dallas Geriatric Research Institute, Dallas, Texas, (b) Four Seasons Nursing Home, Dallas, Texas, (c) Christian Center for the Aging, Irving, Texas, (d) Dallas Services for Visually Impaired Children, Dallas, Texas, (e) The Neighborhood Youth Services, Carrollton, Texas, (f) Methodist Hospital, Lubbock, Texas, (g) Baptist Medical Center Systems, Little Rock, Arkansas, and (h) Lewisville Memorial Hospital, Lewisville, Texas. -- Upon recommendation of President Sprague and System Administration, unanimous approval was given to affiliation agreements by and between the following facilities and The University of Texas Health Science Center at Dallas, Dallas Allied Health Sciences School to be effective immediately:

Facility and Location

Programs for

- | | |
|--|--|
| a. Dallas Geriatric Research
Institute, Dallas, Texas | Department of Gerontology
Services Administration |
|--|--|

- | | |
|---|--|
| b. Four Seasons Nursing Home
Dallas, Texas | Department of Gerontology
Services Administration |
| c. Christian Center for the
Aging, Irving, Texas | Department of Gerontology
Services Administration |
| d. Dallas Services for Visually
Impaired Children, Dallas
Texas | Department of Rehabilitation
Science |
| e. The Neighborhood Youth Ser-
vices, Carrollton, Texas | Department of Rehabilitation
Science |
| f. Methodist Hospital, Lubbock,
Texas | Department of Physical Therapy |
| g. Baptist Medical Center Systems
Little Rock, Arkansas | Department of Physical Therapy |
| h. Lewisville Memorial Hospital
Lewisville, Texas | Department of Physical Therapy |

These agreements follow the format approved for affiliation agreements by the Board of Regents on December 16, 1977. They will provide educational opportunities for students in the School of Allied Health Sciences, specifically in the designated areas.

6. Dallas Health Science Center: Consultative Agreement with Kuwait University, Country of Kuwait, Subject to Approval of Correction by Rector, Kuwait University. --Upon recommendation of President Sprague and System Administration, the Health Affairs Committee approved the Consultative Agreement (Pages 72-75) between the Board of Regents of The University of Texas System and Kuwait University, Country of Kuwait and executed by the Rector of Kuwait University on March 20, 1978. This agreement is subject to approval by the Rector, Kuwait University, of an apparent typographical error in Paragraph 10 where the number "6" has been stricken and the number "5" has been inserted in lieu thereof. The Rector of Kuwait University shall indicate approval of Kuwait University by initialing in the margin the correction on Page 75.

This agreement which will be of no expense to the University provides for consultative services to the medical college of Kuwait University to be furnished by faculty members of The University of Texas Health Science Center at Dallas.

CONSULTATIVE AGREEMENT

STATE OF TEXAS *

COUNTY OF DALLAS *

This MEMORANDUM OF UNDERSTANDING by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, an institution of higher education

of Texas, hereinafter called "Board", and the UNIVERSITY OF KUWAIT, Kuwait, an institution of higher education in Kuwait, hereinafter called "University".

W I T N E S S E T H

WHEREAS, it is to the mutual advantage of both Board and University to enter into a cooperative arrangement regarding the development of high quality educational and research programs at the Medical College of the University of Kuwait, and

WHEREAS, the parties desire to reduce to writing certain principles of understanding in connection with a mutually advantageous medical program for both parties whereby Board will furnish consultative services in the areas of research and teaching in the Medical College in Kuwait:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that Board and University for and in consideration of the mutual benefits do adopt, confirm and agree to the following Memorandum of Understanding:

1. Board hereby agrees to furnish University consultative services in the administrative, teaching and research areas for the Medical College of University located in Kuwait. All consultants shall be qualified in all respects and possess the requisite skills necessary to adequately and properly perform the services required under this agreement.

2. University hereby agrees to furnish the following services to all consultants at no cost or expense to any consultant or Board:

- a. Convenient, round trip, first-class air travel for all consultants traveling from the State of Texas to Kuwait and return. University will furnish such airline tickets through its embassy for consultants traveling to University, and will make all travel arrangements necessary to accomplish the same.

b. University will provide meals and lodging for the consultants of Board while in Kuwait. All hotel reservations for Board personnel in Kuwait shall be made by University and such reservations shall be guaranteed to insure adequate housing for Board personnel.

c. Ground transportation will be furnished all consultants of Board while they are in Kuwait, and drivers for automobiles will be furnished when feasible.

3. The Allocation of personnel from The University of Texas System to furnish the consultative services contemplated by this agreement, including the number to be utilized, the specialty to be furnished, and the period of time such services are to be rendered, shall be as agreed upon between the parties from time to time.

4. It is contemplated that special equipment and supplies may be necessary to fulfill the requirements of the consultants engaged in the teaching and research activities of University. It is agreed that this item of expense shall be that of University and shall be paid for by University.

5. All consultant fees paid by University for consultative services furnished pursuant to this agreement shall be paid to the University of Texas Health Science Center at Dallas pursuant to an appropriate contract between the parties covering the amount of fees to be paid for such services required and rendered by Board, and such other terms and conditions deemed appropriate by the parties.

6. If a consultant of Board is required by agreement of both parties to be at University for more than one month while rendering the consultative services required, then in that event, University, at no cost or expense to the consultant or Board, will furnish to the consultant's spouse (as well as to the consultant) those services described in paragraph 2 of this agreement.

7. All personnel of Board, in case of their illness or injury while in Kuwait pursuant to this agreement, while rendering services to University, shall be provided with necessary medical services and expenses, and University further agrees to pay all costs of such medical services.

8. All consultants of Board shall be apprized by the University of the laws and the customs of Kuwait before entering upon their duties under this agreement.

9. Board also agrees to furnish the University as a whole with consultation services in administration, training of University administrators, Library Services and in such other areas of need as may be determined by mutual agreement.

10. This agreement shall become effective on the date of its execution, or on the date of execution of the agreement contemplated by paragraph 5 of this agreement, whichever date last occurs, and shall continue for one year, and thereafter from year to year unless sooner terminated by either party upon giving six (6) months advance written notice to the other party.

EXECUTED this 20th day of March, 1978

ATTEST:

BOARD OF REGENTS OF THE

Approved as to Content

Ed Walker
President

UNIVERSITY OF TEXAS SYSTEM

Edna R. Bowers
Vice President for Health Affairs

BY
Chairman of the Board of Regents

Approved as to Form:

James T. Fitzgerald
General Counsel

KUWAIT UNIVERSITY

ATTEST:

H. A. al-Fakhry

By
Rector, Kuwait University

7. Galveston Medical Branch (Galveston Allied Health Sciences School): Affiliation Agreement with Harris County Hospital District, Houston, Texas. -- Upon the recommendation of President Levin and System Administration, the Health Affairs Committee without objection approved the affiliation agreement set out on Pages 76 - 88 by and between The University of Texas Medical Branch at Galveston, Galveston Allied Health Sciences School, and the Harris County Hospital District, Houston, Texas, to be effective on the date approved by the Board of Regents.

This agreement had been executed by the appropriate officials of the institute and the facility. It includes a "hold harmless clause."

AGREEMENT TO AFFILIATION BETWEEN

THE UNIVERSITY OF TEXAS
MEDICAL BRANCH AT GALVESTON
(Medical Record Administration, Physical Therapy and Occupational Therapy)

AND

HARRIS COUNTY HOSPITAL DISTRICT

THIS AFFILIATION AGREEMENT made this 6th day of
August, 1978, by and between THE UNIVERSITY
OF TEXAS MEDICAL BRANCH AT GALVESTON ("University"), a component
institution of THE UNIVERSITY OF TEXAS SYSTEM, on behalf of the
University's School of Allied Health Sciences, and the HARRIS
COUNTY HOSPITAL DISTRICT ("District") a political subdivision
organized under the laws of the State of Texas, having its
principal offices at District's administration building at
726 Gillette Street, in the City of Houston, State of Texas,

WITNESSETH:

WHEREAS, District now owns and operates comprehensive
health care facilities located at Ben Taub General Hospital
and Jefferson Davis Hospital ("Hospitals") and numerous neigh-
borhood clinics, all situated in Harris County, Texas, provid-
ing medical and hospital care for the indigent and needy resi-
dents of said Harris County, Texas; and

WHEREAS, University, through its School of Allied Health
Sciences, provides an educational curriculum and program for
its students with respect to the health care services of
medical record administration, physical therapy and occupa-
tional therapy; and,

WHEREAS, it is mutually recognized that District and Uni-
versity have certain common objectives, namely (a) providing
health care personnel of the highest caliber; (b) educating

and training health care personnel; (c) advancing knowledge in the field of health care; and (d) promoting personal and community health and education through the training of highly qualified medical record administrators, physical therapists and occupational therapists; and

WHEREAS, District and University recognize that these objectives can be accomplished in a larger measure and more effectively through affiliated operations in order to (1) facilitate the overall educational program in University by providing its students in medical record administration, physical therapy and occupational therapy with unique opportunities for learning experiences which will progress such students to advanced levels of performance, and (2) accomplish the fullest utilization of available teaching facilities and expertise with respect to health care services by increasing and expanding professional contacts between University's academic faculty members and District's professional personnel; and

WHEREAS, it is mutually recognized that District's primary function is to provide the best possible medical and hospital care for the indigent citizens of Harris County, including the provision of physical therapy and occupational therapy for hospital patients which is a well-established part of medical and hospital care; and

WHEREAS, it is the desire of both parties, and it is for the benefit of the citizens of Harris County, that District maintain health care programs for the care of its patients, and that it is essential, in order that District and University accomplish their common objectives, to establish and implement a program involving the association of said parties and their respective resources;

NOW, THEREFORE, for and in consideration of the premises, of the mutual benefits derived and to be derived therefrom, and of the provisions hereinafter set forth, District and University do hereby stipulate and agree as follows:

1. Separate Jurisdiction: University shall continue, as it has in the past, to operate its programs in health career education and other areas, and it shall retain all jurisdictional powers incident to its separate ownership and operation, including the plenary power to determine the general and fiscal policies of its educational programs and to appoint its administration, faculty and other personnel.

District shall retain over its facilities all jurisdictional powers incident to its separate ownership and operation, including the plenary power to determine the general and fiscal policies of its operations and to appoint its administration, professional staff and other personnel; provided, however, District shall in any and all events retain jurisdiction and authority over the supervision and administration of its hospitals and facilities, including all patient services occurring within any or all facilities of District.

2. Responsibilities of District: Except for certain acts to be performed by University pursuant to the expressed provisions of this agreement, District hereby agrees, at its sole cost and expense, to furnish the premises and all ancillary services and equipment necessary for and to conducting the Medical Record Administration Educational Experience Program, Physical Therapy Educational Experience Program and the Occupational Therapy Educational Experience Program (hereinafter called "Programs").

Furthermore, in connection with such programs, District agrees:

(a) To permit the authority or authorities responsible for accreditation of University's curriculum regarding programs, to inspect all facilities, services and other things provided by District pursuant to this agreement, and to inspect all information maintained by District in connection with programs and the participants therein, at such reasonable times as may be requested by University.

(b) To comply with all federal, state and local laws, ordinances, rules and regulations applicable to performance by District of its obligations under this agreement.

(c) To provide equally to each student of University participating in programs with emergency health care, but not to exceed the cost to District of one hundred dollars (\$100.00), with respect to injuries sustained in any of District's hospitals or facilities.

(d) To continue to operate its hospitals and other facilities in a manner and within such standards as are consistent with District's purpose of providing the highest quality patient care available, and, to such end, University shall assist District in such efforts to improve patient care by providing the necessary personnel herein specified for maintenance of programs.

3. Responsibilities of University: University hereby agrees:

(a) To furnish to District, insofar as such

information is reasonably available to University and to the extent permitted by law, the following:

1) The name and health status report of each student assigned by University to participate in programs, at least four (4) weeks prior to the date such students are scheduled to begin participation in programs; and

2) Any additional information with respect to such students as the District may require for proper operation of the programs.

(b) To assign for participation in programs only those students who have satisfactorily completed those portions of University's curriculum which are prerequisite to such participation, as determined by University.

(c) To designate a member of University's faculty to be responsible for the learning assignment to be assumed by each student participating in programs, and to furnish to District in writing the name of such faculty member.

(d) To do all things reasonably necessary and proper to assure compliance by its students, who participate in programs, with District's written regulations and policies.

(e) To advise students participating in programs that they (and not District or University) are solely responsible for (1) providing for them-

selves any dress or garments required (but not provided) by District to be worn by students participating in programs, and transportation, housing, living arrangements and accommodations to the extent not voluntarily provided by University and District; and (2) reporting to District on time in accordance with programs' schedules.

(f) In the event District should determine and advise the University that the presence of any faculty member or student shall no longer be permitted on District's premises, University shall comply with such advisory, and may in its discretion conduct a review of such student's or faculty member's participation. University will advise such student or faculty member of the withdrawal of any rights to remain on District's premises.

4. Student Health Care Assignments: District and University shall annually determine the maximum number of students which shall be assigned to participate in the programs. District shall pay no compensation of any services which may be rendered by students enrolled under the programs, and under no circumstances shall any student be considered for any purpose to be an employee or agent of district.

5. University's Teaching Programs: The programs specified herein shall be performed within the facilities of District; provided, however, District reserves the right to restrict students from those physical facilities of District which are not essential to learning experiences under programs. Uni-

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versity's faculty, staff and students shall not be permitted to make any use of District's facilities for any purpose which is not consistent with programs under this agreement.

6. Hold Harmless Provision: University shall, to the extent authorized under the Constitution and laws of the State of Texas, hold District harmless from liability resulting from University's acts or omissions within the terms of this agreement; provided, however, University shall not hold District harmless for the gross or willful negligence of District, its officers, agents, representatives or employees; or for acts or omissions by any third party not subject to University's supervision, control or jurisdiction.

7. Consultation Between Parties: The committee to be known as the "Joint Consultation Committee" shall be established in furtherance of the administration of programs under this agreement. Said committee shall be made up of an equal number of representatives from District and University, and shall have meetings whenever necessary or appropriate for (1) resolution of any problems which may arise between district and University, (2) educational purposes so that members of committee will be familiar with the joint operations of District and University and with any problems incident to implementation of this agreement, and (3) review and evaluation of qualifications of medical record administration, occupational therapy and physical therapy students who may be assigned to participate in programs.

8. Accreditation: University shall be required to maintain accreditation with the appropriate local, state or national accreditation organization or organizations as may be necessary and proper, and shall keep District informed of all actions taken with regard to such accreditation standings. If University

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should for any reason lose either or all of its local, state or national accreditation or accreditations, this agreement will immediately become null and void, and all personnel and students of University taking part in programs shall be removed immediately by University from District's facilities.

District shall be required to maintain accreditation with the appropriate local, state or national accreditation organization or organizations as may be necessary or proper, and shall keep University informed of all actions taken with respect to such accreditation standings. If District should for any reason lose either or all of its local, state or national accreditations, this agreement will immediately become null and void, and all personnel involved in programs shall be immediately removed by University.

9. Supervision: University's directors for medical record administration, occupational therapy and physical therapy training programs or their designees and the District's administrator or designee shall have control over all students of University assigned to District's facilities under these programs only, with respect to assuring compliance with administrative policies established for operation of District's facilities. University shall establish such administrative policies as are necessary or proper for operation of programs so long as such policies are not inconsistent with District's policies, rules and regulations.

District's administrator may under this agreement at any time declare any student or faculty member of University to be outside the scope of these programs, and, pursuant to subparagraph 3 (f), may require removal of such person or persons from programs subject to this agreement. University shall take

such action necessary to remove such student or faculty member from the District's facilities.

10. Grants, Research or Demonstration Programs: University shall submit to District any and all proposals for research or demonstration projects in which it is anticipated by University that District's facilities may be utilized. University recognizes and acknowledges District's policy that District shall not be committed to participate in any such grants, research or demonstration projects or similar activities, without having first had the plan for any such programs submitted to District for approval by District. In accordance with this policy, should University desire to initiate any such program which may commit District or any of District's facilities or personnel to such program, University shall first submit the plan and a completed application for such program to District for approval by District. In the event District does not approve such program, University shall not proceed with any such program involving District to the extent of participation by District.

District shall submit to University any and all proposals for research or demonstration projects in which it is anticipated by District that personnel or students of University may be utilized. Should District desire to initiate any program which commits University or any of its personnel to such program, District shall first submit such plan and completed application to University for approval by University. If University does not approve same, District shall not proceed with any such program involving University.

11. Entirety of Agreement: This instrument contains the entire agreement between the parties on the subject matter hereof. No amendments shall be valid unless in writing and signed by the

duly authorized representatives of party, and subject to approval by The Board of Regents of The University of Texas System. No oral representations of any officer, agent or employee of District or of The University of Texas System or its component institutions (including, but not limited to, University) either before or after the effective date of this agreement, shall affect or modify any obligations of either party hereunder.

12. Term; Termination: This agreement shall be effective upon execution by District and University; provided, however, said agreement shall become effective only on and after the date approved by The Board of Regents of The University of Texas System, as same is provided by specific date, stated hereinafter. If so approved and effective, this agreement shall thereafter be in effect on the date of such approval and thereafter for the term provided. Such term shall be until July 31, 1982, unless sooner terminated by mutual consent of the parties, or by either party hereto giving to the other party written notice of termination. Any written notice of termination shall specify the date of termination, but in no event shall such termination be effective until at least six (6) months after receipt of such notice by the other party, unless otherwise specified herein. In addition to notice of termination as provided, notice may also be given during the initial term of termination to be effective at the end of such initial first-year term or during any subsequent year, prior to the specific termination date, to be effective at the then current year.

13. Miscellaneous Provision: This agreement shall be binding on and shall inure to the benefit of the parties and their respective successors and assignees; provided, however, no assignment by one party shall be effective except upon thirty (30) days'

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written notice in advance thereof to the other party. It is specifically recognized that either party may enter into other agreements and affiliations so long as such are not inconsistent with the terms and provisions of this agreement.

This agreement shall be subject to all present and future valid laws, orders and regulations of the United States of America, the State of Texas, and any other governmental or regulatory authority having jurisdiction in the premises.

14. Notices: Unless otherwise specifically provided in this agreement, any notice, communication, request, reply or advice (herein severally and collectively for convenience called "notice") herein provided or permitted to be given, made, or accepted by either party to the other must be in writing and shall be given or served to the party to be notified, either by depositing the same in the United States Mail, postage prepaid and registered or certified, duly addressed to such party with return receipt requested, or by delivering the same to any designated officer or representative of such party to be notified, or by prepaid telegram, when appropriate, addressed to such representative to be notified. Notice in the manner heretofore described shall be deemed effective, as to the party to be notified, if by personal delivery, when received by such party's designated representative, as provided hereinafter, or if by mailing, seven (7) days after same is so deposited in the United States Mail for mailing to such party's designated representative at the business address of such person. Notice given in any other manner shall be effective only if and when received by the other party to be notified. The addresses of the parties to receive notice, until changed as provided hereinafter, shall be as follows:

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1. For University: The University of Texas Medical Branch at Galveston, School of Allied Health Sciences, Galveston, Texas 77550.

2. For District: Harris County Hospital District, Post Office Box 667969, Houston, Texas 77006.

The parties have the right to change their respective addresses, and, in the event either party changes such address, written notice shall be given the other party within fifteen (15) days after such change.

IN WITNESS WHEREOF, this agreement is executed by District and University to be effective on the day and year first above written, in duplicate copies each of which shall be deemed an original of equal force, as follows:

(1) It has on the 6th day of April, 1978, A.D., been executed on behalf of the Harris County Hospital District by the Chairman of the Board of Managers, pursuant to the order of the Board of Managers so authorizing; and

(2) It has on the ___ day of ___, 19___, A.D., been executed on behalf of The University of Texas Medical Branch at Galveston by the President of said University, pursuant to approval by the President of The University of Texas System and by the Board of Regents of The University of Texas System.

ATTEST:

[Signature]

DISTRICT
HARRIS COUNTY HOSPITAL DISTRICT

By [Signature]
Chairman of the Board of Managers

UNIVERSITY

By [Signature]
President of The University of
Texas Medical Branch at Galveston

APPROVED AS TO CONTENT:

[Signature]
President of the University of
Texas System

APPROVED AS TO FORM:

[Signature]
University Attorney

[Signature]
Vice President for Health Affairs of
The University of Texas System

Certificate of Approval

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the ___ day of _____, 19__.

Secretary, Board of Regents of
The University of Texas System
BLITY ANNE THELFORD

8. Houston Health Science Center: Affiliation Agreements with (a) City of Houston Health Department, Houston, Texas; (b) Mental Health and Mental Retardation Authority of Harris County, Houston, Texas, (c) Lamar Consolidated Independent School District, Rosenberg, Texas, (d) Spring Branch Memorial Hospital, Houston, Texas, (e) Golden Age Manor, Houston, Texas, (f) St. Elizabeth Hospital, Houston, Texas (g) Jewish Home for the Aged, Inc., Bellaire, Texas, (h) Gulf Coast Regional Blood Center, Houston, Texas, (i) Park Plaza Hospital, Houston, Texas, (j) Shell Oil Company, Deer Park, Texas, and (k) Center for Multiple Handicapped Children, Houston, Texas. -- Upon the recommendation of Acting President Blocker and System Administration, unanimous approval was given to the affiliation agreements by and between the following facilities and The University of Texas Health Science Center at Houston to be effective immediately:

- a. City of Houston Health Department, Houston, Texas
- b. Mental Health and Mental Retardation Authority of Harris County, Houston, Texas
- c. Lamar Consolidated Independent School District Rosenberg, Texas
- d. Spring Branch Memorial Hospital, Houston, Texas
- e. Golden Age Manor, Houston, Texas
- f. St. Elizabeth Hospital, Houston, Texas
- g. Jewish Home for the Aged, Inc., Bellaire, Texas
- h. Gulf Coast Regional Blood Center, Houston, Texas
- i. Park Plaza Hospital, Houston, Texas
- j. Shell Oil Company, Deer Park, Texas
- k. Center for Multiple Handicapped Children, Houston, Texas

These agreements follow the format approved for affiliation agreements by the Board of Regents on December 16, 1977.

9. Houston Health Science Center (Houston Allied Health Sciences School): Approval of Constitution for Student Government (R & R, One, VI, 5). -- Pursuant to the Regents' Rules and Regulations, Part One, Chapter VI, Section 5, Acting President Blocker presented a Constitution for the Student Government of the Houston Allied Health Sciences School at The University of Texas Health Science Center at Houston. This constitution had been reviewed by the Office of General Counsel and had been found to satisfy all legal requirements.

Subject to editorial changes, the proposed Constitution for the Student Government of the Houston Allied Health Sciences School of The University of Texas Health Science Center at Houston was approved. The final form of the Constitution is set out on Pages 90 - 94.

It was pointed out by the Administration that this organization would provide for student government in those areas affecting student welfare and would promote better understanding of the totality of allied health professions.

THE CONSTITUTION OF THE STUDENT GOVERNMENT OF
THE UNIVERSITY OF TEXAS SCHOOL OF ALLIED HEALTH SCIENCES
AT HOUSTON

PURPOSE

The purpose of the Student Government shall be to establish a common tie between students, faculty and administration of the School of Allied Health Sciences and to promote a better understanding of Allied Health Professions.

Article I. Name

The student government hereafter shall be known as the U. T. S. A. H. S. Student Representatives or Student Representatives.

Article II. Student Representatives

Section I. Membership

- A. The Student Representatives shall be made up of two (2) students from each program in the U. T. S. A. H. S.
- B. The two (2) representatives to the U. T. H. S. C. Inter-council at Houston from the S. A. H. S. and the Dean and Assistant Dean shall be nonvoting ex officio members

Section II. Qualification of Members.

Members of the Student Representatives shall be in good academic standing with The University of Texas School of Allied Health Sciences.

Section III. Elections

- A. Elections will be held by each program individually.
- B. Programs with two distinct classes shall elect one (1) representative from each class.
- C. Students will be elected as representatives from their program for a two-quarter period.
- D. If a Representative is unable to fulfill his term as Representative from that program, a special election will be held by that program within two (2) weeks of that Representative's dismissal or formal written resignation.

- E. 1. Biomedical Communication, Medical Technology, and Respiratory Therapy will elect their representative within the first two weeks of the winter and summer quarters of each year.
- 2. Nutrition and Dietetics, Nurse Anesthesia, and Radiologic Technology will elect their representatives within the first two weeks of the fall and spring quarters of each year.

Section IV. Recall

- A. Any Representative can be recalled by a three-quarter's (3/4) vote of the entire group of students in his program.
- B. Any Representative can be recalled by a three-quarter's (3/4) vote of the entire group of Student Representatives.

Section V. Function

- A. The Student Representatives shall be responsible for providing social experiences for the students in the School of Allied Health Sciences.
- B. The Student Representatives shall be responsible for bringing suggestions and problems pertaining to the welfare of students to the attention of the Administration and Faculty of the School of Allied Health Sciences and cooperating with them in the solution of these problems.
- C. The Student Representatives shall be responsible for giving consideration to any suggestions and problems brought to its attention by the Administration and Faculty of the School of Allied Health Sciences.
- D. The Student Representatives shall be responsible for providing Students means for furthering their knowledge of other health care professions.
- E. The Student Representatives shall be responsible for the administration of publications, organized sports etc., which may be adopted by the Student Representatives and approved by the appropriate officials of The University of Texas.

Article III. Meetings of Student Representatives

Section I. The first meeting of the newly-elected Student Representatives shall be held not later than one week following their election. The person responsible for arranging this meeting is the incumbent Chairman of the Student Representatives.

Section II. There should be a minimum of one meeting of the Student Representatives each month of the school year. Either simple majority or at least one representative from each program shall constitute a quorum.

Section III. Should a representative be unable to attend a meeting, a proxy shall be designated by the representative to take his place.

Article IV. Officers of the Student Representatives

Section I. A. During the first meeting following the election of the members, Student Representatives shall have as its first business the selection from among its own members two officers to serve as Chairman of the Student Representatives and Vice-Chairman of the Student Representatives. The offices of Chairman and Vice-Chairman shall be elected by a majority vote of the Representatives. A Secretary and Treasurer shall be appointed by the Chairman with the consent of a simple majority of the Student Representatives.

B. Officers shall be elected for a term of one quarter and may be re-elected; however, officers may not serve more than one (1) continuous year in the same office.

Section II. The Chairman shall:

A. Prepare an agenda and preside at all meetings of the Student Representatives.

B. Call the meetings of the Student Representatives.

C. With approval of a simple majority of the Representatives, appoint the Secretary and Treasurer, and all committees necessary for the administration of the Representatives business. Such committees shall be responsible to the Student Representatives for all business conducted.

D. Be a direct liaison between the Student Representatives and Administration of the School of Allied Health Sciences.

Section III. The Vice-Chairman shall:

A. Fulfill the duties of the Chairman in the event of the Chairman's absence or disability.

B. Perform duties directed by the Chairman.

Section IV. The Secretary shall:

A. Publish and distribute the agenda prior to each official meeting of the Student Representatives.

B. Keep an accurate roll of Student Representatives membership.

C. Keep complete minutes of all Student Representative meetings.

D. Post and distribute to each program copies of the minutes within one week after each meeting.

- E. Attend to the correspondence of the Student Representatives

Section V. The Treasurer shall:

- A. Be responsible for the receipt, deposit, disbursement and withdrawal of all Representative funds consistent with policies and procedures of U. T. H. S. C. -H. Dept. of Accounting and shall keep a detailed record of such transactions.
- B. Render periodic financial statements to the Student Representatives.

Section VI. Recall of Officer(s)

At the request of a two-thirds (2/3) majority of the entire voting members of the Student Representatives, a special election of officer(s) will be held. The officer(s) elected in this election will serve until the next scheduled election of officers.

Article V. Bylaws

- Section I. The Student Representatives shall have the power to create and approve its own bylaws for conducting its meetings and business; same requiring the approval of the Dean of the School of Allied Health Sciences, the President of the Health Science Center, the President of The University of Texas System, and the Board of Regents.

Article VI. Decisions, Motions and Bylaws

- Section I. Any and all decisions, motions and bylaws of the Student Representatives shall be voted on by the Student Representatives as a whole, each member and officer having one vote. All decisions, motions and bylaws shall require a majority vote to be passed.

Article VII. Faculty Advisor

The Student Representatives, at the beginning of each quarter, shall choose a Faculty Advisor from among the members of the Faculty of The University of Texas School of Allied Health Sciences at Houston. This Faculty Advisor will serve as "Sponsor" when deemed necessary. By mutual agreement between the Faculty Advisor and the Student Representatives, the individual selected as Faculty Advisor may continue from quarter to quarter.

Article VIII. Amendment(s)

Section I. Procedure:

- A. Proposed amendment(s) may be originated by any student in the School of Allied Health Sciences.

- B. The Student Representatives must approve all proposed amendment(s) by a two-third's (2/3) majority vote of the Student Representatives.
- C. Proposed amendment(s) must be approved by the Dean.
- D. Proposed amendment(s) approved by the Dean shall be given adequate promulgation at least ten days prior to the voting by the student body.
- E. Proposed amendment(s) shall be finally voted upon by the student body of the School of Allied Health Sciences. A 2/3 majority vote in favor of a proposed amendment, either by mail or in open meeting, shall be required for approval.
- F. Amendments approved as described above require the approval of the Health Science Center President, the System President, and the Board of Regents, The University of Texas System.

Article IX. Exceptions

Robert's Rules of Order shall be the governing rules of the Representatives in points not covered by this Constitution.

10. Houston Health Science Center (Houston Allied Health Sciences School): Affiliation Agreement with City of Houston, Houston, Texas. -- Upon the recommendation of Acting President Blocker and System Administration, the Health Affairs Committee without objection approved the affiliation agreement set out on Pages 95 - 97 by and between The University of Texas Health Science Center at Houston, Houston Allied Health Sciences School, and the City of Houston, Houston, Texas, to be effective immediately.

This agreement will provide training of emergency medical technicians for the City of Houston Fire Department. It follows the format and content of the Certificate Program approved by the Board of Regents at its November 11, 1977 meeting (Permanent Minutes, Volume XXV, Page 815).

EMERGENCY MEDICAL TRAINING CONTRACT

THIS AGREEMENT made the ____ day of _____, 19____, by and between the University of Texas Health Science Center at Houston for and in behalf of the School of Allied Health Sciences, ("University"), a component institution of The University of Texas System, and the City of Houston ("City"), a municipal corporation principally situated in Harris County, Texas:

WITNESSETH:

WHEREAS, City provides to its citizens emergency medical service and desires to obtain additional training as emergency medical technicians ("EMT") for personnel of the Fire Department of City and to that end desires to contract with The University to provide such training through its School of Allied Health Sciences; and

WHEREAS, University desires to provide such training;

NOW, THEREFORE, in consideration of the premises and of the benefits to be derived from this agreement, and for purposes of achieving the above-described objectives of said parties, City and University shall be covered by and subject to the following terms and conditions:

1. The University agrees that it will provide training in EMT for personnel of the Fire Department of City, but in no event shall it provide such training to more than one hundred (100) such individuals.

2. The University and City agree that the curriculum for such EMT training shall be consistent with the academic plan of the University and the curriculum shall be approved by the Director of the City of Houston Health Department prior to the commencement of such EMT training,

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3. The requirements for selection of personnel to be trained under this agreement shall be determined by mutual agreement between the University and City.

4. For purposes of this Contract, City personnel shall not be subject to the following provision:

Professional Liability Insurance

Each student enrolled in any course involving clinical work with direct patient contact must have professional liability insurance in the minimum amount of \$100,000 per claim. This requirement may be satisfied by presenting satisfactory evidence of such coverage at the time of registration or by purchasing a policy at that time. Rates will vary, and information on this insurance may be obtained from the Office of the Program Director. 1977-1979 Catalog University of Texas School of Allied Health Sciences, page 9.

5. City agrees to pay and the University agrees to accept as full compensation the sum of Forty-three and No/100 (\$43.00) Dollars as tuition and fees for each member of the City Fire Department selected to receive EMT training.

6. Payment by City to the University for each student enrolled shall be made when the course of training begins. The University shall not refund any portion of said payment for any reason after payment is made. The University shall not continue training of any student for whom payment by City has not been made.

7. Scheduling of EMT courses shall be made by mutual agreement of City and the University.

8. This agreement shall not become effective until approved by the Board of Regents of The University of Texas System.

9. The term of this agreement shall commence on January 1, 1978, and shall continue in full force and effect

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for a period of one year unless terminated earlier by 60 days prior written notice from either party to the other party.

EXECUTED by University and City on the day and year first above written, in duplicate copies, each of which shall be deemed an original.

CITY

THE CITY OF HOUSTON, a Municipal Corporation

By [Signature]
Mayor

COUNTERSIGNED:

By _____
City Controller

ATTEST:

[Signature]
City Secretary

UNIVERSITY

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

By [Signature]
Vice President

ATTEST:

FORM APPROVED:

[Signature]
System Attorney

CONTENT APPROVED:

[Signature]
President of the System

[Signature]
Vice President for Academic Affairs

FORM APPROVED:

[Signature]
Senior Assistant City Attorney

[Signature]
Director, Department of Public Health

Certificate of Approval

I hereby certify that the foregoing agreement was approved by the Board of Regents of The University of Texas System on the _____ day of _____, 19__.

Secretary, Board of Regents of The University of Texas System

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11. Houston Health Science Center (Houston Allied Health Sciences School): Affiliation Agreement with The University of Texas System Cancer Center, M. D. Anderson Hospital and Tumor Institute. -- Approval was given to the affiliation agreement (Pages 99-103) recommended by Acting President Blocker and System Administration between The University of Texas Health Science Center at Houston (Houston Allied Health Sciences School) and The University of Texas System Cancer Center, M. D. Anderson Hospital and Tumor Institute executed by the Presidents of the two component units on March 1, 1978, to be effective as of the date of approval by the Board of Regents.

The agreement follows the format approved for affiliation agreements by the Board of Regents on December 16, 1977; however certain minor modifications have been made to reflect that the agreement is between two components of The University of Texas System.

HEALTH CARE
EDUCATIONAL EXPERIENCE PROGRAM
AFFILIATION AGREEMENT

THIS AGREEMENT made the first day of March, 1978, by and between The University of Texas Health Science Center at Houston, for and in behalf of The School of Allied Health Sciences ("HSC"), and The University of Texas System Cancer Center, for and in behalf of The M.D. Anderson Hospital and Tumor Institute ("MDA"), both of which are component institutions of The University of Texas System.

WITNESSETH:

WHEREAS MDA now operates one facility located at 6723 Bertner, in the City of Houston, State of Texas, and therein provides health care services for persons in need of such services; and HSC provides an academic program with respect to health care; and;

WHEREAS, HSC periodically desires to provide health care related educational experiences for its students, which are not otherwise available to them under the existing program of HSC, by utilization of appropriate facilities and personnel of MDA; and,

WHEREAS, MDA is committed to a goal of providing the best obtainable supply of personnel educated in the field of health care as being in the best interests of MDA, and believes that achievement of such goal can best be accomplished by affording health-care students the opportunity to participate in meaningful educational experiences as a part of an academic health care program, through utilization of appropriate facilities and personnel of MDA; and,

WHEREAS, in order to accomplish such objectives, HSC and MDA intend to establish and implement from time to time, one or more educational experience programs which will involve the students and personnel of HSC, and the facilities and personnel of MDA;

NOW, THEREFORE, in consideration of the premises and of the benefits derived and to be derived therefrom and from the program or programs established and implemented by said parties, HSC and MDA agree that any program agreed to by and between MDA and HSC, during the term of this

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Agreement, for purposes of achieving the above described objectives of said parties (hereinafter called "Educational Experience Program," or "Program"), shall be covered by and subject to the following terms and conditions:

1. The Program shall not become effective until all agreements between the parties with respect to Program have been reduced to writing ("Program Agreement"), executed by the duly authorized representatives of MDA and HSC, and approved in writing by the President of The University of Texas System.

2. The Program may be cancelled by either party by giving such written notice to the other of its intention to terminate the Program as provided in the Program Agreement; provided, however, that the Program shall automatically terminate upon termination of this Agreement.

3. In the event of conflict between the text of Program Agreement and the text of this Agreement, this Agreement shall govern.

4. After Program Agreement becomes effective, no amendments thereto shall be valid unless in writing and executed by the duly authorized representatives of MDA and HSC, and approved by the President of The University of Texas System.

5. Except for certain acts to be performed by HSC pursuant to express provisions of this Agreement, MDA hereby agrees to furnish the premises, personnel, services, and all other things necessary for the Educational Experience Program, as specified in the Program Agreement, and, in connection with such Program, further agrees:

(a) To comply with all Federal, State and Municipal laws, ordinances, rules and regulations applicable to performance by MDA of its obligations under this Agreement, and all applicable accreditation requirements, and to certify such compliance to HSC or other entity when requested to do so by HSC.

(b) To permit the authority responsible for accreditation of HSC's curriculum to inspect such facilities, services and other things provided by MDA pursuant to this Agreement as are necessary for accreditation evaluation.

(c) To appoint a person to serve for MDA as liaison (Liaison) to the faculty and students engaged in the program; provided, however, that no person not having the prior written approval of

HSC shall be appointed Liaison; and, in such connection, MDA shall furnish in writing to HSC (not later than thirty (30) days prior to the date the Liaison appointment is to become effective) the name and professional and academic credentials of the person proposed by MDA to be Liaison, and within ten days after receipt of same, HSC shall notify MDA of HSC's approval or disapproval of such person. In the event the Liaison becomes unacceptable to HSC after appointment, and HSC so notifies MDA in writing, MDA will appoint another person to serve as Liaison in accordance with the procedure stated in the first sentence of this subparagraph (c).

6. HSC hereby agrees:

- (a) To furnish MDA with the names of the students assigned by HSC to participate in the Program.
- (b) To assign for participation in the Program only those students: (1) who have satisfactorily completed those portions of its curriculum which, according to Program Agreement, are prerequisite to such participation, and (2) who have entered into a written agreement with HSC and MDA that they will not publish any material relating to the Program, or their experience in participating therein, without the prior written approval of HSC and MDA.
- (c) To designate a member of the HSC faculty with the prior written approval of MDA, to coordinate with MDA through its Liaison the learning assignment to be assumed by each student participating in the Program, and to furnish to MDA in writing the name of such faculty member.

7. All notices under this Agreement shall be provided to the party to be notified in writing, either by personal delivery or by United States mail. All notices under this Agreement shall be deemed given to a party when received by such party's designated representative.

8. All the agreements between the parties on the subject matter hereof have been reduced to writing herein. No amendments to this Agreement shall be valid unless in writing and signed by

the duly authorized representatives of the parties, and approved by the Board of Regents of The University of Texas System.

9. No oral representations of any officer, agent, or employee of MDA or HSC, or of any other of the component institutions of The University of Texas System, either before or after the effective date of this Agreement, shall affect or modify any obligations of either party hereunder or under any Program Agreement.

10. HSC shall, to the extent authorized under the constitution and laws of the State of Texas, hold MDA harmless from liability resulting from HSC's acts or omissions within the terms of this Agreement; provided, however, HSC shall not hold MDA harmless from any claims, demands, or causes of action arising in favor of any person or entity, growing out of, incident to, or resulting directly or indirectly from negligence (whether sole, joint, concurring or otherwise) of MDA, its officers, agents, representatives, or employees, or any person or entity not subject to HSC's supervision or control.

11. This Agreement shall be binding on and shall inure to the benefit of the parties and their respective successors and assignees; provided, however, that no assignment by either party shall be effective without prior written approval of the other party. A delay in or failure of performance of either party shall not constitute default hereunder, or give rise to any claim for damages, if and to the extent such delay or failure is caused by occurrences beyond the control of either party.

12. This Agreement shall not become effective unless and until approved by the Board of Regents of The University of Texas System. If so approved, this Agreement shall become effective on the date of such approval, and shall continue in effect for an initial term ending one (1) year after the date and year of execution by MDA and HSC, and after such initial term, from year to year unless one party shall have given one hundred eighty (180) days' prior written notice to the other party of intention to terminate

this Agreement. If such notice is given, this Agreement shall terminate:

- (a) at the end of the term of this Agreement, during which the last day of such one hundred eighty (180) day notice period falls; or, (b) when all students enrolled in the Program at the end of the term of this Agreement have completed their respective courses of study under the Program; whichever event last occurs.

Executed by HSC and MDA on the day and year first above written, in duplicate copies, each of which shall be deemed an original.

HSC

BY
 President, The University of Texas
 Health Science Center at Houston

Dean, The University of Texas School
 of Allied Health Sciences at Houston

MDA

BY
 President, The University of Texas
 System Cancer Center

Director, The University of Texas M.D.
 Anderson Hospital and Tumor Institute

CONTENT APPROVED:

President of the System

FORM APPROVED:

Vice President for Health Affairs
 (System)

General Counsel of the System

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the _____ day of _____, 197_.

 Secretary, Board of Regents
 The University of Texas System

12. Houston Health Science Center (School of Public Health): Authorization to Seek Permission from Coordinating Board to Offer Off-Campus Course Work Leading to Master of Public Health Degree in the San Antonio Area (Catalog Change). -- Upon the recommendation of Acting President Blocker and System Administration, authorization was given to seek permission from the Coordinating Board, Texas College and University System to offer courses, already approved by the Coordinating Board for the School of Public Health, leading to the Master of Public Health Degree in the San Antonio area through The University of Texas Health Science Center at Houston, School of Public Health. In this endeavor the School of Public Health would cooperate with The University of Texas Health Science Center at San Antonio and the Graduate Division of The University of Texas at San Antonio.

If approved by the Coordinating Board, the starting date will be the Fall of 1979, and the next appropriate catalog published subsequent to approval will be amended to reflect this program.

13. San Antonio Health Science Center: Affiliation Agreement with San Antonio Free Clinic, Inc., San Antonio, Texas. -- Upon the recommendation of President Harrison and System Administration and by unanimous vote, approval was given to an affiliation agreement between The University of Texas Health Science Center at San Antonio and the San Antonio Free Clinic, Inc., San Antonio, Texas, to be effective immediately.

The agreement follows the format approved for affiliation agreements by the Board of Regents on December 16, 1977. The purpose is to provide educational experiences for students of the Health Science Center.

14. San Antonio Health Science Center: Authorization to Discontinue Department of Bioengineering and Graduate Programs in Bioengineering (M.A. and Ph.D.) Effective August 31, 1979 (Catalog Change). -- Upon the recommendation of President Harrison and System Administration, the Health Affairs Committee without objection authorized discontinuance of the Department of Bioengineering and the Graduate Programs in Bioengineering (M.A. and Ph.D.) effective August 31, 1979.

It was pointed out by the Administration that this action had been approved by the Faculty Councils of the San Antonio Medical School and the San Antonio Dental School and by the Executive Committees of the Graduate School.

The next appropriate catalog published at the San Antonio Health Science Center will be amended to conform to this change.

15. University Cancer Center (M. D. Anderson): Affiliation Agreement with Houston Community College, Houston, Texas. -- Upon the recommendation of President Clark and System Administration, unanimous approval was given to an affiliation agreement executed on March 28, 1978, by the President of The University of Texas System Cancer Center (M. D. Anderson) and the President of Houston Community College, Houston, Texas, to be effective when approved by the Board of Regents.

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This agreement follows the format approved for affiliation agreements by the Board of Regents on December 16, 1977. System Administration noted that this agreement will provide an efficient mechanism for the education of ward clerks for M. D. Anderson.

REPORT OF LAND AND INVESTMENT COMMITTEE (Pages 105-116).--
Committee Chairman Clark submitted the following report of the Land and Investment Committee. He stated that all items were approved unanimously in open session unless otherwise indicated. The report was adopted without objection:

Though the Chairman of the Board of Regents has authority to execute any document authorized by the Board, either the Executive Director for Investments, Trusts and Lands or the President of the System may execute, unless otherwise indicated in the report, all necessary instruments authorized in this report when each has been approved as to form by an attorney in the Office of General Counsel and as to content by the appropriate official. These instruments relate to real estate or mineral interests held or controlled by the Board of Regents as a part of the Permanent University Fund or as a part of any Trust and Special Fund.

I. PERMANENT UNIVERSITY FUND

A. INVESTMENT MATTERS

Report on Clearance of Monies to Permanent University Fund for March and April 1978 and Report on Oil and Gas Development as of April 30, 1978.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for the months of March and April 1978 and (b) Oil and Gas Development as of April 30, 1978, were received from the Executive Director for Investments, Trusts and Lands and made a part of this Committee's report:

<u>Permanent University Fund</u>	<u>March 1978</u>	<u>April 1978</u>	<u>Cumulative This Fiscal Year</u>	<u>Cumulative Preceding Fiscal Year</u>
Royalty				
Oil	\$4,106,852.93	\$2,633,390.32	\$25,639,317.50	\$25,270,306.30
Gas - Regular	3,392,609.82	2,879,013.70	23,632,936.91	17,481,150.29
- F. P. C.			225.96	74,928.15
- Market Value Settlements			1,100,310.74	5,253,635.16
- In Kind Settlements			374,443.49	1,146,225.70
Water	9,987.65	22,009.91	116,718.85	101,757.74
Salt Brine	4,165.01	2,828.72	28,973.03	20,199.28
Sulphur	18,590.36	37,167.56	403,873.44	850,817.01
Rental				
Oil and Gas Leases	319,505.40	124,169.00	976,577.98	666,412.40
Other	10,000.00	100.00	12,197.93	16,733.39
Miscellaneous	39,092.89	338,274.47	720,696.43	405,106.73
	<u>\$7,900,804.06</u>	<u>\$6,036,953.68</u>	<u>\$53,006,272.26</u>	<u>\$51,287,272.15</u>
Bonuses, Oil and Gas Lease Sales	-0-	-0-	17,869,500.00	13,324,000.00
Total, Permanent University Fund	<u><u>\$7,900,804.06</u></u>	<u><u>\$6,036,953.68</u></u>	<u><u>\$70,875,772.26</u></u>	<u><u>\$64,611,272.15</u></u>

Oil and Gas Development - April 30, 1978
Acreage Under Lease - 1,016,813

Number of Producing Acres - 368,715

Number of Producing Leases - 1,612

B. LAND MATTERS

Easements and Surface Leases Nos. 4591-4632; Assignment of Surface Lease No. 3012; Material Source Permit No. 552, and Water Contract No. 166. --Easements and Surface Leases Nos. 4591-4632, Assignment of Surface Lease No. 3012, Material Source Permit No. 552 and Water Contract No. 166 were approved as set out below. All have been approved as to content by the appropriate officials. Payment for each has been received in advance unless otherwise indicated, and the documents are on the University's standard forms and are at the standard rates that became effective February 1, 1977.

1. Easements and Surface Leases Nos. 4591-4632

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
4591	Larco Gas Corporation (renewal of 2418)	Pipe Line	Pecos	27	327.18 rds. 2.375 inch	4/1/77- 3/31/87	\$ 817.95
4592	Anadarko Production Company (renewal of 2617)	Pipe Line	Andrews	13	490.91 rds. 2-3/8 inch	5/1/78- 4/30/88	1,227.50
4593	Martinpool Gasoline Company (renewal of 2535)	Pipe Line	Andrews	11	606.06 rds. 6 inch 720.60 rds. 8 inch	10/1/77- 9/30/87	3,316.65
4594	Lo Vaca Gathering Company (renewal of 2647)	Pipe Line	Terrell	35	786.42 rds. 30 inch	7/1/78- 6/30/88	2,752.47
4595	Marathon Oil Company (renewal of 2598)	Pipe Line	Crockett	50	443.6 rds. 3 inch 337.6 rds. 2-3/8 inch	5/1/78- 4/30/88	1,953.00
4596	Texas Electric Service Company (renewal of 2575)	Power Line	Andrews, Dawson, Gaines	4, 5, 6	6,328.05 rds. H-Frame 951.39 rds. single pole	4/1/78- 3/31/88	16,771.54

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Land Matters - Continued --

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
4597	Texas Electric Service Company (renewal of 2574 & 2590)	Power Line	Andrews	5, 6, 8, 9, 10, 13, 14	721.16 rds. single pole	4/1/78- 3/31/88	\$ 721.16
4598	El Paso Natural Gas Company (renewal of 2460)	Pipe Line	Andrews	1	136.182 rds. 6-5/8 inch	1/1/78- 12/31/87	340.46
4599	El Paso Natural Gas Company (renewal of 2603)	Pipe Line	Andrews	1	468.315 rds. 10-3/4 inch	9/1/78- 8/31/88	1,170.79
4600	El Paso Natural Gas Company (renewal of 2602)	Pipe Line	Andrews	1, 9	651.50 rds. 6-5/8 inch	9/1/78- 8/31/88	1,628.75
4601	Amoco Production Company (renewal of 2649)	Pipe Line	Andrews	13	198.19 rds. 4 & 8 inch	6/1/78- 5/31/88	495.48
4602	Amoco Production Company (renewal of 2635)	Pipe Line	Andrews	9	393.33 rds. 3-1/2, 4-1/2, 6-5/8 inch	5/1/78- 4/30/88	983.33
4603	Amoco Production Company (renewal of 2578)	Pipe Line	Andrews	13	160 rds. 4 inch	5/1/78- 4/30/88	400.00
4604	Community Public Service Company (renewal of 2571)	Power Line	Ward, Winkler	18, 20, 21	4,690 rds. single pole	7/1/78- 6/30/88	4,690.00
4605	Community Public Service Company (renewal of 2570)	Power Line	Pecos	26	640 rds. single pole	7/1/78- 6/30/88	960.00
4606	Bert F. Duesing, Inc. (renewal of 2538)	Surface Lease (storage site)	Reagan	11	Less than 1 acre	4/1/78- 3/31/79*	500.00 (annual)

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

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Land Matters - Continued --

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
4607	Shell Oil Company (renewal of 2654)	Surface Lease (pump & microwave station)	Hudspeth	K	2.204 acres	7/1/78- 6/30/88	\$ 2,250.00 (full)
4608	Phillips Petroleum Company (renewal of 2638)	Pipe Line	Crane	31	1,058.6 rds. 6-5/8 inch 154.4 rds. 4-1/2 inch	4/1/78- 3/31/88	3,032.50
4609	Basin Incorporated	Pipe Line	Martin	7	71.17 rds. 4 inch	3/1/78- 2/28/88	213.51
4610	West Texas Utilities Company	Power Line	Upton	3	58 rds. single pole	2/1/78- 1/31/88	150.00 (min.)
4611	The Permian Corporation	Pipe Line	Martin, Andrews	7	1,153.27 rds. 3-1/2, 4-1/2 inch	4/1/78- 3/31/88	3,459.81
4612	B T A Oil Producers	Power Line	Andrews	5, 6	706.27 rds. single pole	4/1/78- 3/31/88	706.27
4613	Ozona Salt Water Disposal	Surface Lease (salt water disposal)	Crockett	31	1 acre	6/1/78- 5/31/79*	1,500.00
4614	Cap Rock Electric Coop., Inc. (renewal of 2377)	Power Line	Reagan	2	170 rds. single pole	4/1/77- 3/31/87	170.00
4615	P & W Oil Company (renewal of 2626)	Pipe Line	Andrews	4	285 rds. 2-7/8 inch	1/1/78- 12/31/87	712.50

*Renewable from year to year, but not to exceed five years.

Land Matters - Continued --

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
4616	Mobil Pipe Line Company (renewal of 2616)	Pipe Line	Andrews	4	663.78 rds. 4-1/2 inch	6/1/78- 5/31/88	\$ 1,659.45
4617	Amoco Production Company (renewal of 2576)	Pipe Line	Andrews	13	3,146.2 rds. various size	5/1/78- 4/30/88	9,508.90
4618	Phillips Petroleum Company (renewal of 2544 & 2545)	Pipe Line	Crane, Andrews	1, 10, 13, 30, 31	683.1 rds. various size	2/1/78- 1/31/88	1,707.75
4619	Phillips Petroleum Company (renewal of 2595)	Pipe Line	Crockett, Reagan	47, 48	1,808.4 rds. 2-3/8 inch	5/1/78- 4/30/88	4,521.00
4620	Phillips Petroleum Company (renewal of 2636)	Pipe Line	Andrews	4, 11	233.3 rds. 4-1/2 inch	3/1/78- 2/28/88	583.25
4621	Phillips Petroleum Company (renewal of 2611)	Pipe Line	Andrews	1, 9	70.5 rds. 3-1/2 inch 102.4 rds. 4-1/2 inch	6/1/78- 5/31/88	432.25
4622	Phillips Petroleum Company (renewal of 2536)	Surface Lease (booster station)	Andrews	10	21.58 acres	2/1/78- 1/31/88	7,553.00 (full)
4623	Shell Oil Company (renewal of 2630)	Surface Lease (microwave station and access road)	Hudspeth	6	1.435 acres	7/1/78- 6/30/88	2,250.00 (full)
4624	Globe Well Service, Inc.	Surface Lease (truck yard)	Reagan	11	1.84 acres	6/1/78- 5/31/79*	1,000.00 (annual)
4625	Union Texas Petroleum	Pipe Line	Upton	3	322.20 rds. 3 inch	4/1/78- 3/31/88	966.60

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

Land Matters - Continued --

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
4626	Cap Rock Electric Coop., Inc.	Power Line	Reagan	2, 58	5,265.45 rds. single pole	1/1/78 12/31/87	\$ 5,265.45
4627	West Texas Utilities	Power Line	Pecos	18	47 rds. single pole	4/1/78- 3/31/88	150.00
4628	Atlantic Richfield Company (renewal of 2593)	Surface Lease (salt water disposal)	Crockett	29	1 acre	5/1/78- 4/30/79*	500.00 (annual)
4629	Texas Electric Service Company (renewal of 2599)	Power Line	Ward	16, 17, 18	1,400.67 rds. single pole	6/1/78- 5/31/88	1,400.67
4630	Texas Electric Service Company (renewal of 2619)	Power Line	Loving	19	903.21 rds. single pole	6/1/78- 5/31/88	903.21
4631	Texas Electric Service Company (renewal of 2629 & 2620)	Power Line	Andrews	4, 5, 8, 10, 11, 13, 14	3,730.37 rds. single pole	6/1/78- 5/31/88	3,730.37
4632	Texas Electric Service Company (renewal of 2633)	Power Line	Crane	30, 35	219.70 rds. single pole	6/1/78- 5/31/88	219.70

2. Assignment of Surface Lease No. 3012

No.	Assignor	Assignee	Type of Permit	County	Block	Period	Consideration
3012	Lower Valley Oil Co., Inc.	C & R Distributing, Inc.	Surface Lease (Business site)	El Paso	L	11/1/69- 10/31/89	\$ 150.00**

*Renewable from year to year, but not to exceed five years.

**Assignment Fee

Land Matters - Continued --

3. Material Source Permit No. 552

No.	Grantee	County	Location	Quantity	Consideration
552	State Department of Highways and Public Transportation	Pecos	Block 16	807,095 cubic yards borrow	\$40,354.75*

4. Water Contract No. 166

No.	Grantee	County	Location	Period	Consideration
166	Amoco Production Company	Andrews	Block 11	4/1/78-3/31/83	\$ 317.00**

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*This agreement was made under the old schedule.
**Annual rental is \$317.00, to be paid in advance. Royalty is 12¢ per 1,000 gallons of water produced, with a minimum of 10¢ per acre per month.

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- C. Permanent University Fund - Report of Miller and Lents, Inc. : Proposal to Recommend Revision of Royalty Rate on Oil and Gas Production on University Lands. -- This item was omitted.

II. TRUST AND SPECIAL FUNDS

A. GIFTS, BEQUESTS AND ESTATES

1. U. T. Austin - Loraine O'Gorman Gonzalez Trust: Approval of Final Accounting and Settlement (NO PUBLICITY HAS BEEN REQUESTED.). -- Approval was given to the final accounting and settlement by Dr. Richard J. Gonzalez, Independent Executor of the Estate of his deceased wife, Mrs. Loraine O'Gorman Gonzalez, of the bequest of Mrs. Gonzalez' residuary estate to The University of Texas at Austin in trust as follows:

The total cash and securities delivered to the University as trustee have a current value of approximately \$430,000. Dr. Gonzalez made no charge for his services as Independent Executor.

In addition to this bequest, an amount of \$101,611 has been previously given to and reported in the Docket of U. T. Austin from the residuary estate since the death of Mrs. Gonzalez.

As a matter of information, this bequest was accepted by the Board of Regents on January 29, 1971, and the Will in part provided:

"At the death of my husband, Richard J. Gonzalez, the entire corpus of the trust fund shall pass to the University of Texas for the establishment of one or more Gonzalez chairs or professorships, which may be awarded by the Board of Regents of The University of Texas, in any field that in their judgment will best serve the interests of the University, and which may be changed from one field to another over the years."

2. U. T. Austin: Acceptance of Bequest Under Will of Charles Harritt, Jr., and Establishment of Charles Harritt, Jr., Endowed Presidential Scholarships (Graduate School of Business); Quitclaim Deed to Mrs. Harritt on Home in Conroe, Texas. -- The committee expressed sincere appreciation and accepted a bequest by Charles Harritt, Jr., BBA 1920, of Conroe, Texas, in the amount of \$71,899 for the establishment of the Charles Harritt, Jr., endowed Presidential Scholarships at The University of Texas at Austin to be awarded to students in the Graduate School of Business.

Also, in connection with this bequest, authorization was given for the execution of a quitclaim deed to Mrs. Harritt on her home in Conroe, Texas.

It was pointed out that for ten years or longer Mr. Harritt had made contributions of \$1,000 annually for the Harritt Scholarships in Business Administration with \$500 awarded annually and the remainder accumulated for an endowment account. There is \$10,000 on hand from these gifts; this amount is being added to the Endowed Presidential Scholarships fund.

3. Dallas Health Science Center: Authorization to Join Southwestern Medical Foundation and the Attorney General in Execution of Agreement Regarding Payment of Bequest Under Will of Frances Cerf. -- Upon the recommendation of the Administration, President Walker was authorized to join in a agreement with Southwestern Medical Foundation, the Independent Executor of the Estate of Frances Cerf, and the Attorney General under which a bequest estimated to range from \$16,000 to \$20,000 will be paid to Southwestern Medical Foundation for the use of The University of Texas Health Science Center at Dallas in the field of Cardio-Vascular Research.

It was pointed out that the Will of Frances Cerf, probated in Ellis County, provides for "one (1) share" of the residuary estate to go to the "University of Texas Southwestern Medical Foundation for Cardio-Vascular Research, Dallas, Texas," and that this misnomer made the agreement necessary to protect the Independent Executor in settlement of the bequest.

4. Houston Health Science Center (Houston Medical School and Houston Dental Branch): Establishment of Endowed John H. Freeman Awards for Faculty Teaching. -- Upon the recommendation of the Administration, approval was given to establish the John H. Freeman Awards for Faculty Teaching at The University of Texas Health Science Center at Houston (Houston Medical School and Houston Dental Branch). These awards will be established with \$20,000 of the income from the M. D. Anderson Foundation - Freeman Fund, and each award will be \$500 to be given to the outstanding teacher in the Houston Medical School and to the outstanding teacher in the Houston Dental Branch. It was noted that heretofore these awards had been made from the income from the M. D. Anderson Foundation - Freeman Fund.

5. Houston Health Science Center (Houston Medical School and Houston Dental Branch): Ratification of Acceptance of Gift and Establishment of Walter G. Sterling Awards for Excellence. -- With sincere appreciation, the Land and Investment Committee ratified the acceptance by Acting President Blocker of a gift of \$16,400 from Regent Walter G. Sterling, Houston, Texas. Of this gift \$10,000 was accepted for the endowment of the Walter G. Sterling Awards for Excellence with the income to be used for annual awards to the outstanding student in the Houston Medical School and to the outstanding student in the Houston Dental Branch at The University of Texas Health Science Center at Houston. Acting President Blocker reported that the remainder of the gift was used for models, dies, medallions, brochure and for cash awards made at the last graduation ceremonies.

6. San Antonio Health Science Center (San Antonio Medical School): Acceptance of Gifts and Establishment of Hector Martinez Memorial Fund for Fellowships in Hematology. -- System Administration reported that \$19,055.74 had come to The University of Texas Health Science Center at San Antonio through the Archdiocese of San Antonio. These funds came from various contributions for the care and treatment of Hector Martinez, a young San Antonio College student who contracted leukemia and died last June.

Upon recommendation of the Administration, these funds (\$19,055.74) were accepted and the Hector Martinez Memorial Fund for Fellowships in Hematology at the San Antonio Medical School of The University of Texas Health Science Center at San Antonio was established.

B. REAL ESTATE MATTERS

1. System Administration - Hogg Foundation - Thomas E. Hogg Fund: Oil, Gas and Mineral Lease to Atlantic Richfield Company on 146.3 Acre Tract in Jesse Thompson Survey, Abstract 132, Brazoria County, Texas. -- The Administration's recommendation to grant the following described oil, gas and mineral lease to Atlantic Richfield Company was approved without objection:

3-year oil, gas and mineral lease covering the Thomas E. Hogg Fund's (Hogg Foundation) 1/32 mineral interest in a tract of 146.3 acres in the Jesse Thompson Survey, Abstract 132, Brazoria County, Texas, for bonus of \$100 per acre (\$457.19 for the Thomas E. Hogg Fund), 1/5 royalty, and \$5 per acre annual delay rental

2. U. T. Austin - Tom Slick Memorial Trust: Ratification of Joinder with Slick Family, et al, in Oil and Gas Lease to John E. Wagner, Oklahoma City, Oklahoma, Covering 55.1 Acre Tract in Lincoln County, Oklahoma. -- Upon recommendation of the Administration and without objection, the Land and Investment Committee ratified the action of Executive Director for Investments, Trusts and Lands Lobb in the execution of a joinder with the Slick family, et al, in a two-year paid-up oil and gas lease to John E. Wagner of Oklahoma City, Oklahoma, covering 55.1 acres in the SW/4 of Section 9, Township 14 North, Range 4 East, Lincoln County, Oklahoma, out of the Tom Slick Memorial Trust, The University of Texas at Austin.

It was pointed out that the Board of Regents as Trustee of the Tom Slick Memorial Trust for The University of Texas at Austin holds an undivided 1/108th interest in the minerals under this tract. The lease provides for 3/16 royalty and a \$25 per acre bonus.

3. U. T. El Paso - Josephine Clardy Fox Estate: Renewal of Lease with Allright Auto Parks, Inc., at 222 South Oregon Street, El Paso, Texas. -- Without objection, approval was given to the recommendation of System Administration that:

The parking lot lease with Allright Auto Parks Inc., covering the property located at 222 South Oregon Street in El Paso, Texas, be renewed for a term of two years commencing August 1, 1978, and ending July 31, 1980, at a rental of \$425 per month.

4. U. T. El Paso - Frank B. Cotton Trust: Exchange of Surface Only of Section 15 for Section 12, Both in Block 3, C. & S. F. Survey, Culberson County, Texas, with Wolf Creek Company. -- The Administration reported that much of the approximately 37,000 acres in Hudspeth and Culberson Counties, Texas, owned by the Board of Regents as a part of the Frank B. Cotton Estate, The University of Texas at El Paso, is check-boarded. This detracts from the value of the land and causes difficulty in the implementation of range and wildlife conservation practices.

Based on the recommendation of the University Land Agent and System Administration, the Land and Investment Committee without objection authorized the exchange of the surface only of Section 15, Block 3, C. & S. F. Survey, Culberson County, for Section 12, Block 3, C. & S. F. Survey, Culberson County, which is owned by Wolf Creek Company. The University is retaining all of its minerals under its own land.

This is the first of what the University Land Agent hopes will be several such transactions which, when completed, will consolidate the Cotton Estate lands into several larger more manageable blocks. This particular exchange will result in the Board's owning five contiguous sections and will enhance the value of the tract.

III. OTHER MATTERS

Report on Securities Transactions for Permanent University Fund and Trust and Special Funds for Months of February and March 1978. -- The Report of Securities Transactions for the Permanent University Fund and Trust and Special Funds for the months of February and March 1978 submitted by the Office of Investments, Trusts and Lands, was mailed to each Regent by Secretary Thedford on May 11, 1978. No comments were received, and the report is attached (Attachment No. 2) following Page CC-22 of Attachment No. 1 and made a part of these Minutes.

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

Vice-Chairman Williams, also Vice-Chairman of the Board for Lease of University Lands, submitted the following report of the Board for Lease of University Lands:

Report

A meeting of the Board for Lease was held in Austin on May 18 at the General Land Office. The Board voted to hold the 68th Public Auction Sale of oil and gas leases on University Lands on September 13 in Midland at the Midland Hilton Hotel.

110,434 acres, broken into 292 tracts will be placed on the auction block. A record breaking \$17,869,500 was collected for 111,899 acres at the last sale, December 7, 1977.

Nominations from the industry were good and strong, and this coming sale should also prove to be one of the best. The 68th sale will mark a change in policy by the Board on tract sizes, as 66 one-section size tracts will be sold. Heretofore, section size tracts were unusual as all tracts were quarter or half section in size, but it was felt that it would be desirable to go to section size tracts in the deep gas trend where some ultra deep wells are anticipated. The Railroad Commission requires section size proration units before approving full allowables for any gas wells to the deep formations.

The hottest area is expected to be in Pecos County just east of Fort Stockton where tracts will be offered adjacent to or near to an ultra deep test being drilled by Exxon. This area is the deepest area in the Permian Basin and could contain some of the deepest production in the world, possibly in excess of 25,000 feet.

COMMITTEE OF THE WHOLE
(Pages 118-133)

The following report of the Committee of the Whole, all action of which had been taken in open session, was filed by Chairman Shivers and unanimously adopted:

BOARD OF REGENTS - REGENTS' RULES AND REGULATIONS, PART ONE: AMENDMENTS TO (1) SECTION 7.18, CHAPTER I (SUBCOMMITTEE ON HOSPITALS) AND (2) SECTION 5, CHAPTER V (GRADUATE EDUCATION). -- Upon recommendation of System Administration, Part One of the Regents' Rules and Regulations was amended:

1. By changing Section 7.18 of Chapter I (Duties of the Health Affairs Committee) to read:

7.18 Duties of the Health Affairs Committee. -- The Health Affairs Committee shall consider all matters connected with the health related institutions and schools except those specifically assigned to other committees of the Board. There shall be a Subcommittee on Hospitals of the Health Affairs Committee to consist of the Chairman of the Health Affairs Committee and two Regents appointed by the Chairman of the Board. The System Vice President for Health Affairs shall be an ex officio member of the Subcommittee. The Subcommittee on Hospitals shall have the following duties with respect to each Hospital owned by the System:

- 7.181 Participate in the accreditation process for the Hospital;
- 7.182 Review long-range plans for the Hospital;
- 7.183 Review and make recommendations to the Board concerning the bylaws, rules and regulations of the medical staff of the Hospital, and approval of same;
- 7.184 Review and make recommendations to the Board concerning mechanisms and controls for the achievement and maintenance of high standards of professional practices in and at the Hospital, and approval of same;
- 7.185 Hold regular meetings at least once annually, at the Hospital to review programs and problems; and
- 7.186 Report to the Board the substance of each meeting of the Subcommittee and make any appropriate recommendations.

2. By adding the following paragraph to Section 5 of Chapter V (Graduate Education):

Where two or more components of The University of Texas System are authorized to conduct joint or cooperative degree programs, the chief administrative officers of the cooperating institutions shall be authorized to establish, subject to the approval of the President of The University of Texas System, special procedures and organizations for the administration of such programs.

BOARD OF REGENTS - REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENT TO SECTION 8.6 OF CHAPTER VII (SALE OF SURPLUS EQUIPMENT OR ABANDONED PROPERTY TO SYSTEM EMPLOYEES). -- Upon recommendation of System Administration, Section 8.6 of Chapter VII (Sale of Surplus Equipment or Abandoned Property to System Employees) of Part Two of the Regents' Rules and Regulations was amended and a new subsection, Subsection 8.61, was added as set out below:

- 8.6 Sales to U. T. Employees--Sealed bid sales of surplus equipment or abandoned property may be made to employees of the System or of any of its component institutions only after authorization by the chief administrative officer and approval of the President of the System. Such sales shall be reported in the institutional docket.
- 8.61 The authorization and reporting requirements in Section 8.6 are not required for public auction sales of surplus equipment or abandoned property to employees of the System.

BOARD OF REGENTS - AUTHORIZATION TO (1) ADVANCE REFUND U. T. AUSTIN COMBINED FEE REVENUE BONDS, SERIES 1970 AND 1974, AND U. T. AUSTIN BUILDING REVENUE BONDS, SERIES 1974-A; (2) ADVERTISE FOR BIDS FOR SALE OF REFUNDING BONDS, PAYING AGENCY AND PRINTING; (3) APPOINT VINSON & ELKINS BOND COUNSEL AND RAUSCHER PIERCE SECURITIES CORPORATION, BOND CONSULTANT; AND (4) ESTABLISH ACCOUNT FOR FEES, PRINTING AND MISCELLANEOUS COSTS.-- Upon recommendation of the Administration, the Board of Regents unanimously:

1. Authorized the granting of advance refund bond issues as set out below:
 - a. \$8,955,000 U. T. Austin Combined Fee Revenue Bonds, Series 1970
 - b. \$6,430,000 U. T. Austin Combined Fee Revenue Bonds, Series 1974
 - c. \$5,760,000 U. T. Austin Building Revenue Bonds, Series 1974-A
2. Authorized the Office of Investments, Trusts and Lands to advertise for bids for the sale of these refunding bonds, paying agency for and printing thereof
3. Appointed the firm of Vinson & Elkins Bond Counsel and the firm of Rauscher Pierce Securities Corporation Bond Consultant
4. Established an account on the books of U. T. Austin for the purpose of paying fees of bond counsel and bond consultant, printing of the bonds, postage and other costs of the issue, all to be paid out of bond proceeds

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U. T. ARLINGTON: RATIFICATION OF DISPATCH SERVICE AGREEMENT WITH CITY OF PANTEGO, TEXAS. --Upon the recommendation of President Nedderman and System Administration and without objection, the Committee of the Whole ratified the agreement set out on Pages 120-123 executed by President Nedderman on behalf of The University of Texas at Arlington and Mayor Wayne A. Rohne on behalf of the City of Pantego, Texas, on May 12, 1978. This agreement is to become effective immediately.

THE STATE OF TEXAS §
 § DISPATCH SERVICE AGREEMENT
COUNTY OF TARRANT §

THIS AGREEMENT, made and entered into this 12th day of May, 1978, by and between THE UNIVERSITY OF TEXAS AT ARLINGTON and the CITY OF PANTEGO, a general law municipal corporation (hereinafter called, "Pantego"), each acting herein by and through its duly authorized officials:

W I T N E S S E T H:

WHEREAS, Pantego is desirous of obtaining the use and services of a dispatch center to perform communication functions for its police, fire and ambulance service; and

WHEREAS, Pantego owns its radio equipment and can provide telephone and landline communications capabilities for the benefit of both entities; and

WHEREAS, The University of Texas at Arlington Police Department has the space and personnel to provide telephone answering and dispatch service on a twenty-four (24) hour, seven (7) day a week basis; and

WHEREAS, said entities believe it is to their mutual benefit to enter into an agreement for the provision of telephone, landline communication and dispatch services; and

WHEREAS, said entities are authorized to enter into such an agreement under the authority of Article 4413(32c), V.A.C.S., known as the Interlocal Cooperation Act.

NOW, THEREFORE, in consideration of the premises and of

the terms, provisions and mutual promises herein contained, it is mutually agreed as follows:

ARTICLE I

EQUIPMENT

Pantego, through its Police Department, shall, at their expense, provide and install at The University of Texas at Arlington Police Dispatch Center the necessary telephone, landline communications and radio equipment to meet their desired specifications.

The University of Texas at Arlington Police Department shall provide space in its Communications Center to accommodate the aforementioned equipment and provide personnel to maintain twenty-four (24) hour-per-day, seven (7) day-per-week, telephone answering, landline communication and dispatch service for Pantego police, fire and ambulance service.

ARTICLE II

LOGS AND DISPATCH CARDS

The University of Texas at Arlington Police Communications Center personnel will maintain the required FCC Radio Logs for Pantego and initiate call cards on all calls for service in Pantego. Radio logs will be retained in file in The University of Texas at Arlington Dispatch Center.

Pantego Police will pick up their call-cards to be maintained in their file on a daily basis.

ARTICLE III

PAYMENTS

In consideration of the services hereinabove provided to be performed by The University of Texas at Arlington Police, Pantego agrees to pay to The University of Texas at Arlington compensation at a rate of FOUR HUNDRED DOLLARS (\$400.00) per month, said rate to accrue monthly beginning on the day of execution of this agreement. Payments herein provided shall be made by Pantego on or before the tenth (10th) day of each month, for services rendered in the immediately preceding month to The University of Texas at Arlington.

ARTICLE IV
TRANSPORTATION

It is understood that this agreement is for the provision of telephone answering, landline communication and dispatch service. All transportation of related reports will be provided by Pantego.

ARTICLE V
LIABILITIES

Pantego agrees to hold harmless, save and indemnify The University of Texas at Arlington for any and all claims, causes of actions and judgments for damages, personal injury, death, false arrest, false imprisonment and abuses of process that may be asserted against The University of Texas at Arlington arising out of acts or the failure to act during performance of this agreement of any employee or volunteer of Pantego. Pantego hereby agrees to levy a tax sufficient to pay any of the above stated liabilities. Insofar as authorized by the Constitution and laws of the State of Texas, The University of Texas at Arlington agrees to hold harmless, save and indemnify Pantego for any and all claims, causes of action and judgments for damages, for personal injury and for death that may be asserted against Pantego arising out of acts or the failures to act during the performance of this agreement of any employee.

ARTICLE VI
CANCELLATION

The term of this agreement shall commence on the date of its execution and shall become effective on the approval of the Board of Regents of The University of Texas System and the approval of the City Council of the City of Pantego and shall continue from year to year unless sooner terminated by either party upon thirty (30) days written notice prior to the effective date of said termination.

ARTICLE VII
ADMINISTRATION

The agent of The University of Texas at Arlington for the administration of this agreement, including all notices herein required, shall be the Chief of Police of The University of Texas at Arlington, or his representative as designated to Pantego in writing. The agent of Pantego for administration of this agreement, as aforesaid, shall be Chief of Police Larry Smith.

Executed in duplicate original counterparts on this 12th day of May, 1978.

THE UNIVERSITY OF TEXAS AT ARLINGTON

By Wendell H. Nedderman
Dr. Wendell H. Nedderman, President

CITY OF PANTEGO, TEXAS

By Wayne A. Robue
Mayor

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing agreement was approved by the Board of Regents of The University of Texas System on the _____ day of _____, 1978.

Secretary, Board of Regents of
The University of Texas System

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing agreement was ^{ratified} approved by the City Council of the City of Pantego on the 22 day of May, 1978.

Wayne A. Robue

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U. T. AUSTIN - SCHOOL OF ARCHITECTURE: ARCHITECTURE BUILDING RENAMED GOLDSMITH HALL. --With the endorsement of Dean Hal Box and an Architecture Alumni Group and upon the recommendation of President Rogers and System Administration, the Committee of the Whole named the Architecture Building at The University of Texas at Austin Goldsmith Hall in honor and memory of the late Goldwin C. Goldsmith and authorized a suitable plaque to identify the building.

Professor Goldsmith was a distinguished scholar, author and champion of architectural education and a beloved faculty member at the University from 1928 until his death in 1962. From 1928 through 1936 his guidance so elevated the Architecture Curriculum that it became the first such curriculum in the State of Texas to receive national accreditation. Professor Goldsmith distinguished the University by being a founding member of the Texas Society of Architects and by being the first in the State of Texas to be admitted into the College of Fellows of the American Institute of Architects. His tireless efforts and influence supported the construction of the Architecture Building and the establishment of the first School of Architecture in the U. T. System. Professor Goldsmith donated generously from his personal funds for scholarships for worthy students studying Architecture.

U. T. AUSTIN - SCHOOL OF LAW: FORMAL ESTABLISHMENT OF LIDDELL, SAPP, ZIVLEY & BROWN PROFESSORSHIP IN BANKING, FINANCIAL, COMMERCIAL AND CORPORATE LAW. --In accordance with the Regents' Rules and Regulations an endowed professorship to be known as the Liddell, Sapp, Zivley & Brown Professorship in Banking, Financial, Commercial and Corporate Law was established in the School of Law at The University of Texas at Austin. This Professorship is to be funded through the Law School Foundation with a gift from Charles Sapp of 9,500 shares of common stock of Southwest Chemical Services Incorporated that was accepted on April 7, 1978 (Permanent Minutes, Volume XXV, Page 2717).

U. T. AUSTIN: ACCEPTANCE OF PLEDGE FROM RICHARDSON FOUNDATION TO ESTABLISH LYNDON B. JOHNSON PUBLIC SERVICE PROFESSORSHIP AND APPOINTMENT OF MISS BARBARA JORDAN THERETO. --Upon the recommendation of President Rogers and System Administration, the Committee of the Whole accepted a pledge of \$38,000 per year for a period of five years from the Richardson Foundation and established the Lyndon B. Johnson Public Service Professorship at The University of Texas at Austin.

Upon the recommendation of President Rogers and System Administration, The Honorable Barbara Jordan was named the initial appointee to this Professorship to be effective January 1979. (See Page 24 .)

Miss Jordan's distinguished career in the Legislature of the State of Texas and in Congress provides unique experience and qualifications for her to teach in the area of intergovernmental relations as well as ethics in public affairs.

U. T. AUSTIN (HUMANITIES RESEARCH CENTER): ARCHIVES CONTRACT WITH MATHEMATICAL ASSOCIATION OF AMERICA. --In consideration of the proposed agreement between the Board of Regents of The University of Texas System and the Board of Governors of the Mathematical Association of America, Chairman Shivers emphasized that the archival collections of the Mathematical Association of America were extremely valuable collections.

Upon a motion duly made and seconded, approval was given to the following archival contract (Pages 125 - 129) providing that the Humanities Research Center at The University of Texas at Austin shall act as a repository for scientific archival collections now in possession of the Mathematical Association of America:

THE STATE OF TEXAS

ARCHIVE CONTRACT

COUNTY OF TRAVIS

THIS CONTRACT, made the _____ day of _____, 1978, by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, for and on behalf of the Humanities Research Center of The University of Texas at Austin, an institution of higher education established under the Constitution and laws of Texas, hereinafter referred to as "University", and THE BOARD OF GOVERNORS OF THE MATHEMATICAL ASSOCIATION OF AMERICA, a nonprofit corporation incorporated and acting under the laws of the State of Illinois, hereinafter referred to as "MAA";

W I T N E S S E T H:

WHEREAS, University now operates a facility located at the Humanities Research Center building at 21st and Guadalupe Streets, in the City of Austin, State of Texas, and therein provides scientific archival collection and storage services; and,

WHEREAS, University periodically desires to expand its scientific archival collections by acting as a repository for scientific materials; and,

WHEREAS, MAA presently owns certain mathematical archival materials; and,

WHEREAS, MAA desires to establish a location where the mathematical archival material can be deposited and serve as a nucleus for additional gifts of mathematical archival material.

NOW, THEREFORE, in consideration of the premises and of the benefits derived and to be derived therefrom and from the agreement established and implemented by said parties, University

and MAA agree, for purposes of achieving the above described objectives of said parties, to be covered by and subject to the following terms and conditions:

1. Subject to the provisions of this contract, MAA shall grant all rights, title and interest, in and to certain mathematical manuscript materials consisting of a number of separate, important collections (including, but not limited to, reports, brochures, files of correspondence, interviews on tape, films, books and manuscripts that are no longer needed by MAA and are not confidential) from the MAA archives, to University to be collectively designated "THE ARCHIVES OF AMERICAN MATHEMATICS". It is understood that THE ARCHIVES OF AMERICAN MATHEMATICS may contain collections other than those provided by MAA. It is understood that any interest in these materials conveyed to The University of Texas includes only the physical property and specifically excludes any copyright interest or literary property therein, which is appropriately reserved to the respective authors of the material in question.

2. In regard to the storage function, University agrees as follows:

(a) To place all manuscripts, typescripts and letters in mylar folders and assemble these folders in acid-free boxes, to be supplied by University, and to place all magnetic tapes in steel cabinets, to be supplied by University.

(b) To house THE ARCHIVES OF AMERICAN MATHEMATICS in a vault or suitable storage where humidity and temperature are optimally controlled and highest standards of pest control and fire protection are maintained (such as the present Humanities Research Center (HRC) building at 21st and Guadalupe Streets, Austin, Texas).

(c) To catalogue and to classify the archival material obtained from MAA and other donors. Furthermore, University agrees to prepare a listing of the materials available sufficient to enable a scholar not

present in Austin to decide whether or not the collection has items which he desires to study. University agrees to furnish Xerox copies of such listings at the usual HRC charges for Xerox copies.

(d) To maintain subject catalogue cards for items already in the HRC or items obtained later from other sources which deal with American Mathematics, which provides an automatic cross-reference by author and title of the works catalogue.

(e) To arrange the materials donated by MAA so they can be made accessible to scholars as soon as possible. It is anticipated that a working archival organization of the material can be accomplished within two (2) or three (3) months after the material arrives, and within a year most of the important materials can be listed or catalogued in a fashion to assist scholars in more specific ways than the archival arrangements will provide.

3. In regard to the use of THE ARCHIVES OF AMERICAN MATHEMATICS, University agrees as follows:

(a) To provide rules for the use of such material so as to prevent scattering, dispersal or loss of the material; this can be best accomplished by following strictly the rules and regulations for the use of HRC patrons as set forth in the pamphlet, Information for Prospective Readers.

(b) To allow the use of all materials (except that which has been placed under seal by one of the suppliers) in the HRC reading room by competent scholars.

(c) To make the material (except that which has been placed under seal by one of the suppliers) available by the box, if so requested by the user.

(d) To furnish photocopies at the usual HRC fee after copyright (or other) permission has been obtained.

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This service shall also be available by mail in accordance with the normal HRC procedures.

(e) To allow the MAA to place under seal, for a specific period of time, various documents, letters or other material donated by MAA. The HRC will not allow use of this material within such a time period.

(f) To furnish to MAA the original documents or suitable copies of such items as charters and charter correspondence, citations for work well done, pictures of former presidents and secretaries and distinguished members, in the event MAA desires to hold programs celebrating its history or to publish historical surveys. MAA agrees to pay costs of transportation from and back to Austin, Texas, and to insure all items that are on temporary loan. It is understood, that if certain items should be needed in any legal proceedings (e.g. to establish priority of an idea, or to press a copyright suit) such originals as needed will be furnished under the same conditions.

4. University agrees to create a special advisory committee (referred to hereinafter as Committee A) which shall have a membership of appointees made by the donors of the ARCHIVES OF AMERICAN MATHEMATICS and the curator of HRC mathematics collections as an ex-officio member of the Committee, and which shall develop a set of recommendations concerning materials which should be collected for the ARCHIVES OF AMERICAN MATHEMATICS and advise the HRC staff about the appropriate use of the materials. Committee A shall also act in the capacity of a "visiting committee" to visit the HRC at appropriate intervals to advise the HRC staff concerning the use and acquisition of materials for the collection and to report to MAA, among others, on the status of the archives.

5. MAA agrees to give notice in its official journals that a

mathematical archival center has been established at the HRC and thereafter to announce its existence at regular intervals.

6. MAA agrees to encourage former officers of the MAA and former committee chairpersons to give their related personal archival material to the HRC. If an outright gift cannot be made, such persons will be urged to provide the HRC with copies. It is understood that MAA can only recommend and cannot require such gifts.

7. MAA agrees to appoint members of Committee A.

8. MAA agrees to deposit and grant additional items in the future as these items pass from the state of current correspondence files to historical records.

9. MAA agrees to assist in the identification and dating of documents, papers, letters and other archival materials.

Executed by University and MAA on the day and year first above written, in duplicate copies, each of which shall be deemed an original.

ATTEST:

THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

Secretary

By _____
Chairman

ATTEST:

MATHEMATICAL ASSOCIATION OF AMERICA

By Henry L. Rice
President

Approved as to Form:

Approved as to Content:

W.O. Smith
University Attorney

Edward L. ...
President, University of Texas System

GALVESTON MEDICAL BRANCH: FORMAL ACCEPTANCE OF GIFT FROM THE SEALY & SMITH FOUNDATION FOR THE JOHN SEALY HOSPITAL AND ESTABLISHMENT OF JOHN SEALY CHAIR IN PEDIATRICS. --The gift of \$500,000 accepted from The Sealy & Smith Foundation for the John Sealy Hospital at the meeting of the Board of Regents in Galveston on April 7, 1978, for the establishment of the John Sealy Chair in Pediatrics at The University of Texas Medical Branch at Galveston was formally accepted and the Chair was established.

All members of the Board of Regents joined in the following resolution:

Resolution

On Thursday, April 6, 1978, dedication ceremonies were held for the new John Sealy Hospital at The University of Texas Medical Branch at Galveston. This magnificent new hospital -- one of the most modern and best equipped in the world -- was a product of the vision and generosity of The Sealy & Smith Foundation for the John Sealy Hospital which provided the entire \$32.5 million for its construction.

During those ceremonies, Chairman Shivers, on behalf of the Board of Regents of The University of Texas System, accepted with deep gratitude a check in the amount of \$500,000 from The Sealy & Smith Foundation for the creation of a Chair in Pediatrics at the Medical Branch.

This gift in itself was a remarkable act of generosity. But it is all the more remarkable in the context of the \$108 million that the Foundation, in its 56 years of existence, has given to the Medical Branch. Truly The Sealy & Smith Foundation has changed the face of The University of Texas Medical Branch at Galveston.

Be it RESOLVED, therefore, by the Board of Regents of The University of Texas System, That lasting appreciation and gratitude be expressed to The Sealy & Smith Foundation -- not only for this gift . . . not only for past generousities . . . but for the Foundation's expressed desire to support the Medical Branch in the future.

Personally and on behalf of the Board of Regents, Chairman Shivers made the following remarks:

"I want to reiterate that without The Sealy & Smith Foundation there would not be a Galveston Medical Branch. Had it not been for the support of this Foundation we could not have the medical school that we have at this time. The Trustees of the Foundation have been most generous. We deeply appreciate the gift for the John Sealy Chair in Pediatrics. The Foundation has given a total of \$108 million to the Medical Branch.

"Dr. Levin, on behalf of the Board of Regents I ask you to express our deep appreciation to them."

Development Matters

Reports of the following Development Matters were received and in all things were approved and confirmed:

HOUSTON HEALTH SCIENCE CENTER: MEMBERSHIP FOR DEVELOPMENT BOARD. --In order that the record may be up-to-date, the Administration reported the acceptance of those individuals who were appointed to the Development Board of The University of Texas Health Science Center at Houston on February 10, 1978:

Mr. William Bruce, Houston
 Mr. John Cater, Houston
 Mr. Jack Currie, Houston
 Mr. William C. Harvin, Houston
 Mr. Allan C. King, Houston
 Mr. Neal Wade, Houston
 Mr. William M. Wheless, III, Houston

Also the acceptance of the following nominee approved by the Board of Regents on September 12, 1975, was reported for the record:

Mr. Weldon H. Smith, Houston

These members, as well as those reported for the record on December 16, 1977, will draw for terms at an organizational meeting.

The authorized membership of this Development Board is 53. Additional nominees were proposed at this meeting and their names will be reported for the record when acceptances are received (Page 133).

U. T. SYSTEM: NOMINEES TO DEVELOPMENT BOARDS AND COUNCILS -

U. T. ARLINGTON: DEVELOPMENT BOARD; GRADUATE SCHOOL OF SOCIAL WORK, COLLEGE OF BUSINESS ADMINISTRATION, AND SCHOOL OF NURSING ADVISORY COUNCILS;
 U. T. AUSTIN: DEVELOPMENT BOARD; SCHOOL OF ARCHITECTURE FOUNDATION, ARTS AND SCIENCES FOUNDATION (HUMANITIES, NATURAL SCIENCES, SOCIAL AND BEHAVIORAL SCIENCES, GENERAL AND COMPARATIVE STUDIES), COLLEGE OF BUSINESS ADMINISTRATION FOUNDATION, SCHOOL OF COMMUNICATION FOUNDATION, COLLEGE OF EDUCATION FOUNDATION, COLLEGE OF ENGINEERING FOUNDATION, COLLEGE OF FINE ARTS FOUNDATION, GEOLOGY FOUNDATION, GRADUATE SCHOOL FOUNDATION, GRADUATE SCHOOL OF LIBRARY SCIENCE FOUNDATION, PHARMACEUTICAL FOUNDATION, SCHOOL OF SOCIAL WORK FOUNDATION, McDONALD OBSERVATORY, SCHOOL OF NURSING AND MARINE SCIENCE INSTITUTE ADVISORY COUNCILS;
 U. T. DALLAS: DEVELOPMENT BOARD; SCHOOL OF MANAGEMENT AND ADMINISTRATION, CALLIER CENTER FOR COMMUNICATION DISORDERS, GENERAL STUDIES, AND ARTS AND HUMANITIES ADVISORY COUNCILS;
 U. T. EL PASO: DEVELOPMENT BOARD;
 U. T. PERMIAN BASIN: DEVELOPMENT BOARD;
 U. T. SAN ANTONIO: DEVELOPMENT BOARD; COLLEGE OF BUSINESS AND INSTITUTE OF TEXAN CULTURES ADVISORY COUNCILS;
 DALLAS HEALTH SCIENCE CENTER: DEVELOPMENT BOARD;

GALVESTON MEDICAL BRANCH: DEVELOPMENT BOARD;
 HOUSTON HEALTH SCIENCE CENTER: DEVELOPMENT BOARD;
 HOUSTON MEDICAL SCHOOL, HOUSTON DENTAL BRANCH, GRAD-
 UATE SCHOOL OF BIOMEDICAL SCIENCES AND SPEECH AND
 HEARING INSTITUTE, SCHOOL OF ALLIED HEALTH SCIENCES,
 AND PUBLIC HEALTH SCHOOL ADVISORY COUNCILS;
 SAN ANTONIO HEALTH SCIENCE CENTER: DEVELOPMENT BOARD;
 UNIVERSITY CANCER CENTER: BOARD OF VISITORS OF UNIVER-
 SITY CANCER FOUNDATION. --On the following development boards and
 advisory councils, nominees were designated for the present vacancies
 and for those occurring on August 31, 1978, and the membership of each
 was reaffirmed or amended as indicated. The names of those accepting
 together with the authorized membership of each organization will be
 reported to the Board of Regents at a subsequent meeting:

1. The University of Texas at Arlington

Development Board
 Graduate School of Social Work Advisory Council
 College of Business Administration Advisory Council
 School of Nursing Advisory Council

2. The University of Texas at Austin

Development Board
 School of Architecture Foundation Advisory Council
 Arts and Sciences Foundation Advisory Council
 a. College of Humanities Advisory Council
 b. College of Natural Sciences Advisory Council
 c. College of Social and Behavioral Sciences
 Advisory Council
 d. Division of General and Comparative Studies
 Advisory Council
 College of Business Administration Advisory Council
 School of Communication Foundation Advisory Council
 College of Education Foundation Advisory Council
 College of Engineering Foundation Advisory Council
 College of Fine Arts Foundation Advisory Council
 Geology Foundation Advisory Council
 *Graduate School Foundation
 Graduate School of Library Science Foundation Advisory Council
 Pharmaceutical Foundation Advisory Council
 School of Social Work Foundation Advisory Council
 McDonald Observatory Advisory Council
 School of Nursing Advisory Council
 Marine Science Institute Advisory Council

3. The University of Texas at Dallas

Development Board
 Advisory Council for the School of Management and
 Administration
 Advisory Council for the Callier Center for Communica-
 tion Disorders
 Advisory Council for General Studies
 Advisory Council for Arts and Humanities

4. The University of Texas at El Paso

Development Board

5. The University of Texas of the Permian Basin
Development Board
6. The University of Texas at San Antonio
Development Board
College of Business Advisory Council
Advisory Council for Institute of Texan Cultures
7. The University of Texas Health Science Center at Dallas
Development Board (Southwestern Medical Foundation
serves in this capacity; nominees are not subject
to Regental approval.)
8. The University of Texas Medical Branch at Galveston
Development Board
9. The University of Texas Health Science Center at Houston
**Development Board
*Houston Medical School, Houston Dental Branch,
Graduate School of Biomedical Sciences and
Speech and Hearing Institute, School of Allied
Health Sciences, and Public Health School
Advisory Councils
10. The University of Texas Health Science Center at San Antonio
Development Board
11. The University of Texas System Cancer Center
Board of Visitors of University Cancer Foundation
12. The University of Texas Health Center at Tyler
***Development Board

SCHEDULED MEETINGS. --The following meetings were scheduled:

August 3-4, 1978, in Austin
October 19-20, 1978, in Austin

*These development boards and advisory councils are in the process of
initial organization, and nominees were not presented at the meeting.

**See Page 131 for update on membership.

***No development board has been established at this time. (See Page 63 .)

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3317

COMMITTEE OF THE WHOLE - EXECUTIVE SESSION
(Pages 134 - 141)

Chairman Shivers reported that following the meeting of the Committee of the Whole in Open Session, the Committee of the Whole convened in Executive Session in the Regents' Committee Room on the ninth floor of Ashbel Smith Hall, Austin, Texas, pursuant to Article 6252-17, Sections 2 (e), (f) and (g), V. T. C. S. He called for consideration of the following items that were discussed in Executive Session:

U. T. EL PASO - LAND ACQUISITION: AUTHORIZATION TO PURCHASE FROM THE GENERAL SERVICES ADMINISTRATION 1.607 ACRES ADJACENT TO CAMPUS AT PROSPECT STREET AND SCHUSTER AVENUE (SURPLUS GOVERNMENT PROPERTY LOCATED IN BLOCKS 4 AND 5, MUNDY SUBDIVISION, AND FRACTIONAL BLOCK 11, ALEXANDER ADDITION SUBDIVISION, CITY OF EL PASO, TEXAS) AND ADOPTION OF RESOLUTION WITH RESPECT THERETO. -- Upon the recommendation of President Templeton and System Administration and upon the motion of Vice-Chairman Williams, seconded by Regent Clark, authorization was given to acquire from the General Services Administration for a purchase price of \$50,000 the following described surplus government property adjacent to The University of Texas at El Paso campus (Prospect Street and Schuster Avenue):

A parcel of land located in Blocks 4 and 5, Mundy Subdivision, and Fractional Block 11, Alexander Addition Subdivision, in the City of El Paso, Texas, and consisting of 1.607 acres, more or less

In connection with this purchase, the resolution set out on Pages 134-136 was adopted as required by the Terms and Conditions of the "Offer to Purchase Real Estate and Acceptance" form submitted by the General Services Administration.

The Chairman of the Board of Regents was authorized to execute all documents necessary to consummate the purchase of this property.

RESOLUTION

THE UNIVERSITY OF TEXAS SYSTEM FOR THE UNIVERSITY OF TEXAS AT EL PASO--Acquisition of Surplus Government Property in El Paso County, Texas.

WHEREAS, certain real property owned by the United States of America, situated in El Paso County, Texas, and being a parcel of land located in Blocks 4 and 5, Mundy Subdivision, and Fractional Block 11, Alexander Addition Subdivision, in the City of El Paso, and consisting of 1.607 acres, more or less, has been declared surplus property and is subject to disposal by the General Services Administration; and

WHEREAS, The University of Texas at El Paso is in need of the said property and can utilize the same for campus expansion for educational purposes and the Board of Regents of The University of Texas System has the authority under Section 69.21 of the Texas Education Code to acquire said property and has available the necessary funds to purchase said property; and

WHEREAS, it is the desire of the Board of Regents of The University of Texas System, the governing authority of The University of Texas at El Paso, to submit a cash offer of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) for acquisition of the property under the provision of Section 203(K)(1) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, and regulations and procedures promulgated thereunder:

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents that Allan Shivers, Chairman of the Board of Regents of The University of Texas System, or his successor in function, be and he is hereby designated as the proper official of the said University of Texas System by whom negotiations for such acquisitions are to be prosecuted; and he is hereby duly authorized to do any and all things necessary and proper to procure the acquisition of, and to accept, the property approved for sale by the General Services Administration to The University of Texas System for The University of Texas at El Paso.

BE IT FURTHER RESOLVED that Allan Shivers, Chairman of the Board of Regents of The University of Texas System, is authorized to accept delivery of all instruments of conveyance, and it is further agreed that the Purchaser, The University of Texas System for The University of Texas at El Paso, shall be bound by all the terms, reservations, and restrictions and conditions of conveyance set forth in the offer and Deed of Conveyance and that the following nondiscrimination covenant will be incorporated in the Deed of Conveyance:

The Grantee covenants for itself, its heirs, successors, and assigns and every successor in interest to the property hereby conveyed, or any part thereof, that the said Grantee and such heirs, successors, and assigns shall not discriminate upon the basis of race, color, religion, or national origin in the use, occupancy, sale, or lease of the property, or in their employment practices conducted thereon. This covenant shall not apply, however, to the lease or rental of a room or rooms within a family dwelling unit; nor shall it apply with respect to religion to premises used primarily for religious purposes. The United States of America shall be deemed a beneficiary of this covenant without regard to whether it remains the owner of any land or interest therein the locality of the property hereby conveyed and shall have the sole right to enforce this covenant in any court of competent jurisdiction.

BE IT FURTHER RESOLVED that three certified copies of this Resolution be furnished to the General Services Administration as evidence of the official action of the Board of Regents of The University of Texas System in authorizing the application for the purchase and acquisition of the said property.

2. In consideration of this sale of works of art as set forth in Exhibit "A", the Foundation agrees to pay to Sellers, or the survivor of them, the sum of One Thousand Dollars (\$1,000.00) per month commencing on the 1st day of July, 1978, and to continue such payments for a period of ninety (90) months, except that payments will cease upon the death of the last of the Sellers, and thereupon the financial obligation of the Foundation under this agreement shall be fully discharged. Any excess of such value of \$90,000 over the value of this promise to pay to Sellers by the Foundation shall be a gift to the Foundation.

3. Foundation will place such works of art as set forth in Exhibit "A" on loan to the Board for use and display in conjunction with the Tom Lea Rooms in furtherance of the educational and research purposes of The University of Texas at Austin. Such works of art will be maintained by the Board in the same proper and prudent manner as those contained in that Deed of Gift from Sellers to the Board, dated June 3, 1976.

4. The Foundation and Sellers agree that the works of art set forth in Exhibit "A" will remain on loan to the University of Texas at Austin until such time as the funds represented by the investment of the Foundation in such works of art are required for other purposes. At such time, as determined by the Foundation, the Board shall have first refusal to

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purchase said works for a consideration not to exceed the amount then paid to Sellers by the Foundation, plus reasonable interest. Should the Board elect to not make such purchase within six months of such offer by the Foundation, the Foundation will be free to offer for sale all or part of these works of art as set forth in Exhibit "A" to responsible non-profit organizations whose programs are consistent with the educational, research, and cultural objectives which motivated the Deed of Gift from Sellers to the Board, dated June 3, 1976.

Executed the day and year first above written.

Frances Barton
Witness

Tom Lea
Tom Lea

Frances Barton
Witness

Sarah Dighton Lea
Sarah Dighton Lea

Attest:
Arthur Talley
EX. SECRETARY

THE UNIVERSITY OF TEXAS
FOUNDATION, INC.
By W. O. W. W. W.
President

Attest:

BOARD OF REGENTS, THE UNIVERSITY
OF TEXAS SYSTEM
By _____

APPROVED AS TO CONTENT:
Ed Walker
President of the University of
Texas System

APPROVED AS TO FORM:
Edward Shriver
University Attorney

ELEVEN ADDITIONAL INDIVIDUAL WORKS OF ART

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1. title: GRANDFATHER CHINA
medium: oil on canvas
size: 36" high x 32" wide
signed: Tom Lea
(date: 1943)
2. title: RENDEZVOUS: NORTH ATLANTIC 1960
medium: oil on canvas
size: 32" high x 58" wide
signed: Tom Lea, Norwegian Sea
date: Sept. 1960
3. title: GREAT FISHING: HIGH WYOMING
medium: oil on canvas
size: 24" high x 30" wide
signed: Tom Lea
date: 1960
4. title: CONTEMPLANDO
medium: oil on canvas
size: 32" high x 40" wide
signed: Tom Lea
date: 1975
5. title: FROSTY WINTER MORNING DOWN THE VALLEY
medium: oil on prepared board
size: 9 3/4" high x 13 1/2" wide
signed: Tom Lea
date: 1936
6. title: OLD GRANDAD BLUFF, LA CROSSE, WISCONSIN
medium: oil on canvas board
size: 9 1/2" high x 10 1/2" wide
signed: Tom Lea
date: 1939
7. title: CHUNGKING
medium: carbon pencil and watercolor
size: 11 3/4" high x 20" wide
signed: Tom Lea
(date: 1943)
8. title: PORTRAIT HEAD OF MANOLETE
medium: conte crayon and pastel
size: 14" high x 7 3/4" wide
signed: Tom Lea
date: 1947
9. title: TWO-STAR SPECIAL
medium: watercolor
size: 23" high x 18 1/4" wide
signed: Tom Lea
date: 1975
10. title: STUDY FOR 'A LITTLE SHADE'
medium: pencil drawing
size: 30 1/2" high x 22" wide
signed: "working drawing for the central section
of an oil painting. 'A Little Shade,'
done at El Paso. summer of 1965 - Tom Lea"
11. title: MYSTICAL WHITE PACING MUSTANG
medium: brush and india ink drawing
size: 3 3/4" high x 14 3/4" wide
signed: Tom Lea
(date: 1949)

U. T. AUSTIN: APPROPRIATION FOR PORTION OF PURCHASE OF GUTENBERG BIBLE FROM CARL AND LILY PFORZHEIMER FOUNDATION, INC., AND AUTHORIZATION FOR ADVANCE TO BE REPAYED. --The following report was received from Chairman Shivers:

The Gutenberg Bible owned by the Carl and Lily Pforzheimer Foundation, Inc., is the only Gutenberg Bible available for purchase in the world at the present time. The asking price is \$2.4 million. Mr. Ralph Spence, Chairman of the Executive Committee of the Chancellor's Council, reported that the Chancellor's Council is committed to raise a minimum of \$1.4 million to apply on the purchase of this Bible for the library at The University of Texas at Austin and that he hoped the Council could raise more than that amount.

Whereupon, Regent Law moved that a maximum of \$1 million be appropriated from the Available University Fund to apply on the purchase of the Gutenberg Bible and that President Walker be authorized to advance from funds available \$1.4 million to complete the purchase price of \$2.4 million with the understanding that the Chancellor's Council would be responsible for repaying a minimum of \$1.4 million.

Vice-Chairman Williams and Regent Sterling seconded the motion which prevailed without objection.

[Regent Fly left the meeting because of a prior commitment. (See Page 1.)]

U. T. SYSTEM: 1978-79 OPERATING BUDGETS INCLUDING AUXILIARY ENTERPRISES, GRANTS AND GOVERNMENT FUNDS, RESTRICTED CURRENT FUNDS AND MEDICAL SERVICES RESEARCH DEVELOPMENT PROGRAMS. --Vice-Chairman Williams moved that the proposed 1978-79 Operating Budgets for The University of Texas System outlined below be approved. This motion was seconded by Regent Hay and unanimously carried. The official copies are a part of the Minutes and are in bound Volume XXXIII entitled Annual Budgets for 1978-79:

System Administration and Available University Fund
 The University of Texas at Arlington
 The University of Texas at Austin
 The University of Texas at Dallas
 The University of Texas at El Paso
 The University of Texas of the Permian Basin
 The University of Texas at San Antonio
 The University of Texas Health Science Center at Dallas
 The University of Texas Medical Branch at Galveston
 The University of Texas Health Science Center at Houston
 The University of Texas Health Science Center at San Antonio
 The University of Texas System Cancer Center
 The University of Texas Health Center at Tyler

These Operating Budgets include Auxiliary Enterprises, Grants and Government Funds, Restricted Current Funds and Medical Services Research Development Programs.

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HOUSTON HEALTH SCIENCE CENTER: APPOINTMENT OF ROGER J. BULGER, M. D., PRESIDENT (CHIEF ADMINISTRATIVE OFFICER). -- With respect to the selection of a President for The University of Texas Health Science Center at Houston, Regent Law was recognized. As a preface to his motion he included in his remarks: "I had the opportunity to serve on the search committee for a President of The University of Texas Health Science Center at Houston. We met some of the most outstanding men and women in the United States. We wanted the best. The man whom the committee unanimously recommended is the Chancellor of the University of Massachusetts at Worcester and Dean of the Medical School.

Regent Law then moved that Roger J. Bulger, M. D., be appointed President (Chief Administrative Officer) of The University of Texas Health Science Center at Houston effective September 1, 1978. Regent Sterling seconded the motion which prevailed without objection.

OTHER MATTERS

U. T. SAN ANTONIO: APPOINTMENT OF ADVISORY COMMITTEE FOR THE SELECTION OF CHIEF ADMINISTRATIVE OFFICER. --With respect to a search committee for the selection of a President (Chief Administrative Officer) at The University of Texas at San Antonio, Chairman Shivers reported that a procedure had been instituted for the selection of the dean and faculty and student representatives at U. T. San Antonio. He appointed the following members:

President of the System

E. D. Walker (Chairman)*

Board of Regents

Regent James E. Bauerle
Regent Jane Weinert Blumberg
Regent Sterling H. Fly, Jr.

Chief Administrative Officers

V. R. Cardozier, President of The University of Texas of the Permian Basin
Frank Harrison, M. D., President of The University of Texas Health Science Center at San Antonio
Arleigh B. Templeton, President of The University of Texas at El Paso

The full committee will be reported in the Minutes of the Regent meeting to be held on August 4, 1978.

*Chairman Shivers indicated that by the time the committee was underway Chancellor LeMaistre would have moved to Houston as President of The University of Texas System Cancer Center.

RESOLUTION OF COMMENDATION TO THE DAILY TEXAN . --Regent (Mrs.) Blumberg was recognized. She presented the following resolution and moved its adoption. Vice-Chairman Williams seconded the motion which unanimously prevailed. --

RESOLUTION OF COMMENDATION

THE DAILY TEXAN

WHEREAS, The University of Texas at Austin's student newspaper The Daily Texan has been the recipient of the Pacemaker Award for the academic years 1964-65, 1968-69, 1970-71, 1975-76 and 1976-77, and

WHEREAS, The Pacemaker Award is an annual honor, given jointly by the American Newspaper Publisher's Association (ANPA) and the Association of College Presses (ACP) to designate the highest rating for an American college newspaper, and

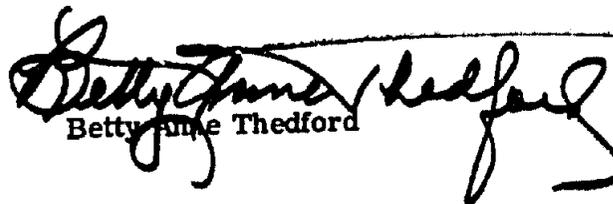
WHEREAS, The Daily Texan was named the best student newspaper in its region by the Society of Professional Journalists, Sigma Delta Chi, in April of 1978, and

WHEREAS, Many individuals have contributed to the success of The Daily Texan in these competitions, foremost among them, the student editors: Charmayne Marsh (64-65), Merry Clark (68-69), Andy Yemma (70-71), Scott Tagliarino (75-76), Mary Walsh (76-77) and Dan Malone (77-78) and their editorial and reporting staffs as well as the journalism faculty sponsors and the administrators, production specialists and support service personnel of Texas Student Publications,

NOW, THEREFORE, BE IT RESOLVED That the Board of Regents of The University of Texas System this 9th day of June, 1978, does express its appreciation and congratulations for the excellence manifested in the exemplary work of all those involved in the production of The Daily Texan during those award-winning years, especially to the students who not only brought themselves and the University prestigious recognition, but also demonstrated to all the importance of setting our standards as high as our sights.

INTRODUCTION OF DR. WILLIAM LIVINGSTON AND ROGER J. BULGER, M. D. --Dr. William Livingston, Chairman of the Faculty Senate at U. T. Austin (Page 22), who had prior commitments on the campus arrived late at the meeting and was introduced. The newly elected President of the Houston Health Science Center, Roger J. Bulger, M. D. (Page 141), who had just arrived in Austin was also introduced.

ADJOURNMENT. --The meeting was duly adjourned at 12:55 p. m.


Betty Anne Thedford

June 15, 1978