

# OMISSION

Pages 4071 - 4582

*A. Keith Baker*

SIGNATURE OF OPERATOR

JUL 9 1976

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 (July 9, 1976) to be reflected in the Minutes.

Signed this the 9th day of July, 1976, A. D.

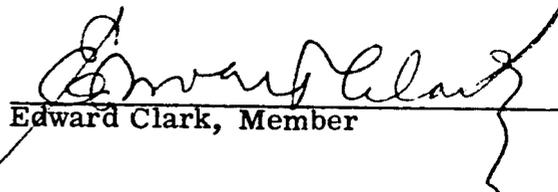


Allan Shivers, Chairman

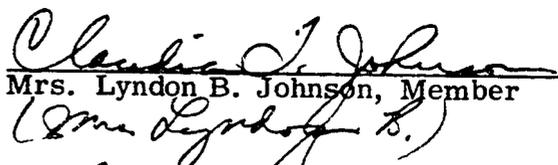
Dan C. Williams, Vice-Chairman



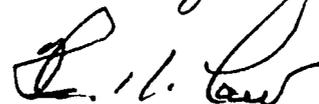
James E. Bauerle, D. D. S., Member



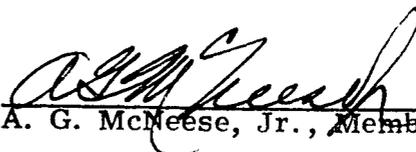
Edward Clark, Member



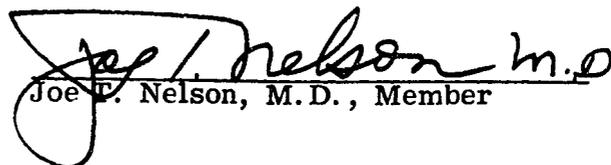
Mrs. Lyndon B. Johnson, Member  
(Mrs. Lyndon B.)



Thos. H. Law, Member



A. G. McNeese, Jr., Member



Joe P. Nelson, M. D., Member



Walter G. Sterling, Member

JUL 9 1976

MEETING NO. 741  
THE MINUTES OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

Page 1 - 140

Austin, Texas

July 9, 1976

## MEETING NO. 741

FRIDAY, JULY 9, 1976. --The members of the Board of Regents of The University of Texas System convened in regular session at 9:00 a. m. on Friday, July 9, 1976, in Room 212 of the Main Building on the campus of The University of Texas at Austin, Austin, Texas.

## ATTENDANCE. --

Present

Chairman Shivers, presiding  
Regent Bauerle  
\*\*Regent Clark  
Regent (Mrs.) Johnson  
Regent Law  
Regent McNeese  
Regent Nelson  
Regent Sterling

Absent

\*Vice-Chairman Williams - excused

Secretary Thedford

Chancellor LeMaistre  
Deputy Chancellor Walker

Chairman Shivers called the meeting to order.

BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING ON MAY 14, 1976. --The Minutes of the meeting of the Board of Regents of The University of Texas System held on May 14, 1976, in Austin, were approved as circulated by Secretary Thedford upon motion of Regent Nelson, seconded by Regent Law. The official copy is recorded in the Permanent Minutes, Volume XXIII, beginning with Page 3298.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1976: (1) RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1976, IN THE AMOUNT OF \$16,000,000 AND AWARDING THE SALE OF THE BONDS TO CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, CHICAGO, ILLINOIS; (2) DESIGNATION OF NATIONAL BANK OF COMMERCE OF DALLAS, DALLAS, TEXAS; BANKERS TRUST COMPANY, NEW YORK, NEW YORK; AND CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, CHICAGO, ILLINOIS, PAYING AGENTS; AND (3) AWARD OF CONTRACT TO PRINT THE BONDS TO HART GRAPHICS AND OFFICE CENTERS, INC., AUSTIN, TEXAS. --For the consideration of said bonds, the written RESOLUTION set out on Pages 3-20 was duly introduced and read in full. It was then

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\*Vice-Chairman Williams was excused from the meeting because of illness.

\*\*Regent Clark attended the meeting of the Board at 9:00 a. m. and the meetings of all the committees but was excused because of a prior commitment when the Board reconvened at 12:20 p. m. to receive the committee reports.

duly moved by Regent Sterling, seconded by Regent McNeese, 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 1976, in the amount of \$16,000,000 and awarded the sale of the bonds to Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, for the principal amount thereof and accrued interest to the date of delivery plus a premium of \$13,440 (Page 20) at the interest rates reflected on Page 10. The effective interest rate is 5.07796 percent.

Upon motion of Regent Sterling, seconded by Regent McNeese, the bid of National Bank of Commerce of Dallas, Dallas, Texas; Bankers Trust Company, New York, New York; and Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, to serve as Paying Agents for the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1976, in the amount of \$16,000,000 was accepted (Pages 11, 14). The Paying Agents will pay the Board of Regents the sum of \$1,000 for year 1976 plus \$560 per year each January 1 to date of maturity to act as Paying Agents.

The contract to print the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1976, in the amount of \$16,000,000 was awarded unanimously to Hart Graphics and Office Centers, Inc., Austin, Texas, upon motion of Regent Sterling, seconded by Regent McNeese. These bonds are to be printed according to specifications with lithographed borders for the sum of \$1,662, there being five interest rates.

(Copy of Official Notice of Sale and Official Statement is incorporated in the official copy of the Minutes - see Page 20.)

## 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 1976, IN THE AMOUNT OF \$16,000,000.

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

WHEREAS, said Refunding Bonds, Series 1958, are 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, 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 are 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 per cent (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

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 and New Series 1975, 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 \$16,000,000; 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 \$836,000,000:

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.

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

The term "Bonds" or "New Series 1976 Bonds" shall mean the New Series 1976 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.

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, 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.

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 1976," 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 \$16,000,000 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, 1976, shall be in the denomination of \$5,000 each, shall be numbered consecutively from 1 through 3,200, and shall mature serially on July 1 in each of the years, and in the amounts, respectively, as set forth in the following schedule:

\$640,000	1977/80
720,000	1981/84
800,000	1985/88
880,000	1989/92
960,000	1993/96

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 1977 through 1985, 5.50 %
- maturities 1986 through 1989, 5.00 %,
- maturities 1990 through 1992, 5.20 %,
- maturities 1993 through 1994, 5.30 %,
- maturities 1995 through 1996, 4.50 %.

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 1976

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

JUL 9 1976

3941

ay interest thereon, from the date hereof, at the rate of  
per annum, evidenced by interest coupons payable JANUARY  
and semiannually thereafter on each JULY 1 and JANUARY 1  
is bond is outstanding. The principal of this bond and  
rest coupons appertaining hereto shall be payable to  
in lawful money of the United States of America, without  
or collection charges to the bearer, upon presentation  
ender of this bond or proper interest coupon, at \_\_\_\_\_  
l Bank of Commerce of Dallas, Dallas, \_\_\_\_\_,

or, at the option of the bearer, at Bankers Trust Company  
\_\_\_\_\_, New York, New York, or  
Central Illinois National Bank and Trust Company of Chicago

Illinois, which places shall be the paying agents for  
ries of bonds.

IS BOND is one of a Series of negotiable coupon bonds  
JULY 1, 1976, issued in the principal amount of \$16,000,00  
PURPOSE OF CONSTRUCTING, EQUIPPING, OR ACQUIRING BUILDING  
& PERMANENT IMPROVEMENTS FOR THE UNIVERSITY OF TEXAS  
to the extent and in the manner provided by law, in  
ace with the provisions of the Amendments to Section 18,  
VII of the Texas Constitution, adopted by a vote of the  
of Texas on November 6, 1956, and on November 8, 1966.

JULY 1, 1986, OR ON ANY INTEREST PAYMENT DATE THEREAFTER,  
standing bonds of this Series may be redeemed prior to  
cheduled maturities, at the option of said Board, IN  
OR IN PART IN INVERSE NUMERICAL ORDER, for the price of  
accrued interest to the date fixed for redemption, plus a  
of 2% of the par value if redeemed on or prior to JANUARY  
, with such premium to be reduced on and after JULY 1,  
o 1%. 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 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 Chapter 42 of the Acts of the Regular Session of the 42nd Legislature 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 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 CERTIFICATE: REGISTER NO. \_\_\_\_\_

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

Witness my signature and seal this

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

FORM OF INTEREST COUPON:

No. \_\_\_\_\_ \$ \_\_\_\_\_

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, unless due provision has been made for the redemption prior to maturity of the bond to which this interest coupon appertains, upon presentation and surrender of this interest coupon, at National Bank of Commerce of Dallas, Dallas, Texas, or, at the option of the bearer, at Bankers Trust Company \_\_\_\_\_, New York, New York, or at Continental Illinois National Bank and Trust Company of Chicago, 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 1976, DATED JULY 1, 1976. BOND NO. \_\_\_\_\_.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

Secretary

Chairman

\*(Coupons maturing after July 1, 1986, 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 hereon named in the registration blank below, or his legal representative and this bond shall be transferable only on the books of the 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.

NAME OF REGISTERED OWNER

DATE OF REGISTRATION

SIGNATURE OF REGISTRAR

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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 1976 Bonds herein authorized. The New Series 1976 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 1976 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 1976 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, 1976, and semiannually thereafter on or before May 15 and November 15 of each year while the New Series 1976 Bonds, or interest thereon, are outstanding and unpaid, the amount of interest or principal and interest which will become due on the New Series 1976 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.

(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, 1976, and semiannually thereafter on or before May 15 and November 15 of each year while any of the New Series 1976 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 1976 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 1976 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 1976 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, 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 1976 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

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# Official Notice of SALE & Official STATEMENT

for

Board of Regents of The University of Texas System  
Permanent University Fund Bonds  
New Series 1976 \$16,000,000

Board of Regents of The Texas A&M University System  
Permanent University Fund Bonds  
New Series 1976 \$8,000,000

TO BE DATED JULY 1, 1976

## Part I

### OFFICIAL NOTICE OF SALE

Board of Regents of The University of Texas System  
Permanent University Fund Bonds  
New Series 1976 \$16,000,000

Board of Regents of The Texas A&M University System  
Permanent University Fund Bonds  
New Series 1976 \$8,000,000

Bids to be Opened  
Thursday, July 8, 1976, 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., July 8, 1976, 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, July 9, 1976, 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, Associate Deputy Chancellor 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 at 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 \$16,000,000 of Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1976, the good faith check must be payable to the Board of Regents of The University of Texas System in the amount of \$320,000.

2. For the \$8,000,000 of Board of Regents of The Texas A&M University System Permanent University Fund Bonds, New Series 1976, the good faith check must be payable to the Board of Regents of The Texas A&M University System in the amount of \$160,000.

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 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 opinion of Messrs. Vinson, Elkins, Searls, Connally & Smith, bond counsel for The University of Texas System or 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, Searls, Connally & Smith 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, Searls, Connally & Smith or Messrs. McCall, Parkhurst & Horton for service 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:* The respective Boards will furnish the successful bidder a certificate at the time of delivery, executed by a proper officer or officers of the respective Boards, acting in their official capacity, to the effect that to the best of their knowledge and belief, and after reasonable investigation: (a) the Official Statement or any amendment or supplement thereto contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made not misleading; (b) since the date of the Official Statement no event has occurred which should have been set forth in an amendment or supplement to the Official Statement which has not been set forth in such an amendment or supplement; or (c) has there been any material adverse change in the operation of financial affairs of the Systems since the date of such Official Statement.

*Printed Bonds:* The respective Boards, at their cost, will furnish printed bonds on lithographed borders to the purchaser. The legal opinion of Messrs. Vinson, Elkins, Searls, Connally & Smith 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.

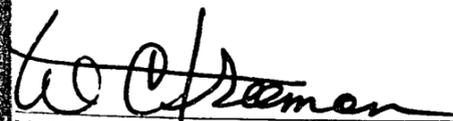
*CUSIP Numbers:* It is anticipated that CUSIP identification numbers will be printed on said bonds, but neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for said 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 \$100,000,000 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 another city, at the expense of the purchaser. It is anticipated that delivery can be made on or about August 9, 1976, 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 August 9, 1976, or thereafter when the bonds are tendered for delivery up to and including September 10, 1976. 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 September 10, 1976, 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 Associate Deputy Chancellor for Investments, Trusts and Lands, The University of Texas System, P. O. Box 7968, Austin, Texas 78712. 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 President  
for Administration  
The Texas A&M University System  
College Station, Texas 77843

June 25, 1976

  
W. L. Lobb, Associate Deputy Chancellor  
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

\$16,000,000

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1976

\$8,000,000

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM  
PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1976

DATE OF BONDS: July 1, 1976

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 semi-annual interest (January 1 and July 1; first coupon payable January 1, 1977) 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 \$100,000,000 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
1977	\$640,000	\$320,000
1978	640,000	320,000
1979	640,000	320,000
1980	640,000	320,000
1981	720,000	360,000
1982	720,000	360,000
1983	720,000	360,000
1984	720,000	360,000
1985	800,000	400,000
1986	800,000	400,000
1987	800,000	400,000
1988	800,000	400,000
1989	880,000	440,000
1990	880,000	440,000
1991	880,000	440,000
1992	880,000	440,000
1993	960,000	480,000
1994	960,000	480,000
1995	960,000	480,000
1996	960,000	480,000

CALL PRICE: Both issues of bonds are non-callable prior to July 1, 1986. Beginning July 1, 1986, 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 so fixed for redemption plus a premium of two percent (2%) if redeemed on or prior to January 1, 1991, such premium to be reduced on and after July 1, 1991, to one percent (1%).

As to the bonds of each issue, respectively, if less than all bonds of an issue are called, they are to be redeemed in inverse numerical order.

PURPOSE: The \$16,000,000 of Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1976, 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 \$8,000,000 of Board of Regents of The Texas A&M University System Permanent University Fund Bonds, New Series 1976, 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, 1976, in the aggregate principal amount of \$18,120,000 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 1958, dated July 1, 1958, Series 1959, dated July 1, 1959, Series 1961, dated July 1, 1961, and Series 1962, dated July 1, 1962, outstanding as of July 1, 1976, in the aggregate principal amount \$4,905,000 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, and New Series 1975, dated July 1, 1975, outstanding as of July 1, 1976, in the aggregate principal amount of \$76,960,000 (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, and New Series 1975, dated July 1, 1975, outstanding as of July 1, 1976, in the aggregate principal amount of \$42,450,000 (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 1976, 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 1976, herein offered for sale, provided that no such New Series Additional Parity Bonds or Notes shall be issued unless the Associate Deputy Chancellor 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 or 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, 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 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 sale of the New Series 1976, will be as follows:

The University of Texas System .....	\$111,080,000
The Texas A&M University System .....	\$ 55,355,000

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 1976, 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, 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. 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, Searls, Connally & Smith, 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 August 9, 1976.

The information set forth in this Official Statement has been obtained from issuer records and other sources and is 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 2,100,000 acres of land located in nineteen West Texas counties. 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 lands to leading operators, including almost all of the major, as well as many strong independent, companies in the Southwest. As of February 29, 1976, 812,165 acres of land belonging to said Fund were under oil and gas lease, of which 343,379 were held by production from 5,656 oil wells and 205 gas wells.

DURING recent years approximately 32,301,000 barrels of crude oil and 185,240,000 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 29, 1976, 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
<b>GOVERNMENT SECURITIES:</b>	
U. S. Treasury Bonds .....	\$119,406,904
U. S. Agency Bonds .....	102,023,219
FHA Real Estate Mortgages .....	11,321,631
Total Government Securities .....	<u>232,751,754</u>
<b>CORPORATE SECURITIES:</b>	
Bonds .....	\$281,765,909
Common Stocks .....	265,244,540
Convertible Debentures .....	10,097,290
Convertible Preferred Stock .....	4,075,888
Commercial Paper .....	19,676,000
Total Corporate Securities .....	<u>580,859,627</u>
TOTAL SECURITIES .....	<u>813,611,381</u>
CASH AND ACCOUNTS RECEIVABLE .....	190,548
TOTAL SECURITIES AND CASH .....	<u>\$813,801,929</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					
9/1/68	\$518,667	\$301,913	\$1,279	\$11,162	\$204,313
Additions					
FYE 8/31					
1969	23,113	16,638	135	2,207	4,133
1970	26,399	16,410	156	7,867	1,966
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
Total					
8/31/75	\$781,772	\$481,888	\$2,386	\$53,772*	\$243,726

\* Includes securities profits in the amount of \$99,153.

**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		
1972†	\$630,575	\$28,360	\$ 9,454	\$18,906	\$ 968	\$19,874
1973†	669,356	31,199	10,399	20,800	1,036	21,836
1974†	714,284	35,611	11,870	23,741	1,532	25,273
1975†	781,772	39,105	13,035	26,070	1,535‡	27,605
1976	850,000	46,402	15,467	30,935	1,500	32,435
1977	935,000	51,854	17,284	34,570	1,500	36,070
1978	1,010,000	56,502	18,834	37,668	1,500	39,168
1979	1,085,000	60,860	20,287	40,573	1,500	42,073
1980	1,160,000	65,217	21,739	43,478	1,500	44,978
1981	1,220,000	69,139	23,046	46,093	1,500	47,593
1982	1,280,000	72,625	24,208	48,417	1,500	49,917
1983	1,340,000	76,111	25,370	50,741	1,500	52,241
1984	1,400,000	79,597	26,532	53,065	1,500	54,565
1985	1,450,000	82,793	27,598	55,195	1,500	56,695
1986 and thereafter	1,500,000	85,698	28,566	57,132	1,500	58,632

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

† Actual.

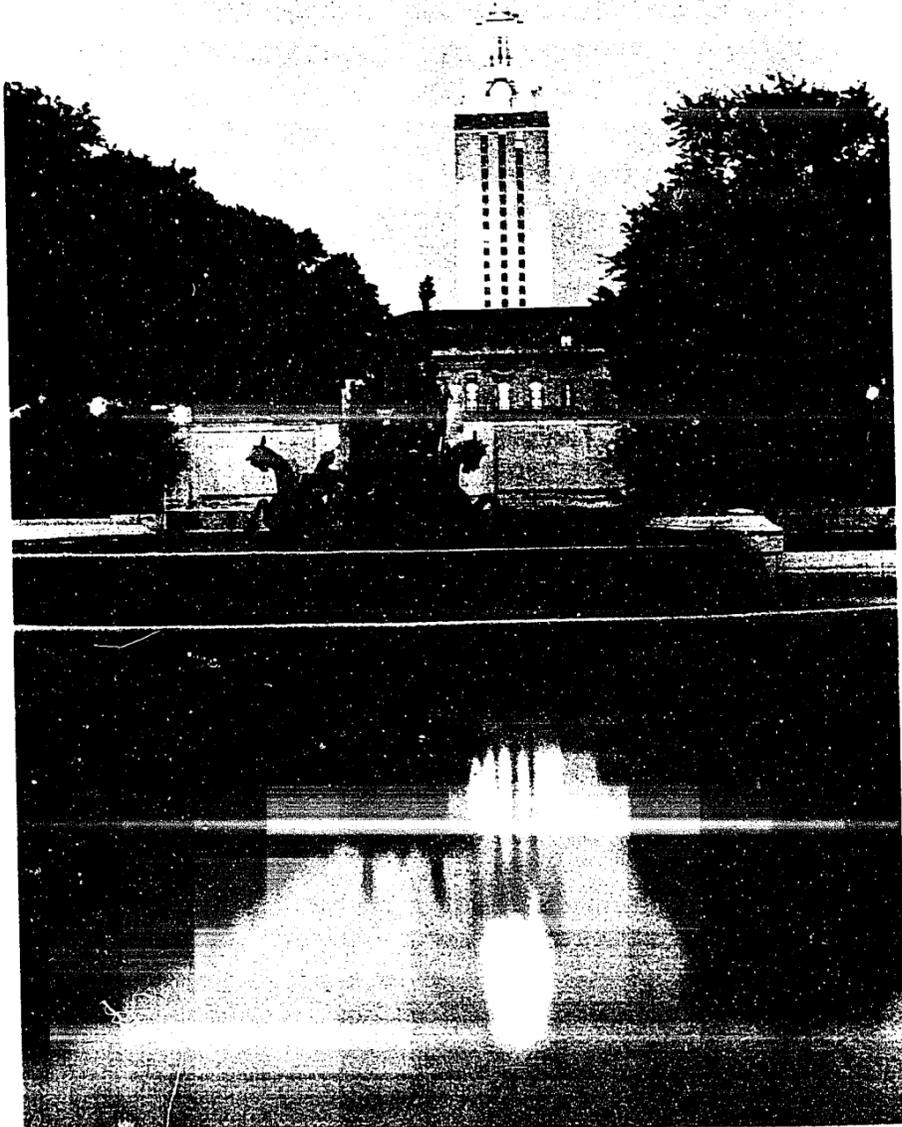
‡ This amount is not representative due to a combination of high interest rate earned on a larger than normal cash balance.

**TABLE II**

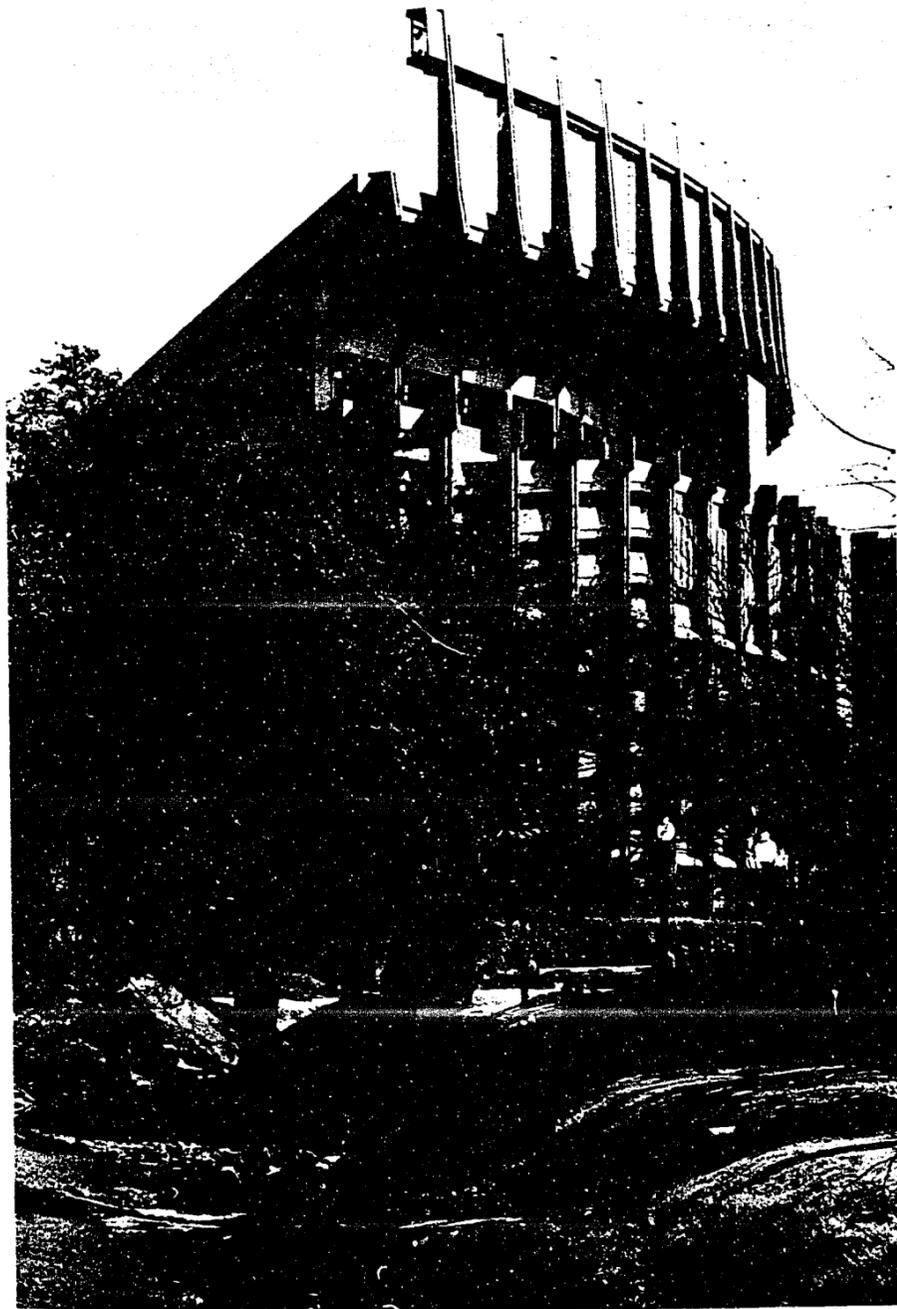
Projected Coverage of Actual and Estimated Annual Principal and Interest Requirements on All Permanent University Fund Bonds\*

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
1977	\$36,070,000	\$12,850,000	2.8	\$17,284,000	\$6,710,726	2.5
1978	39,168,000	12,662,470	3.0	18,834,000	6,606,004	2.8
1979	42,073,000	12,497,600	3.3	20,287,000	6,204,642	3.3
1980	44,978,000	12,113,258	3.7	21,739,000	5,781,796	3.8
1981	47,593,000	11,684,720	4.0	23,046,000	5,702,332	4.0
1982	49,917,000	11,095,550	4.5	24,208,000	5,281,384	4.6
1983	52,241,000	10,602,398	4.9	25,370,000	4,872,697	5.2
1984	54,565,000	10,207,007	5.3	26,532,000	4,830,567	5.5
1985	56,695,000	9,827,055	5.7	27,598,000	4,759,655	5.8
1986	58,632,000	9,211,525	6.3	28,566,000	4,642,555	6.2
1987	58,632,000	8,301,950	7.0	28,566,000	4,527,530	6.3
1988	58,632,000	7,255,170	8.0	28,566,000	3,817,530	7.5
1989	58,632,000	6,187,455	9.4	28,566,000	3,429,455	8.3
1990	58,632,000	5,560,374	10.5	28,566,000	3,009,370	9.5
1991	58,632,000	4,921,880	11.9	28,566,000	2,608,460	11.0
1992	58,632,000	4,233,440	13.8	28,566,000	2,232,940	12.8
1993	58,632,000	3,577,470	15.3	28,566,000	1,869,870	15.2
1994	58,632,000	2,738,700	21.4	28,566,000	1,476,600	19.3
1995	58,632,000	1,947,600	30.1	28,566,000	1,041,600	27.4
1996	58,632,000	1,012,800	57.8	28,566,000	506,400	56.4

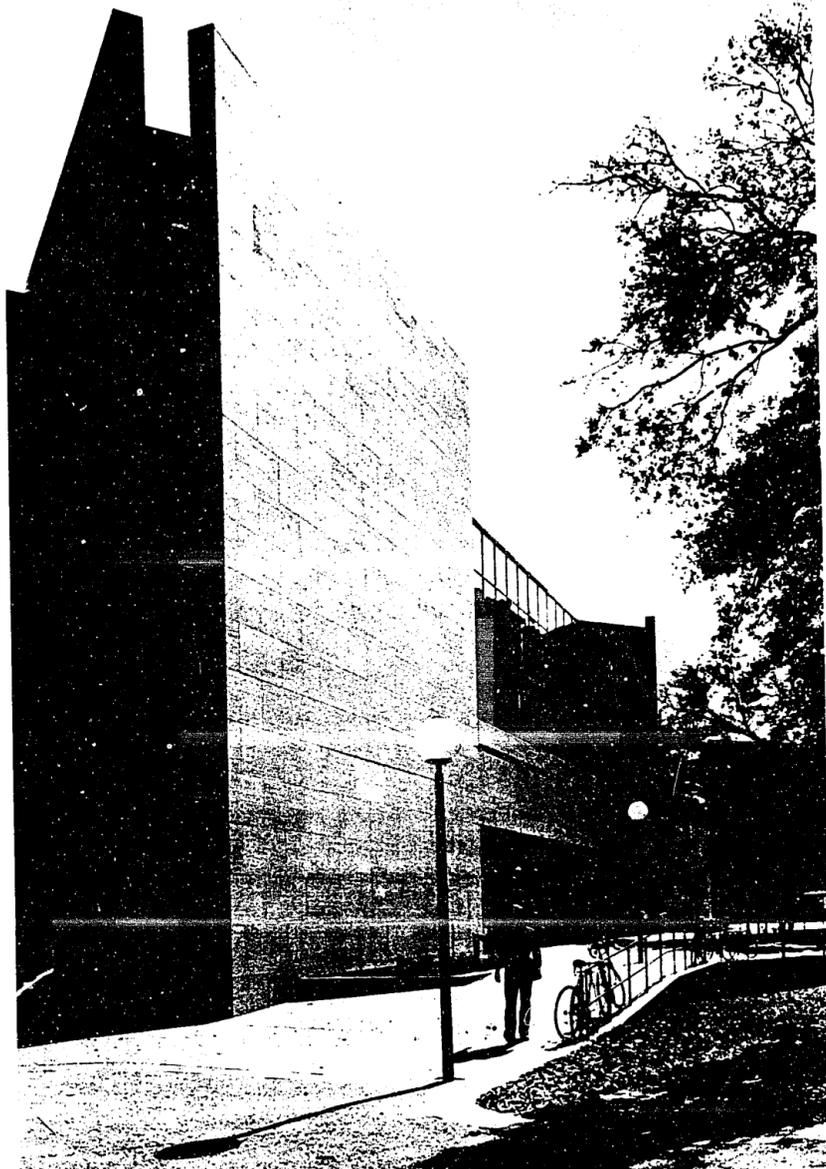
\* Including the New Series 1976 Bonds proposed to be issued on which an interest rate of 5 3/4% has been assumed.



*Main Building and Tower: Littlefield Fountain in Foreground*



*Memorial Stadium (Waller Creek in Foreground)*



Graduate School of Business Building

## 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 from the Permanent University Fund.

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

THE MEMBERS of the Board of Regents are as follows:

The Honorable Allan Shivers, Chairman	Austin
Mr. Dan C. Williams, Vice Chairman	Dallas
Dr. James E. Bauerle	San Antonio
The Honorable Edward Clark	Austin
Mrs. Lyndon B. Johnson	Stonewall
Dr. Joe T. Nelson	Weatherford
Mr. A. G. McNeese, Jr.	Houston
Mr. Thos. H. Law	Fort Worth
Mr. Walter G. Sterling	Houston
Secretary to the Board of Regents—Miss Betty Anne Thedford	

THE PRINCIPAL ADMINISTRATIVE Officers and Staff of the System are as follows:

Dr. Charles A. LeMaistre, Chancellor  
 Mr. E. D. Walker, Deputy Chancellor  
 Mr. Earnest T. Smerdon, Associate Deputy Chancellor for Academic Affairs  
 Mr. W. L. Lobb, Associate Deputy Chancellor for Investments, Trust and Lands  
 Mr. Graves W. Landrum, Associate Deputy Chancellor for Operations  
 Mr. Robert L. Hardesty, Associate Deputy Chancellor for Administration  
 Mr. R. L. Anderson, Comptroller  
 Mr. James Fitzpatrick, General Counsel  
 Mr. Frank Graydon, Budget Director  
 Mr. Joseph C. Kennedy, Personnel Director  
 Mr. Ralph Kristoferson, Director, Facilities Planning and Construction  
 Mr. James C. Werchan, Director, Office 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 at AUSTIN  
 Dr. Lorene L. Rogers, President  
 The University of Texas Marine Science Institute at Galveston and Port Aransas  
 Dr. Patrick L. Parker, Director

- The University of Texas McDonald Observatory at Mount Locke  
Dr. Harlan Smith, Director
- 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 of the PERMIAN BASIN  
Dr. V. R. Cardozier, President
- The University of Texas at SAN ANTONIO  
Dr. Peter T. Flawn, 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. Ronald W. Estabrook, 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. Edward N. Brandt, Jr., Dean  
The University of Texas Graduate School of Biomedical Sciences at Galveston  
Dr. J. Palmer Saunders, Acting Dean  
The University of Texas School of Allied Health Sciences at Galveston  
Dr. Robert K. Bing, Dean  
The University of Texas Marine Biomedical Institute at Galveston  
Dr. Stewart Wolf, Director  
The University of Texas Hospitals at Galveston  
Dr. David E. Hoxie, Administrator
- The University of Texas Health Science Center at HOUSTON  
Dr. Charles A. Berry, President  
The University of Texas Medical School at Houston  
Dr. Robert L. Tuttle, Acting 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. Alfred Knudson, Dean  
The University of Texas School of Allied Health Sciences at Houston  
Dr. Alton Hodges, Acting 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 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. Philip J. Boyne, Dean  
The University of Texas Graduate School of Biomedical Sciences at San Antonio  
Dr. Armand J. Guarino, Dean  
The University of Texas School of Allied Health Sciences at San Antonio
- 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 Environmental Science Park at Smithville
- The University of Texas System School of Nursing  
Dr. Marilyn D. Willman, President  
The University of Texas School of Nursing at Austin  
Miss Billye J. Brown, Dean  
The University of Texas School of Nursing at El Paso  
Miss Christine Bonds, Dean  
The University of Texas School of Nursing at Fort Worth  
Mrs. Myrna Pickard, Dean  
The University of Texas School of Nursing at Galveston  
Mrs. Dorothy Damewood, Dean  
The University of Texas School of Nursing at Houston  
Miss Dorothy Otto, Acting Dean  
The University of Texas School of Nursing at San Antonio  
Dr. Patty Lynn Hawken, Dean

#### 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 bachelors degrees in 38 fields, masters degrees in 27 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, and 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 300 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 two and one-half 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 240,000 square feet of buildings. Facilities recently completed will bring the total teaching and research space to more than 850,000 square feet.

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 50 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 28 fields and master's degrees in eight 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 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 6,000 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 Marine Biomedical Institute on campus, where it 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 newly completed Audie Murphy Veterans' Hospital, both 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 Extramural Programs Division. 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 SYSTEM SCHOOL OF NURSING evolved from the John Sealy Hospital Training School for Nurses, established in Galveston in 1890. Since its reorganization in 1967, the School has expanded to include campuses in six locations: Austin, El Paso, Fort Worth, Galveston, Houston and San Antonio, with administrative offices located in Austin. The School of Nursing offers one of the largest nursing programs in the United States, with baccalaureate, master's and doctoral degree programs. The baccalaureate program is accredited by the Board of Nurse Examiners for the State of Texas, while both the baccalaureate and master's programs are accredited by the National League for Nursing.

THE CURRENT BUDGET for The University of Texas System for the fiscal year ending August 31, 1976, is slightly over \$576,731,000 from all sources. The budget for The University of Texas System for the fiscal year ending August 31, 1977, is estimated to be approximately \$600,000,000.

### Enrollment

THE UNIVERSITY OF TEXAS System ranks fifth in total enrollment at all colleges and universities in the United States.

THE ENROLLMENT at the teaching institutions of The University of Texas System in the Fall of 1975 was as follows:

U. T.—Austin .....	42,598
U. T.—Arlington .....	16,309
U. T.—El Paso .....	13,614
U. T.—San Antonio .....	4,437
U. T.—Permian Basin .....	1,432
U. T.—Dallas .....	3,333
Dallas Health Science Center .....	1,113
Galveston Medical Branch .....	1,108
Houston Health Science Center .....	1,440
San Antonio Health Science Center .....	810
U. T. System Nursing School .....	1,322
<b>Total .....</b>	<b>87,516</b>

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

	Fiscal Year Ended August 31		
	1973	1974	1975
<b>CURRENT INCOME</b>			
Federal Funds .....	\$ 69,485,056	\$ 75,719,942	\$ 94,224,321
State Appropriations .....	176,967,519	236,483,852	273,019,312
Student Fees .....	21,817,571	26,585,287	27,744,204
Endowment Income (Includes transfers from Available University Fund) .....	8,288,372	9,234,118	10,468,184
Private Gifts .....	15,702,447	18,334,898	21,122,725
Organized Activities Related to Educational Departments; Professional Fees; and Hospitals and Clinics .....	46,237,844	50,981,091	66,569,226
Sales and Services and Other Sources .....	6,861,879	10,133,410	11,615,644
Total Educational and General .....	\$345,360,688	\$427,472,598	\$504,763,616
Student Aid .....	1,902,209	2,046,965	2,232,354
Auxiliary Enterprises and Activities .....	27,140,154	30,784,931	34,775,605
Total Current Income .....	\$374,403,051	\$460,304,494	\$541,771,575
<b>CURRENT EXPENDITURES AND MANDATORY TRANSFERS</b>			
Educational and General .....	310,358,018	378,267,538	459,870,363
Student Aid .....	4,553,095	4,754,042	5,267,105
Auxiliary Enterprises and Activities .....	23,902,669	26,704,923	30,980,381
Mandatory Transfers for Debt Service .....	15,553,449	23,014,974	25,346,608
Total Current Expenditures and Mandatory Transfers .....	\$354,367,231	\$432,741,477	\$521,464,457
<b>EXCESS INCOME OVER EXPENDITURES AND MANDATORY TRANSFERS .....</b>	<b>\$ 20,035,820</b>	<b>\$ 27,563,017</b>	<b>\$ 20,307,118</b>

THE TABLE below reports the assets of The University of Texas System, including all component institutions, as at August 31, 1975.

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

At August 31, 1975

#### ASSETS

I. Current Funds	
A. General .....	\$ 70,428,073
B. Auxiliary Enterprises and Activities .....	16,181,638
C. Designated .....	45,132,198
D. Restricted .....	126,479,432
Total Current Funds .....	\$ 258,221,341
II. Loan Funds .....	\$ 19,747,588
III. Endowment and Similar Funds	
A. State (Permanent University Fund) .....	\$ 791,774,018
B. Other than State .....	92,636,034
Total Endowment and Similar Funds .....	\$ 884,410,052
IV. Annuity and Life Income Funds .....	\$ 4,307,700
V. Available University Fund .....	\$ 12,694,382
VI. Plant Funds	
A. Unexpended .....	\$ 270,948,268
B. Funds for Retirement of Indebtedness .....	39,861,203
C. Invested in Plant .....	1,107,612,790
Total Plant Funds .....	\$1,418,422,261
VII. Agency Funds .....	\$ 3,676,841
DEDUCT: Inter-Fund Groups Accounts .....	\$ 47,431,903
<b>GRAND TOTAL ASSETS .....</b>	<b>\$2,554,048,262</b>
Less: Total Liabilities .....	594,599,348
<b>FUND BALANCES (i.e., Net Worth) .....</b>	<b>\$1,959,448,914</b>

#### 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 29, 1976. 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 29, 1976	Interest & Sinking Fund February 29, 1976
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	\$46,145,000	\$ 9,804,496
General Tuition Revenue Bonds, Series 1972, 6%, 5.8%, 5.25%, 5.30%, 5.40%, 4.50%, 5%, due serially 4/1/74 through 4/1/2002	50,000,000	48,480,000	(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	16,635,000	(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	3,486,391
<sup>1</sup> Series 1972 and Series 1972A are parity issues with Series 1971. Interest and Sinking Fund figure for 1971 issue includes three.			
<b>PERMANENT UNIVERSITY FUND</b>			
Permanent University Fund Bonds, Series 1959, 4%, 3½% and 3.4%, dated 7/1/59, due serially 7/1/60 through 7/1/79	4,000,000	960,000	(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	1,475,000	(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	2,100,000	(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	2,025,000	(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	1,840,000	(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	2,040,000	(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	3,360,000	(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	6,710,000	(1)
Permanent University Fund Bonds, New Series 1967, 4.40%, 3.60%, 3.70% and 3.75%, dated 7/1/67, due serially 7/1/68 through 7/1/87	14,000,000	9,240,000	(2)

PERMANENT UNIVERSITY FUND—(continued)

	Original Amount Issued	Outstanding February 29, 1976	Interest & Sinking Fund February 29, 1976
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	\$10,575,000	(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	5,250,000	(2)
Permanent University Fund Bonds, New Series 1970, 6.5%, 6.10%, 6%, 6.20% and 5.50%, dated 7/1/70, due serially 7/1/71 through 7/1/90	7,500,000	5,965,000	(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	7,560,000	(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	7,920,000	(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	10,120,000	(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	10,560,000	(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	14,000,000	(2)
<sup>1</sup> 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.			
<sup>2</sup> 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.			
<b>U. T. AUSTIN</b>			
University of Texas Hospital Refunding Bonds, 2¼% and 2%, dated 1/1/51, due serially through 1/1/80 <sup>1</sup>	980,000	185,000	129,299
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) <sup>2</sup>	3,402,000	2,173,000	556,024
Dormitory Revenue Bonds, Series 1956, 2¾%, dated 4/1/56, due serially from 4/1/59 through 4/1/96 (Kinsolving) <sup>4</sup>	4,150,000	2,811,000	725,942
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 <sup>4</sup>	1,620,000	889,000	336,352
Student Housing Revenue Bonds of 1963, 3½%, dated 10/1/63, due serially 10/1/66 through 10/1/2005 <sup>5</sup>	1,800,000	1,525,000	257,096
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 <sup>6</sup>	16,500,000	15,455,000	1,453,278

U. T. AUSTIN—(continued)	Original Amount Issued	Outstanding February 29, 1976	Interest & Sinking Fund February 29, 1976
Building Revenue Bond of 1968, 3% dated 5/1/68, due serially 5/1/71 through 5/1/2010 <sup>1</sup>	\$ 520,000	\$ 485,000	\$ 44,163
Building Revenue Bonds, Series 1969, 6%, 5.80%, 5.40% and 4.25%, due serially 5/1/72 through 5/1/2005 <sup>2</sup>	25,000,000	23,795,000	1,902,417
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 <sup>3</sup>	10,000,000	9,420,000	6,038,419
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 <sup>4</sup>	20,000,000	19,065,000	(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 <sup>5</sup>	3,100,000	3,075,000	208,451
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 <sup>6</sup>	10,000,000	9,510,000	(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 <sup>7</sup>	34,000,000	33,325,000	(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 <sup>8</sup>	53,000,000	52,315,000	4,896,915
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 <sup>9</sup>	6,000,000	6,000,000	(11)
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 <sup>10</sup>	6,900,000	6,795,000	(11)

<sup>1</sup> Secured by first lien on and pledge of revenues from compulsory student hospital fee.  
<sup>2</sup> Secured by first lien on and pledge of net revenues from Blanton Dormitory, Simkins Hall, Moore Hall, and Varsity Cafeteria.  
<sup>3</sup> 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.  
<sup>4</sup> 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.  
<sup>5</sup> Secured by first lien on and pledge of net revenues from 200 apartments for married students.  
<sup>6</sup> Under construction. Secured by first lien on and pledge of gross revenues of University Housing System.  
<sup>7</sup> Secured by first lien on and pledge of Gross Revenues from Student Co-op Housing System.  
<sup>8</sup> Secured by first lien on and pledge of net revenues of Utility Plant and Gross Student Building Use Fees.  
<sup>9</sup> Secured by first lien on and pledge of Building Use Fee and General Fee.  
<sup>10</sup> Secured by first lien on gross revenues from Married Student Housing System.  
<sup>11</sup> Interest and Sinking Funds for Combined Fee Revenue Bonds Series 1970, 1971, 1972, 1973 and 1974 consolidated.  
<sup>12</sup> Secured by first lien on pledge of Available Fund Surplus and Special Fee.  
<sup>13</sup> 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 <sup>1</sup>	3,158,000	2,791,000	209,373
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<sup>1</sup> 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 29, 1976	Interest & Sinking Fund February 29, 1976
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 <sup>2</sup>	\$ 1,000,000	\$ 774,000	\$ 111,812
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 <sup>3</sup>	8,500,000	8,170,000	686,817
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 <sup>4</sup>	5,500,000	5,370,000	1,251,817
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 <sup>5</sup>	4,000,000	3,860,000	(5)
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 <sup>6</sup>	5,000,000	4,940,000	(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 <sup>7</sup>	1,500,000	1,500,000	(5)

<sup>2</sup> Secured by first lien on and pledge of net revenues from project operation.  
<sup>3</sup> Secured by first lien on and pledge of net revenues from Housing System and student fees for Gymnasium and Library Facilities.  
<sup>4</sup> Secured by first lien on and pledge of Building Use Fee and General Fee.  
<sup>5</sup> 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 <sup>1</sup>	2,512,000	1,605,000	577,533
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 <sup>2</sup>	34,500,000	34,500,000	4,292,275

<sup>1</sup> Secured by first lien on and pledge of net revenues from project operation.  
<sup>2</sup> 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 <sup>1</sup>	16,000,000	16,000,000	2,167,648
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<sup>1</sup> Secured by first lien on proceeds of the sale of endowment land and pledge of gross revenues from patients fees and charges.

## U. T. ARLINGTON

Student Center Fee Bonds, Series 1960, 4½% and 4¾%, dated 7/1/60, due serially 7/1/62 through 7/1/89 <sup>1</sup>	600,000	398,000	87,527
Gymnasium Fee Bonds, Series 1961, 4½%, 4% and 4¼%, dated 7/1/61, due serially 7/1/63 through 7/1/90 <sup>2</sup>	650,000	447,000	92,888

## U. T. ARLINGTON—(Continued)

	Original Amount Issued	Outstanding February 29, 1976	Interest & Sinking Fund February 29, 1976
West Campus Dormitory Revenue Notes, Series 1963, 3%, dated 4/1/63, due serially 4/1/65 through 4/1/79 <sup>1</sup> .....	\$ 75,000	\$ 23,375	\$ 35
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 <sup>2</sup> .....	1,806,000	1,321,000	116,129
Parking Facilities Revenue Bonds, Series 1964, 3¼%, dated 3/1/64, due serially 3/1/65 through 3/1/79 <sup>3</sup> .....	350,000	115,000	33,727
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 <sup>4</sup> .....	3,250,000	2,580,000	496,954
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 <sup>5</sup> .....	1,750,000	1,460,000	(6)
Student Fee Revenue Bond, Series 1968, 3%, dated 7/1/68, due serially 7/1/71 through 7/1/98 <sup>6</sup> .....	1,285,000	1,125,000	(6)
Combined Fee Revenue Bonds, Series 1971, 3¼% and 4%, dated 1/1/71, due serially 7/1/71 through 7/1/82 <sup>7</sup> .....	875,000	565,000	1,404,880
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 <sup>8</sup> .....	5,000,000	4,725,000	(11)
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 <sup>9</sup> .....	10,300,000	5,900,000	(12)
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 <sup>10</sup> .....	8,500,000	8,300,000	(11)
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 <sup>10</sup> .....	7,500,000	7,395,000	(11)
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 <sup>11</sup> .....	1,865,000	1,300,000	(12)
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 <sup>10</sup> .....	1,300,000	1,275,000	(11)

<sup>1</sup> Secured by first lien on student center use fees.

<sup>2</sup> Secured by first lien on gymnasium use fees.

<sup>3</sup> Secured by net revenues from certain athletic facilities.

<sup>4</sup> Secured by net revenues from West Campus housing and dining facilities.

<sup>5</sup> Secured by net revenues from dormitories for 604 men and 339 women.

<sup>6</sup> Secured by revenues from parking fees.

<sup>7</sup> Secured by first lien on auditorium and hospital use fees.

<sup>8</sup> Interest and Sinking Funds for Student Fee Revenue Bonds—Series 1964, 1966 and 1968 combined.

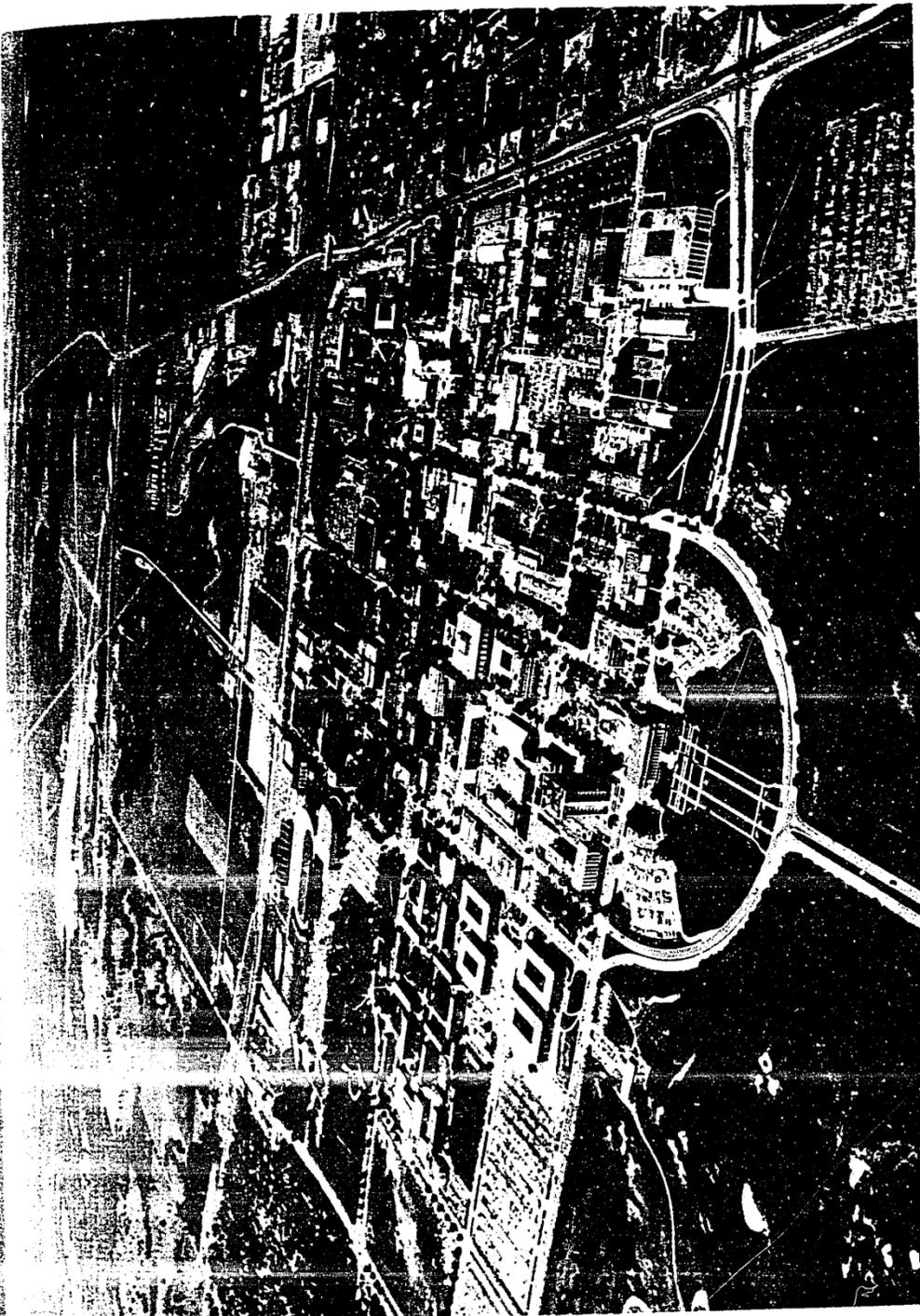
<sup>9</sup> Secured by first lien on library use fee, auditorium and hospital use fee and student center use fee (subject to Student Center Fee Bonds, Series 1960).

<sup>10</sup> Secured by first lien on building use fee and general fee.

<sup>11</sup> Interest and Sinking Funds for Combined Fee Revenue Bonds, Series 1971, 1971-A, 1973, 1973-A and 1974, consolidated.

<sup>12</sup> Interest and Sinking Fund maintained by State Treasury.

<sup>13</sup> Secured by a lien upon U.T. Arlington's prorata portion of a 10c per \$100 valuation on all of the taxable property in the State of Texas.



An Aerial View of Texas A&M University Campus

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, 1976, were as follows:

- Mr. Clyde H. Wells, President, Granbury
- Mr. Richard A. Goodson, Vice President, Dallas
- Mr. Ross C. Watkins, Uvalde
- Mr. Alfred I. Davies, Dallas
- Mr. H. C. Bell, Jr., Austin
- Mr. William Lewie, Jr., Waco
- Mrs. Wilmer Smith, Wilson
- Mr. S. B. Whittenburg, Amarillo
- Mr. Joe H. Reynolds, Houston

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

- Dr. Jack K. Williams, President
- General A. R. Luedecke, Executive Vice President
- Mr. W. C. Freeman, Executive Vice President 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. Jack K. Williams, President
- Prairie View A&M University
  - Dr. A. I. Thomas, President
- Tarleton State University
  - Dr. W. O. Trogdon, President
- Moody College of Marine Sciences and Maritime Resources
  - Dr. William H. Clayton, Provost
- Texas Agricultural Experiment Station
  - Dr. Jarvis E. Miller, Director
- Texas Agricultural Extension Service and Rodent and Predatory Animal Control Service
  - Dr. D. 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
  - Mr. Charles J. Keese, Director

THE BUDGET for The Texas A&M University System for the current fiscal year is in excess of \$263,000,000, including expenditure of funds derived from gifts and grants and from other sources. The System has over 11,000 full-time and part-time employees and owns in campuses, farms, timberlands, etc., over 50,000 acres of Texas land.

TEXAS A&M UNIVERSITY offers both undergraduate and graduate instruction in Agriculture, Engineering, Geosciences, Science, Liberal Arts, Architecture, Veterinary Medicine, Business, Education, Marine Engineering, and Marine Transportation. 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.

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 approximately \$365,000,000.

**Enrollment**

THE ENROLLMENT at teaching institutions of The Texas A&M University System in the fall of 1975 was as follows:

Texas A&M University .....	24,876
Prairie View A&M University .....	5,499
Tarleton State University .....	3,093
Total .....	<u>33,468</u>

**Financial Position**

THE CURRENT funds income of The Texas A&M University System for the fiscal year ended August 31, 1975, was as follows:

TEXAS A&M UNIVERSITY	
1. State Appropriations	\$ 39,925,035.40
2. Student Fees	3,296,972.81
3. Income from State Endowment	13,035,008.47*
4. Restricted Funds	13,701,169.89
5. Sales and Services	509,400.77
6. Other Sources	4,676,801.96
Total Educational and General	75,144,389.30
7. Designated Funds	1,774,980.30
8. Auxiliary Enterprises and Activities (Dining Halls, Dormitories, College Store, Laundry, etc.)	23,366,936.82
TOTAL TEXAS A&M UNIVERSITY	100,286,306.42
MOODY COLLEGE OF MARINE SCIENCES AND MARITIME RESOURCES	
	1,689,958.37
TARLETON STATE UNIVERSITY	
	6,052,473.68
PRAIRIE VIEW A&M UNIVERSITY	
	17,947,836.88
TEXAS AGRICULTURAL EXPERIMENT STATION	
	22,895,746.21
TEXAS AGRICULTURAL EXTENSION SERVICE	
	24,001,768.87
TEXAS FOREST SERVICE	
	5,163,389.64
TEXAS ENGINEERING EXPERIMENT STATION	
	8,315,744.81
TEXAS ENGINEERING EXTENSION SERVICE	
	2,883,447.66
TEXAS TRANSPORTATION INSTITUTE	
	3,238,908.79
THE TEXAS A&M UNIVERSITY SYSTEM	
ADMINISTRATIVE AND GENERAL OFFICES	655,458.32
GRAND TOTAL THE TEXAS A&M UNIVERSITY SYSTEM	\$193,131,039.65

\* 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, 1975, were as follows:

ASSETS	
I. CURRENT FUNDS	
A. General	\$ 16,893,105.79
B. Designated	13,848,283.00
C. Auxiliary Enterprises	18,812,765.53
D. Restricted Funds	18,715,942.65
Total Current Funds Assets	\$ 68,270,096.97
II. LOAN FUNDS	
III. ENDOWMENT FUNDS	
A. State	*
B. Other than State	9,308,768.92
Total Endowment Funds Assets	9,308,768.92
IV. ANNUITY AND LIFE INCOME FUNDS	
	923,138.79
V. PLANT FUNDS	
A. Unexpended	
Available A&M University Fund	14,280,900.57
Other Plant Funds	85,548,676.47
Total Unexpended Plant Funds	99,829,577.04
B. For Retirement of Indebtedness	10,752,746.50
C. Invested in Plant	365,140,240.44
Total Plant Funds Assets	475,722,563.98
VI. AGENCY FUNDS	
	604,390.20
GRAND TOTAL ASSETS	559,602,650.80
Less: Total Liabilities	129,477,617.16
FUND BALANCES (i.e., Net Worth)	\$430,125,033.64

\* The Texas A&M University System shares in the income from the Permanent University Fund which Fund as of August 31, 1975, was carried on the books of The University of Texas System at \$781,771,634.

**Outstanding Indebtedness**

THE TEXAS A&M UNIVERSITY SYSTEM has no bank loans or other unfunded indebtedness as of February 29, 1976. Following is a table showing all funded indebtedness outstanding and the condition of the unpaid portions thereof as of February 29, 1976. 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 29, 1976	Interest & Sinking Fund February 29, 1976
Tuition Revenue Bonds, Series of 1973, 5.40%, 5.50%, 5.60%, 5.70% and 5.75%, due serially through 11/1/03 <sup>1</sup>	\$ 3,500,000	\$ 3,450,000	\$ 213,430
Tuition Revenue Bonds, Series of 1974, 8.50%, 7.60%, 7.70%, 7.80%, 7.90% and 7.00%, due serially through 11/1/03 <sup>1</sup>	4,000,000	3,940,000	\$
<b>PERMANENT UNIVERSITY FUND</b>			
Permanent University Fund Bonds, Series of 1958, 4%, 2.50% and 2.70%, due serially through 7/1/78 <sup>2</sup>	5,000,000	875,000	286,870
Permanent University Fund Bonds, Series of 1959, 4%, 3.25% and 3.40%, due serially through 7/1/79 <sup>2</sup>	6,000,000	1,440,000	384,531
Permanent University Fund Bonds, Series of 1961, 4.50%, 3% and 3.20%, due serially through 7/1/81 <sup>2</sup>	5,000,000	1,750,000	302,788
Permanent University Fund Bonds, Series of 1962, 2.50%, 2.75%, 2.90% and 3%, due serially through 7/1/82 <sup>2</sup>	5,000,000	2,025,000	304,972
Permanent University Fund Bonds, New Series of 1967, 4.40%, 3.60%, 3.70% and 3.75%, due serially through 7/1/87 <sup>3</sup>	10,000,000	6,600,000	621,550
Permanent University Fund Bonds, New Series of 1968, 4.875%, 4%, 4.10% and 4.20%, due serially through 7/1/88 <sup>3</sup>	5,000,000	3,525,000	297,250
Permanent University Fund Bonds, New Series of 1969, 6.20%, 5.40%, 5.50%, 5.60% and 5.25%, due serially through 7/1/89 <sup>3</sup>	5,000,000	3,750,000	331,013
Permanent University Fund Bonds, New Series of 1970, 6.50%, 6.10%, 6.00%, 6.20% and 5.50%, due serially through 7/1/90 <sup>3</sup>	5,000,000	3,975,000	345,913
Permanent University Fund Bonds, New Series of 1971, 5.50%, 4.60%, 4.75%, 4.90% and 5.00%, due serially through 7/1/91 <sup>3</sup>	5,000,000	4,200,000	325,719
Permanent University Fund Bonds, New Series of 1972, 5.00%, 4.60%, 4.50%, 4.80% and 4.00%, due serially through 7/1/92 <sup>3</sup>	5,000,000	4,400,000	303,350
Permanent University Fund Bonds, New Series of 1973, 6.00%, 5.00%, 5.10%, 5.20% and 5.25%, due serially through 7/1/93 <sup>3</sup>	5,000,000	4,600,000	318,623
Permanent University Fund Bonds, New Series of 1974, 6.50%, 6.00%, 6.10%, 6.20% and 5.50%, due serially through 7/1/94 <sup>3</sup>	6,000,000	5,760,000	418,560
Permanent University Fund Bonds, New Series of 1975, 6.00%, 5.30%, 5.50%, 5.70% and 6.00%, due serially through 7/1/95 <sup>3</sup>	8,000,000	8,000,000	548,600
<b>TEXAS A&amp;M UNIVERSITY (At College Station)</b>			
Agricultural and Mechanical College of Texas Press Building Revenue Bonds, Series of 1954, 3.1%, due serially through 10/1/83 <sup>4</sup>	220,000	78,000	71,353

TEXAS A&M UNIVERSITY—(continued)

	Original Amount Issued	Outstanding February 29, 1976	Interest & Sinking Fund February 29, 1976
Agricultural and Mechanical College of Texas Power Plant Revenue Bonds, Series of 1963, 3.75%, 3%, 3.25% and 3.375%, due serially through 7/1/83 <sup>6</sup>	\$ 2,500,000	\$ 1,250,000	\$ 500,333
Agricultural and Mechanical College of Texas Building Revenue Bonds, Series of 1963, 3.5%, due serially through 4/1/2003 <sup>3</sup>	4,743,000	4,013,000	781,337
Texas A&M University Student Fee Revenue Bonds, Series of 1966, 5% and 4.25%, due serially through 7/1/2005 <sup>7</sup>	2,200,000	1,965,000	262,439
Texas A&M University Student Fee Revenue Bonds, Series of 1966A, 5%, 4.50%, 4.55% and 4.60%, due serially through 7/1/90 <sup>7</sup>	800,000	615,000	102,067
Texas A&M University Athletic Facilities Revenue Bonds, Series of 1966, 4.5%, due serially through 10/1/79 <sup>9</sup>	400,000	150,000	2,148
Texas A&M University Housing System Revenue Bonds, Series of 1966, 5%, 4.40% and 4.25%, due serially through 6/1/98 <sup>2</sup>	2,000,000	1,645,000	3,381,379*
Texas A&M University Housing System Revenue Bonds, Series of 1967, 6%, 4.50%, 4.75%, 4.90% and 5.00%, due serially through 6/1/98 <sup>2</sup>	1,000,000	980,000	.....*
Texas A&M University Utility System Student Fee Revenue Bonds, Series of 1970, 7.50%, 7.10%, 7.00%, 7.10% and 6.50%, due serially through 8/1/99 <sup>12</sup>	9,500,000	9,120,000	1,223,184†
Texas A&M University Housing System Revenue Bonds, Series of 1970, 8.00%, 7.90%, 7.25%, 7.30%, 7.40% and 7.50%, due serially through 6/1/2009 <sup>2</sup>	5,000,000	4,935,000	.....*
Texas A&M University Combined Fee Revenue Bonds, Series of 1971, 6.50%, 6.25%, 5.80%, 6.00%, 6.10% and 5.00%, due serially through 5/1/2001 <sup>11</sup>	6,500,000	6,245,000	1,298,232‡
Texas A&M University Student Fee Revenue Bonds, Series of 1972, 6.50%, 5.10%, 5.20%, 5.25%, 5.40% and 5.00%, due serially through 4/1/2002 <sup>11</sup>	1,600,000	1,575,000	85,872
Texas A&M University Junior Lien Building Revenue Bonds, Series of 1972, 5.00%, 5.50%, 5.75% and 6.00%, due serially through 6/1/94 <sup>2</sup>	1,600,000	1,465,000	115,549
Texas A&M University Student Family Apartment Revenue Refunding Bonds, Series of 1972, 2.875%, due serially through 4/1/96 <sup>5</sup>	1,632,000	1,477,000	.....†
Texas A&M University Student Family Apartment Revenue Bonds, Series of 1972, 5.50%, 5.25%, 5.40%, 5.50% and 5.60%, due serially through 4/1/97 <sup>2</sup>	2,500,000	2,445,000	757,193†
Texas A&M University Housing System Revenue Bonds, Series of 1973, 7.00%, 6.10%, 5.80%, 5.90% and 6.00%, due serially through 6/1/2005 <sup>2</sup>	7,500,000	7,425,000	.....*

TEXAS A&M UNIVERSITY—(continued)	Original Amount Issued	Outstanding February 29, 1976	Interest & Sinking Fund February 29, 1976
Texas A&M University Utility System Student Fee Revenue Bonds, Series of 1974, 8.00%, 7.50%, 7.75%, 7.90%, 8.00% and 6.50%, due serially through 8/1/00 <sup>12</sup>	\$ 9,500,000	\$ 9,500,000	\$ .....
Texas A&M University Combined Fee Revenue Bonds, Series of 1974, 8.50%, 7.60%, 7.70%, 7.80%, 7.90% and 7.00%, due serially through 5/1/05 <sup>11</sup>	25,000,000	25,000,000	.....
* 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 Apartments 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.			
§ 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.			
<b>TARLETON STATE UNIVERSITY (At Stephenville)</b>			
Tarleton State College Dormitory Revenue Bonds, Series of 1952, 3.25%, 3.40% and 3.50%, due serially through 6/1/79 <sup>2</sup>	300,000	64,000	58,889
Tarleton State College Housing System Revenue Bonds, Series of 1967, Series A 2.875%, Series B 3.5%, Series C 3% and Series D 4.375%, due serially through 4/1/2007 <sup>5</sup>	1,700,000	1,349,000	130,067
Tarleton State College Building Use Fee Revenue Bonds, Series of 1967, 4.75%, due serially through 6/1/92 <sup>10</sup>	160,000	130,000	15,299
Tarleton State College Student Tuition Fee Revenue Bonds, Series of 1967, 4.75%, due serially through 6/1/98 <sup>11</sup>	250,000	220,000	262,745
Tarleton State College Crockett Hall Dormitory Revenue Bonds, Series of 1969, 6.00%, due serially through 9/1/94 <sup>3</sup>	330,000	283,000	4,000
Tarleton State College General Fee Revenue Bonds, Series of 1972, 5.50%, 5.25%, 5.50%, 5.60%, 5.70% and 5.75%, due serially through 4/1/2001 <sup>11</sup>	500,000	495,000	54,476
Tarleton State University General Fee Revenue Bonds, Series of 1973, 5.40%, 5.50%, 5.60%, 5.70% and 5.75%, due serially through 4/1/98 <sup>11</sup>	300,000	295,000	26,232
Tarleton State University Combined Fee Revenue Bonds, Series of 1974, 7.75% and 8.00%, due serially through 4/1/03 <sup>11</sup>	4,000,000	4,000,000	139,911
<b>PRAIRIE VIEW A&amp;M UNIVERSITY (At Prairie View)</b>			
Prairie View Agricultural and Mechanical College of Texas Power Plant Revenue Bonds, Series of 1965, 3%, due serially through 5/1/77 <sup>6</sup>	300,000	60,000	55,487
Prairie View Agricultural and Mechanical College of Texas Student Fee Revenue Bonds, Series of 1967, 5%, 4%, 4.10% and 4.15%, due serially through 8/1/94 <sup>10</sup>	400,000	345,000	144,425
Prairie View Agricultural and Mechanical College of Texas Dormitory Revenue Refunding Bonds, Series of 1970, 3%, 3.10%, 3.30% and 4%, due serially through 12/1/81 <sup>5</sup>	915,000	490,000	243,867

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

	Original Amount Issued	Outstanding February 29, 1976	Interest & Sinking Fund February 29, 1976
Prairie View Agricultural and Mechanical College of Texas Utility System Student Fee Revenue Bonds, Series of 1970, 7%, 5.50% and 6.10%, due serially through 4/1/83 <sup>11</sup>	\$ 500,000	\$ 415,000	\$ 117,002
Prairie View Agricultural and Mechanical College of Texas Housing System Revenue Bonds, Series of 1970-A, 6.25%, due serially through 4/1/2004 <sup>5</sup>	2,313,000	2,118,000	1,881,814*
Prairie View Agricultural and Mechanical College of Texas Housing System Revenue Bonds, Series of 1970-B, 9.25%, 8.25% and 8.10%, due serially through 4/1/10 <sup>5</sup>	11,000,000	10,940,000	.....*
Prairie View Agricultural and Mechanical College of Texas Student Fee Revenue Bonds, Series of 1972, 7.20%, 5.70%, 5.75%, 5.80% and 5.90%, due serially through 4/1/98 <sup>11</sup>	750,000	730,000	187,115
Prairie View A&M University Combined Fee Revenue Bonds, Series of 1974, 8.50%, 7.95%, 8.00%, 8.10%, 8.20% and 7.00%, due serially through 6/1/00 <sup>11</sup>	6,400,000	6,400,000	309,992

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

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

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

<sup>3</sup> 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.

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

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

<sup>6</sup> Secured by first lien on and pledge of net revenues derived from operations of Power Plants.

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

<sup>8</sup> Secured by pledge of Stadium Use Fee charged all students attending the University.

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

<sup>10</sup> Secured by pledge of Library Use Fee charged all students attending the University.

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

<sup>12</sup> 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 Power Plant Revenue Bonds, Series of 1963.

<sup>13</sup> Secured by first lien on and pledge of a Student Fee to be charged all students attending Prairie View A&M University, net revenues from the operation of the Utility System, and a lien on and pledge of net revenues from the existing Power Plant subject to the lien securing the payment of the outstanding Power Plant Revenue Bonds, Series of 1965.



*M. T. Harrington Education Center, Texas A&M University*



*Texas A&M University Oceanography and Meteorology Building*

**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, Associate Deputy Chancellor  
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 June 25, 1976 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**

\$16,000,000 par value Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1976, dated July 1, 1976:

FOR BONDS MATURING	COUPON RATE
1977 through .....	.....%
..... through .....	.....%
..... through .....	.....%
..... through .....	.....%
Premium .....	.....%
Net Interest Cost* .....	\$ .....
Weighted Average Annual Interest Rate† .....	.....%

**B. SEPARATE BID ON**

\$8,000,000 par value Board of Regents of The Texas A&M University System Permanent University Fund Bonds, New Series 1976, dated July 1, 1976:

FOR BONDS MATURING	COUPON RATE
1977 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 .....	\$320,000
.....	.....	A&M Bonds .....	160,000

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 July, 1976:

\* 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.

JUL 9 1976

3950

shall be delivered to Continental Illinois National Bank and Trust Company  
of Chicago,

for the principal amount thereof and accrued interest to the date  
of delivery, plus a premium of \$ 13,440.00 .

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(d)(2) of the Internal Revenue Code of 1954, as amended, and the temporary and proposed regulations heretofore prescribed thereunder, including, without limitation, Sections 1.103-13 and 1.103-14 of the proposed regulations published in the Federal Register on May 3, 1973. Furthermore, all officers, employees and agents of the University are authorized and directed to provide certification 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 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(d) 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 found to be correct and are hereby approved. (Page 2)

INTRODUCTION OF GUESTS AND STUDENT REPRESENTATIVES. --In response to Chairman Shivers' request, the Presidents introduced student representatives in attendance at the meeting and others introduced their guests. The guests introduced were:

Dr. Edward N. Brandt, Jr., Dean, The University of Texas Medical Branch at Galveston

Dr. Lysle Peterson, the newly appointed Vice President for Professional and Developmental Affairs, The University of Texas Health Science Center at Houston

Mr. Tom Smith, the newly appointed Real Estate Officer of the Office of Investments, Trusts and Lands

Mr. Jack Wheeler, the newly appointed Executive Assistant to President Sprague at The University of Texas Health Science Center at Dallas

Mr. Roy Vaughan, Executive Director of the Ex-Students' Association at The University of Texas at Austin

The following student representatives were introduced:

U. T. Arlington

Penny Woolrich, President of Student Congress  
Wanda Harris, Assistant to President of Student Congress  
Frank Sherrod, Editor of the Shorthorn  
Lanette Prikryl, Reporter for the Shorthorn

U. T. Austin

Mary Walsh, Editor of The Daily Texan

U. T. El Paso

Alice Varela, Managing Editor of the Prospector  
Beth Ford, News Editor of the Prospector

Later in the meeting, Jay Adkins, President of Student Government, and "Skip" Slyfield, Vice President of Student Government, of The University of Texas at Austin came into the meeting and were introduced.

RECESS FOR COMMITTEE MEETINGS AND EXECUTIVE SESSION OF THE COMMITTEE OF THE WHOLE. --At 9:10 a. m., Chairman Shivers announced that the Board of Regents would recess in order that the committees listed below could meet:

System Administration Committee  
Academic and Developmental Affairs Committee  
Buildings and Grounds Committee  
Medical Affairs Committee  
Land and Investment Committee  
Committee of the Whole - Open Session

and that immediately following the meeting of the Committee of the Whole in Open Session, the Board of Regents would convene in Room 209 as a Committee

of the Whole in Executive Session pursuant to Article 6252-17, Sections 2(e) and (g), V. T. C. S. to consider:

1. Contemplated and/or Pending Litigation
2. Personnel Matters: Proposed 1976-77  
Operating Budgets

RECONVENE. --Immediately after the meeting of the Executive Session of the Committee of the Whole (12:20 p. m. ), the Board of Regents reconvened in Room 212.

#### REPORTS OF STANDING COMMITTEES

Chairman Shivers called for the reports of the Committees. With the exception of the Executive Session of the Committee of the Whole, all meetings had been conducted in open session in Room 212.

REPORT OF SYSTEM ADMINISTRATION COMMITTEE (Pages 22 -29 ). -- In the absence of Vice-Chairman Williams, Chairman Shivers conducted the meeting of the System Administration Committee in open session. He submitted the following report and moved its adoption. The report was adopted, and the recommendations and actions therein were ratified and in all things confirmed:

#### Report

Chairman Shivers opened the meeting of the System Administration Committee with a report that Vice-Chairman Williams had recently undergone a disc operation but that he is doing exceedingly well. Vice-Chairman Williams sent his regards to the Regents and his regrets that he could not be here.

In open session this morning, the System Administration Committee approved the following recommendations by the Administration which had been circulated to the members of the System Administration Committee since its last meeting on May 14, 1976. These recommendations are now submitted in this report for formal approval by the Board of Regents:

1. U. T. Arlington, U. T. Austin, Galveston Medical Branch and its Galveston Medical School, San Antonio Health Science Center and University Cancer Center (M. D. Anderson): Amendments to the 1975-76 Budgets (10-B-76). --It is recommended by the appropriate chief administrative officers, concurred in by System Administration, that the amendments to the 1975-76 Budgets for The University of Texas at Arlington, The University of Texas at Austin, The University of Texas Medical Branch at Galveston and its Galveston Medical School, The University of Texas Health Science Center at San Antonio and The University of Texas System Cancer Center (M. D. Anderson) (Pages 23 - 27 ) be approved.

THE UNIVERSITY OF TEXAS AT ARLINGTON  
 AMENDMENTS TO THE 1975-76 OPERATING BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
7.	Auxiliary Enterprises - U. T. Arlington Tennis Center			
	Transfer of Funds	From: U. T. Arlington Tennis Center Unappropriated Balance via Estimated Income	To: U. T. Arlington Tennis Center - Salaries \$ 2,286 Wages 3,850 Maintenance and Operation <u>3,020</u>	
	Amount of Transfer	\$ 9,156	<u>\$ 9,156</u>	---

- 23 -

THE UNIVERSITY OF TEXAS AT AUSTIN  
 AMENDMENTS TO THE 1975-76 OPERATING BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
35.	Marc D. Adams			
	Intercollegiate Athletics for Men	Assistant Basketball Coach	Assistant Basketball Coach	
	Salary Rate	\$ 13,368	\$ 15,368	4/1/76
	Source of Funds: Intercollegiate Athletics for Men - Allocation for Budget Adjustments			

JUL 9 1976  
3953

THE UNIVERSITY OF TEXAS AT AUSTIN  
 AMENDMENTS TO THE 1975-76 OPERATING BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)  
 (Continued)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
36.	Rare Plant Study Center Transfer of Funds	From: Available University Fund Unappropriated Balance (Allocation for Operations and Capital Improvements)	To: Rare Plant Study Center - Administrative and Professional Salaries \$ 12,000 Wages 6,000 Maintenance and Operation 1,200 Equipment 2,300 Travel 3,500	
	Amount of Transfer	\$ 25,000	<u>\$ 25,000</u>	---
37.	McDonald Observatory - Auxiliary Enterprise Transfer of Funds	From: McDonald Observatory Auxiliary Enterprise - Unappropriated Balance via Estimated Income	To: McDonald Observatory Auxiliary Enterprise - Operating Expenses	
	Amount of Transfer	\$ 8,512	\$ 8,512	---

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
 AMENDMENTS TO THE 1975-76 OPERATING BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

Item No.	Explanation	Present Status			Proposed Status			Effective Dates
		Salary Rate	Augmentation	Total Compensation	Salary Rate	Augmentation	Total Compensation	
<u>Galveston Medical School</u>								
9.	Prapand Apisarnthanarax (Non-tenure) Dermatology Assistant Professor	\$ 29,700	\$ 9,600	\$ 39,300	\$ 32,000	\$ 13,000	\$ 45,000	6/1/76
	Source of Funds: Unallocated Salaries and MSRDP Funds							
<u>Galveston Medical Branch</u>								
10.	Hospitals, Staff Benefits, Plant Projects Transfer of Funds							
		From: Unappropriated Balance via Estimated Income			To: Medical Branch Hospitals \$ 2,600,000 Staff Benefit Reserves 800,000 Plant Fund Projects <u>2,436,000</u>			
	Amount of Transfer		\$ 5,836,000			<u>\$ 5,836,000</u>		

The hospital funds are required for continuing operations throughout this fiscal year. There has been an increase of approximately fifteen percent (15%) for both inpatient and outpatient activities and these additional funds are requested to supplement those departments in which the activity has increased.

The funds requested for Nursing Service are to pay for the employment of new nurses who were added to our staff, particularly the fifty-two (52) British nurses who were added to the budget during this fiscal year.

It is necessary to appropriate funds for the payment of accumulated sick leave to employees upon their termination of employment at the Galveston Medical Branch as provided for in the appropriation bill.

Funds allocated to various plant fund projects are in keeping with estimated funds needed to assist in the funding for the equipping of the new John Sealy Hospital and the new Learning Center.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO  
 AMENDMENTS TO THE 1975-76 OPERATING BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
6.	Auxiliary Enterprises - Bookstore and Vending Machines			
	Transfer of Funds	From: Bookstore - Unappropriated Balance via Estimated Income	To: Bookstore - Purchases for Resale Unallocated	
			\$ 400,000 <u>39,732</u>	
	Amount of Transfer	\$ 439,732	<u>\$ 439,732</u>	---
7.	Auxiliary Enterprises - University Health Service			
	Transfer of Funds	From: University Health Service - Unappropriated Balance	To: University Health Service Student Outpatient Costs Unallocated	
			\$ 12,000 <u>27,464</u>	
	Amount of Transfer	\$ 39,464	<u>\$ 39,464</u>	---

THE UNIVERSITY OF TEXAS SYSTEM CANCER CENTER  
 AMENDMENTS TO THE 1975-76 OPERATING BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

Item No.	Explanation	Present Status			Proposed Status			Effective Dates
		Salary Rate	Augmentation	Total Compensation	Salary Rate	Augmentation	Total Compensation	
	<u>M. D. Anderson</u>							
8.	Charles A. Hill (Non-tenure) Diagnostic Radiology Assistant Radiologist and Assistant Professor of Radiology	\$ 27,000	\$ 13,000	\$ 40,000	\$ 28,000	\$ 14,000	\$ 42,000	5/1/76
	Source of Funds: Reserve for Professional Salaries and Physicians Referral Service Augmentation Funds							

2. U. T. Austin: Amendment to 1976-77 Parking and Traffic Regulations and Information Thereabout (Permanent Minutes Page 3511) (5-M-76). --It is recommended by The University of Texas at Austin that the Parking and Traffic Regulations and Information for 1976-77 as reflected on Pages 3502-3514 be amended on Page 3511 by changing subparagraph (2) under "VI. Enforcement" to read as follows:

"(2) Court Appearance (CA) Tickets - Those issued by the University Police but constituting a summons to appear in either the municipal court or a justice court. Criminal penalties, as provided by law, may be imposed by either the municipal court or a justice court for violations of University parking and traffic regulations."

3. U. T. Austin: Authorization to Purchase Carlton Lake Collection and Appropriation Therefor (9-B-76). --It is recommended by President Rogers and concurred in by System Administration that the Carlton Lake Collection be purchased for the sum of \$280,000. This Collection consists largely of literature and art works from France. Mr. Lake as a part of his offer to sell this Collection proposes to give back to the University \$50,000 to start an endowment for the Humanities Research Collection and offers his services as a curator at a salary of \$1 per year.

To purchase this Collection it is recommended that \$280,000 be appropriated from the Available Fund.

4. Galveston Medical Branch: Remodeling of (a) Gail Borden Building, Fourth Floor, (b) Keiller Building, Second Floor and (c) Keiller Building, Basement (Request to Coordinating Board) (7-M-76). --To provide space at The University of Texas Medical Branch at Galveston for a specialized cancer center as designated by the National Institutes of Health, it is recommended that the Gail Borden Building be remodeled on the fourth floor, covering approximately 3,000 square feet, for needed laboratory and office space at an estimated total project cost of \$100,000 and that System Administration be instructed to submit this proposal to the Coordinating Board, Texas College and University System for approval. It is further recommended that the Galveston Medical Branch Administration and the Galveston Medical Branch Physical Plant Department with their own forces or through contract services, in consultation with the Office of Facilities Planning and Construction be authorized to complete the remodeled construction and equipping of this facility and that the total project cost be funded with available federal grant funds.

To provide space at The University of Texas Medical Branch at Galveston for expanded teaching and patient care needs, it is recommended that the Keiller Building be remodeled on the second floor, covering approximately 6,000 square feet, for an expanded laboratory facility for the Department of Pathology at an estimated total project cost of \$250,000 and that System Administration be instructed to submit this proposal to the Coordinating Board, Texas College and University System for approval. It is further recommended that the Galveston Medical Branch Administration and the Galveston Medical Branch Physical Plant

Department with their own forces or through contract services, in consultation with the Office of Facilities Planning and Construction be authorized to complete the remodeled construction and equipping of this facility and that the total project cost be funded with available federal grant funds.

To provide space at The University of Texas Medical Branch at Galveston for increased studies of the effects of environmental factors on the health of the public and of industrial workers by the Departments of Preventive Medicine and Community Health, it is recommended that the basement of the Keiller Building be remodeled for needed laboratories, covering approximately 2,030 square feet, at an estimated total project cost of \$90,000 and that System Administration be instructed to submit this proposal to the Coordinating Board, Texas College and University System for approval. It is further recommended that the Galveston Medical Branch Administration and the Galveston Medical Branch Physical Plant Department with their own forces or through contract services, in consultation with the Office of Facilities Planning and Construction be authorized to complete the remodeled construction and equipping of this facility and that the total project be funded through available research contracts and grants from industrial sources.

5. University Cancer Center (M. D. Anderson) - Environmental Science Park, Buescher Division at Smithville - Initial Facility: Additional Laboratory Building Named The Jesse H. Jones Research Laboratory Building (6-M-76). --It is recommended that the Additional Laboratory Building at the Initial Facility of the Environmental Science Park, Buescher Division at Smithville, of The University of Texas System Cancer Center (M. D. Anderson) be named "The Jesse H. Jones Research Laboratory Building" in honor of the late Jesse H. Jones, founder of Houston Endowment, Inc. (See Permanent Minutes, Vol. XXIII, Page 3862, Item 1.)

REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (Pages 30 - 37 ). --Committee Chairman (Mrs.) Johnson submitted, and moved approval of, the following Report of the Academic and Developmental Affairs Committee. She stated that all actions had been taken in open session. The report was unanimously adopted, and the actions therein were ratified.

1. U. T. System: Deputy Chancellor's Docket No. 7 (Attachment No. 1) (Catalog Change). --Committee Chairman (Mrs.) Johnson reported that no exception had been received to Deputy Chancellor's Docket No. 7. In consideration of this Docket, no objections were offered at the meeting and the Docket was unanimously approved in the form distributed by the Secretary. It is attached (Attachment No. 1) following Page 140 and made a part of these Minutes.

It was ordered that any item included in this Docket that is normally published in the catalogs of the various institutions be reflected in the first catalog published hereafter by the respective institution.

2. U. T. Austin and U. T. Dallas: Waiver of Claim by U. T. Austin and Acceptance of Bequest of Oscar Wilhelm, Deceased, by U. T. Dallas. --System Administration reported that through his will dated March 7, 1972, Mr. Oscar Wilhelm, a noted Dallas geologist, bequeathed his technical library to The University of Texas at Austin. However, thereafter Mr. Wilhelm learned that the library would be more useful to The University of Texas at Dallas since the materials Mr. Wilhelm wished to donate were duplicative of library materials already at U. T. Austin. During his lifetime, he made two deliveries to U. T. Dallas, the first in October 1974 and the second in August 1975. However, the second delivery was not acknowledged since Mr. Wilhelm died before the inventory and valuation could be completed.

Since there was no formal acknowledgment of receipt of the gift, Republic National Bank of Dallas, co-independent executor of the Estate of Oscar Wilhelm, requested a formal waiver of any claim to the technical library on behalf of U. T. Austin to avoid any possible technical difficulties.

Upon the joint recommendation of President Rogers and President Jordan, concurred in by System Administration, the Board of Regents for and on behalf of The University of Texas at Austin declined and waived any claim to the bequest of the Estate of Oscar Wilhelm, Deceased, of a technical library and on behalf of The University of Texas at Dallas accepted the bequest and reaffirmed its acceptance of the deliveries previously made.

The Chairman of the Board of Regents was authorized to take any and all action necessary to consummate this transaction.

3. U. T. El Paso: Two Revised Memoranda of Agreement with William Beaumont Army Medical Center [(a) Social Work; (b) Speech Pathology and Audiology]. --Upon recommendation of President Templeton, concurred in by System Administration, the existing memoranda of agreement between the Board of Regents of The University of Texas System, for and on behalf of The University of Texas at El Paso, and William Beaumont Army Medical Center were authorized revised

as set out on Pages 31 - 37 to conform to a request by the Department of the Army that a disclaimer be appended to any and all publications resulting from activities associated with such agreements. The agreements revised were executed on May 4, 1970, and June 26, 1972, providing respectively for the clinical training of students in the field of social work and in the field of speech pathology and audiology. The facility did not require a hold harmless clause.

The Chairman of the Board of Regents was authorized to execute the agreements when they had been approved as to form by a University attorney and as to content by the Deputy Chancellor and the Associate Deputy Chancellor for Academic Affairs.

a. Social Work

MEMORANDUM OF AGREEMENT

I. BACKGROUND

1. The Department of Sociology of the University of Texas at El Paso has established an approved professional program of special training in preparation for Social Work. The program requires clinical facilities where the student can obtain the clinical learning experience required in the curriculum.
2. The US Army medical facility, William Beaumont Army Medical Center, has the needed clinical facilities for social work trainees at the University of Texas at El Paso, to obtain part of the clinical learning experience required. It is to the benefit of the University of Texas at El Paso for social work trainees to use the clinical facilities of the US Army medical facility, William Beaumont Army Medical Center, to obtain their clinical learning experience.
3. The US Army medical facility, William Beaumont Army Medical Center, and the Department of the Army will benefit from making clinical facilities available to social work trainees of the University of Texas at El Paso. The Army will obtain the trainees' clinical learning experience while contributing to the educational preparation of a future supply of social workers.
4. Clinical trainees, during clinical training at the Army medical facility, will be under the jurisdiction of facility officials for training purposes and will follow facility rules.
5. The affiliation is controlled by and subject to title 5, US Code, section 5351-5, 8144, and 8331-2.

## II. UNDERSTANDING

## 1. The US Army medical facility will --

- a. Make available the clinical and related facilities needed for the clinical learning experience in social work by students enrolled in the basic professional social work program at the University of Texas at El Paso, and who are designated by the University of Texas at El Paso for such learning experience under the supervision of the University of Texas at El Paso.
- b. Arrange clinical learning experience schedules that will not conflict with those of the educational institutions.
- c. Designate a Medical Service Corps officer to coordinate the trainee's clinical learning experience in the Social Work Service. This will involve planning with faculty or staff members for the assignment of trainees to specific clinical cases and experiences, including their attendance at selected conferences, clinics, courses, and programs conducted under the direction of the facility.
- d. Provide, whenever possible, in connection with the trainee's clinical learning experience, reasonable classroom, conference room, office, and storage space for participating trainees and their faculty or staff supervisors, if assigned, and if feasible, dressing and locker room space.
- e. Permit, on reasonable request, the inspection of clinical and related facilities by agencies charged with the responsibility for accreditation of the University of Texas at El Paso.
- f. To provide the privilege of eating one meal per day in the hospital dining facility providing the rate is paid that is charged a civilian employee or guest.

## 2. The University of Texas at El Paso will --

- a. Provide the commanding officer of the facility with the number of trainees to be assigned, the dates and hours they will be assigned, and the clinical service to which they will be assigned, by the beginning of each training period.
- b. Where indicated and upon mutual agreement, provide faculty or staff members to assume the responsibility for instruction and supervision of the trainees' clinical learning experiences.

c. Have the faculty or staff member, if any, coordinate with designated Medical Service Corps officer, the assignment that will be assumed by the trainees while participating in their clinical learning experience, and their attendance at selected conferences, clinics, courses, and programs conducted under the direction of the facility.

d. Provide and maintain the personal records and reports necessary for conducting the trainees' clinical learning experience.

e. Enforce rules and regulations governing trainees that are mutually agreed on by the non-Federal institution and the facility.

f. Be responsible for health examinations and such other medical examinations and protective measures as the facility and non-Federal institution mutually find to be necessary.

g. Prohibit the publication by the trainees and faculty or staff members of any material relative to their clinical learning experience that has not been reviewed by the Army medical facility in order to assure that no classified information is inadvertently published, that infringement of patients' right to privacy is avoided, and that accuracy with respect to military procedures is complete. Any article written by a trainee which has been based on information acquired through his clinical learning experience must clearly reflect that DA does not endorse the article, even where a review has been made prior to publication. This is accomplished by requiring a disclaimer paragraph to appear with each such article written: "The opinion and conclusions presented herein are those of the author and do not necessarily represent the views of the Army medical facility the Department of the Army or any other government agency."

### III. TRAINING

The training term shall coincide with the academic year of the University of Texas at El Paso. This agreement may be terminated by either institution or an individual.

trainee by written notification to all concerned. Except under unusual conditions, such information will be submitted prior to the beginning of a particular training period.

EXECUTED by the parties on \_\_\_\_\_, 1976.

ATTEST:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_

By \_\_\_\_\_

ATTEST:

James H. Friehof, MS

By Charles C. Pixley  
Charles C. Pixley, M.D.  
Brigadier General, Medical Corps  
Commanding  
William Beaumont Army Medical Cen.

Approved as to Form:

Approved as to Content:

James Washop  
University Attorney

Edith Baker  
Deputy Chancellor

James Arnold  
Associate Deputy Chancellor for  
Academic Affairs

b. Speech Pathology and Audiology

MEMORANDUM OF AGREEMENT

I. Background

1. The University of Texas at El Paso, El Paso, Texas, has established an approved professional program of special training in preparation for graduate-level students in speech pathology and audiology. The program requires clinical facilities where the student can obtain the clinical learning experience required in the curriculum.

2. The US Army medical facility, William Beaumont Army Medical Center, has the needed clinical facilities for graduate-level students in speech pathology and audiology at the University of Texas, El Paso, Department of Drama and Speech, to obtain part of the clinical learning experience required. It is to the benefit of the University of Texas, El Paso for graduate-level students in speech pathology and audiology to use the clinical facilities of the US Army medical facility, William Beaumont Army Medical Center, to obtain their clinical learning experience.
3. The US Army medical facility, William Beaumont Army Medical Center, and the Department of the Army will benefit from making clinical facilities available to graduate-level students in speech pathology and audiology of the Department of Drama and Speech, University of Texas, El Paso. The Army will obtain the trainee clinical learning experience while contributing to the educational preparation of a future supply of audiologist and speech pathologists.
4. Clinical trainees, during clinical training at the Army medical facility, will be under the jurisdiction of facility officials for training purposes and will follow facility rules.
5. The affiliation is controlled by and subject to title 5, US Code, section 5351-6, 8144, and 8331-2.

## II. Understanding

1. The US Army medical facility will --
  - a. Make available the clinical and related facilities needed for the clinical learning experience in speech pathology and audiology by graduate level students enrolled in the basic professional speech pathology and audiology program at the University of Texas, El Paso, and who are designated by the University of Texas, El Paso, for such learning experience under the supervision of the University of Texas, El Paso.
  - b. Arrange clinical learning experience schedules that will not conflict with those of the educational institutions.
  - c. Designate a Medical Service Corps officer to coordinate the trainees' clinical learning experience in speech pathology and audiology. This will involve planning with faculty or staff members for the assignment of trainees to specific clinical cases and experiences, including their attendance at selected conferences, clinics, courses, and programs conducted under the direction of the facility.

d. Provide, whenever possible, in connection with the trainees' clinical learning experience, reasonable classroom, conference room, office, and storage space for participating trainees and their faculty or staff supervisors, if assigned, and if feasible, dressing and locker room space.

e. Permit, on reasonable request, the inspection of clinical and related facilities by agencies charged with the responsibility for accreditation of the Department of Drama and Speech, at the University of Texas, El Paso.

f. Provide the privilege to utilize the hospital dining room provided the student pays for each meal at the rate set for civilian employees and guests.

2. The University of Texas, El Paso will --

a. Provide the commanding officer of the facility with the number of trainees to be assigned, the dates and hours they will be assigned, and the clinical service to which they will be assigned, by the beginning of each training period.

b. Where indicated and upon mutual agreement, provide faculty or staff members to assume the responsibility for instruction and supervision of the trainees' clinical learning experiences.

c. Have the faculty or staff member, if any, coordinate with designated Medical Service Corps officer, the assignment that will be assumed by the trainee while participating in their clinical learning experience, and their attendance at selected conferences, clinics, courses, and programs conducted under the direction of the facility.

d. Provide and maintain the personal records and reports necessary for conducting the trainees' clinical learning experience.

e. Enforce rules and regulations governing trainees that are mutually agreed on by non-Federal institution and the facility.

f. Be responsible for health examinations and such other medical examinations and protective measures as the facility and non-Federal institution mutually find to be necessary.

g. Prohibit the publication by the trainees and faculty or staff members of any material relative to their clinical learning experience that has not been reviewed by the Army medical facility in order to assure that no classified information is inadvertently published, that infringement of patients' right to

privacy is avoided, and that accuracy with respect to military procedures is complete. Any article written by a trainee which has been based on information acquired through his clinical learning experience must clearly reflect that DA does not endorse the article, even where a review has been made prior to publication. This is accomplished by requiring a disclaimer paragraph to appear with each such article written: "The opinion and conclusions presented herein are those of the author and do not necessarily represent the views of the Army medical facility the Department of the Army or any other governmental agency."

III. Training

The training term shall be the same as the academic year of the University of Texas, El Paso. This agreement may be terminated by either institution or an individual trainee by written notification to all concerned. Except under unusual conditions such information will be submitted prior to the beginning of a particular training period.

EXECUTED by the parties on \_\_\_\_\_, 1976

ATTEST:

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_

By \_\_\_\_\_

ATTEST:

James H. Baker, Jr., MS

By

Charles C. Pixley, M.D.

Brigadier General, Medical Corps  
Commanding  
William Beaumont Army Medical Center

Approved as to Form:

Approved as to Content:

James W. ...  
University Attorney

Ed ...  
Deputy Chancellor

Ernest ...  
Associate Deputy Chancellor for Academic Affairs

REPORT OF BUILDINGS AND GROUNDS COMMITTEE (Pages 38 - 57 ). --  
 The Buildings and Grounds Committee conducted its business in open session,  
 and Committee Chairman Bauerle filed the following report of the Committee.  
 The report was adopted upon a motion duly made and seconded, and the actions  
 therein were ratified:

1. U. T. System - Ashbel Smith Hall - Completion of Sixth Floor:  
 Approval of Preliminary Plans and Additional Appropriation. --  
 The preliminary plans and outline specifications for the Comple-  
 tion of the Sixth Floor of Ashbel Smith Hall, The University of  
 Texas System, were approved at an estimated total project cost  
 of \$295,000. These plans had been prepared by the Office of  
 Facilities Planning and Construction, and the Director of that  
 office was authorized to proceed with the preparation of the  
 final plans and specifications and advertisement for bids.

An additional \$12,000 was appropriated from Permanent Uni-  
 versity Fund Bond proceeds for fees and miscellaneous expenses  
 through the preparation of final plans, \$5,000 having been pre-  
 viously appropriated from this same source.

2. U. T. Arlington - Remodeling of College Hall: Increase in Scope  
 of Project to Include Installation of New Mechanical System and  
 Appropriation Therefor. --System Administration reported that the  
 Project Architect, Willard Reavis of Arlington, Texas, had dis-  
 covered during his preparation of the preliminary plans for the  
 Remodeling of College Hall at The University of Texas at Arlington  
 it would not be worthwhile to modify the present mechanical system  
 and recommended that a new mechanical system be installed. Such  
 a system should last for at least 20 years.

Upon the recommendation of President Nedderman and System Admin-  
 istration, an increase in the project scope for this remodeling project  
 was approved to include a new mechanical system and thereby the  
 total project cost was increased from \$525,000 to \$695,000. From  
 proceeds of Combined Fee Revenue Bonds, \$6,275 was appropriated  
 for fees and miscellaneous expenses through the preparation of pre-  
 liminary plans and outline specifications. Attention was called to the  
 fact that \$25,000 had been previously appropriated for this project.

The preliminary plans and specifications will be submitted to the  
 Board of Regents for consideration at a future meeting.

3. U. T. Arlington - Conference Center and Special Events Center:  
 Authorization for Feasibility Study; Appointment of Wilson/Crain/  
 Anderson/Reynolds, Houston, Texas, Consultant; and Appropria-  
 tion Therefor. --Upon the recommendation of President Nedderman  
 and System Administration, the Board of Regents appointed the  
 firm of Wilson/Crain/Anderson/Reynolds, Houston, Texas, Con-  
 sultant to work with a planning committee from The University of  
 Texas at Arlington and the staff of the Office of Facilities Planning  
 and Construction to prepare a feasibility study for a Conference  
 Center and a Special Events Center at U. T. Arlington to meet the  
 needs of the anticipated enrollment of 20,000 by 1985.

For this study including fees and related expenses, \$20,000 was  
 appropriated from Unappropriated Plant Funds - Combined Fee  
 Revenue Bond proceeds.

4. U. T. Arlington - College of Business Administration Building - College of Engineering Laboratory Building - Geoscience Building (Previously Called Geosciences Building): Inscriptions on Plaques. -- Upon the recommendation of System Administration, the inscriptions as set out below were approved for the plaques to be placed on the College of Business Administration Building, College of Engineering Laboratory Building and Geoscience Building (previously called Geosciences Building) at The University of Texas at Arlington. These inscriptions follow the standard pattern approved by the Board of Regents at its meeting on October 1, 1966:.

COLLEGE OF BUSINESS ADMINISTRATION BUILDING  
1975

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  
Wendell H. Nedderman, President,  
The University of Texas at  
Arlington

Albert S. Komatsu and Associates,  
Project Architect  
Cadenhead Construction Company,  
Inc., Contractor

COLLEGE OF ENGINEERING LABORATORY BUILDING  
1975

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  
Wendell H. Nedderman, President,  
The University of Texas  
at Arlington

Preston M. Geren and Associates,  
Project Architect  
Frank J. Rooney, Inc., Contractor

GEOSCIENCE BUILDING  
1975

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  
Wendell H. Nedderman, President,  
The University of Texas at  
Arlington

Lawrence D. White Associates,  
Inc., Project Architect  
Frank J. Rooney, Inc., Contractor

5. U. T. Arlington - Engineering Building (One of Original Buildings Transferred to U. T. System): Authorization for Air Conditioning Improvements by Connecting to Thermal Plant and Funding Therefor. --The Administration reported that the air conditioning of the Engineering Building (one of the original buildings transferred to U. T. System) at The University of Texas at Arlington being an independent mechanical system had resulted in high maintenance and repair costs in the last two years. The U. T. Arlington Physical Plant staff had estimated that connecting this building to the thermal plant for thermal services would be less expensive than replacing the two air conditioning units presently in use. The Office of Facilities Planning and Construction concurred in this evaluation and had provided the technical specifications for the proposed work. The thermal central plant has ample capacity to accept this building load.

Following this report, President Nedderman and System Administration submitted the following recommendations which were unanimously adopted:

- a. Authorize air conditioning improvements for the Engineering Building at The University of Texas at Arlington by connection to the thermal plant for chilled water supply and return at an estimated construction cost of approximately \$40,000 not including demolition of the existing system.
  - b. Authorize the preparation of the plans for the engineering design, advertisement for bids and completion of the project by the U. T. Arlington Physical Plant staff with its own forces or any required contract services in consultation with the Office of Facilities Planning and Construction.
  - c. Approve the expenditure of funds in an amount not to exceed \$50,000 from U. T. Arlington Unexpended Plant Funds - Minor Improvement Account for the total project cost of the air conditioning improvements to the building.
6. U. T. Arlington - Remodeling of Hereford Student Union Building: Approval of Final Plans and Authorization to Advertise for Bids. --The final plans prepared by the Project Architect, Jarvis Putty Jarvis, Inc., Dallas, Texas, for the Remodeling of the Hereford Student Union Building at The University of Texas at Arlington were approved as presented, and the Office of Facilities Planning and Construction was authorized to advertise for bids for this project after completion of final review. The bids will be presented to the Board of Regents at a future meeting. The plans and specifications provide for the remodeling of approximately 132,000 gross square feet in the existing Hereford Student Union Building plus new construction of approximately 6,000 gross square feet at an estimated total project cost of \$2,500,000.

7. U. T. Arlington - Remodeling of Life Science Building: Authorization to Increase Project Scope and Appropriation Therefor. --The Administration reported that following a review of the design concept and schematic plans prepared by the Project Architect, Albert S. Komatsu and Associates, Fort Worth, Texas, for the Remodeling of the Life Science Building at The University of Texas at Arlington it had been determined that the original estimated cost of \$800,000 (authorized in March 1974) was not adequate to cover the cost of the project for the following reasons:

- a. General construction costs had escalated approximately 25% since the project was authorized and are likely to escalate another 5% before bids are taken.
- b. Laboratory casework prices in the same time span had increased by 25%; and, based upon actual detailed requirements submitted by the department involved rather than the assumed quantities of casework included in the estimate prepared by the U. T. Arlington Administration, the quantity of casework and the mechanical systems to serve the casework had increased substantially since the cost estimate was prepared.
- c. An electron microscope laboratory had been added to the scope of the project with the cost of the equipment to be installed in the laboratory included in the project cost as well as the construction for the laboratory and its supporting equipment.

It is estimated by the Project Architect at this time that the total project cost for the scope of work desired by the users is \$1,600,000.

President Nedderman stated that the Architect had been instructed to hold up on any additional design effort pending clarification of scope and budget, but he believed that too limited a scope and budget was set for the project when it was initiated two and a half years ago.

Following this report and upon recommendation of President Nedderman and System Administration, authorization was given to increase the project scope of the remodeling of the Life Science Building at U. T. Arlington to facilitate the program requirements at an estimated total project cost of \$1,600,000.

An additional appropriation of \$800,000 was authorized from Unappropriated Unexpended Plant Funds - Combined Fee Revenue Bond proceeds, \$800,000 having been previously appropriated.

The preliminary plans for this project will be prepared by the Project Architect and will result in the remodeling of the existing facility to implement the reassignment of space making it functional for expanded programs in Science, Biology and Psychology planned for the immediate future at U. T. Arlington.

8. U. T. Arlington - Remodeling of Trinity Hall: Authorization for Feasibility Study; Appointment of Sowden-Kelley-Barfield, Fort Worth, Texas, Project Architect; and Appropriation Therefor. -- Upon recommendation of President Nedderman and System Administration, the firm of Sowden-Kelley-Barfield, Fort Worth, Texas, was appointed Project Architect to work with a planning committee from The University of Texas at Arlington and the Office of Facilities Planning and Construction staff to prepare a feasibility study with respect to the remodeling of Trinity Hall (a men's dormitory built in 1962) at U. T. Arlington. This study will entail investigation of the required functions, project scope and estimated cost. The study together with recommendations will be submitted to the Board of Regents at a later date.

For this project, an appropriation of \$20,000 was authorized from Unappropriated Plant Funds for fees and related expenses.

9. U. T. Arlington - University Bookstore: Approval of Final Plans; Appointment of Committee to Award Contract; and Additional Appropriation Therefor. -- Following approval by the Coordinating Board in April 1976 for the construction of a facility to house the University Bookstore at The University of Texas at Arlington, the Project Architect, Lawrence D. White Associates, Inc., Fort Worth, Texas, prepared the final plans and specifications for this facility. The plans call for an approximately 38,000 gross square foot facility (previously estimated at 40,000 gross square feet) at an estimated total project cost of \$1,200,000.

These plans were approved, and the Director of the Office of Facilities Planning and Construction was authorized to advertise and call for bids for the project to be received early in September 1976. In the interest of time, the following committee was appointed to award a construction contract within available funds for this project between meetings of the Board of Regents:

Chairman Shivers  
 Committee Chairman Bauerle  
 Regent Law  
 Deputy Chancellor Walker  
 Associate Deputy Chancellor Landrum  
 Director Kristoferson  
 President Nedderman

An additional appropriation of \$1,152,000 was authorized from Combined Fee Revenue Bond proceeds to cover the total project cost, \$48,000 having been previously appropriated from this same source.

10. U. T. Arlington - Additional Parking Facilities - Construction of Five Parking Lots (Monroe Street and Second Street; West Border Street; South of Second Street; Cooper Street; and West, First and Oaks Streets): Ratification of Contract Award to SRO Asphalt, Inc., Arlington, Texas, for Construction of Four Parking Lots. -- System Administration reported that the Coordinating Board, Texas College and University System approved in April 1976 construction

of five new parking lots on the campus of The University of Texas at Arlington (Monroe Street and Second Street; West Border Street; South of Second Street; Cooper Street; and West, First and Oaks Streets). Bids were called for, received, opened and tabulated on May 25, 1976, for the construction of four of the five parking lots authorized by the Board of Regents on February 13, 1976.

It was further reported that with the concurrence of the Office of Facilities Planning and Construction, the Administration at U. T. Arlington had awarded a construction contract for the four parking lots (Monroe Street and Second Street; West Border Street; South of Second Street; and West, First and Oaks Streets) to the lowest and best acceptable bidder, SRO Asphalt, Inc., Arlington, Texas, for the low base bid of \$131,000.

This action was ratified by unanimous vote.

It was noted that previously appropriated funds in the amount of \$253,000 were available for all five parking lots. Bids will be called for on the parking lot on Cooper Street, the fifth parking lot authorized, and will be submitted to the Board of Regents for ratification.

11. U. T. Arlington - Border Street Widening: Negotiations with City of Arlington, Acquisition of Property (Senate Bill No. 128, 61st Legislature, 1971, R.S.), and Appropriation Therefor. --  
 The Administration reported that officials of The University of Texas at Arlington and of the City of Arlington had been negotiating for several months concerning the widening of Border Street, a portion of which lies between Davis and Pecan Streets and is within the legislatively authorized boundaries of the U. T. Arlington campus as provided in Senate Bill No. 128, 61st Legislature, 1971, R.S. These negotiations are based on the premise that the University will provide the right-of-way on the south side of Border Street and the City in return will pave and subsequently abandon certain streets, an arrangement considered mutually beneficial to both parties.

Upon the recommendation of President Nedderman and System Administration, the U. T. Arlington Administration was authorized:

- a. to continue negotiations with the City of Arlington with respect to agreeing on mutually beneficial arrangements concerning the widening of Border Street
- b. to consult with the Office of the General Counsel and proceed with all appropriate actions to acquire under authorization of Senate Bill No. 128, 61st Legislature, 1971, R.S., the remaining property along the south side of Border Street

Further, \$500,000 was appropriated from Unappropriated Plant Funds, Interest on Bond proceeds for the acquisition of the property and related expenses.

12. U. T. Arlington, U. T. Austin, U. T. Dallas, U. T. El Paso, U. T. Permian Basin, U. T. San Antonio: Report on Long Range Campus Development Plans and Authorization to Submit to Coordinating Board. --System Administration reported that in compliance with the requirements and regulations of the Coordinating Board, Texas College and University System, a Long Range Campus Development Plan had been prepared for each of the six academic components of The University of Texas System (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 and The University of Texas at San Antonio). These development plans had been coordinated with the Role and Scope Document prepared by each academic institution and include anticipated campus improvements which have been projected for approximately five years. The development plans will be amended periodically when changes and additions are justified. The submission of these Long Range Development Plans is an essential requirement in all future considerations of degree programs and curriculum changes proposed by the academic institutions for review and approval of the Coordinating Board.

Following this report, and upon the recommendation of System Administration, approval was given for the Long Range Campus Development Plans for the six academic components of The University of Texas System to be submitted to the Coordinating Board.

13. U. T. Austin - Chilled Water Distribution System - Expansion of North Sector: Award of Contract to J. M. Boyer, Inc., Austin, Texas. --Upon the recommendation of President Rogers and System Administration, a construction contract for the North Sector Expansion of the Chilled Water Distribution System at The University of Texas at Austin was awarded to the lowest and best acceptable bidder, J. M. Boyer, Inc., Austin, Texas, as set out below:

Base Bid	\$ 249,498
Additive Alternates:	
No. 1 (Construct Concrete Retaining Walls)	57,000
No. 2 (Surface Retaining Walls with Brick)	8,000
No. 3 (Construction of 16" Domestic Water Line)	<u>28,000</u>
Total Contract Award	<u>\$342,498</u>

Further, upon the recommendation of President Rogers and System Administration, a revised total project cost of \$379,500 (originally approved at \$459,500) to cover the contract award, fees and miscellaneous expenses was approved.

This project provides for construction of additional supply and return pipelines to Chilling Station No. 4 on the U. T. Austin campus to improve the chilled water distribution system in the central campus area.

- 14. U. T. Austin - Waller Creek Improvements - Phase I-A: Report of Committee and Ratification of Contract Award to J. C. Evans Construction Company, Inc., Austin, Texas. -- With respect to Phase I-A of the Waller Creek Improvements at The University of Texas at Austin, the following report of the Special Committee was received and the action therein ratified:



THE UNIVERSITY OF TEXAS SYSTEM

Office of Facilities Planning and Construction

210 WEST SIXTH STREET, AUSTIN, TEXAS 78701

TEL. NO.  
471-1517

June 17, 1976

To the Board of Regents of  
The University of Texas System:

The Special Committee appointed at the Regents' meeting held May 14, 1976 has awarded a contract for Waller Creek Improvements - Phase I-A at The University of Texas at Austin in the amount of \$217,500.00 to the low bidder J. C. Evans Construction Company, Inc., Austin, Texas.

*Lorene L. Rogers*  
\_\_\_\_\_  
Lorene L. Rogers

*R. S. Kristoferson*  
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R. S. Kristoferson

*Graves W. Landrum*  
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Graves W. Landrum

*E. D. Walker*  
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E. D. Walker

*James E. Baucile*  
\_\_\_\_\_  
James E. Baucile

*Allan Shivers*  
\_\_\_\_\_  
Allan Shivers

Following this report, the Buildings and Grounds Committee approved a total project cost of \$287,900, which sum is within the \$360,000 previously appropriated from Interest on Permanent University Fund Bond proceeds for the initial construction cost of Phase I of the Waller Creek Improvements project, fees and related project expenses.

15. U. T. Dallas - Physical Education Facilities - Phase I (Outdoor Athletics Facilities and Parking - 1970 Campus Development Plan): Status Report and Additional Appropriation. --The Administration reported that although in accordance with authorization at the March 26, 1976, meeting of the Board of Regents bids were called for and received for the Physical Education Facilities (Outdoor Athletics Facilities and Parking - 1970 Campus Development Plan) at The University of Texas at Dallas, the bid prices exceeded the original funding available and a contract was not awarded. Negotiations with the low bidder with respect to reducing the work to bring the price within the authorized estimated project cost of \$250,000 and within the authority of the Special Committee to make an award were unsuccessful, and the bids expired before the Committee or the Board of Regents could act.

Based on this report and upon the recommendation of President Jordan and System Administration, the Buildings and Grounds Committee approved the following:

- a. A revised total project cost of \$600,000 for the Physical Education Facilities - Phase I at The University of Texas at Dallas with an additional appropriation of \$350,000 from Building Use Fees, \$250,000 having been previously appropriated from Tuition Revenue Bond proceeds.
  - b. Preparation of revised final plans by the Office of Facilities Planning and Construction and advertisement for bids to be considered by the Board of Regents at a future meeting.
16. U. T. Dallas - Theater Building (Phase II Building Program) - Modifications for Additional Theatrical Lighting: Appointment of Committee to Award Construction Contract. --The Administration reported that following the preparation of final plans and specifications by the Project Architect, Harwood K. Smith and Partners, Inc., Dallas, Texas, for Modifications for Additional Theatrical Lighting in the Theater Building of the Jonsson Center (Phase II Building Program) at The University of Texas at Dallas, bids had been called for and will be received on July 27, 1976.

President Jordan and System Administration requested and it was so ordered that a committee be appointed to award a construction contract within the \$90,000 previously appropriated for this project. The following committee was named:

Chairman Shivers  
 Committee Chairman Bauerle  
 Regent Williams  
 Deputy Chancellor Walker  
 Associate Deputy Chancellor Landrum  
 Director Kristoferson  
 President Jordan

The contract award by the committee will be reported for ratification to the Board of Regents at the first meeting after the award.

17. U. T. El Paso - Library Annex: Approval of Final Plans; Appointment of Committee to Award Contract; and Additional Appropriation Therefor. --The final plans and specifications prepared by the Project Architect, Davis and Whelchel, Architects and Engineers, El Paso, Texas, for the construction of a 30,000 gross square foot Library Annex at The University of Texas at El Paso were approved at an estimated total project cost of \$1,053,000. The Director of the Office of Facilities Planning and Construction was authorized to advertise for bids for this project subject to completion of final review.

Upon the recommendation of President Templeton and System Administration, the following committee was appointed to award the contract for construction of this Library Annex within available project funds between meetings of the Board of Regents:

Chairman Shivers  
 Committee Chairman Bauerle  
 Deputy Chancellor Walker  
 Associate Deputy Chancellor Landrum  
 Director Kristoferson  
 President Templeton

A report of the committee's action will be submitted to the Board of Regents at a future meeting for ratification.

An additional appropriation of \$328,000 from Permanent University Fund Bond proceeds was approved for the project, \$725,000 having been appropriated from this same source prior to the increase in estimated project cost approved at the March 26 meeting of the Board of Regents.

18. U. T. El Paso - Special Events Center: Appointment of Committee to Award Contract for Furniture and Furnishings. --System Administration reported that specifications for furniture and furnishings for the Special Events Center at The University of Texas at El Paso were being prepared by the Office of Facilities Planning and Construction and that bids would be called for and opened during the month of August 1976. President Templeton and System Administration recommended that a committee be appointed to award a contract for the furniture and furnishings prior to the October meeting of the Board of Regents, which action would allow the successful bidder adequate lead time to complete installation in accordance with current time schedules.

Based upon this recommendation, the following committee was appointed with authorization to award a contract within the funds available, \$31,489, for the furniture and furnishings for the Special Events Center at U. T. El Paso:

Chairman Shivers  
 Committee Chairman Bauerle  
 Deputy Chancellor Walker  
 Director Kristoferson  
 President Templeton

19. U. T. El Paso - Expansion of Utility System: Extension of Thermal (Hot and Chilled Water Lines) and Electrical Power Utilities to North Portion of Campus (North Campus Satellite Thermal Energy Plant) - Approval of Action Assuming Design Contract, Authorization for Committee to Approve Final Plans and Advertisement for Bids, to Award Contract and Appropriation of Funds. --With respect to the Expansion of the Utility System by extension of thermal (hot and chilled water lines) and electrical power utilities to the north portion of the campus (North Campus Satellite Thermal Energy Plant) to provide thermal services to the Special Events Center and other nearby buildings at The University of Texas at El Paso, the following resolution was adopted:

WHEREAS, In June 1975 authorization was given by the Board of Regents for the construction of a North Campus Satellite Thermal Energy Plant to provide thermal services to the Special Events Center and other nearby buildings at The University of Texas at El Paso;

WHEREAS, A committee consisting of President Templeton, Director Kristoferson, Associate Deputy Chancellor Landrum, Deputy Chancellor Walker, Committee Chairman Bauerle and Board Chairman Shivers was appointed to review and approve an amendment to the existing contract with Lone Star Energy Company to provide these services;

WHEREAS, Subsequently, Lone Star Energy Company asserted that their obligation to provide thermal energy services was limited and did not extend to the North Campus area;

WHEREAS, Nevertheless, in September 1975, Lone Star Energy Company agreed to proceed expeditiously with the engineering design of the Satellite Plant until the differing viewpoints were resolved;

WHEREAS, Since that time, extensive negotiations have failed to resolve the differences to the mutual satisfaction of Lone Star Energy Company and The University of Texas System;

WHEREAS, In May 1976 Lone Star Energy Company was formally advised by The University of Texas System that it would assume the engineering design contract for the Satellite Plant and proceed with construction of the facility at the earliest time possible with Lone Star Energy Company to be held responsible for all damages sustained; now, therefore, be it

RESOLVED, That (1) The action of assuming the design contract for the North Campus Satellite Thermal Energy Plant at The University of Texas at El Paso is hereby approved;

- (2) The previously appointed Special Committee as listed in this resolution is authorized to approve the final plans and specifications, to authorize advertisement for bids and to award a construction contract for the North Campus Satellite Thermal Energy Plant at The University of Texas at El Paso;
- (3) An appropriation of \$1,400,000 as an advance from Permanent University Fund Bond proceeds for the Expansion of the Utility System at The University of Texas at El Paso is approved; and
- (4) Any committee action to award a construction contract will be submitted to the Board of Regents for ratification at a future meeting.

20. U. T. Permian Basin - Student Housing (Mobile Home Units - Temporary) - Site Development: Award of Contract for Completion of Laundry Building to Rondel Construction Company, Midland, Texas, and Appropriation Therefor. --The Administration reported that although only two bids were received with respect to the construction of the remainder of the Laundry Building (ground utilities and foundation slab for the building having been included in the construction contract awarded to Cottingham Construction Company, Inc., Odessa, Texas, at the Regents' meeting on May 14, 1976) in the Site Development of the Student Housing (Mobile Home Units - Temporary) at The University of Texas of the Permian Basin, the low bid was within the construction estimate of the Office of Facilities Planning and Construction; and, hence, President Cardozier and System Administration recommended that a contract in the amount of \$40,054 be awarded to the lowest and best acceptable bidder, Rondel Construction Company, Midland, Texas.

This recommendation was unanimously approved by the Buildings and Grounds Committee.

Further, an expenditure of \$44,300 for the construction contract award and related expenses for the completion of the Laundry Building was approved from funding previously authorized for the purchase and installation of Mobile Home Units at U. T. Permian Basin.

21. Dallas Health Science Center (Dallas Southwestern Medical School) - Remodeling of Edward H. Cary Basic Science Hall: Award of Contract to The McCally Company, Inc., Dallas, Texas. --For the Remodeling of Edward H. Cary Basic Science Hall at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas, the recommendation of President Sprague and System Administration to award a construction contract as set out below to The McCally Company, Inc., Dallas, Texas, the lowest and best acceptable bidder, was approved by the Buildings and Grounds Committee:

Base Bid	\$1,808,800	
Additive Alternates		
No. 1 (Acid-Resisting Tops)	1,000	
No. 2 (Vacuum Pumping Facility)	9,000	
No. 3 (Additional Construction, Level 1)	37,000	
No. 4 (Additional Construction, Level 2)	<u>39,000</u>	
Total Contract Award		<u>\$1,894,800</u>

It was pointed out that the \$2,500,000 total project cost which had been previously approved from Legislative Appropriations would cover this construction contract award, movable furnishings and equipment, air balancing, Central Data Acquisition System, fees and miscellaneous expenses for the remodeling project.

- 22. Dallas Health Science Center (Dallas Southwestern Medical School): Expansion of Parking Lot #4: Report of Committee and Ratification of Contract Award to Metro Asphalt Company, Euless, Texas. -- With respect to the Expansion of Parking Lot #4 at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas, the following report of the Special Committee was received and the action therein ratified:



THE UNIVERSITY OF TEXAS SYSTEM

Office of Facilities Planning and Construction

210 WEST SIXTH STREET, AUSTIN, TEXAS 78701

TEL. NO.  
471-1517

June 15, 1976

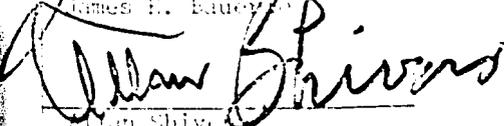
To the Board of Regents of  
The University of Texas System:

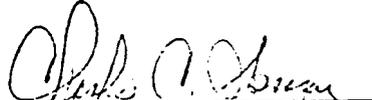
The Special Committee appointed at the Regents' Meeting held May 14, 1976, has awarded a contract for the Expansion of Parking Lot No. 4 at the University of Texas Health Science Center at Dallas to the low bidder, Metro Asphalt Co., Euless, Texas, as follows:

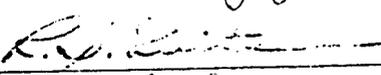
Base Bid	\$ 129,832.05
Alternate No. 1 (Striping)	600.00
Total Contract Award	<u>\$ 130,432.05</u>

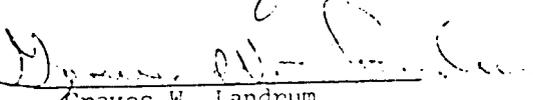
  
D. Walker

  
James E. Baucell

  
Allan Shivers

  
Charles C. Sprague

  
R. S. Kristoferson

  
Graves W. Landrum

It was noted that a total project cost of \$185,000 had previously been approved and appropriated for this parking lot expansion.

23. Galveston Medical Branch (Galveston Hospitals) - Addition to John Sealy Hospital: Change Order to Thomas Construction Company, Inc., Houston, Texas, for Installation of Mipolam Sheet Vinyl Flooring, and Additional Appropriation Therefor. --At the request of President Levin, System Administration recommended (a) that a change order be issued to Thomas Construction Company, Inc., Houston, Texas, for the installation of Mipolam Sheet Vinyl Flooring in the Addition to John Sealy Hospital at The University of Texas Medical Branch at Galveston, and (2) that an additional appropriation of \$220,000 be authorized from Medical Branch Unexpended Plant Funds for this purpose. An allowance of \$240,000 remains in the original contract floor covering. The Mipolam will replace the vinyl tile originally called for since it is deemed that such covering has added advantages and will be more economical to maintain.

After due consideration, these recommendations were unanimously adopted.

24. Houston Health Science Center (Houston Medical School) - John H. Freeman Building (Phase I) and Phase II and III Buildings: Easement to Houston Lighting and Power Company for Underground Electrical Service. --Upon the recommendation of President Berry and System Administration and in order to provide underground electrical service to the John H. Freeman Building (Phase I) and Phase II and III Buildings at the Houston Medical School of The University of Texas Health Science Center at Houston, an underground easement, ten feet in width across and through that certain tract or parcel of land in the P. W. Rose Survey, Abstract No. 645, was approved.

The Chairman of the Board of Regents was authorized to execute the easement document when it had been approved as to content by Deputy Chancellor Walker and as to form by a University attorney.

25. Houston Health Science Center (Speech and Hearing Institute) - Speech and Hearing Institute Buildings: Authorization to Interconnect Steam and Chilled Water Lines Between Service and Research Buildings and Funding Therefor. --So that the Service Building of the Speech and Hearing Institute of The University of Texas Health Science Center at Houston can be more effectively and economically served, it was ordered that there be installed steam and chilled water lines between the Service Building and the Research Building of the Speech and Hearing Institute at an estimated cost of \$20,000, and that the funding for the project not to exceed \$20,000 be appropriated from General Budget Funds. To complete the project, authorization was given for the preparation of final plans and specifications, advertisement for bids and completion of the project by the Houston Health Science Center Administration and Physical Plant Department with its own forces or through required contract services in consultation with the Office of Facilities Planning and Construction.

26. Houston Health Science Center: Contract with Houston Natural Gas Corporation to Provide Thermal Energy Services for Houston Medical School [John H. Freeman Building (Phase I) and Phases II and III (One Building)], Public Health School [Phases I and II Buildings] and Speech and Hearing Institute Buildings. --For thermal energy services at The University of Texas Health Science Center at Houston, the Buildings and Grounds Committee authorized the Director of the Office of Facilities Planning and Construction to

initiate all required actions with Houston Natural Gas Corporation for the preparation of a revised contract to provide thermal energy services for the following: the Houston Medical School, John H. Freeman Building (Phase I), Phases II and III (one building); Public Health School, Phases I and II Buildings; and the Speech and Hearing Institute Buildings.

Authorization was given to the Chairman of the Board of Regents to execute the revised contract when it had been approved as to content by Deputy Chancellor Walker and as to legal form by a University attorney. The revised contract will be submitted to the Board of Regents for ratification at a future meeting.

27. San Antonio Health Science Center - Central Service Facility: Authorization for Project; Appointment of Phelps & Simmons & Garza and Bartlett Cocke & Associates, Inc., San Antonio, Texas, Associated Architects with Authorization to Prepare Final Plans; and Appropriation Therefor. --The Administration reported that The University of Texas Health Science Center at San Antonio had experienced rapid growth in its service department functions, particularly the Central Duplicating and Central Photocopying operations, thus creating a need for a Central Service Facility.

Whereupon, the recommendations of President Harrison and System Administration as set out below were approved:

- a. Authorize a Central Service Facility of approximately 8,000 square feet at an estimated total project cost of \$500,000 which is outlined as set out below. This facility is to be located between Parking Lot "C" and Physical Plant Building No. 2 near Merton Minter Boulevard and the service road:

For normal general construction and mechanical costs: 8,000 s.f. @ \$40/sf =	\$ 320,000
Extra structural foundation work for floor loading to take care of heavy equipment and storage: 8,000 s.f. @ \$8/sf =	<u>64,000</u>
Estimated Total Construction Cost at \$48 sf =	\$ 384,000
Equipment, Fees and Other Related Expenses	<u>116,000</u>
Estimated Total Project Cost	\$ <u>500,000</u>

- b. Appoint Phelps & Simmons & Garza and Bartlett Cocke & Associates, Inc., San Antonio, Texas, Associated Architects with authorization to prepare final plans and specifications to be submitted to the Board of Regents at a future meeting.
- c. Appropriate \$500,000 from San Antonio Health Science Center Unexpended Plant Funds Account No. 636-9200-9000 for necessary topographic and foundation surveys, miscellaneous expenses, fees and completion of the project.

28. San Antonio Health Science Center (San Antonio Medical School and San Antonio Dental School): Expansion (Phases I, II and III): Award of Contract to Thomas Construction Company, Inc. of Missouri, Houston, Texas. --Upon the recommendation of President Harrison and System Administration, a construction contract in the amount of \$10,694,000 was awarded to Thomas Construction Company, Inc. of Missouri, Houston, Texas, the lowest and best acceptable bidder, for the Expansion of The University of Texas Health Science Center at San Antonio (Phases I and II - S. A. Medical School Building; Phase III - S. A. Dental School Building). This construction contract award and related project costs are within previously appropriated funds.

It was noted that although there will be an overlapping of the space provided by the expansion project between the San Antonio Medical School and the San Antonio Dental School, the major portion of the expansion is for the benefit of the students at the Medical School and will accommodate an entering class of 200 medical students. (See Page 57 for Chairman Shivers' comments.)

29. San Antonio Health Science Center - Expansion of Physical Plant Buildings Nos. 1 and 2: Approval of Final Plans. --Upon recommendation of President Harrison and System Administration, the final plans and specifications prepared by the Project Architects, Phelps & Simmons & Garza in association with Bartlett Cocke & Associates, Inc., San Antonio, Texas, for the Expansion of Physical Plant Buildings Nos. 1 and 2 at The University of Texas Health Science Center at San Antonio were approved at an estimated total project cost of \$2,100,000.

The Director of the Office of Facilities Planning and Construction was authorized to advertise for bids for this project subject to completion of final review. The results of the bidding will be submitted to the Board of Regents at a future meeting.

30. San Antonio Health Science Center - Parking Facilities: (a) Summary Report and (b) Request for Expansion of Parking Lot "C," Preparation of Final Plans, Advertisement for Bids and Appropriation Therefor. --  
a. The following historical summary report was submitted by the Administration with respect to the Parking Facilities at The University of Texas Health Science Center at San Antonio:

#### Report

The campus parking plan of the San Antonio Health Science Center set out on Page 55 indicates eight parking lots now in existence, "A" - "H."

The history of parking lot authorization is as follows:

Lots "A" and "B" - Part of SA Medical School site development in original project

Lots "C," "F," "G," and "H" - Part of SA Dental School project

Lot "D" - Parking Lot No. 3, Approved by the Board of Regents on September 12, 1970

Lot "E" - Part of SA Nursing School project

The capacities of these various parking lots are set out below:

Lot "A"	98
Lot "B"	440
Lot "C"	554
Lot "D"	270
Lot "E"	298
Lot "F"	395
Lot "G"	67
Lot "H"	<u>54</u>

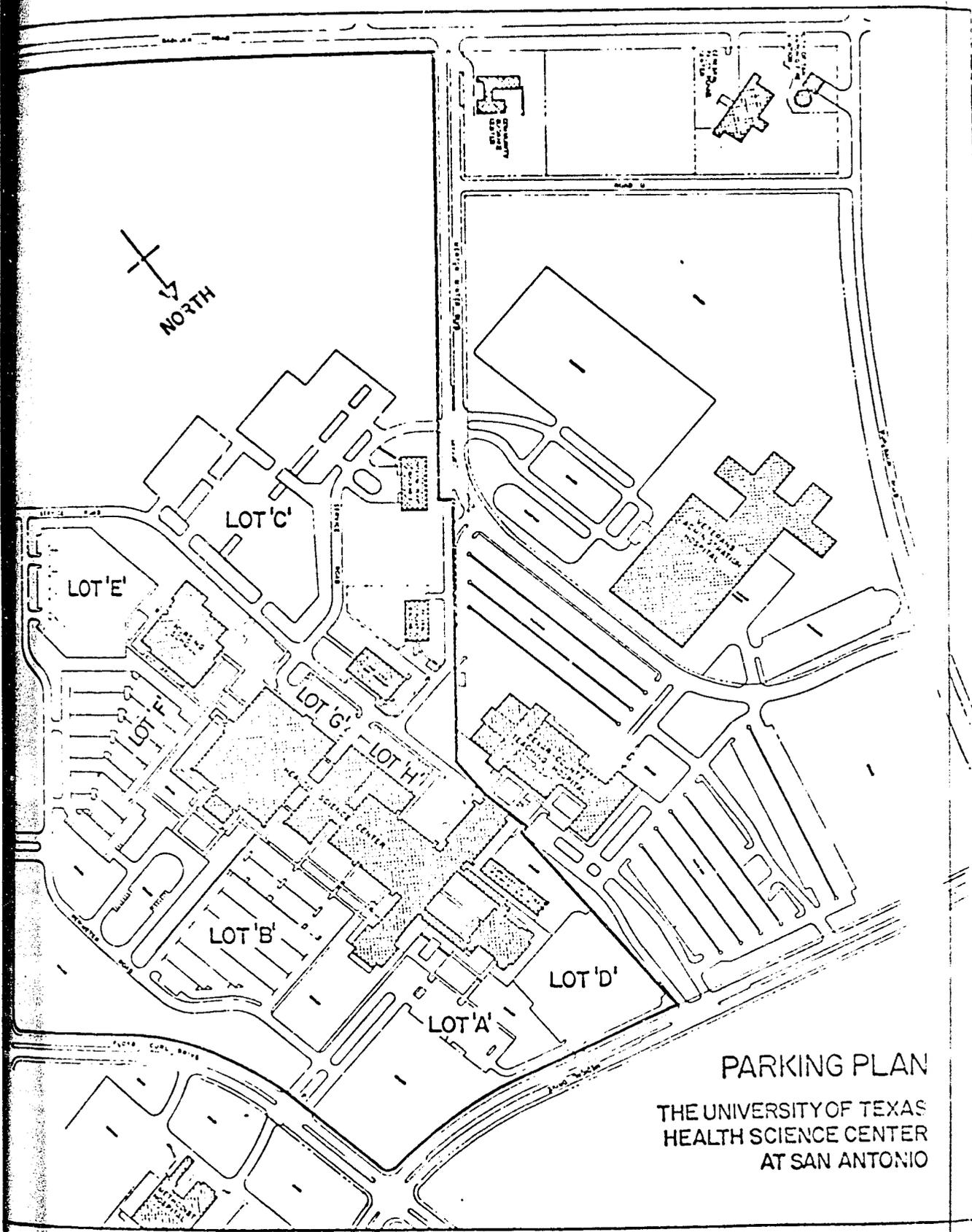
2, 176 total existing spaces

b. Following this report, the Administration stated that the growth of the faculty, staff and student body at the San Antonio Health Science Center justified expansion of surface parking. Additional facilities are especially needed in connection with the Nursing and Dental Schools. The Administration and the Office of Facilities Planning and Construction propose an extension of the present Parking Lot "C" from its south boundary toward Louis Pasteur Drive. It is estimated that an additional 350 automobiles can be accommodated by this extension.

President Harrison and System Administration made the following recommendations with respect to the expansion of the Parking Facilities at the San Antonio Health Science Center which were unanimously adopted:

- (1) Authorize the Expansion of Parking Lot "C" at an estimated total project cost of \$250,000
- (2) Authorize preparation of final plans and specifications, advertisement for bids and completion of project by the San Antonio Physical Plant staff, either with its own forces or through contract services, with the approval of the Office of Facilities Planning and Construction
- (3) Appropriate \$250,000 from San Antonio Health Science Center Unexpended Plant Funds Account No. 636-9200-9100 for necessary topographic surveys, miscellaneous expenses, and construction of the project

The construction contract award will be submitted to the Board of Regents for ratification at a future meeting.



PARKING PLAN  
THE UNIVERSITY OF TEXAS  
HEALTH SCIENCE CENTER  
AT SAN ANTONIO

July 9, 1976

31. University Cancer Center (M. D. Anderson) - Remodeling of Present Building: Approval of Final Plans. --Upon the recommendation of President Clark and System Administration, the final plans and specifications as prepared by the Project Architect, Kenneth Bentsen and Associates, Houston, Texas, for the remodeling of the present building at M. D. Anderson of The University of Texas System Cancer Center were approved at an estimated total project cost of \$12,000,000.

It was reported that although initially it was planned for this remodeling project to consist of four phases, subsequent studies show that only one suitable construction work site and access can be made available for the project. Hence, two phases of construction must be compressed into an initial phase of larger scope than was originally planned.

Following this report, the Director of the Office of Facilities Planning and Construction was authorized to advertise for bids for the various phases of remodeling at such times as best suit the institution and the project.

Recommendations for contract award and requests for ratification of negotiations to accomplish additional phases of work, if any, will be submitted to the Board of Regents at future meetings.

32. University Cancer Center (M. D. Anderson) - The Lutheran Hospital, M. G. & Lillie A. Johnson Building and Outpatient Clinic Expansion: Appointment of Committee to Award Contracts for Furniture and Furnishings. --Since major contracts for furniture and furnishings for The Lutheran Hospital, M. G. & Lillie A. Johnson Building and Outpatient Clinic Expansion at M. D. Anderson of The University of Texas System Cancer Center had been awarded in accordance with authorization at the meeting of the Board of Regents on May 14, 1976, President Clark and System Administration recommended that a committee be appointed and authorized to award the remaining contracts for this project prior to the October meeting, thus allowing the successful bidders adequate lead time to complete installation in accordance with current time schedules.

This recommendation was approved, and the following committee was appointed with authorization to award contracts within the funds available, estimated at this time to be approximately \$250,000, for the remaining furniture and furnishings for The Lutheran Hospital, M. G. & Lillie A. Johnson Building and the Outpatient Clinic Expansion: Chairman Shivers, Committee Chairman Bauerle, Deputy Chancellor Walker, Director Kristoferson and President Clark.

33. University Cancer Center: Contract with Houston Natural Gas Corporation to Provide Thermal Energy Services to The Lutheran Hospital, M. G. & Lillie A. Johnson Building; Outpatient Clinic; and Cancer Research Addition to 6th and 7th Floors of M. D. Anderson. --In May 1967, the Board of Regents committed itself to enter into a contract with the party selected to serve chilled water and steam to the various units in the Texas Medical Center to use the central facilities in connection with any new buildings and additions to buildings to be constructed or owned and operated by The University of Texas in the TMC in the future. Subsequently, Houston Natural Gas Corporation was selected to service the TMC. Upon President Clark's recommendation, concurred in by System

Administration, the Director of the Office of Facilities Planning and Construction was authorized to initiate all required actions with Houston Natural Gas Corporation for the preparation of a contract to provide thermal energy services for: The Lutheran Hospital, M. G. & Lillie A. Johnson Building; the Outpatient Clinic; and the Cancer Research Addition to the 6th and 7th Floors of M. D. Anderson of The University of Texas System Cancer Center.

The Chairman of the Board of Regents was authorized to execute this contract with Houston Natural Gas Corporation when it had been prepared and had been approved as to content by Deputy Chancellor Walker and as to legal form by a member of the Office of the General Counsel.

This contract will be presented to the Board of Regents for ratification at a future meeting.

34. Cost Estimates: Request for More Realistic Estimates. --Following the approval of the award of a contract to Thomas Construction Company, Inc. of Missouri, Houston, Texas, in the amount of \$10,694,000 for the Expansion of the San Antonio Medical School and the San Antonio Dental School in The University of Texas Health Science Center at San Antonio (Page 53 ), Chairman Shivers directed to the attention of the Regents the fact that this award was about \$2,000,000 under the original estimate. In that same vein, Chairman Shivers said almost every time there had been an estimated cost reported that later a request came for an additional amount of money. The most flagrant of these requests is that for the Bookstore at The University of Texas at Arlington (Page 42 ) estimated at \$1,200,000 and asking for an additional \$1,152,000.

Chairman Shivers served notice on all the Presidents, Director Kristoferson and the Deputy Chancellor that the Regents want these estimates in the future to be more in line with the actual costs and he asked Deputy Chancellor Walker to see that this policy is carried out.

Both Regent Law and Committee Chairman Bauerle concurred that the estimates should be more realistic. However, Regent Law pointed out that he thought steps were being taken in that direction in requiring feasibility studies to be made as outlined in Items 3 and 8 on Pages 38 and 42, respectively.

REPORT OF MEDICAL AFFAIRS COMMITTEE (Pages 57 - 86 ). -- Committee Chairman Nelson filed the following Report of the Medical Affairs Committee and stated that all action had been taken in open session. He moved the adoption of the report which motion unanimously prevailed:

Report

1. U. T. System: Malpractice Insurance for Medical Students (Catalog Change). --Upon the recommendation of the Health Affairs Committee, concurred in by System Administration, it was ordered that all medical students be furnished malpractice coverage by and through the existing malpractice insurance policy for The University of Texas System at a premium rate of \$25 per medical student, the cost of which shall be borne by each medical student.

It was ordered that the next catalog published at the respective medical institutions be amended to conform to this action.

2. System Nursing School: Report and Ratification of Actions of Committee to Study Model Affiliation Agreement with Clinical Health Facilities for Training Nursing Students and Consideration of Proposed Agreements (Agreements Approved with Psychiatric Institute of Fort Worth, Fort Worth, Texas; Galveston County Health District, Galveston, Texas; Houston Northwest Medical Center, Cambio House, Planned Parenthood Center of Houston, Therapeutic Intervention Program School, Briarwood School, Holly Hall, Christian Home for the Aged, Texas Research Institute for Mental Sciences, and Riverside General Hospital, all of Houston, Texas). --The following Report was received by the Medical Affairs Committee and adopted. The Chairman of the Board of Regents was authorized to execute each of the agreements therein when it had been approved as to form by a University attorney and as to content by the Deputy Chancellor:

The Committee appointed on May 14, 1976 (composed of Committee Chairman Nelson, Deputy Chancellor Walker, General Counsel Fitzpatrick and Deans of the Six Nursing Schools) to review the model affiliation agreement and four agreements that were deferred on May 14, 1976, met in Austin, Texas, on June 14.

After detailed discussion, the Committee took the following action and recommends that it be approved and in all things ratified:

- a. Approval of Model Affiliation Agreement. --The existing model affiliation agreement with clinical health facilities for the training of nursing students as amended on September 12, 1975, was retained as the model.
- b. Approval of Three of Four Affiliation Agreements\* Deferred at May 14 Regents' Meeting (Agreements with Psychiatric Institute of Fort Worth, Fort Worth, Texas; Galveston County Health District, Galveston, Texas; and Houston Northwest Medical Center, Houston, Texas). --Three of the four affiliation agreements deferred at the Regents' meeting on May 14 between the Board of Regents of The University of Texas System for and on behalf of The University of Texas System School of Nursing and with Psychiatric Institute of Fort Worth, Fort Worth, Texas; Galveston County Health District, Galveston, Texas; and Houston Northwest Medical Center, Houston, Texas, were approved. These agreements are based on the model adopted herein and do contain the hold harmless clause.
- c. Approval of Affiliation Agreements with Cambio House, Planned Parenthood Center of Houston, Therapeutic Intervention Program School, Briarwood School, Holly

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\*The affiliation agreement with the Veterans Administration Hospital, Houston, Texas, will be considered in a separate item at the meeting on July 9, 1976, since it does not conform to the model affiliation agreement.

Hall, Christian Home for the Aged, Texas Research Institute for Mental Sciences and Riverside General Hospital, all of Houston, Texas. --In addition thereto, affiliation agreements based on the adopted model between the Board of Regents of The University of Texas System for and on behalf of The University of Texas System School of Nursing and Cambio House, Planned Parenthood Center of Houston, Therapeutic Intervention Program School, Briarwood School, Holly Hall, Christian Home for the Aged, Texas Research Institute for Mental Sciences and Riverside General Hospital, all of Houston, Texas, were approved.

3. Dallas Health Science Center (Dallas Southwestern Medical School): Authorization to Redesignate Department of Environmental and Community Health as Department of Family Practice and Community Medicine and to Report to Coordinating Board (Catalog Change). --The Medical Affairs Committee approved President Sprague's recommendation, concurred in by System Administration, that the Department of Environmental and Community Health at Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas be redesignated the Department of Family Practice and Community Medicine.

It was further ordered that this be reported to the Coordinating Board, Texas College and University System for whatever action is necessary and that upon final designation the first catalog published thereafter by the Dallas Health Science Center be amended to conform.

Committee Chairman Nelson noted that this redesignation more accurately describes the responsibilities and activities in family practice, rural health care delivery, distribution of primary care physicians and other related programs.

4. Dallas Health Science Center (Dallas Allied Health Sciences School): Affiliation Agreements with (a) City of Dallas Employee Assistance Program, Counseling Division, Personnel Department, Dallas, Texas; (b) Los Barrios Unidos Community Clinic, Dallas, Texas; (c) Richardson General Hospital, Richardson, Texas; (d) Salvation Army, Dallas, Texas; (e) U. S. Department of Labor, Office of Handicapped Workers, Dallas, Texas; (f) United States Probation Department, U. S. District Court, North District of Texas, Dallas, Texas; and (g) Senter Park Senior Citizen Center, Irving, Texas (Clinical Training for Allied Health Science Students in Rehabilitation Science and in Health Care Administration). --Upon recommendation of President Sprague, concurred in by System Administration, the affiliation agreements between the Board of Regents of The University of Texas System, for and on behalf of the Dallas Allied Health Sciences School of The University of Texas Health Science Center at Dallas, and the facilities listed below were approved. These agreements will provide clinical facilities for the training of students at the Dallas Allied Health Sciences School in the fields of rehabilitation science and health care administration as indicated:

<u>Facility</u>	<u>Location</u>	<u>Specialty</u>
City of Dallas Employee Assistance Program, Counseling Division, Personnel Department	Dallas Texas	Rehabilitation Science

Los Barrios Unidos Community Clinic	Dallas Texas	Rehabilitation Science
Richardson General Hospital	Richardson Texas	Rehabilitation Science
Salvation Army	Dallas Texas	Rehabilitation Science
U. S. Department of Labor, Office of Handicapped Workers	Dallas Texas	Rehabilitation Science
United States Probation Department, U. S. District Court, North District of Texas	Dallas Texas	Rehabilitation Science
Senter Park Senior Citizen Center	Irving Texas	Health Care Administration

These agreements are based on the model affiliation agreement approved by the Board of Regents on March 6, 1970, and last amended on September 12, 1975.

The Chairman of the Board of Regents was authorized to execute these agreements when they had been approved as to form by a University attorney and as to content by the Deputy Chancellor.

5. Galveston Medical Branch (Galveston Allied Health Sciences School). -- Affiliation Agreements with (a) Fort Worth Children's Hospital, Fort Worth, Texas; (b) Sharpstown General Hospital, Inc., Houston, Texas; (c) Doctors Hospital, Houston, Texas; and (d) Charity Hospital of Louisiana, Vocational Rehabilitation Institute, New Orleans, Louisiana. --Approval was given to the affiliation agreements between the Board of Regents of The University of Texas System, for and on behalf of the Galveston Allied Health Sciences School of The University of Texas Medical Branch at Galveston, and the facilities listed below as submitted by President Levin through System Administration. These agreements, based on the model affiliation agreement adopted March 6, 1970, and amended on September 12, 1975, provide clinical facilities for the training of students at the Galveston Allied Health Sciences School as indicated:

<u>Facility</u>	<u>Specialty</u>
Fort Worth Children's Hospital Fort Worth, Texas	Clinical education and training for Medical Record Administration students
Sharpstown General Hospital, Inc. Houston, Texas	Clinical education and training for Medical Record Administration students
Doctors Hospital Houston, Texas	Clinical education and training for Medical Record Administration students
Charity Hospital of Louisiana, Vocational Rehabilitation Institute, New Orleans, Louisiana	Clinical education training in vocational rehabilitation

President Levin justified the affiliation agreement with Charity Hospital of Louisiana on the need for clinical training emphasizing rehabilitation in an acute hospital. There are only three hospitals in Texas which offer physical therapy students rehabilitation experience in an acute hospital. All three (Baylor Hospital, Dallas, Texas; Brooke Army Hospital, Fort Sam Houston, Texas; and Methodist Hospital, Houston, Texas) are presently being utilized for clinical training to their full capacity. The Charity Hospital of Louisiana will accommodate another four students.

The Chairman of the Board of Regents was authorized to execute these agreements when they had been approved as to form by a University attorney and as to content by the Deputy Chancellor.

6. Galveston Medical Branch: Authorization to Transfer The Joseph and Blanche Seinsheimer Foundation to The University of Texas Medical Branch at Galveston and to Designate Board of Directors. -- System Administration reported that the United States National Bank of Galveston proposes to resign as Trustee of The Joseph and Blanche Seinsheimer Foundation and that the Board of Directors of that trust (consisting of Dr. William C. Levin, Edna Seinsheimer Levin and J. F. Seinsheimer) had requested that the Board of Regents of The University of Texas System be designated as Trustee and that the Board of Directors, as provided in the Trust, consist of the President of The University of Texas Medical Branch at Galveston, the Executive Dean and the Academic Deans of the Schools at The University of Texas Medical Branch at Galveston. This fund relates to assistance for worthy and needy young women in nursing and provides funds for any charitable research or educational purposes within the State of Texas. It is recommended by President Levin that the fund be used for loans for needy students enrolled in the Galveston Medical Branch academic programs.

The Medical Affairs Committee approved this request and instructed the Administration to ask the Attorney General to take such action as deemed appropriate to accomplish this transfer.

7. Galveston Medical Branch (Marine Biomedical Institute): Request to Name 1969 Hatteras 41 Vessel. --At Committee Chairman Nelson's suggestion, the naming of the 1969 Hatteras 41 Vessel at the Marine Biomedical Institute of The University of Texas Medical Branch at Galveston was delegated to Dr. William C. Levin, President, with the request that Dr. Levin report the name at the Regents' meeting on October 1, 1976. This vessel was accepted by the Board of Regents on February 13, 1976, from Mr. B. C. Walls.

8. Houston Health Science Center: Authorization for Dr. Chiyeko Tsuchitani to Serve as Special Consultant to the Director of the National Institutes of Health. --Upon recommendation of President Berry, concurred in by System Administration, the request of Dr. Chiyeko Tsuchitani of the Graduate School of Biomedical Sciences of The University of Texas Health Science Center at Houston for permission to serve on the Communicative Disorders Review Committee of the National Institute of Neurological and Communicative Disorders and Stroke as a special consultant to the Director of the National Institutes of Health was approved for the four-year period July 1, 1976 through June 30, 1980. There will probably be three meetings annually for which Dr. Tsuchitani will be paid \$100 per day.

This outside employment is at the national level and required Board of Regents' approval (Regents' Rules and Regulations, Part One, Chapter III, Subsection 13.11).

9. Houston Health Science Center: Affiliation Agreement with Texas Heart Institute, Houston, Texas, and Appointment of Committee to Insure Understanding of Agreement by all Parties. --The affiliation agreement between the Board of Regents of The University of Texas System, for and on behalf of The University of Texas Health Science Center at Houston, and Texas Heart Institute, Houston, Texas, approved by the Board of Regents on September 12, 1975, was never executed. In its stead President Berry submitted a revision of this agreement as set out on Pages 63-67. Committee Chairman Nelson moved that the proposed revised agreement be approved after a committee composed of the Chairman of the Board, the Chairman of the Medical Affairs Committee and the Deputy Chancellor has determined that all parties are in agreement as to the nature of the document. After this has been determined, the Chairman of the Board is authorized to execute the document when it has been approved as to form by a University attorney and as to content by the Deputy Chancellor. This motion was duly seconded and prevailed by unanimous vote.

AFFILIATION AGREEMENT

THE STATE OF TEXAS    I  
COUNTY OF HARRIS     I

THIS AGREEMENT made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1976, by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, hereinafter sometimes called "University", and the TEXAS HEART INSTITUTE of Houston, hereinafter sometimes called "Institute",

## WITNESSETH:

WHEREAS, during the past few decades advances in treatment of cardiovascular disease have been more significant and rapid than in any other previous period of history, and the pace continues to accelerate; and

WHEREAS, in recognition of contemporary trends and likely future requirements, University and Institute agree on the desirability of establishing a closer working relationship between the two institutions, who share a common commitment to offer the people of Texas, the Southwest, and the world a program of excellence in clinical care of patients with cardiovascular disease combined with a program for research and education in this dynamic medical field.

NOW THEREFORE, with these objectives in mind and with an intent to develop both institutions to the maximum extent consistent with the interests of each, University and Institute hereby agree as follows:

1. Extent of Affiliation at the Departmental Level. The purpose of this agreement is to establish a broad framework of institutional policy to facilitate cooperation at the department level. It is agreed that the initiative for establishing any departmental affiliation and working relationships will be vested in the respective department heads of the several departments of University and corresponding chiefs of the

Divisions of Institute. It is further understood that individual departments of University may or may not establish affiliations with Institute, depending upon their needs and circumstances and subject to appropriate action by the respective governing bodies.

2. Provision for Faculty Appointments for Institute Staff Members.

Both parties agree that academic status is a strong inducement for attracting qualified individuals for teaching positions at Institute and that academic appointment made by University for individuals at Institute shall be made by Board of Institute upon recommendation of the University, and the Medical Director of Institute after due consultation with Chief of Division and Medical Executive Committee of Institute. Academic appointments will be nominated by the Institute or University and will be granted after mutual agreement on an individual basis subject to the approval of the person by University and satisfactory arrangements covering the financial obligations (if any) accompanying such appointments. The alternatives for obtaining appointments are:

(1) Unqualified Tenure Appointments:

Guarantee by Institute for all future salary cost for any tenure appointments by University Under this arrangement a contract negotiated between the individual physician and the Institute, with the approval of the University, whereby the Institute will guarantee to pay to University the salary in accordance with the terms of the contract for new personnel granted tenure in case their positions are terminated at Institute. These payments would continue as long as University is required to maintain these personnel, not to exceed the term of the original contract.

(2) Qualified Tenure Appointments:

Guarantee by Institute of the future salary costs for a limited term tenure appointment of a period of time to be agreed upon following termination or discontinuation

of an institute position. Under this agreement the faculty member would receive a tenure guarantee covering a period of time to be agreed upon between the Institute and physician. In the event his position shall be terminated by the Institute prior to the end of such period and, at the time of such termination, the physician occupies a full-time faculty position at the University, then he would be entitled to receive his salary from the Institute for the remainder of the period originally agreed upon.

(3) Institute Staff without Compensation:

Rules and procedures established by Institute will be used in appointment of medical staff of Institute without teaching assignment, faculty designation, or compensation through University.

(4) Institute Staff with Partial Compensation and/or University Faculty Appointment:

Mutual agreement between Institute and University is required for appointment in either category in this section with definition of faculty title, duties, amount of compensation (if any), and term of appointment (annual unless otherwise agreed upon).

3. Compensation Arrangements for Full-Time Faculty. Physicians employed full time by University who are accepted for full-time activity by and at Institute appointments, will be subject to The University of Texas System policy regarding salary plan. Fees earned in excess of the maximum allowed will be placed in a trust fund under the direction of the Board of Regents of The University of Texas System and used to develop medical education and research programs at Institute. These funds should not be committed on a continuing basis for the salaries of additional full-time personnel.

4. Joint Sponsorship of Research Activities. Institute will provide research facilities for physicians who are geographically full time on its campus. Research projects at Institute may be jointly sponsored by University. In such cases there will be prior agreement as to the extent of the responsibility of each institution in the administration of research funds, provision of staff and facilities and ownership of equipment purchased with research funds.

5. Indemnification. Insofar as the University is authorized by the Constitution and laws of the State of Texas, the University agrees to hold the Institute harmless from and against any and all liability resulting from the use of the Institute by the University. The University does not agree to hold the Institute harmless for the gross or willful negligence of the Institute, its officers, employees, or agents, or the actions of a third party over which the University has no supervision, control or jurisdiction.

6. Provision for Review of Relationship. Both parties agree that a productive and harmonious relationship between the two institutions depends upon maintaining effective channels of communication. The parties anticipate that routine matters will be handled and decided mutually through continuous contacts at the departmental level. At least annually and more frequently, if necessary, a group representing each institution should meet to review and discuss overall relationships and policies and other matters of common concern.

It is agreed that the Board of Trustees of Institute, acting for its institution, shall retain all jurisdictional powers incident to separate ownership, including the power to determine the general and fiscal policy of the institution, selection of the directing head of the Institute and the determination of the acceptability and desirability of members of the Professional Staff of the Institute.

All admissions of patients, the direction of administration, supervision of the Institute, including the appointment of the Medical Staff, shall be at all times retained by the Board of Trustees of Institute within its constituted authority.

If any aspect of this agreement becomes unsatisfactory, a joint committee shall be responsible for discussing and resolving the questions involved. If a change in the agreement is necessary, the committee shall make recommendations to the authorities in each institution. If problems develop which are sufficiently serious and cannot be resolved, either party shall have the right to terminate this agreement upon not less than six (6) months written notice. The effective date of such dissolution shall be mutually agreed upon with adequate time to allow each institution to make the necessary arrangements in an orderly manner.

This agreement shall be for a term of ten (10) years from and after its effective date, and may be terminated at any time upon mutual consent of the parties. It may also be amended in writing to include such provisions as the parties may agree upon.

EXECUTED by the parties on the day and year first above written.

ATTEST:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Secretary

By \_\_\_\_\_  
Chairman

ATTEST:

TEXAS HEART INSTITUTE

\_\_\_\_\_  
Secretary

By \_\_\_\_\_  
Chairman, Board of Trustees

Approved as to Form:

Approved as to Content:

  
\_\_\_\_\_  
University Attorney

  
\_\_\_\_\_  
Deputy Chancellor

\_\_\_\_\_  
Associate Deputy Chancellor  
for Health Affairs

10. San Antonio Health Science Center: Authorization for Dr. Eleanor A. Young to Serve as Consultant in Nutrition to the Surgeon General's Office, Department of the Army. --Upon recommendation of President Harrison, concurred in by System Administration, the request of Dr. Eleanor A. Young, Assistant Professor, Division of Gastroenterology, Department of Medicine at The University of Texas Health Science Center at San Antonio, for permission to serve as a consultant in nutrition to the Surgeon General's Office, Department of the Army, was approved. This is a continuing appointment without a definite termination date. Dr. Young will be paid \$100 per day for her services.

This outside employment is at the national level and required Board of Regents' approval (Regents' Rules and Regulations, Part One, Chapter III, Subsection 13.11).

11. San Antonio Health Science Center: Revised Affiliation Agreement with Wilford Hall USAF Medical Center, Lackland Air Force Base, Texas. --Upon recommendation of President Harrison, concurred in by System Administration, the revised affiliation agreement set out on Pages 69-72 between the Board of Regents of The University of Texas System, for and on behalf of The University of Texas Health Science Center at San Antonio, and Wilford Hall USAF Medical Center, Lackland Air Force Base, Texas, was approved. This revised agreement broadens the scope of the original agreement of December 15, 1967, to include faculty and students in health professions other than medicine at the San Antonio Health Science Center.

This agreement does not include the hold harmless clause used by The University of Texas System but includes a hold harmless clause requested by the U. S. Air Force and approved by the Office of General Counsel of The University of Texas System.

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

## AFFILIATION AGREEMENT

STATE OF TEXAS

COUNTY OF BEXAR

This AGREEMENT is executed on the \_\_\_\_\_, 19\_\_\_\_, between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, for and on behalf of The University of Texas Health Science Center at San Antonio, hereinafter sometimes referred to as UTHSCSA, and the DEPARTMENT OF THE AIR FORCE, WILFORD HALL USAF MEDICAL CENTER (AFSC), LACKLAND AIR FORCE BASE, TEXAS, hereinafter sometimes referred to as WHMC,

WITNESSETH:

WHEREAS, The University of Texas Health Science Center at San Antonio and the Wilford Hall USAF Medical Center, in the interests of the advancement of patient care, research, training skills and medical knowledge, agree to share certain facilities and resources for the mutual advantage of each party within the guidelines and terms and conditions hereinafter set out:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That the Board of Regents, The University of Texas System, and the Department of the Air Force, Wilford Hall USAF Medical Center, do hereby agree as follows:

1. The Commander, Wilford Hall USAF Medical Center, and the President The University of Texas Health Science Center at San Antonio mutually agree to the interchange of the health professions staff and faculty of the institutions as consultants and teachers. Assignments are to be scheduled to avoid interference with the regular duties of the hospital staff and faculty. Position, rank and duties will be specified individually by the services and departments concerned, with the offices of the Director of Education of WHMC and the Deans of the UTHSCSA Schools effecting coordination. No monetary or other compensation is to be given or accepted by either party.
2. The Commander, Wilford Hall USAF Medical Center, and the President of The University of Texas Health Science Center at San Antonio mutually agree to the interchange of students, interns, and residents in the health professions for training purposes. The rules covering these responsibilities and duties are predicated on the understanding that such periods of rotation are established to provide specifically for additional

instruction and training of health professions students and training of those Air Force personnel giving such instruction. It is further understood and agreed by all concerned that administration of such affiliated programs will be at all times under the immediate supervision and guidance of the Director of Medical Education in the case of the assignment to Wilford Hall USAF Medical Center and of the Dean of the appropriate school of UTHSCSA in the case of assignment to that institution. It is agreed that health professions students, interns, and residents may utilize training facilities, observe clinical procedures and perform assigned training duties under terms to be subsequently defined and specified and agreed to by both parties. When health professions students, interns, and residents of UTHSCSA are assigned to WHMC, any hospital beds or patients assigned under these particular memoranda will be under the control and supervision of the chief of the applicable service of WHMC. These will be subject to the same USAF regulations and hospital requirements as other cases treated by the Wilford Hall USAF Medical Center. When health professions students, interns and residents of WHMC are assigned to the UTHSCSA or its affiliated hospitals, any hospital beds or patients assigned under these particular memoranda will be under the control and supervision of the chief of the applicable service. These will be subject to the same regulations and hospital requirements as other cases treated on the appropriate service.

3. The Commander, Wilford Hall USAF Medical Center, agrees to make available to students of the various UTHSCSA Schools the training facilities and talents of the hospital teaching staff to the maximum extent permitted by Air Force regulations. The students may utilize these training facilities, observe clinical procedures and perform assigned training duties at no additional cost to the United States Government provided they do not interfere with the use of such facilities. WHMC assumes no responsibility for making available or continuing to make available any given facilities. Although the practical aspects of the training are to be given at this Medical Center, the Air Force Medical Service assumes no responsibility for the level of accomplishment attained.

4. The Commander, Wilford Hall USAF Medical Center, agrees to make available the research staff and appropriate necessary research equipment which will further such mutually agreed cooperative studies as defined and specified in the respective memoranda. Any WHMC beds or patients assigned under these particular studies will be under the control and supervision of the chief of the applicable service of Wilford Hall USAF Medical Center and will be subject to the same USAF regulations and Medical Center requirements as other studies and research projects carried on by WHMC. UTHSCSA agrees to make available its research facilities, staff, and equipment in such cooperative studies as deemed appropriate by the Deans of the UTHSCSA Schools.

5. The necessity for assignment of employees or intermittent exchange of staff personnel for cooperative research projects between UTHSCSA and WHMC will be jointly determined by those primarily responsible for the respective research projects, i.e., the designated representative of UTHSCSA, the Director of Education, or the Director of the Aerospace Medical Laboratory (Clinical), WHMC, subject to review and approval by the WHMC Commander.

6. No student, agent, servant or employee of UTHSCSA shall for any purpose be deemed an agent, servant or employee of the United States Air Force or permitted to perform any service for the United States outside the scope of this agreement. UTHSCSA representatives will at all times remain as agents, servants and employees of UTHSCSA. UTHSCSA will be solely responsible for the control and discipline of the assigned students, other agents, servants or employees of the UTHSCSA having any part in said training and shall be responsible for their compliance with all rules, regulations and requirements of WHMC and of the United States Air Force.

7. The United States, its agents and employees will in no way be liable for any injury that may occur to a student or faculty member while engaged in this program. Insofar as authorized by law to do, UTHSCSA agrees to indemnify and hold harmless the United States, its agents and employees against any and all liabilities for personal injury, including injury resulting in death or damage to property, or both, resulting

directly or indirectly from the use by the civilian institution or its designated trainees of Wilford Hall USAF Medical Center, and agrees to reimburse the United States Government in defending any such claim.

Such liability shall include, but shall not be limited to, any and all liability for any injury occurring to or caused by a student or faculty member while involved in the performance of duties under this program.

8. It is further understood that the education to be furnished military personnel under an agreed upon rotation of individual residents will be accomplished without cost to the United States Government other than the normal pay and allowances of the commissioned military officer while receiving such education. The Air Force trainees are prohibited from receiving any payment from sources other than the United States Government, whether in the form of pay and allowances, including meals, quarters and personal laundry. Any costs or expenses accruing to the educational work performed at UTHSCSA will be borne by that institution.

9. Where WHMC health care professionals enroll in a regular or scheduled academic program for credit, a certificate or a degree, applicable tuition and fees will apply. Applicants to academic programs must meet academic requirements of the UTHSCSA and must be acceptable to the department concerned.

10. This agreement shall commence on the date of execution and may be terminated when either party to this agreement issues to the other party a written notice of termination 30 days prior to the desired termination date.

EXECUTED by the parties on the day and year first above written:

ATTEST:

Secretary

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

By: Chairman

WILFORD HALL USAF MEDICAL CENTER LACKLAND AIR FORCE BASE, TEXAS

By: Paul W. Myers, Maj. Gen., USAF. MC

Approved as to Form:

Approved as to Content:

University General Counsel

Deputy Chancellor

12. University Cancer Center: Amendment to President's Regulations of the Executive Council of Physicians Referral Service. --Upon recommendation of President Clark, concurred in by System Administration, the President's Regulations of the Executive Council of the Physicians Referral Service at The University of Texas System Cancer Center, were amended by changing sentences 4, 5 and 6 of Article Five, Section D, Subsection 3 beginning with "Disbursements from such accounts . . ." and ending with "age seventy (70), if active." to read as follows:

BT  
 "Disbursements from such accounts shall be made upon order of the President, in keeping with policies established by the Board of Regents and after consultation with and upon the recommendation of the Executive Council of the Physicians Referral Service. The Executive Council of the Physicians Referral Service shall be composed of the President as Chairman, the ~~Executive~~ Vice President and Director as Vice Chairman, and nine (9) members of the Physicians Referral Service. As vacancies occur, new members will be elected by the then existing membership of the Executive Council. Such new members shall be elected from members of the Physicians Referral Service having not less than four (4) years of experience at Anderson Hospital, except that such service requirement may be reduced to two (2) years of experience at Anderson Hospital in exceptional circumstances as determined in the sole discretion of the Executive Council. Members shall serve from the date of election to age sixty-five (65), and such Members may be continued in service on a year-to-year basis thereafter to age seventy (70) by the affirmative action of the Executive Council, so long as the Member shall then continue to be administratively active in the affairs of Anderson Hospital."

13. University Cancer Center: Affiliation Agreement Including Lease with The Rio Grande Radiation Treatment and Cancer Research Foundation, Inc., McAllen, Texas, and Appointment of Committee to Insure Understanding of Agreement by all Parties. --Upon recommendation of President Clark, concurred in by System Administration, the following affiliation agreement (Pages 74-79) between the Board of Regents of The University of Texas System, for and on behalf of The University of Texas System Cancer Center, and The Rio Grande Radiation Treatment and Cancer Research Foundation, Inc., McAllen, Texas, was considered. In response to Committee Chairman Nelson's request, a committee composed of the Chairman of the Board, Chairman of the Medical Affairs Committee and the Deputy Chancellor was appointed and instructed to be sure that there is a clear understanding of the agreement by all parties concerned. With that assurance, the Chairman of the Board would be authorized to execute the document when it had been approved as to form by a University attorney and as to content by the Deputy Chancellor.

The Rio Grande Radiation Treatment and Cancer Research Foundation, Inc., is currently constructing a building, hopefully to be completed by October 1, 1976, to house the Radiation Treatment Center in McAllen, Texas, to serve the people of the Rio Grande Valley.

\*Title of position changed from "Executive Vice President and Director" to "Vice President and Director."  
 BT

AFFILIATION AGREEMENT

THE STATE OF TEXAS X  
COUNTY OF HIDALGO X

This Agreement made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1976, by and between THE RIO GRANDE RADIATION TREATMENT AND CANCER RESEARCH FOUNDATION, INC. of McAllen, Texas, hereinafter sometimes called "Foundation", and the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, a state agency duly authorized to execute this contract for and primarily in behalf of The University of Texas System Cancer Center, hereinafter sometimes called "Cancer Center",

WITNESSETH:

WHEREAS, Foundation is the responsible community agent for the development, operation, and growth of an oncology center of the first class for the people of the Rio Grande Valley and owner of the Rio Grande Radiation Treatment Center located at 501 North Ware in McAllen, Texas; and

WHEREAS, the building to house the Radiation Treatment Center is now under construction and it is contemplated that it will be completed and all equipment installed on or about October 1, 1976; and

WHEREAS, Foundation desires the Rio Grande Radiation Treatment Center to be operated as a model radiation treatment and cancer research center for the benefit of the citizens of South Texas; and

WHEREAS, Foundation and Cancer Center agree on the desirability of establishing a closer working relationship between the two institutions which share a common commitment to offer the people of the Rio Grande Valley a program of excellence in cancer treatment, education, and research and a desire to

coordinate all medical care resources for the benefit of improved patient care; and

WHEREAS, Foundation and Cancer Center agree to the objective of expansion of this facility into a comprehensive oncology center; and

WHEREAS, Foundation believes Cancer Center by reason of its experience and personnel is best qualified to operate the Rio Grande Radiation Treatment Center to achieve these objectives:

NOW, THEREFORE, Foundation and Cancer Center in consideration of the mutual benefits agree as follows:

1. Foundation agrees to complete such facilities for the Rio Grande Radiation Treatment Center including the purchase and installation of radiation therapy equipment and when completed does hereby agree to lease the same to Cancer Center for a period of four (4) years from and after date of completion under the following terms and conditions:
  2. Cancer Center will staff and operate the facility.
    - 2.1 Cancer Center will pay all operation expenses, including personnel, supplies, utilities, and maintenance.
    - 2.2 Cancer Center will establish an operating fund account, drawing upon the same to reimburse Cancer Center for all salary and other costs relating to personnel employed for the Rio Grande Radiation Treatment Center prior to the start of operations and to meet current operational expenses. The Cancer Center will deposit into such operating fund all receipts from institutional operation.
    - 2.3 Foundation will, upon completion of such facilities and the opening for business of the Cancer Center therein, deliver the sum of \$150,000 to

the Cancer Center's operational fund to be used for operating expenses as provided for in this Agreement.

- 2.4 Foundation agrees to underwrite all institutional operating losses, if any, for four years, and if the balance in the operational fund is less than \$150,000 at the beginning of a subsequent fiscal year, Foundation will transfer funds to the Cancer Center in the amount necessary to increase the balance to \$150,000.
- 2.5 Cancer Center will establish a capital improvements fund for building improvements, equipment, and development of a general oncology program as jointly agreed upon and will deposit into this account any monies received for institutional charges which cumulatively exceed the funds advanced for operation annually.
- 2.6 Foundation will reimburse Cancer Center for all salary and other costs related to personnel employed for the Rio Grande Radiation Treatment Center prior to start of operations.
- 2.7 Foundation will pay all taxes.
- 2.8 Cancer Center will submit an audit of all funds annually.
- 2.9 At the expiration of this Agreement, the facilities shall be returned by Cancer Center to Foundation in as good condition as when received less ordinary wear and tear and acts of God.
- 2.10 Cancer Center, in consultation with Foundation, will promulgate guidelines for determination of payment status of any person to receive treatment at the facility.

- 2.11 Cancer Center, in consultation with Foundation, will determine the institutional charges to be made to any person receiving treatment on the equipment of the facility, the facility getting priority payment as jointly agreed upon.
- 2.12 Physicians Referral Service of the Cancer Center will determine the professional charges for physician services rendered to any person receiving treatment at the facility by The University of Texas M. D. Anderson Hospital staff and shall consult with Foundation and any other professional staff having privileges regarding their professional charges.
- 2.13 Cancer Center will submit bills for and collect institutional charges.
- 2.14 Physicians Referral Service of the Cancer Center will submit bills for and collect professional fees for the Cancer Center professional staff.
- 2.15 Cancer Center will maintain books of account which reflect the transactions of operating the facility, such records being available for inspection by the Foundation, its officers or duly authorized agents.
- 2.16 This Agreement shall commence on the date of the official acceptance of the facility by the Cancer Center and shall continue for four (4) years thereafter, and shall be automatically renewed for an additional term unless sooner terminated as hereinafter provided.
3. Cancer Center will permit all qualified radiotherapists in the area to use the radiation treatment facility, pursuant to appropriate rules, upon recommendation of

the medical staff for staff privileges and approval of such privileges by Foundation, qualified radiotherapists referred to herein being defined as:

- A. Those local radiologists certified in Radiology or Therapeutic Radiology now actively doing radiotherapy for privileges to perform radiation therapy with similar equipment.
  - B. Radiologists moving into the area for purposes of performing radiation therapy in the future shall be certified by the American Board of Radiology in Radiology with primary practice in Radiation Therapy or certified by the American Board of Radiology in Therapeutic Radiology.
4. Cancer Center agrees to abide by and conform to all nondiscriminatory policies.
  5. Both parties agree that a productive and harmonious relationship between the two institutions depends upon maintaining effective channels of communication. The parties anticipate that routine matters will be handled and decided mutually through continuous contracts between the Cancer Center Staff and Foundation. At least annually, and more frequently if necessary, a group representing each institution shall review and discuss overall relationships and policies and other matters of common concern.
  6. In the event the operation of such Rio Grande Radiation Treatment Center is not satisfactory to either party, it may give written notice of termination of this Agreement to the other party. Within thirty (30) days after receipt of such notice, the parties hereto will attempt to renegotiate this contract so as to satisfy both parties, but if it cannot be accomplished

and negotiations fail, then this contract will automatically terminate one hundred and eighty (180) days from the date of such original written notice of termination. All training and patient obligations shall have been fulfilled before such termination is consummated.

EXECUTED this the \_\_\_\_\_ day of \_\_\_\_\_, 1976.

ATTEST:

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Secretary

By \_\_\_\_\_  
Chairman

ATTEST:

RIO GRANDE RADIATION TREATMENT AND CANCER RESEARCH FOUNDATION, INC.

\_\_\_\_\_  
Secretary

By \_\_\_\_\_

Approved as to Content:

  
Deputy Chancellor

Approved as to Form:

\_\_\_\_\_  
University Attorney

14. System Nursing School: Affiliation Agreements with St. Joseph Hospital and Shriners Hospitals for Crippled Children of Texas, (Houston Unit), Houston, Texas. --Committee Chairman Nelson reported that since the Material Supporting the Agenda had been prepared, the governing boards of St. Joseph Hospital and Shriners Hospitals for Crippled Children (Houston Unit) had agreed to an affiliation agreement based on the model for clinical training of nursing students. Upon recommendation of Acting Dean Otto, concurred in by System Administration, the affiliation agreements between the Board of Regents of The University of Texas System, for and on behalf of The University of Texas System School of Nursing, and the facilities listed below were approved. These agreements, based on the model affiliation agreement, will provide clinical training for nursing students:

St. Joseph Hospital, Houston, Texas  
Shriners Hospitals for Crippled Children of  
Texas (Houston Unit), Houston, Texas

The Chairman of the Board of Regents was authorized to execute these agreements when they had been approved as to form by a University attorney and as to content by the Deputy Chancellor.

15. System Nursing School: Memorandum of Understanding with Veterans Administration Hospital, Houston, Texas, for Clinical Training of Nursing Students. --The Memorandum of Understanding between the Board of Regents of The University of Texas System, for and on behalf of The University of Texas System School of Nursing, and the Veterans Administration Hospital, Houston, Texas, for the clinical training of nursing students was deferred at the Regents' meeting on May 14, 1976. After reconsideration, this agreement based on the form used by the Veterans Administration was adopted. It does not include the standard hold harmless clause since the facility did not demand it.

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

The agreement follows on Pages 81-86.

JUL 9 1976

4011

THE STATE OF TEXAS    I  
COUNTY OF TRAVIS     X

This MEMORANDUM OF UNDERSTANDING is executed on \_\_\_\_\_, 1976, between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, for and on behalf of The University of Texas System School of Nursing, hereinafter sometimes referred to as "University" in this document and the Veterans Administration Hospital, Houston, Texas, hereinafter sometimes referred to as "Facility" in this agreement,

WITNESSETH:

It is mutually agreed by the University and the Facility, that practical experience for students in the graduate nursing program will be provided at the Facility.

The faculty of the University will assume responsibility for the selection and assignment of students to the learning experiences. There will be close planning between the Facility and the University faculty members prior to the learning experiences and continuous with them, including scheduling and work assignments. While in the Facility, students will conduct themselves in accordance with the rules and regulations of the Veterans Administration.

The Facility will retain full responsibility for the care of patients and will maintain administrative and professional supervision of students insofar as their presence affects the operation of the Facility and/or the direct or indirect care of patients.

Students will receive a thorough orientation to the hospital setting; and faculty members and Facility personnel will evaluate the students' performance by mutual consultation and according to the guidelines outlined in the curriculum published by the University.

The criteria contained in M-3, Part II, will apply in carrying out the provisions of this agreement.

The University does not and will not discriminate against any employee or applicant for employment or registration in the course of study because of race, color, creed, sex, or national origin.

An annual review of program and policies will be made.

JUL 9 1976

4012

This Memorandum of Understanding may be terminated by either party upon notice to the other six months in advance of the next training experience.

EXECUTED by the parties on the day and year first above written.

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

ATTEST

By \_\_\_\_\_

ATTEST:

CLINICAL TEACHING FACILITY

*W. H. Wood*  
\_\_\_\_\_  
Chief, Nursing Service

By

*J. A. Cox*  
\_\_\_\_\_  
Hospital Director

Approved as to Form:

Approved as to Content:

*James Wachter*  
\_\_\_\_\_  
University Attorney

*Carl Walker*  
\_\_\_\_\_  
Deputy Chancellor

\_\_\_\_\_  
Associate Deputy Chancellor  
for Health Affairs

## PART II

STATEMENT OF UNDERSTANDING FOR CLINICAL PRACTICE EXPERIENCE  
BETWEEN  
THE VETERANS ADMINISTRATION HOSPITAL AND SCHOOLS OF NURSING

1975 - 1976

The following Statement of Understanding Between the Veterans Administration Hospital, Houston, Texas and the Schools of Nursing provides for the utilization of clinical facilities in the hospital by nursing students registered for clinical practice experience in nursing.

I. PLAN FOR CLINICAL PRACTICE EXPERIENCE

Clinical practice experience in nursing will provide an opportunity for the application of basic principles and skills in nursing practice to individual patients and groups of patients in the hospital; provide for individual needs and interest of the nursing students; and provide opportunity to observe cooperative relationships with other health and welfare agencies in the community.

II. SCHOOLS OF NURSING RESPONSIBILITIES

The School of Nursing will:

- a. Send students, who are registered in the School of Nursing for appointment without compensation at Veterans Administration Hospital, 2002 Holcombe Boulevard, Houston, Texas, 77211, for the purpose of obtaining selected learnings in the clinical experience.
- b. Recognize and accept direct responsibility and control for the planning, scheduling and conducting of these educational programs through its faculty members who accompany the nursing students.
- c. Select, in cooperation with the Associate Chief, Nursing Service for Education, of the Veterans Administration Hospital, nursing units which seem to offer the most desirable learning clinical practices for students in relation to the objectives of the programs in which they are enrolled.
- d. Be responsible for making clinical practice assignments with head nurse coordination and in accordance with the medical diagnosis and plan of therapy in harmony with the established policies and procedure of the Veterans Administration Hospital.
- e. The Nursing School will provide the Associate Chief, Nursing Service for Education with names for personnel action and schedules of clinical experiences one week prior to basic student assignments. All statements of health for nursing students will be forwarded to the ACNSE one week prior to the students entrance on duty EOD date.

The Senior Faculty concerned with Graduate Study Students will confer with the Associate Chief, Nursing Service for Education, on the last day of registration for each semester concerning their assignments to the Veterans Administration Hospital.

- f. Notify the Associate Chief, Nursing Service for Education, of any non-citizen nursing students who will be affiliating at the Veterans Administration Hospital. For a non-citizen nursing student, Director's approval is required for without-compensation basis under 38 USC-213. Application forms VA 10-2850A, duplicate are to be completed approximately two weeks prior to entering clinical experience for without-compensation appointments.
- g. Members of the School of Nursing faculty who are assigned to accompany nursing students will submit a completed application form, VA Form 10-2850A, for without-compensation appointment to the Veterans Administration Hospital at least one month prior to beginning. WOC Faculty Members who are no longer at the Veterans Administration Hospital should resign as soon as possible from their VA position.
- h. Provide members of the Veterans Administration Hospital Nursing Service with responsibility for nursing students a clinical appointment to the faculty of the University School of Nursing, without salary, providing they meet the criteria established by the university for such appointment. Provide for participation of The Veterans Administration Hospital Nursing Service personnel in planning, organizing, administering and evaluating of the programs of clinical experience for students through appropriate committee appointments.

## II. HOSPITAL RESPONSIBILITIES

The Veterans Administration Hospital will:

- a. Provide for nursing students without-compensation appointments to the Veterans Administration Hospital for the purpose of clinical practice experience.
- b. Provide overall control and supervision of nursing students when assigned to the care and treatment of Veterans Administration patients who are the responsibility of the Veterans Administration. (As without-compensation employees, under the supervision of Veterans Administration personnel, the students are considered "employees of government as such term is used in the Federal Tort Claims Act" and therefore are covered under the provisions of 38 USC 4116A supporting personnel in furnishing medical care and treatment.)
- c. Provide a without-compensation appointment for faculty after recommendation by the Dean's Committee according to the DMES Supplement, MP-5, Part II, Chapter 2, Paragraph 2.19, b (1).
- d. Provide orientation of assigned faculty members and assist them in orienting nursing students to the Veterans Administration Nursing Service.
- e. Without-compensation, instructors will be responsible to the Associate Chief, Nursing Service for Education, for all activities relating to student coordination of the educational program needs.
- f. Retain the privilege of discontinuing the clinical practice experience for any student who in the opinion of the Veterans Administration Hospital may be a hazard to the patients.

IV. MUTUAL ARRANGEMENTS BETWEEN THE SCHOOLS OF NURSING AND THE HOSPITAL

The Schools of Nursing and the Veterans Administration Hospital will:

- a. Agree on an annual basis on the maximum number of students to be assigned to given nursing units together with the dates of assignments.
- b. Hold one annual meeting, to be attended by designated representatives of the Veterans Administration Hospital and the Schools of Nursing for evaluating the operation of the program for the past and planning the program for the following year. This meeting will be held on the 2nd Tuesday in April of each year.
- c. Encourage continuing evaluation conferences which include the instructors, students, head nurses, and staff nurses, with formal evaluation conference at the end of each period of clinical practice experience.
- d. Develop clinical practice experience agreements and statements of understanding jointly, in writing. These agreements and statements are to be reviewed and updated annually for the mutual satisfaction of both parties. A new agreement will be initiated when changes and revisions in DRES policies are considered necessary by the School of Nursing or by the Veterans Administration. This agreement may be terminated at any time by either the University or the Hospital by submitting notice of such intent in writing.

V. APPOINTMENT PROCEDURES

Students and school faculty will be accepted on a "without compensation basis" in accordance with DRES Supplement, MP-5, Part II, Chapter 2, Paragraph 2.19.

- a. VA Form 10-285CA, Application for Employment, Professional Nurse is required for registered professional nurses who are faculty members.
- b. Qualifications and Health Benefits for all WOC appointments:
  - (1) A non-citizen who is a bona fide student in a school of nursing or other school programs conducted in affiliation with the VA may be appointed on approval of the Hospital Director under 38 USC-213.
  - (2) A statement from the affiliating school of nursing or agency to the effect that each student or faculty member is in good health with report of recent chest x-ray may be accepted in lieu of the physical examination. The chest X-ray examination made during the preceding six months must be furnished and certified by a qualified roentgenologist. Intermediate strength (5TU) Mantoux tuberculin tests are required for all students and faculty unless previous, positive reaction is verified in writing. Skin tests are required at one year intervals if reaction is negative. (MP 5, Pt. I, Chapter 792, Paragraph 15).

STUDENT PHYSICAL STATEMENTS WILL BE ACCEPTED FROM THE

SCHOOL NO LATER THAN ONE WEEK PRIOR TO THE STUDENTS

ENTRANCE ON DUTY (E.O.D.) DATE.

- (3) Student employees and faculty members are subject to the provisions of Chapter 81, Title 5, United States Code, for disability or death as a result of personal injury arising out of an in the course of training or incurred in the performance of duties in connection with that training.
- (4) The Veterans Administration assumes no responsibility for the medical care and hospitalization of the nursing students and faculty members with the exception of emergency or minor medical treatment as provided for VA employees. (MP-5, Pt. I, Chapter 792)
- (5) The appointment of any student whose performance is determined unsatisfactory will be terminated. Suitability for reappointment will be determined by the VA Hospital Director.
- (6) A nursing student or faculty member, if pregnant, is required to submit a statement from her physician indicating his permission for her continued clinical practice experience. Students and/or faculty will not be appointed to the Veterans Administration Hospital if pregnancy exceeds 7 1/2 months prior to termination of their appointment.
- (7) Nursing students or faculty who are pregnant or have a diagnosis of diabetes will require the VA Chief of Staff approval for assignment in Tuberculosis Service for Clinical Experience.

REPORT OF LAND AND INVESTMENT COMMITTEE (Pages 86 -99 ). --  
The following Report of the Land and Investment Committee was submitted by Committee Chairman Clark, who stated that all actions had been taken in open session. Upon motion duly made and seconded, the report was adopted and the actions therein were ratified:

Though the Chairman of the Board of Regents has authority to execute any document authorized by the Board, either the Associate Deputy Chancellor for Investments, Trusts and Lands or the Deputy Chancellor may execute, unless otherwise indicated in the report, all necessary instruments authorized in this report that 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 when each has been approved as to form by a University attorney and as to content by the appropriate official.

I. PERMANENT UNIVERSITY FUND

A. INVESTMENT MATTERS

Report on Clearance of Monies to Permanent University Fund and Available University Fund. --The following report with respect to monies cleared to the Permanent University Fund and Available University Fund for the current fiscal year through May 1976 was received from the Director, Auditing Oil and Gas Production and made a part of this Committee's report:

	<u>April 1976</u>	<u>May 1976</u>	<u>Cumulative This Fiscal Year</u>	<u>Cumulative Preceding Fiscal Year Averaged</u>
<u>* Permanent University Fund</u>				
Royalty				
Oil	\$1,800,947.96	\$2,708,452.01	\$26,951,658.53	\$22,295,941.56
Gas - Regular	1,596,878.24	2,132,001.91	17,130,028.04	12,844,420.92
- F.P.C.	- 0 -	- 0 -	341,044.62	104,687.73
- Market Value Settlements	690,638.02	612,372.42	5,639,756.72	7,463,469.60
- In Kind Settlements	225,666.80	247,131.10	2,049,342.60	410,383.98
Water	17,587.81	9,924.55	105,647.02	119,488.14
Salt Brine	1,291.37	1,907.24	17,036.83	16,360.11
Sulphur	64,842.85	68,739.81	227,820.19	- 0 -
Rental on Oil & Gas Leases	11,805.80	672.44	287,730.18	523,417.14
Rental on Water Contracts	10,000.00	- 0 -	10,997.96	21,347.19
Rental on Brine Contracts	- 0 -	- 0 -	100.00	375.03
Rental on Sulphur Contracts	- 0 -	- 0 -	15,360.00	11,520.00
Amendments and Extensions of Mineral Leases	- 0 -	- 0 -	74,354.83	170,298.13
	<u>4,419,658.85</u>	<u>5,781,201.48</u>	<u>52,850,877.52</u>	<u>43,981,709.58</u>
Bonuses, Oil & Gas Lease Sales, (actual)	- 0 -	- 0 -	9,687,500.00	7,816,000.00
Total, Permanent University Fund	<u>4,419,658.85</u>	<u>5,781,201.48</u>	<u>62,538,377.52</u>	<u>51,797,709.58</u>
<u>Available University Fund</u>				
Rental on Easements	4,746.55	82,905.08	310,063.94	168,824.07
Interest on Easements and Royalty	364.42	280.50	2,717.26	14,800.63
Correction Fees - Easements	- 0 -	100.00	261.55	74.97
Transfer and Relinquishment Fees	530.16	702.20	3,216.12	4,585.50
Total, Available University Fund	<u>5,641.13</u>	<u>83,987.78</u>	<u>316,258.87</u>	<u>188,285.22</u>
Total, Permanent and Available University Funds	<u>\$4,425,299.98</u>	<u>\$5,865,189.26</u>	<u>\$62,854,636.39</u>	<u>\$51,985,994.80</u>

\* Oil and Gas Development - May 31, 1976

    Acreage Under Lease - 810,720

    Number of Producing Acres - 345,479

    Number of Producing Leases - 1,528

B. LAND MATTERS

1. Easements and Surface Leases No. 4158-4178, Assignment of Surface Lease No. 473 as Amended by Easement No. 545, Material Source Permits Nos. 510-513 and Water Contract No. 160. --Easements and Surface Leases No. 4158-4178, Assignment of Surface Lease No. 473 as amended by Easement No. 545, Material Source Permits Nos. 510-513 and Water Contract No. 160 were approved as set out below. All are within the policies of the Board of Regents and all have been approved as to content by the appropriate officials. Payment for each has been received in advance unless otherwise indicated, and each document is on the University's standard form and is at the standard rate:

a. Easements and Surface Leases Nos. 4158 - 4178

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
4158	Three Bar Underground Storage Corporation	Cavern Storage Contract	Andrews	11	19.937 acres	9/1/76-8/31/77*	\$ 5,000.00** (annually)
4159	Texas Electric Service Company (renewal of 2224)	Power Line	Crane	30, 31	2,883.03 rds. single pole	6/1/76-5/31/86	2,594.72
4160	Community Public Service Company	Power Line	Ward	16	201.1 rds. single pole	4/1/76-3/31/86	180.99
4161	Exxon Pipeline Company (renewal of 2200 and 2202)	Pipe Line	Crane	30	343.70 rds. 4½ inch	5/1/76-4/30/86	343.70
4162	Exxon Pipeline Company (renewal of 2204)	Pipe Line	Crane	30	191.64 rds. 4½ inch	5/1/76-4/30/86	191.64
4163	Southwest Texas Electric Coop., inc.	Power Line	Crockett	14	213.73 rds. single pole	5/1/76-4/30/86	192.36

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

\*\*Rental is \$2,500 00 per cavern per year. Lessee has paid \$5,000 00 for two caverns.

Land Matters - Continued--

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
4164	Southwest Texas Electric Coop., Inc.	Power Line	Crockett	14	44.9 rds. single pole	5/1/76- 4/30/86	\$ 100.00 (min.)
4165	Community Public Service Company (renewal of 2267)	Power Line	Ward, Winkler	18, 20 21	4,845.94 rds. single pole	8/1/76- 7/31/86	4,361.35
4166	Rio Grande Electric Coop., Inc. (renewal of 2248)	Power Line	Hudspeth	G	376.4 rds. single pole	6/1/76- 5/31/86	338.76
4167	Commissioners' Court of Pecos County, Texas	Highway Right-of-Way	Pecos	26	15.61 acres	As long as needed for highway purposes	1.00 (full)
4168	Rio Grande Electric Cooperative, Inc.	Power Line	Hudspeth	G, H	1,534.24 rds. single pole	7/1/76- 6/30/86	1,380.82
4169	Texas-New Mexico Pipe Line Company (renewal of 2257)	Pipe Line	Gaines, Dawson	6	202.26 rds. 4½ inch 205.80 rds. 6-5/8 inch	8/1/76- 7/31/86	562.41
4170	Cap Rock Electric Cooperative, Inc. (renewal of 2288)	Power Line	Reagan	10	661 rds. single pole	9/1/76- 8/31/86	594.90
4171	Texas-New Mexico Pipe Line Company (renewal of 2246)	Pipe Line	Andrews	12, 14	199.1 rds. 4½ inch 467.33 rds. 6-5/8 inch	8/1/76- 7/31/86	1,016.93

Land Matters - Continued--

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
4172	Mapco, Inc.	Pipe Line	Andrews	1	1,330.06 rds. 6-5/8 inch	5/1/76- 4/30/86	5 2,327.61
4173	Texas Electric Service Company (renewal of 2188)	Power Line	Andrews	12, 13	1,340.17 rds. single pole	6/1/76- 5/31/86	1,206.15
4174	R. L. Grider	Surface Lease (storage yard site)	Ward	16	300' x 230'	5/1/76- 4/30/77*	300.00 (annually)
4175	Big Bend Telephone Company, Inc.	Surface Lease (passive reflector site)	Pecos	25	0.573 acre	6/1/76- 5/31/86	1,750.00 (full)
4176	El Paso Natural Gas Company	Surface Lease (cathodic protection unit site)	Hudspeth	G	0.678 acre	5/1/76- 4/30/86	100.00 (full)
4177	El Paso Natural Gas Company	Surface Lease (cathodic protection unit site)	Hudspeth	L	0.663 acre	5/1/76- 4/30/86	100.00 (full)
4178	El Paso Natural Gas Company	Surface Lease (cathodic protection unit site)	Hudspeth	G	0.747 acre	5/1/76- 4/30/86	100.00 (full)

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

Land Matters - Continued--

b. Assignment of Surface Lease No. 473 as Amended by Easement No. 545

No.	Assignor	Assignee	Type of Permit	County	Consideration
473	Amoco Production Company and Exxon Corporation	Arrow Butane- Propane Company	Surface Lease (underground storage)	Andrews	\$ 100.00*

c. Material Source Permits Nos. 510 - 513

No.	Grantee	County	Location	Quantity	Consideration
510	Gilvin-Terrill, Inc.	El Paso	Block L	8,500 cubic yards borrow	\$ 425.00
511	Clayton Brothers Construction Company	Crane	Block 30	1,100 cubic yards caliche	330.00
512	McLain Truck Service, Inc.	Ward	Block 16	900 cubic yards caliche	270.00
513	Evert McDougal, Jr., Trucking	Crane	Block 30	300 cubic yards caliche	100.00

d. Water Contract No. 160

No.	Grantee	County	Location	Period	Consideration
160	Gulf Oil Corporation (renewal of 137)	Crane	Block 30	5/4/76 - 5/4/81	\$ 100.00**

\*Assignment Fee

\*\*Annual rental is \$100.00, to be paid in advance; royalty is 12¢ per 1,000 gallons of water produced, with a minimum of \$200.00 per year.

2. Permanent University Fund: Potash and Allied Mineral Prospecting Permit No. 9 and Option to Lease to John R. Wilcox, Athens, Texas, Deferred; Sealed Bid Sale Authorized. --The proposed Potash and Allied Mineral Prospecting Permit No. 9 and Option to Lease to John R. Wilcox, Athens, Texas, was deferred. At the suggestion of Regent Shivers (Board Chairman), it was ordered that there be a sealed bid sale on potash and allied mineral leases on University Lands in the same manner as there are sealed bid sales on sulfur leases and that such leases be for a minimum of 1/8th royalty with competitive bids for a cash bonus.

Committee Chairman Clark asked that if at all possible the results of this sealed bid sale be brought back to the Board of Regents at its October meeting.

3. Permanent University Fund: Award of Contract to B & A Pipe & Supply, Big Spring, Texas, for the Salvage and/or Removal of Twelve Buildings Located on the Old Pyote Air Force Base Property, Ward County, Texas (Easement No. 186). --Upon the recommendation of the Administration, approval was given for a contract providing payment of \$4,000 to B & A Pipe & Supply, Big Spring, Texas, who submitted the best acceptable bid, for the salvage and/or removal of twelve buildings (formerly reported as eleven buildings): three hangars, one fire station and eight warehouses, with a total square footage of 186,875 square feet, located on the Old Pyote Air Force Base property in Ward County, Texas (Easement No. 186).

It is reported for the record that following the salvage and/or removal of these twelve buildings, three buildings will remain on this property: a brick boiler house, a large hangar and a brick building that was formerly connected with the bombing operations of Old Pyote Air Force Base.

## I. TRUST AND SPECIAL FUNDS

### A. GIFTS, BEQUESTS AND ESTATES

1. U. T. Austin: Acceptance of Gift from The University of Texas Dads' Association and Establishment of W. D. Blunk Endowed Presidential Scholarship. --For the Endowed Presidential Scholarship Fund at The University of Texas at Austin, \$25,000 contributed by members of the Executive Committee of The University of Texas Dads' Association in memory of the late W. D. Blunk was accepted with gratitude. In accordance with the wishes of the Executive Committee, the W. D. Blunk Endowed Presidential Scholarship was established at U. T. Austin.
2. U. T. Austin - I. Friedlander Building and Loan Prize Fund: Authorization to Request Permission from Attorney General to Change Purpose. --The Administration reported that the I. Friedlander Building and Loan Prize Fund established in 1928 for the College of Business Administration at The University of Texas at Austin to provide an annual \$100 prize "for the best essay in the building and loan field," had not

been used since 1952 due primarily to lack of student interest and the change from "building and loan" to "savings and loan." The original fund was \$1,500; however, income had been accumulated for those years in which no prize was awarded and presently there is a balance of \$6,368.40 which is invested in the Common Trust Fund.

Based upon this report, and upon the recommendation of President Rogers and System Administration, authorization was given for the Administration to request the Attorney General to take such action as deemed appropriate to change the purpose of the I. Friedlander Building and Loan Prize Fund to "To support student research in the general area of real estate or financing of real estate."

3. U. T. Austin: Graduate School of Library Science Development Fund Established. --Upon the recommendation of the Administration, a Graduate School of Library Science Development Fund in the amount of \$11,100 was established at The University of Texas at Austin as an account in the Common Trust Fund. The income from this fund is to be used for programs or projects important to the development of the Graduate School of Library Science. These funds were raised by GSLS Alumni Association in recognition of the 25th anniversary of the School.
  
4. U. T. Austin: Acceptance of Funds from Carroll C. Miller Scholarship Fund at Del Mar College and Establishment of Carroll C. Miller Endowed Presidential Scholarship in Honor of Robert A. Janosky. --The Administration reported receipt of funds in the amount of \$29,672.61 from the Carroll C. Miller Scholarship Fund at Del Mar College. The scholarship fund at Del Mar College was started in 1955 by Mr. Miller with income to be used to provide scholarships for students finishing their second year at Del Mar to study geological sciences at some other college or university. Mr. Thomas O. Miller, son of the donor and the Executor of his Estate, had arranged with Del Mar for transfer of the fund to the Board of Regents for scholarships at U. T. Austin.

The transfer of these funds in the amount of \$29,672.61 was gratefully accepted, and the Carroll C. Miller Endowed Presidential Scholarship was established at The University of Texas at Austin in honor of Robert A. Janosky. The income from this fund is to be used for scholarships for students in geological sciences at U. T. Austin with preferences to those from South Texas, Corpus Christi and Del Mar College.

5. U. T. Austin: Music Education Endowment Fund Established. -- Upon recommendation of the Administration, the Music Education Endowment Fund was established at The University of Texas at Austin with funds in the amount of \$40,000 transferred from the Music Camps and Contests Current Restricted Fund. The income from this endowment will be used for U. T. Austin Music Department development.

6. U. T. Austin - The Wilhelmina Pegram Robertson Scholarship Fund: Report. --With respect to the bequest under the Will of Wilhelmina Pegram Robertson that was accepted by the Board of Regents on November 1, 1974, Associate Deputy Chancellor Lobb reported that the Republic National Bank of Dallas, Independent Executor of this estate, had completed administration and distribution thereof. The University received \$275,510.82 of which \$219,765.82 is invested in the Common Trust Fund. The remainder of this bequest is the present value of securities temporarily held separate from the Common Trust Fund.

Committee Chairman Clark reminded the Regents that funds from this bequest are designated for The Wilhelmina Pegram Robertson Scholarship Fund, the income from which is to be used for scholarships for worthy students at The University of Texas at Austin.

7. U. T. Dallas: Acceptance of Pledge from Dr. C. L. and Amelia A. Lundell and Establishment of The University of Texas at Dallas Woman's Club - Amelia A. Lundell Textbook Scholarship Fund. -- The following resolution was adopted:

WHEREAS, The Woman's Club of The University of Texas at Dallas had previously established a textbook scholarship fund in honor of Amelia A. Lundell through contributions reported periodically in the Small Gifts Report, and to which in May 1973 was added a \$1,000 gift from Dr. and Mrs. C. L. Lundell;

WHEREAS, Dr. and Mrs. Lundell now propose, and the Woman's Club of U. T. Dallas endorses the proposal, that this program become an endowed textbook scholarship fund in the minimum amount of \$10,000 with the annual earnings from the fund being solely available for distribution;

WHEREAS, The purpose of the fund would be to provide funds for the purchase of textbooks by students selected by a process to be defined and administered by appropriate officials at U. T. Dallas;

WHEREAS, To insure that this purpose is accomplished, Dr. and Mrs. Lundell have irrevocably pledged and committed themselves to make a gift to the Board of Regents of The University of Texas System for the exclusive use and benefit of The University of Texas at Dallas (which term shall also include The University of Texas at Dallas' successors, if any, in the System) to fund the minimum amount indicated;

WHEREAS, This gift will be in cash or equivalent securities and may be made in installments on such dates as Dr. and Mrs. Lundell may elect, but not later than January 18, 1979, with the Will of Amelia A. Lundell providing for payment of any outstanding balance in the event of death before the \$10,000 amount is funded; and

WHEREAS, This fund shall be open to additional contributions to be made from time to time by The University of Texas at Dallas Woman's Club and friends of the University; now, therefore, be it

RESOLVED, That upon the recommendation of the Associate Deputy Chancellor for Investments, Trusts and Lands, the previous gifts and the pledge of Dr. and Mrs. Lundell be accepted with sincere thanks for their generosity, and that The University of Texas at Dallas Woman's Club - Amelia A. Lundell Textbook Scholarship Fund be hereby established at The University of Texas at Dallas with authorization to the Chairman of the Board of Regents to execute the necessary instruments evidencing such acceptance.

8. Galveston Medical Branch: Donald A. Rappoport Memorial Fund Established. --Upon recommendation of the Administration, \$10,000 of which \$5,000 was donated by Mrs. Donald A. Rappoport and the remainder by friends, associates and former students of Dr. Rappoport was authorized for the establishment of the Donald A. Rappoport Memorial Fund at The University of Texas Medical Branch at Galveston. These gifts had previously been reported to and approved by the Board of Regents. The income from this fund will be used for student related expenditures in the Department of Pediatrics at the Galveston Medical School.

Committee Chairman Clark noted that Dr. Rappoport was a member of the Pediatrics faculty at the Medical School for 12 years prior to his death in 1972.

9. University Cancer Center (M. D. Anderson): Acceptance of Bequest for Use in Cancer Research Under Will of Mrs. Fannie G. Leo, Deceased. --With sincere appreciation and gratitude, a bequest of approximately one-fourth of the residuary estate of Mrs. Fannie G. Leo of Austin was accepted for use in cancer research at M. D. Anderson of The University of Texas System Cancer Center. This bequest in the amount of \$57,094.08 has been received by the University from the Independent Executor of Mrs. Leo's estate, the Austin National Bank, Austin, Texas. John Henry Leo, the late husband of Mrs. Fannie G. Leo, had been a patient at M. D. Anderson prior to his death in 1963.

B. REAL ESTATE MATTERS

1. U. T. Austin - Hogg Foundation - W. C. Hogg Memorial Fund: Sale of 24,215 Square Foot Tract at Allen Parkway and Waugh Drive, Houston, Harris County, Texas, to American General Life Insurance Company. --Upon the recommendation of the Administration, authorization was given to sell to American General Life Insurance Company a tract of approximately 24,215 square feet of ground in the Stanley Subdivision of the John Austin Survey located at Allen Parkway and Waugh Drive in the City of Houston, Harris County, Texas, for \$7 per square foot (\$169,505) cash. This land is on the east side (back of) the 254,534 square feet (5.8433 acres) at Allen Parkway and Waugh Drive now under lease between the Board of Regents and American General Life Insurance Company for a period ending April 30, 1996.

2. U. T. Austin - Archer M. Huntington Museum Fund: Authorization to Advertise for Sealed Bids for Oil and Gas Leases on Huntington Lands, Texas City, Galveston County, Texas. -- The Administration reported that with respect to the Archer M. Huntington Museum Fund at The University of Texas at Austin, the Board of Regents owns all of the minerals under about 2,051 surface acres still owned and about 1,514 acres sold with all minerals retained, or a total of 3,565 acres with full leasing rights. None of this acreage is presently under lease and interest has been expressed in leasing about 1,800 to 2,000 acres. In addition, the Board of Regents owns undivided mineral interests, fully participating as to bonuses, rentals and royalties, retained in the sale of various tracts in earlier years but with leasing rights going to the purchasers. These undivided interests owned amount to about 392 net mineral acres.

Based upon these facts, the Administration recommended that it be authorized to advertise for sealed bids to be publicly opened on September 30, 1976, and considered by the Board of Regents at its October 1 meeting on all of the minerals owned by the Board with full leasing rights under the Huntington Lands in the H. B. Littlefield Survey and the Samuel C. Bundick League, Texas City, Galveston County, Texas. This recommendation was unanimously adopted with the understanding:

- a. That the primary term of any lease made will be 3 years with royalty of 1/5th and annual delay rentals of \$10 per acre. Bids will be on bonus only with a minimum of \$50 per acre. The acreage for bidding and leasing will be divided into not less than 4 tracts;
- b. That the Associate Deputy Chancellor for Investments, Trusts and Lands, the General Counsel and the Deputy Chancellor will designate the tracts and approve advertising, bid specifications and lease form;
- c. That the Associate Deputy Chancellor for Investments, Trusts and Lands will execute geophysical exploration permits as to all or part of the surface acreage owned at the standard rates for West Texas Lands and on the West Texas Lands standard forms with any appropriate changes for the Gulf Coast area.

3. U. T. Austin - McDonald Observatory: Renegotiation of Rental Under Lease from Lois Mitchell Thompson, et al, Lessors, Covering 33,280 Acres in Presidio County, Texas, for Radio-Astronomy Program. -- With respect to the lease of land in Presidio County, Texas, between the Board of Regents and Lois Mitchell Thompson, et al, the following resolution was adopted:

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

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

- a. The value of the land exclusive of improvements; and
- b. The "price indices maintained by the U. S. Government";

WHEREAS, In accordance with this provision, the annual rental was increased on July 30, 1971, from \$30,000 to \$34,000 for the five year period beginning September 1, 1971;

WHEREAS, The University Staff has ascertained that values of comparable property had increased during the period 1971-1976 approximately 50% to \$75 per acre;

WHEREAS, Statistics indicate that the Consumer Price Index (all items) had increased substantially in excess of 23.5%; now, therefore, be it

RESOLVED, That approval be given to an agreement reached between the lessors and the Associate Deputy Chancellor for Investments, Trusts and Lands and the University Land Agent for another five years, with the first year (1976-77) at the same annual rental of \$34,000 and the other four years at an annual rental of \$44,000 beginning September 1, 1977.

4. U. T. Austin - Thomas Shelton Maxey Professorship in Law: Oil and Gas Lease to Jack C. Tunstill on Tract in Gaines County, Texas. --Upon the recommendation of the Administration, authorization was given for an oil and gas lease to Jack C. Tunstill, Fort Worth, Texas, on its one-half of the minerals under a tract of 647 acres described as Section 82, Block G, W. T. Ry. Company Survey, Gaines County, Texas, being an interest acquired under the Will of Robert Maxey for the Thomas Shelton Maxey Professorship in Law at The University of Texas at Austin. The lease will be for a primary term of 2 years with 1/4th royalty, \$20 per acre bonus, and an annual delay rental of \$1.00 per acre.
5. U. T. Austin - Tom Slick Memorial Trust: Ratification of Joinder with Slick-Urschel Trustees and Other Beneficiaries of the Slick Estate in Oil and Gas Lease to F. W. Foran, Survey No. 541, Starr County, Texas. --Associate Deputy Chancellor Lobb reported that on May 19, 1976, he joined with the Slick-Urschel Trustees and other beneficiaries of the Slick Estate in an oil and gas lease to F. W. Foran of Corpus Christi, Texas. This lease covers 640 acres

described as Survey No. 541, Certificate 509, Abstract 370, C. C. S. D. & R. R. N. G. R. R. , Starr County, save and except the rights from the surface to a depth of 5,621 feet in 40 acres around the Bentsen-Whittington et al No. 1 Slick-Urschel Trustees Well and from the surface to a depth of 4,309 feet in 320 acres around the Mormac Oil and Gas Company No. 1-A Slick-Urschel Trustees Well. The University's interest in the minerals under this tract is 1/108th, or about 6 mineral acres. On March 14, 1975, the Board of Regents joined in a lease to Mr. Foran on the same land under which he drilled the Mormac Oil and Gas Company well, now producing gas. This second lease is for a primary term of 1 year with \$10 per acre to be paid if operations for drilling are not started within the first six months; royalty is 1/4th.

Upon the recommendation of Deputy Chancellor Walker, Mr. Lobb's action in executing this joinder was ratified by unanimous vote.

6. U. T. El Paso - Frank B. Cotton Trust: Renewal of Grazing Lease Covering Acreage in Block 5, GC&SF Ry Survey, Hudspeth County, Texas, to Mrs. Stella C. Kelcy, Feme Sole. --Upon the recommendation of the Associate Deputy Chancellor for Investments, Trusts and Lands and the University Land Agent, the grazing lease to Mrs. Stella C. Kelcy, feme sole, covering assets of the Frank B. Cotton Trust, being Sections 1, 3, 5 and 7, Block 5, GC&SF Ry Survey, Hudspeth County, Texas, was renewed for five years beginning July 1, 1976 at an annual rental of \$324.
7. U. T. El Paso - Frank B. Cotton Estate: Storm Sewer Easement and Two Temporary Easements to Texas Highway Commission for the State Department of Highways and Public Transportation (Formerly Texas Highway Department) Across 3.822 Acre Tract Leased to The Border Machinery Company, Inc., El Paso, Texas. --The Administration reported that the Texas Highway Commission for the State Department of Highways and Public Transportation (formerly Texas Highway Department) had found it necessary to construct an additional ponding area and a storm sewer box culvert in the vicinity of Interstate Highway 10 and Cotton Street in the City of El Paso, El Paso County, Texas, and had requested a permanent storm sewer easement covering 0.111 acres and two temporary easements during the construction phase covering 0.306 acres across a 3.822 acre tract of land presently leased by the Board of Regents to The Border Machinery Company, Inc., El Paso, Texas, and being a part of the Frank B. Cotton Estate, The University of Texas at El Paso.

In response to this request, and upon being assured by the Administration that appropriate investigations had been made and that potential damage to the remaining property is negligible, the Land and Investment Committee authorized the permanent easement and the two temporary easements as described above to the Texas Highway Commission for the State Department of Highways and Public Transportation for a cash consideration of \$100.

8. University Cancer Center (M. D. Anderson): Authorization to Sell Lot in Orofino, Idaho, Donated by William L. Minter, with Proceeds Therefrom to be Used for Cancer Research. -- Upon the recommendation of the Administration, an offer by William E. Cox and wife of Orofino, Idaho, to purchase from the Board of Regents as trustee of the University Cancer Foundation the approximately 12,000 square foot lot deeded to the Board of Regents by William L. Minter in December 1973 under the terms as set out below was adopted:

Purchase Price: \$5,500 payable \$1,000 down and the balance due on or before 2 years from closing with interest at 9% payable annually.

Sales Commission: 10%, being the customary rate in the area for property of this type, payable to James L. Bailie, Orofino, Idaho.

This lot is located on the outskirts of Orofino, a town of about 4,000 in northern Idaho, more particularly described as follows:

All that certain lot, piece or parcel of land situated and being a part of the SE/4 SW/4 of Section 4, Township 36 North, Range 2 East, lying between the Highway and Orofino Creek, situated in Clearwater County, Idaho.

The proceeds from this sale will be used for cancer research at M. D. Anderson of The University of Texas System Cancer Center.

### III. OTHER MATTERS

Report of Securities Transactions for Permanent University Fund and for Trust and Special Funds for the Month of April 1976. -- The Report of Securities Transactions for Permanent University Fund and Trust and Special Funds for April 1976, submitted by the Office of Investments, Trusts and Lands, was received. It is attached (Attachment No. 2) following Page N-9 of Attachment No. 1 and made a part of these Minutes.

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

In the absence of Vice-Chairman Williams, also Vice-Chairman of the Board for Lease of University Lands, Regent Nelson reported for the Board for Lease of University Lands:

The Board for Lease met on July 10, 1976, and held its 65th Sale of Oil and Gas Leases on University Lands. Of the 306 tracts offered for lease, leases on 271 tracts, comprising 88,000 acres, were sold for \$5,640,500 or an average of \$64.10 per acre.

REPORTS OF SPECIAL COMMITTEES

REPORT OF COMMITTEE TO STUDY PROCESS FOR SELECTION OF CHIEF ADMINISTRATIVE OFFICERS (PRESIDENTS) OF COMPONENT INSTITUTIONS; AMENDMENT TO REGENTS' RULES AND REGULATIONS, PART ONE, CHAPTER II, SUBSECTION 4.1 (PAGE 103). --Chairman Shivers reported that the Committee to Study Process for Selection of Chief Administrative Officers (Presidents) of Component Institutions of The University of Texas System had been meeting over the past several months since the appointment of the Committee on October 24, 1975, and had made its report. Chairman Shivers said that he would propose a recommendation to amend the Regents' Rules and Regulations to accomplish the report of the Committee. The Committee was composed of the following:

Regental Representatives

Regent Shivers (Chairman of Committee)  
Regent (Mrs.) Johnson  
Regent Williams

Chief Administrative Officers of Three Component Institutions

President Lorene Rogers, The University of Texas at Austin  
President Bryce Jordan, The University of Texas at Dallas  
President William C. Levin, The University of Texas Medical  
Branch at Galveston

Representative from Ex-Students' Association

Mr. Wales Madden, President, Ex-Students' Association

Faculty Representatives

Mr. W. Page Keeton, School of Law, The University of  
Texas at Austin  
Dr. Polykarp Kusch, Nobel Laureate in Physics and  
Professor of Physics, The University of Texas at Dallas  
Dr. Howard Rase, Cunningham Professor of Chemical  
Engineering, The University of Texas at Austin  
A. R. Remmers, Jr., M.D., Professor of Internal Medicine,  
The University of Texas Medical Branch at Galveston

Student Representatives

- Mr. John W. Craddock, Jr., Pre-med Student, The University of Texas at Austin
- Mr. Tim Furlong, Senior in School of Law, The University of Texas at Austin
- Mrs. Kathlyn S. McElveen, Vice-President of Student Congress, The University of Texas at Dallas
- Mr. William Race, Fourth Year Medical Student and recently retired President of Student Government, The University of Texas Medical Branch at Galveston

The Committee made a survey of the selection procedure used at a large number of major universities and reviewed The Selection of College and University Presidents by J. Kauffman, a publication of the Association of American Colleges in 1974.

The report of the Committee was unanimously adopted with the exception of the two students from U. T. Austin, Mr. Tim Furlong and Mr. John Craddock, both of whom wanted a larger representation of students on the committee than was recommended. The Committee was very diligent in its efforts.

Chairman Shivers then recommended that the Regents' Rules and Regulations be amended by deleting Subsection 4. 1 of Chapter II, Part One, and substituting the following in lieu thereof:

Sec. 4 - Chief Administrative Officers of Component Institutions

- 4.1 The Board of Regents selects the chief administrative officers of each component institution.

At all times, the Chancellor shall be looking for promising candidates to whom he may refer the Advisory Committee when it is established.

When it is known that there is to be a vacancy in the office of a chief administrative officer of a component institution, an Advisory Committee with the Chancellor as Chairman shall be established as follows to recommend candidates to the Board of Regents:

Chancellor (Chairman)

Deputy Chancellor

Three Chief Administrative Officers

(to be appointed by the Chairman of the Board of Regents from three of the component institutions)

Three Regents

(to be appointed by the Chairman of the Board of Regents)

Five Faculty members of the institution involved, at least three of whom shall have the rank of associate professor or higher (method of selection to be determined by the General Faculty of the campus)

**One Dean**

(for academic institutions to be selected by  
Dean's Council of the institution involved)  
(for health science centers to be the Dean of  
Medicine of the health science center involved)

**Two Students from institution involved**

(method of selection to be determined by the  
Student Government of the campus involved)

**President of the Ex-Students' Association of the  
campus involved or his designee ( if institution  
does not have an active alumni organization,  
then a member of the Development Board or an  
interested layman to be appointed by the Presi-  
dent or Acting President)**

The Advisory Committee shall determine the availability of each candidate selected. To evaluate a candidate, the Advisory Committee shall set up criteria that relate to the needs of the individual component and shall seek advice on the ability of each candidate interviewed, including advice from competent sources as to the candidate's administrative and business ability.

Finally, the Advisory Committee shall submit through its Chairman, the Chancellor, a panel of not less than three nor more than five candidates with no preference indicated. Candidates submitted shall have received a majority vote of the Committee. If none of the names submitted in the report of the Advisory Committee is satisfactory to the Board of Regents, then the Board of Regents in its discretion may either name a new committee or proceed to select a chief administrative officer under such other procedures as in its discretion it may deem proper and appropriate.

Regent McNeese moved that the Regents' Rules and Regulations be so amended. Regent Sterling seconded the motion which unanimously prevailed. Then Regent Sterling moved that the Regents' Rules and Regulations be waived and that the amendment just adopted be effective immediately. This motion prevailed by unanimous vote upon a second by Regent McNeese.

**REPORT OF COMMITTEE FOR SANTA RITA AWARD.** --The follow written report was received from Regent Clark, Chairman of the Santa Rita Award Committee, and was adopted:

Report

The Committee for the Santa Rita Award [composed of Regents Clark, Chairman, (Mrs.) Johnson and Williams] unanimously selected Mrs. Mary Moody Northen of Galveston, Texas, to receive the Award.

The committee recommends that this Award be given to Mrs. Northen in Houston on the evening of September 30 preceding the Regents' meeting on October 1, 1976.

COMMITTEE OF THE WHOLE - OPEN SESSION  
(Pages 103-138)

The Report of the Committee of the Whole in Open Session set out below was adopted by unanimous vote:

PRESENTATION OF THE HONORABLE JOHN HILL, ATTORNEY GENERAL OF THE STATE OF TEXAS. --Chairman Shivers presented to the Board of Regents and to the guests in attendance at the meeting the Honorable John Hill, Attorney General of the State of Texas. General Hill later appeared before the Executive Session of the Committee of the Whole.

BOARD OF REGENTS - REGENTS' RULES AND REGULATIONS, PART ONE: AMENDMENT TO CHAPTER II, SECTION 4 (CHIEF ADMINISTRATIVE OFFICERS OF COMPONENT INSTITUTIONS). --See Pages 100-102 .

BOARD OF REGENTS - AMENDMENTS TO REGENTS' RULES AND REGULATIONS TO CONFORM TO 1975-77 APPROPRIATION ACT: PART ONE, CHAPTER III, PART TWO, CHAPTER V (VACATION, SICK LEAVE AND OTHER GENERAL APPROPRIATION ACT PROVISIONS) AND PART TWO, CHAPTER III (TRAVEL EXPENSE). -- Upon recommendation of System Administration and in order to comply with the current General Appropriation Act, the necessary rules were waived and the following amendments to the Regents' Rules and Regulations, Part One and Part Two were approved effective immediately:

1. Section 15 of Chapter III of Part One was amended by adding a new Subsection 15. 2 to read as set out below and by renumbering the present Subsection 15. 2, Subsection 15. 3:
  15. 2 An employee who resigns, is dismissed, or separates from University employment shall be entitled to be paid in "lump sum" for all vacation leave entitlement duly accrued at the date of termination provided the employee has had continuous employment with the State for six months. The payment shall be calculated at the rate of compensation being paid the employee at the time of termination.
2. Section 19 of Chapter III of Part One was amended by adding a new Subsection 19. 3 to read as follows and by renumbering the present Subsection 19. 3, Subsection 19. 4:
  19. 3 An employee who resigns, is dismissed, or separates from University employment shall be entitled to be paid in "lump sum" for one-half sick leave entitlement duly accrued at the date of termination. The payment shall be calculated at the rate of compensation being paid the employee at the time of termination.
3. Section 3 of Chapter V of Part Two was amended by deleting Subsection 3. 2 and by renumbering Subsection 3. 3, Subsection 3. 2.

4. Chapter III of Part Two was amended by changing Subsection 13.4(10)3 of Section 13.4 (Travel Expense Reimbursements) to read as follows:

13.4(10)3      Intercollegiate Athletics. --Actual expenses will be paid at no per diem limit, provided such expenditures in the amount of \$4.00 or more are supported by signed receipts.

BOARD OF REGENTS - REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENTS TO CHAPTER XI, SECTIONS 1 AND 2 (CONTRACTS AND GRANTS FOR RESEARCH, TRAINING, AND EDUCATIONAL SERVICES, INCLUDING INSTITUTIONAL SUPPORT GRANTS). --Upon the recommendation of System Administration, Part Two, Chapter XI of the Regents' Rules and Regulations was amended as follows:

Sections 1 and 2 were deleted and the following substituted therefor:

- Sec. 1      Contracts, grants, and agreements from or with outside agencies for research, training, and educational services, including institutional support grants, (except as provided in Subsection 1.1 below) shall be approved by the chief administrative officer and ratified by the Board of Regents via the institutional dockets.
- 1.1      Contracts or agreements with foreign governments, agencies thereof, and with institutions, enterprises or individuals subject to the jurisdiction of foreign governments, shall be submitted for approval by the Board of Regents, following review of such contracts or agreements by appropriate System Administration officers and recommendation by the Deputy Chancellor.
  - 1.2      The Office of the Deputy Chancellor will issue special instructions for those contracts and grants requiring special approvals other than as provided in this section.
  - 1.3      Funds shall not be encumbered or expended under any contract or grant prior to the approval of the contract or grant as indicated above.
  - 1.4      Institutional support grants include NSF Institutional Grants for Science, NIH General Research Support Grants, Health Professions Education Improvement and/or Capitation Grant Programs, and other such grants awarded on a formula basis rather than a budgeted project basis.

Sec. 2      Proposals for such contracts, grants and agreements, whether with government agencies, industry, foundations, or other private granting agencies, shall be initiated by the faculty member (or other appropriate official who will direct the work) and shall be approved by designated administrative officials, including the chief administrative officer. These proposals will receive such System Administration review and approval as directed by the Deputy Chancellor. Proposals to private foundations for support should be forwarded via the Office of the System Comptroller to the Chancellor for further approval. The chief business officer at each component institution is responsible for the business aspects of the proposals.

U. T. SYSTEM, U. T. ARLINGTON, U. T. AUSTIN, U. T. DALLAS, U. T. EL PASO, U. T. PERMIAN BASIN, U. T. SAN ANTONIO AND SYSTEM NURSING SCHOOL: APPROVAL OF TRANSFER OF FUNDS BETWEEN LEGISLATIVE APPROPRIATION ITEMS FOR FISCAL YEAR ENDING AUGUST 31, 1977. --Upon recommendation of System Administration, the following resolution was adopted:

BE IT RESOLVED, Pursuant to the appropriate transfer provisions of Article IV, S. B. 52, 64th Legislature, Regular Session, 1975, it is hereby resolved that the State Comptroller be requested to make transfers within the Legislative Appropriations from the General Revenue Fund for each of the following components as determined necessary by appropriate administrative officials of The University of Texas:

- The University of Texas at Arlington
- The University of Texas at Austin
- The University of Texas System Administration
- 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 System School of Nursing

U. T. AUSTIN - PROGRAM TO PROVIDE CONTINUING EDUCATION PROGRAMS, TRAINING SEMINARS AND FORMAL UNIVERSITY TRAINING FOR CERTAIN MANAGERIAL, PROFESSIONAL AND TECHNICAL PERSONNEL EMPLOYED BY THE NATIONAL ALGERIAN OIL COMPANY FOR HYDROCARBONS (KNOWN AS SONATRACH): CONCEPT APPROVED WITH AUTHORIZATION FOR CONTRACT TO IMPLEMENT. --Upon the recommendation of President Rogers and System Administration the concept of a program in the Graduate School of Business at The University of Texas at Austin organizing a variety of educational services to provide continuing education programs, training seminars and formal university training for certain managerial, professional and technical personnel employed by The National Algerian Oil Company for Hydrocarbons (known as Sonatrach) was approved, and President Rogers was authorized to execute the necessary contract or contracts to implement such programs when the contract instrument or instruments had been approved as to content by the Deputy Chancellor and as to form by the General Counsel.

Any contracts arising therefrom shall be reported in a subsequent docket.

This action complies with the amendments to the Regents' Rules and Regulations, Part Two, Chapter XI, Sections 1 and 2 on Page 104 .

U. T. AUSTIN - HOME ECONOMICS BUILDING: NAME CHANGED TO MARY E. GEARING HALL. --Upon the recommendation of President Rogers, concurred in by System Administration, the name of the Home Economics Building at The University of Texas at Austin was changed to Mary E. Gearing Hall in honor of the late Professor Mary E. Gearing.

It was noted that Professor Gearing was a distinguished and highly respected member of the U. T. Austin faculty from 1912 until 1942, serving as Chairman of the Department of Home Economics in the College of Arts and Sciences from 1921 until her retirement in 1942. She was the first woman to serve in such a capacity. Miss Gearing passed away in 1946.

GALVESTON MEDICAL BRANCH: RATIFICATION OF ACTION OF CHAIRMAN SHIVERS IN INTERVENTION IN PENDING LAWSUIT AFFECTING THE SEALY & SMITH FOUNDATION. --The action of Chairman Shivers in authorizing The University of Texas System to take such steps as necessary to intervene in two pending lawsuits affecting The Sealy & Smith Foundation was ratified. One suit was instituted by Citibank N. A., New York, one of the Trustees, who is seeking a construction of the Last Will and Testament of John Sealy and seeking direction as to how the proceeds (principal or income) under the trust shall be distributed. This trust terminated on February 4, 1976. The other suit was instituted by The Sealy & Smith Foundation in Galveston County, Texas, requesting that such proceeds referred to in the preceding sentence be delivered to the Foundation and that the royalty and bonus payments be declared as principal and paid to The Sealy & Smith Foundation.

GALVESTON MEDICAL BRANCH: CANCELLATION OF DEED OF GIFT FROM MILES R. GLASER CONVEYING REAL PROPERTY OUT OF SETTEGAST PARTITION, GEORGE W. ALLEN SURVEY, HARRIS COUNTY, TEXAS, AND ACCEPTANCE OF ASSIGNMENT OF INTEREST IN LIEU THEREOF. --The Administration reported that due to a difference of opinion between the donor, Miles R. Glaser, and certain trust beneficiaries as to the authority of the donor to convey under certain terms in the trust arrangement, the donor (Mr. Glaser) had requested that the deed of gift conveying property as described below to the Board of Regents for the benefit of The University of Texas Medical Branch at Galveston be cancelled and that an assignment of interest be accepted in lieu thereof. This deed of gift was accepted by Chairman Shivers on December 31, 1975, and reported to and ratified by the Board of Regents on February 13, 1976:

A five percent undivided interest in and to that certain property located in Harris County, Texas, and being a part of the Settegast Partition in the George W. Allen Survey and containing 48.1064 acres of land.

Upon recommendation of System Administration and President Levin, the deed of gift was cancelled, and authorization was given for the acceptance of an assignment of interest by Mr. Glaser to the Board of Regents of an undivided five percent in and to those certain trust agreements in which he holds such interest in the property described above.

The Chairman of the Board of Regents was authorized to execute all instruments necessary to cancel the deed of gift interest and to accept the assignment after the same had been approved as to content by Deputy Chancellor Walker and as to form by a University attorney.

**GALVESTON MEDICAL BRANCH: RECONVEYANCE OF .246 ACRES IN BLOCK 604 IN CITY AND COUNTY OF GALVESTON, TEXAS, TO THE SEALY & SMITH FOUNDATION.** --The Administration reported The Sealy & Smith Foundation is badly in need of a construction site for certain maintenance shops and had requested that the remaining portion of the parcel of land in Block 604 in the City and County of Galveston previously donated to the University by the Foundation as the construction site of an alumni field to be utilized by The University of Texas Medical Branch at Galveston be reconveyed to the Foundation. Block 604 was accepted by the Board of Regents at its meeting on July 21, 1972, and the alumni field was constructed by the Alumni Association and funded by The Sealy & Smith Foundation; however, the land so donated included an area for the construction of a gymnasium to be built at a later date. The gymnasium project was abandoned due to increased costs and the limit on available funds.

Based upon this request, and upon the recommendation of President Levin and System Administration, authorization was given to reconvey to The Sealy & Smith Foundation an area consisting of approximately .246 acres of land out of Block 604 in the City and County of Galveston, Texas, as a construction site for a maintenance building.

The Chairman of the Board of Regents was authorized to execute an appropriate deed conveying such property after it had been approved as to content by the Deputy Chancellor and as to form by a University attorney.

**HOUSTON HEALTH SCIENCE CENTER: APPROVAL OF TRANSFER OF FUNDS BETWEEN LEGISLATIVE APPROPRIATION ITEMS FOR FISCAL YEAR ENDING AUGUST 31, 1976.** --Upon recommendation of System Administration, the following resolution was adopted:

Pursuant to the appropriate transfer provisions of S. B. 52, 64th Legislature, Regular Session, 1975, it is hereby resolved that the State Comptroller be requested to make transfers within the Legislative Appropriations for each of the schools in the U. T. Health Science Center at Houston as determined necessary by appropriate administrative officials of The University of Texas.

**UNIVERSITY CANCER CENTER: CONVEYANCE TO TEXAS MEDICAL CENTER, INC., HOUSTON, TEXAS, OF 2.1139 ACRES OUT OF P. W. ROSE SURVEY, ABSTRACT NO. 645, HOUSTON, HARRIS COUNTY, TEXAS, FOR PART OF PROPOSED PARKING GARAGE.** --The Administration reported that the Texas Medical Center, Inc., proposes to construct a parking garage to serve the newly constructed portion of The University of Texas System Cancer Center and other units on the east side of the Medical Center. The first phase of the construction would be on Medical Center property, with the second phase on property owned by the University.

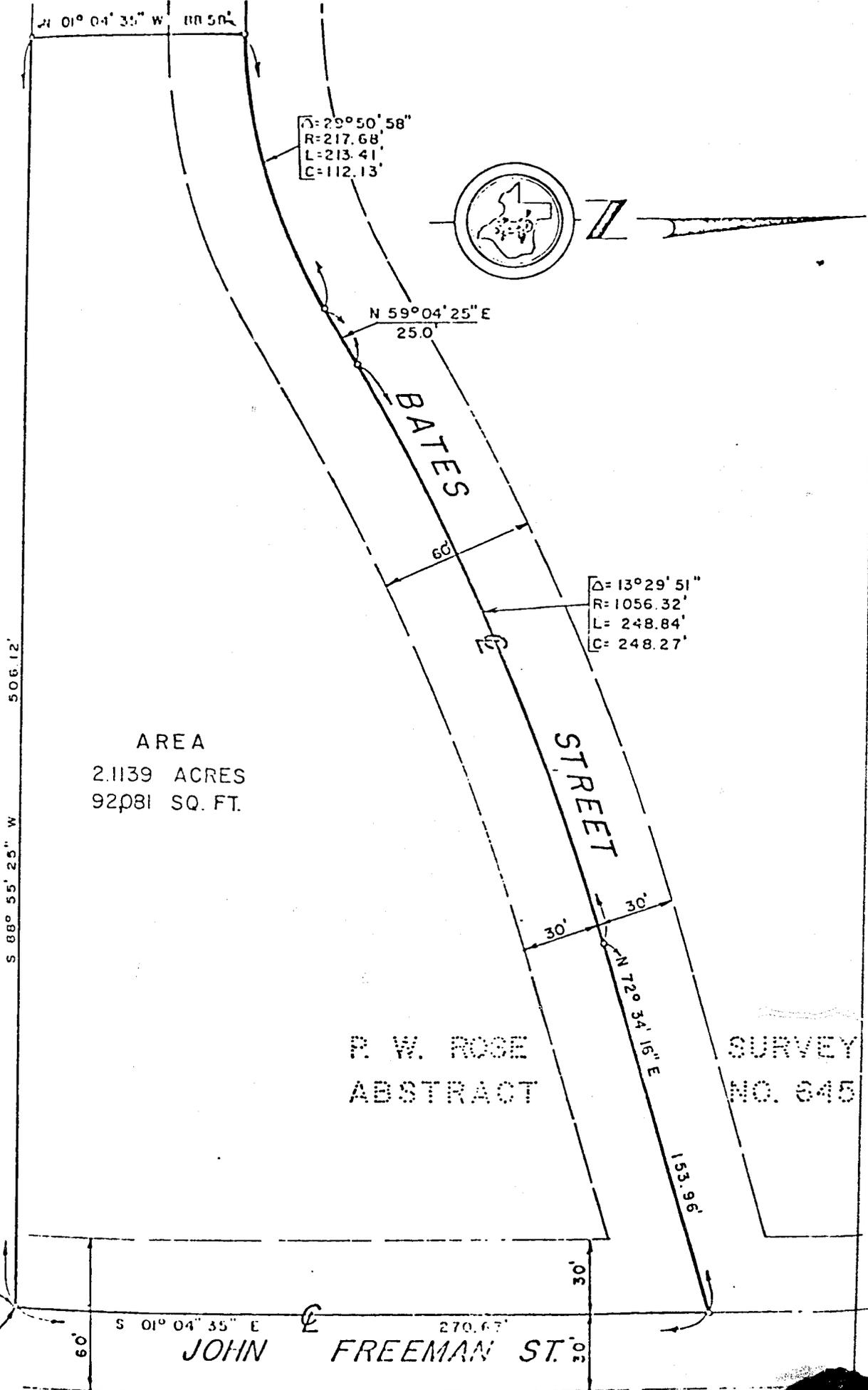
Following this report, and upon recommendation of President Clark and System Administration, authorization was given to convey to Texas Medical Center, Inc., Houston, Texas, approximately 2.1139 acres of land out of the P. W. Rose Survey, Abstract No. 645, Houston, Harris County, Texas, as part of the construction site for a new parking garage.

The Chairman of the Board of Regents was authorized to do all things necessary to effectuate the transfer of this land (area designated in the

JUL 9 1976

4038

plat set out below) including the execution of an appropriate deed conveying such property after it had been approved as to content by the Deputy Chancellor and as to form by a University attorney.



FILED FOR RECORD IN THE PUBLIC RECORDS OF THE COUNTY OF TARRANT TEXAS

SYSTEM NURSING SCHOOL: REASSIGNMENT OF SYSTEM NURSING SCHOOL ADMINISTRATIVE, FACULTY, AND STAFF PERSONNEL EFFECTIVE SEPTEMBER 1, 1976, TO COMPONENT INSTITUTIONS OF THE UNIVERSITY OF TEXAS SYSTEM. --Regent Sterling moved that the following resolution be adopted. This motion was duly seconded:

BE IT RESOLVED, That in the event it should be determined by any court of competent jurisdiction that the action of the Board on March 26, 1976, reassigning personnel of the System School of Nursing was ineffective for any reason, the Board hereby orders that effective September 1, 1976, the Administrative, Faculty, and Staff personnel at each of the six schools of nursing currently under the administrative jurisdiction of The University of Texas System School of Nursing be reassigned so that such personnel be under the administrative jurisdiction of the Chief Administrative Officer of the following component institutions of The University of Texas System:

1. The University of Texas School of Nursing at Austin -  
The University of Texas at Austin
2. The University of Texas School of Nursing at Galveston -  
The University of Texas Medical Branch at Galveston
3. The University of Texas School of Nursing at Houston -  
The University of Texas Health Science Center at  
Houston
4. The University of Texas School of Nursing at San Antonio -  
The University of Texas Health Science Center at  
San Antonio
5. The University of Texas School of Nursing at Fort Worth -  
The University of Texas at Arlington
6. The University of Texas School of Nursing at El Paso -  
The University of Texas at El Paso

Regent Nelson moved that the resolution be amended by adding the following:

BE IT FURTHER RESOLVED, That nursing education in The University of Texas System shall place major emphasis on training nurses for the direct care of hospitalized patients and that the faculty and staff of the several U. T. System Nursing Schools shall encourage their students to pursue careers in the direct care of hospitalized patients in order to help ease the critical shortage of nurses in hospitals in this State and especially in M. D. Anderson Hospital, the Galveston Medical Branch Hospitals and the hospitals that serve as primary teaching hospitals for the U. T. System Nursing Schools.

Regent Nelson's motion was duly seconded and carried. The question recurred on the resolution as amended and was adopted by unanimous vote.

ITEMS FOR RATIFICATION. --The following items were received for the record and/or were ratified as indicated:

1. U. T. El Paso: Authority to Institute Suit Against Lone Star Energy Company of Dallas, Texas. --At several meetings of the Board of Regents consideration has been given to the controversy with Lone Star Energy Company of Dallas in connection with a proposed expansion of its thermal energy plant in order to furnish services for Holliday Hall, Special Events Center and Memorial Gymnasium or GUS Manufacturing Company at The University of Texas at El Paso.

At its February 13, 1976, meeting the Board, in Executive Session, authorized among other things, a request to the Attorney General of Texas to take such legal action as deemed necessary to recover all damages sustained by the State and System which may have resulted from the failure of Lone Star Energy Company to provide thermal energy services under the contract between the parties or otherwise protect the interests of the State and System with respect to this matter.

This action was ratified. Regent Clark was reported "present but not voting."

2. San Antonio Health Science Center: Reports of Special Committee for Thermal Energy Service; Revised Contracts with (a) Bexar County Hospital District, Lone Star Energy Company and the Board of Regents; (b) Lone Star Energy Company and the Board of Regents - Amendment and Modification Agreement; (c) Lone Star Energy Company and Veterans Administration (Audie L. Murphy Memorial Veterans Hospital) - Supplementary Agreement; and (d) Lone Star Energy Company and Veterans Administration Hospital (Audie L. Murphy Memorial Veterans Hospital) - Modification Agreement. --At the meeting of the Board of Regents on July 25, 1975, it was reported that the Special Committee had approved new revised contracts among Lone Star Energy Company and the Board of Regents, the Bexar County Hospital District, and the Veterans Administration for thermal energy service to be provided by the Thermal Energy Plant located on the campus of The University of Texas Health Science Center at San Antonio. It was ordered that when the final revised contracts had been consummated they would be spread on the Minutes.

Set out on Pages 111 - 122 are the following two documents concerning the Thermal Energy Plant on the San Antonio Health Science Center campus:

- a. The contract among Bexar County Hospital District, Lone Star Energy Company, and the Board of Regents (Set out on Pages 111 - 114 ).
- b. Amendment and Modification Agreement between the Lone Star Energy Company and the Board of Regents (Set out on Pages 115 - 122 ).

On Page 123 is another report from the Special Committee.

JUL 9 1976

- a. The contract among Bexar County Hospital District, Lone Star **4041** Energy Company, and the Board of Regents:

AMENDMENT AND MODIFICATION AGREEMENT

This AGREEMENT is made and entered into this 13<sup>th</sup> day of June 1976 by and between LONE STAR ENERGY COMPANY, a Texas corporation, hereinafter sometimes referred to as "Lone Star" and the BEXAR COUNTY HOSPITAL DISTRICT, a hospital district organized and existing under Article 4494n of Texas Revised Civil Statutes, herein sometimes referred to as "Hospital District".

W I T N E S S E T H:

WHEREAS, there exists Customer Agreement dated February 21, 1968 between Central Energy Corporation and the Hospital District that provides for the construction of a central plant and related facilities, the operation and maintenance thereof and the furnishing of chilled water and steam from these facilities to serve the thermal energy requirements of the Bexar County Hospital at San Antonio, Texas; and

WHEREAS, the construction of facilities has been accomplished in accordance with the agreement and chilled water and steam services have been furnished and accepted from these facilities; and

WHEREAS, the aforesaid Customer Agreement was assigned by Central Energy Corporation to Central Energy of San Antonio, Inc., with the consent of the Hospital District; and

WHEREAS, Lone Star has purchased the assets and properties of Central Energy of San Antonio, Inc., and taken an assignment of aforementioned Customer Agreement effective November 1, 1972, to which assignment the Hospital District agreed; and

WHEREAS, a nationwide energy crisis has resulted in unpredictable availability and prices for primary and secondary plant fuels and the parties hereto desire substantial additional secondary fuel storage, expanded operational capability on secondary fuels and an alternate energy source for additional refrigeration prime movers;

NOW, THEREFORE, in consideration of the payment of One Dollar (\$1.00) by Lone Star to the Hospital District, the receipt of which is hereby acknowledged, and the mutual covenants hereinafter set forth, the parties agree to amend and modify that certain Customer Agreement dated February 21, 1968, between Central Energy Corporation and the Bexar County Hospital District.

I.

As appropriate, within the intent and purpose of this Amendment and Modification Agreement, wherever the name "Central Energy Corporation" or the term "CEC" appears in the Customer Agreement, such name or such term shall be read and construed to mean "Lone Star Energy Company" or "Lone Star".

II.

The parties hereto agree that in view of the energy crisis, approximately 240,000 gallons of oil fuel storage and improved alternate fuel capabilities are necessary to assure the integrity of the service desired. The parties hereto agree that secondary fuel shall be #2 fuel oil. Upon completion of the desired secondary fuel facilities, Bexar County Hospital District agrees to reimburse Lone Star \$105,400.00 of the construction cost of the fuel oil facilities and direct costs for 55,200 gallons of the initial fill.

III.

Lone Star hereby agrees that so long as secondary fuels are available, the expanded plant will be capable of producing approximately full design capacity of steam and chilled water with total loss of primary fuel, and expanded plant will be capable of full operation of one boiler and two chillers with total loss of electrical utility service.

Article 6 shall be modified by deleting subparagraph (a) and substituting for and in lieu thereof the following: 4042

"a) Hospital District shall endeavor to return all chilled water delivered and at return pressures not greater than supply pressure nor less than 15 psi less than supply pressure. Hospital District shall reimburse Lone Star \$0.25 per 1,000 gallons per month for each thousand gallons of chilled water makeup required in excess of 30,000 gallons per month."

"If Hospital District is responsible for an abnormal loss of chilled water, Hospital District shall reimburse Lone Star \$0.97 per 1,000 gallons of chilled water makeup required for such abnormal loss."

"Losses of chilled water in Lone Star's distribution system not caused by negligence of Hospital District shall be borne by Lone Star."

Article 6 shall be further modified by deleting the last sentence of subparagraph (b) and substituting for and in lieu thereof the following:

"b) If Hospital District shall fail to return steam condensate as herein provided, it shall pay a charge of \$0.67 per thousand gallons for each thousand gallons of steam condensate, in excess of 8,000 gallons, not returned to Lone Star during any month."

Articles 7, 8 and 9 shall be deleted in their entirety and the following shall be substituted for and in lieu thereof:

"Effective and retroactive to January 1, 1974, the Hospital District shall pay Lone Star for producing, circulating and furnishing chilled water and steam the following rates, subject to adjustment as herein provided:

Fixed Monthly Charge	\$24,210 per month
Rate for Chilled Water	\$0.0419 per ton hour for all ton hours per month
Rate for Steam	\$2.278 per million BTU per month

One ton-hour is defined as 12,000 BTU.

Upon completion of the expansion of facilities, other than secondary oil facilities, the Hospital District shall pay Lone Star for producing, circulating and furnishing chilled water and steam the following rates, subject to adjustment as herein provided:

Fixed Monthly Charge	\$25,150 per month
Rate for Chilled Water	\$0.0419 per ton hour for all ton hours per month
Rate for Steam	\$2.278 per million BTU per month

The monthly charges based upon the rates set forth herein will be increased or decreased, as the case may be, as follows:

a) By an amount equal to the increase or decrease in cost of electricity used in the production of steam and chilled water for Hospital District during the electric utility billing period immediately preceding the current month, from a base amount equal to the number of kilowatt hours (KWH) used priced at \$0.037 per KWH.

b) By an amount equal to the increase or decrease in cost of fuels used in the production of chilled water and steam for Hospital District during the primary fuel billing period immediately preceding the current month, from a base amount equal to the number of BTU used priced at \$1.60 per million BTU.

c) By an amount equal to the increase or decrease in cost of water utilized in the production of steam and chilled water for Hospital District during the water utility billing period immediately preceding the current month, from a base amount equal to the number of gallons used priced at \$0.23 per thousand gallons.

To determine the proportion of utility escalation costs in the above paragraphs a), b) and c) to be borne by Hospital District, the total equivalent MMBTU (million BTU) used by Hospital District in the preceding

month, including steam, will be divided by the total equivalent MBTU, including steam sold from the plant and multiplied by the total of utility escalation costs. Each ton hour of refrigeration sold will be considered the equivalent of .018 MBTU.

d) By an amount equal to 8.33% of the difference between actual taxes, other than Federal Income Tax, charged in the most recent taxable period and an annual tax base of \$100,000 added or deducted as the case may be and proportioned among customers with the Hospital District's portion of said amount being 23% based on total equivalent energy demand.

e) By an amount equal to Hospital District's portion of \$125.00 appropriately added or deducted, as the case may be, for each one percent increase or decrease in the average cost of labor prevailing for manufacturing employees in the San Antonio labor market for the month of December of the immediately preceding year from the average cost of labor prevailing for manufacturing employees in the San Antonio labor market for December 1973. Fractional percentages shall be proportionally applied. The average cost of labor prevailing for manufacturing employees in the San Antonio labor market shall be determined by reference to and in conformity with the Index of Gross Average Hours and Earnings in the San Antonio metropolitan area published by the Texas Employment Commission in cooperation with the United States Bureau of Labor Statistics. Hospital District's portion of this charge shall be determined as in d) above."

Earned but uncollected escalations under provisions of original agreement shall become due and payable the first billing period following date hereof.

#### V.

Article 14 shall be deleted in its entirety and the following shall be substituted for and in lieu thereof.

"In the event Lone Star becomes unable to continue the performance of services as herein provided because of bankruptcy, insolvency or for any reasons other than those outlined in Article 20 of this Agreement and performance of services is continued by a successor operator to Lone Star, the Hospital District agrees to make payments to such successor operator for services rendered under the terms and conditions set forth in Article IV hereof until termination of this Agreement on August 31, 1993."

#### VI.

Article 15 shall be deleted in its entirety.

#### VII.

Article 18 shall be modified by deleting the last sentence and the following shall be substituted for and in lieu thereof.

"Lone Star shall have the right to amend, modify or alter its said contract with the Board of Regents of the University of Texas System at any time and from time-to-time without notice to or consent of Hospital District provided said amendments, modifications or alterations do not affect performance to the Hospital District or the rights of Hospital District under this contract."

#### VIII.

Lone Star hereby agrees that additional plant refrigeration capacity now in planning stages will utilize electricity as the prime energy source to enhance plant redundancy and offer greater reliability in the event of possible future shortages of natural gas now used as the current prime energy source for plant refrigeration machinery.

#### IX.

The parties hereto agree that Hospital District shall adjust its reimbursement to pay Lone Star for a portion of any change in costs incurred by Lone Star as a result of new rules, regulations or laws imposed on Lone Star by city, state or federal governments or any agency thereof. The portion

JUL 9 1968

to be reimbursed by Hospital District shall be determined by dividing the **4044** total equivalent MMBTU used by Hospital District in the most recent calendar year by the total equivalent MMBTU sold from the plant in the most recent calendar year.

X.

Except as herein expressly amended, the Customer Agreement dated February 21, 1968 shall remain in full force and effect.

XI.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first here and above written.

ATTEST

BEXAR COUNTY HOSPITAL DISTRICT

Nancy H. Harding

Harvey Komet  
Harvey Komet M.D.  
Chairman, Board of Managers

APPROVED AS TO FORM

Norris Yates, Jr.  
Norris Yates, Jr.  
Assistant District Attorney

ATTEST

LONE STAR ENERGY COMPANY

\_\_\_\_\_  
Corporate Secretary

By R. B. Williams  
R. B. Williams  
Senior Vice President

APPROVED

ATTEST

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

Betty Anne Thedford  
BETTY ANNE THEDFORD, SECRETARY  
Board of Regents of  
The University of Texas System

By Allan Shivers  
Allan Shivers, Chairman

APPROVED AS TO FORM

APPROVED AS TO CONTENT

Lance Wachob  
Lance Wachob  
University Attorney  
The University of Texas System

By E. D. Walker  
E. D. Walker  
Deputy Chancellor for Administration  
The University of Texas System

- b. Amendment and Modification Agreement between the Lone Star Energy Company and the Board of Regents. This is not signed by the Veterans Administration since the VA does not enter into third party contracts:

AMENDMENT AND MODIFICATION AGREEMENT

This AGREEMENT made and entered into this 15<sup>th</sup> day of July 1976 by and between LONE STAR ENERGY COMPANY, a Texas corporation, hereinafter sometimes referred to as "Lone Star" 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 Customer Agreement dated October 6, 1967, between Central Energy Corporation and Board of Regents of the University of Texas System that provides for the construction of a central plant and related facilities, the operation and maintenance thereof and the furnishing of chilled water and steam from these facilities to serve the thermal energy requirements of the University of Texas Medical School at San Antonio and other loads approved by the Board; and

WHEREAS, the construction of facilities has been accomplished in accordance with the agreement and the approved plans and specifications and chilled water and steam services have been furnished and accepted from these facilities; and

WHEREAS, the aforesaid Customer Agreement and the Lease Agreement of even date therewith from the Board covering property on which the plant is located were assigned by Central Energy Corporation to Central Energy of San Antonio, Inc., with the consent of the Board; and

WHEREAS, Lone Star has purchased the assets and properties of Central Energy of San Antonio, Inc., and taken an assignment of aforementioned Customer Agreement and Lease effective November 1, 1972 to which assignment the Board agreed; and

WHEREAS, the parties hereto desire to expand the facilities to accommodate additional loads occasioned by new construction of buildings by the Board, which along with the University of Texas Medical School are known as the Health Science Center at San Antonio; to improve plant systems and instrumentation; to provide increased redundancy through utilization of electric as well as steam refrigeration machine prime movers; to provide additional storage facilities for secondary fuel, and to adjust the rates for service to be provided in accordance herewith;

NOW, THEREFORE, in consideration of the payment of One Dollar (\$1.00) by Lone Star to the Board, the receipt of which is hereby acknowledged, and the mutual covenants hereinafter set forth, the parties agree to amend and modify that certain Customer Agreement dated October 6, 1967, between Central Energy Corporation and the Board of Regents of the University of Texas System as follows:

I.

As appropriate, within the intent and purpose of this Amendment and Modification Agreement, wherever the name "Central Energy Corporation" or the term "CEC" appears in the Customer Agreement, such name or term shall be read and construed to mean "Lone Star Energy Company" or "Lone Star".

II.

Article 3 shall be modified in that the parties hereto recognize that a recent plant expansion was made partially in anticipation of expanded service to Board and affords the steam capacity and space for additional refrigeration equipment necessary to serve expanded requirements of Board and parties hereby agree an additional 3,000 tons of electric drive refrigeration equipment shall be installed in the plant to serve the thermal energy requirements of the dental and nursing schools presently under construction and the proposed cafeteria and the fifth floor addition to the medical school, such additional thermal energy requirements not to exceed 4,500 gpm of 42°F chilled water and 20,000 lbs./hr. of 150 psi saturated steam over existing contractual requirements. Lone Star agrees that so long as secondary fuels are available,

The expanded plant will be capable of producing approximately full design capacity of steam and chilled water with total load of primary fuel and boiler with total load of electrical utility service. It is further agreed that this expansion of facilities will be substantially completed within 24 months after Board's approval of plans and specifications and award of construction contracts by Lone Star for such expanded facilities. Article 3 shall be further modified by deleting the last sentence.

### III.

a) Article 8 (a) shall be modified by adding: "Board shall reimburse Lone Star \$0.41 per 1,000 gallons per month for each thousand gallons of chilled water makeup required in excess of 30,000 gallons per month".

"If Board is responsible for an abnormal loss of chilled water, Board shall reimburse Lone Star \$0.97 per 1,000 gallons of chilled water makeup required in excess of 30,000 gallons per month."

"Losses of chilled water in Lone Star's distribution system not caused by negligence of Board shall be borne by Lone Star."

b) Article 8 (b) shall be modified by deleting the last sentence and substituting for and in lieu thereof the following:

"If Board shall fail to return steam condensate as herein provided, it shall reimburse Lone Star \$0.67 per 1,000 gallons per month for each thousand gallons of steam condensate in excess of 12,000 gallons not returned to Lone Star in any month."

### IV.

The parties hereto recognize a nationwide energy crisis has recently developed resulting in unpredictable availability and prices for electricity and primary and secondary fuels. The parties hereto agree that in view of the energy crisis, approximately 240,000 gallons of oil fuel storage and improved alternate fuel capabilities are necessary to assure the integrity of the service desired. The parties hereto agree that secondary fuel shall be #2 fuel oil. Upon completion of the desired secondary fuel facilities, Board agrees to reimburse Lone Star for the direct cost of 110,400 gallons of the initial fill of oil.

The parties agree to execute on the date hereof an amended Lease Agreement, a copy of which is attached hereto as Exhibit I, which shall lease to Lone Star additional land necessary for secondary fuel tanks and related equipment.

In separate agreements with Lone Star, the Veterans Administration and the Bexar County Hospital District each will provide for reimbursement to Lone Star for their share of fuel oil facilities, initial fill of oil and new electrical service. Lone Star will not be required to award the construction contract for the construction of the facilities contemplated herein until said agreements providing for such reimbursement are executed by Lone Star and the above parties and approved by Board.

### V.

Articles 9 and 10 shall be deleted in their entirety and the following shall be substituted for and in lieu thereof:

"Effective and retroactive to January 1, 1974, the Board shall pay Lone Star for producing, circulating and furnishing chilled water and steam the following rates, subject to adjustment as herein provided:

Fixed Monthly Charge	\$29,400 per month
Rate for Chilled Water	\$0.0419 per ton hour for all ton hours per month
Rate for Steam	\$2.278 per million BTU per month

One ton-hour is defined as 12,000 BTU.

Upon completion of the expansion of facilities, as evidenced by a completion certificate from the Board's duly authorized representative, the

Director of Facilities Planning and Construction, which certificate shall not be more readily available, the Board shall pay Lone Star for producing, circulating and furnishing chilled water and steam the following rates, subject to adjustment as herein provided:

Fixed Monthly Charge	\$66,450 per month
Rate for Chilled Water	\$0.0419 per ton hour for all ton hours per month
Rate for Steam	\$2.278 per million BTU per month

If Board elects to reimburse Lone Star in lump sum of \$205,400 for its share of the secondary fuel oil facilities, the fixed monthly charge shall be reduced by \$3,461 per month.

The monthly charges based upon the rates set forth herein will be increased or decreased, as the case may be, as follows:

a) By an amount equal to the increase or decrease in cost of electricity used in the production of steam and chilled water for Board during the electric utility billing period immediately preceding the current month, from a base amount equal to the number of kilowatt hours (KWH) used priced at \$0.037 per KWH.

b) By an amount equal to the increase or decrease in cost of fuels used in the production of chilled water and steam for Board during the primary fuel billing period immediately preceding the current month, from a base amount equal to the number of BTU used priced at \$1.60 per million BTU.

c) By an amount equal to the increase or decrease in cost of water utilized in the production of steam and chilled water for Board during the water utility billing period immediately preceding the current month, from a base amount equal to the number of gallons used priced at \$0.23 per thousand gallons.

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 .018 MMBTU.

d) By an amount equal to 8.33% of the difference between actual taxes, other than Federal Income Tax, charged in the most recent taxable period and an annual tax base of \$100,000, added or deducted as the case may be and proportioned among customers with the Board's portion of said amount being 46% based on calculated total equivalent energy demand.

e) By an amount equal to Board's portion of \$125.00 appropriately added or deducted, as the case may be, for each one percent increase or decrease in the average cost of labor prevailing for manufacturing employees in the San Antonio labor market for the month of December of the immediately preceding year from the average cost of labor prevailing for manufacturing employees in the San Antonio labor market for December 1973. Fractional percentages shall be proportionally applied. The average cost of labor prevailing for manufacturing employees in the San Antonio labor market shall be determined by reference to and in conformity with the Index of Gross Average Hours and Earnings in the San Antonio metropolitan area published by the Texas Employment Commission in cooperating with the United States Bureau of Labor Statistics. Board's portion of this charge shall be determined as in d) above.

f) By \$16.85 for each \$1,000.00 the actual expansion cost is over or under the estimated cost of \$2,417,000.00."

## VI.

Article 11 shall be deleted in its entirety and the following shall be substituted for and in lieu thereof:

"11. Modification in Event of Expansion. In the event the parties hereto agree to an increase in services requiring an expansion of the central plant, other than the expansion specified herein, by agreement between the parties the rates for services and/or charges for the new expansion may be

determined and set forth separately in addition to the rates in this Modification Agreement or added to the rates specified herein.

4048

If Lone Star shall expand the central plant with the approval of the Board to serve customers other than Board, the rates and remaining terms of this Agreement shall be subject to modification by written agreement between the parties, provided, however, that rates may be reduced appropriately to Board and existing customers if additional customers approved by Board are served from existing facilities.

If any existing customer requires an increase in thermal energy service caused by new construction, other than the Board's dental and nursing school, the proposed cafeteria and the fifth floor addition to the medical school, the allocation of fixed monthly charge shall be adjusted by written agreement of all parties."

## VII.

Article 17, as amended, shall be deleted in its entirety and the following substituted for and in lieu thereof:

"17. Inability to Perform. In the event Lone Star becomes unable to continue the performance of services as herein provided because of bankruptcy, insolvency or for any reasons other than those outlined in Article 22 of this Agreement, Board may itself take over the operation of such plant. Under these circumstances, this Agreement will terminate and ownership shall vest in Board, provided, however, Board shall first pay for current operating and maintenance expenses and retire primary indebtedness, existing at the time of take over from all surplus money that is the result of plant revenue being in excess of actual operating and maintenance expense. The obligation to retire primary indebtedness shall be secondary to capital requirements necessary to restore facilities to reasonable operational order except where this expense is recovered from insurance in effect and this obligation will terminate upon full payment of the debt or August 31, 1981, whichever occurs first."

Plant revenues, as used in this Article 17, are defined as the revenue which would have been payable to Lone Star under Article V of this Amendment and Modification Agreement had Lone Star continued to own and operate the facilities herein described. The principal amount of primary indebtedness, as used herein, is defined as net book investment of plant and equipment at time of take over. Net book investment is the capital cost of plant and equipment when installed, less accumulated straight-line depreciation. In the event the Board takes over operation, it shall have the option to pay off the primary indebtedness at any time.

## VIII.

The parties hereto agree that Board shall adjust its reimbursement to pay Lone Star for a portion of any change in costs incurred by Lone Star as a result of new rules, regulations or laws imposed on Lone Star by city, state or federal governments or any agency thereof. 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.

## IX.

Article 18 shall be modified by deleting the words "and to the trustee" from the second sentence.

## X.

The following shall be deleted from Article 20:

"If to CEC: 2101 Proctor  
Dallas, Texas 75235"

and the following shall be substituted for and in lieu thereof:

"If to Lone Star: 301 South Harwood Street  
Dallas, Texas 75201"

XI.

Article 23 shall be modified by deleting the following from the second sentence thereof "except for the assignment of proceeds as provided in paragraph 16 hereof".

XII.

Except as herein expressly amended, the Customer Agreement dated October 6, 1967 shall remain in full force and effect.

XIII.

IN WITNESS WHEREOF, this Amendment is agreed to and approved by the duly authorized representatives of the Veterans Administration; the Bexar County Hospital District; the Board of Regents of the University of Texas System; and Lone Star Energy Company.

ATTEST

*Betty Anne Thedford*  
\_\_\_\_\_  
BETTY ANNE THEDFORD, SECRETARY  
Board of Regents of  
The University of Texas System

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

By *Allan Shivers*  
\_\_\_\_\_  
Allan Shivers, Chairman

ATTEST

\_\_\_\_\_  
Corporate Secretary

LONE STAR ENERGY COMPANY

By *R. B. Williams*  
\_\_\_\_\_  
R. B. Williams  
Senior Vice President

APPROVED AS TO FORM

*Dennis Walker*  
\_\_\_\_\_  
University Attorney  
The University of Texas System

APPROVED AS TO CONTENT

By *E. D. Walker*  
\_\_\_\_\_  
E. D. Walker  
Deputy Chancellor for Administration  
The University of Texas System

APPROVED AS TO FORM

*Horrie Yates, Jr.*  
\_\_\_\_\_  
Horrie Yates, Jr.  
Assistant District Attorney

THIS AMENDMENT TO CONTRACT DATED  
OCTOBER 6, 1967 AND THE TERMS  
THEREOF ARE HEREBY AGREED TO THIS  
24th DAY OF June, 1975  
BEXAR COUNTY HOSPITAL DISTRICT

ATTEST

*Warren L. Harding*  
\_\_\_\_\_  
Warren L. Harding

By *Harvey Komet*  
\_\_\_\_\_  
Harvey Komet M.D.  
Chairman, Board of Managers

THIS AMENDMENT TO CONTRACT DATED  
OCTOBER 6, 1967 AND THE TERMS  
THEREOF ARE HEREBY AGREED TO THIS  
\_\_\_\_ DAY OF \_\_\_\_\_, 19\_\_\_\_  
UNITED STATES OF AMERICA

ATTEST

\_\_\_\_\_  
Contracting Officer  
Veterans Administration

By \_\_\_\_\_  
Contracting Officer  
Veterans Administration

JUL 9 1976

4050

AGREEMENT BY THE GOVERNMENT

\* \* \*

In order not to impede expansion of facilities by Lone Star Energy Company for the benefit of the Board of Regents of the University of Texas System, the United States of America, acting through the Veterans Administration, hereby signifies its approval of the foregoing AMENDMENT AND MODIFICATION AGREEMENT dated June 1, 1975, subject to the following express reservations and provisions, to-wit:

The Government does not consent or agree at this time to be bound by any provisions of subject document which might constitute a change in the existing agreement between Lone Star Energy Company as successor to Central Energy of San Antonio, Incorporated, and the Government, executed November 2, 1971.

DATED this 5<sup>th</sup> day of October, 1975

UNITED STATES OF AMERICA

ATTEST

Kenneth R. Woodbury

By L. M. Moran  
Contracting Officer  
Veterans Administration

JUL 9 1976

Amendment made November 1, 1975, between The Board of Regents of The **4051**  
University of Texas System herein referred to as "Lessor" and Lone Star Energy  
Company herein referred to as "Lessee."

The Board of Regents of The University of Texas System and Central Energy Corporation entered into a lease agreement on October 6, 1967, attached to service agreement of even date between these parties in Exhibit "C". A service agreement and lease agreement were ultimately assigned to Lone Star Energy Company effective November 1, 1972, with the consent of Lessor. The demised property is more fully described by metes and bounds in Exhibit "A" attached to said service agreement.

It is the desire of the parties to amend the description of the premises demised by the lease.

In consideration of the mutual covenants contained herein, the parties agree as follows:

The description of the demised premises attached to said service agreement shall be amended to describe the premises as follows, upon which is constructed the Central Energy Plant for The University of Texas Health Science Center at San Antonio, operated and maintained by Lone Star Energy Company:

All of that certain tract or parcel of land out of Oak Hills Park Unit One, a subdivision of Bexar County, Texas, as recorded in Volume 5502, page 90, of the Deed and Plat Records of Bexar County, Texas, said tract being more particularly described by metes and bounds as follows:

BEGINNING at a point in the West line of the said Oak Hills Park Unit One at the common South corner of the South Texas Medical School Building and the Bexar County Teaching Hospital Building;

THENCE along the West line of the said Oak Hills Park Unit One S. 1° 04' 16" W. for a distance of 120.23 feet;

THENCE continuing along the West line of the said Oak Hills Park Unit One S. 41° 43' 46" W. for a distance of 353.72 feet;

THENCE N. 81° 38' E. for a distance of 131.53 feet to the Northwest corner and place of beginning hereof;

THENCE NO. 81° 38' E. for a distance of 150.00 feet to an iron stake at the Northeast corner hereof;

THENCE S. 8° 22' E. for a distance of 290.00 feet to an iron stake for the Southeast corner hereof;

THENCE S. 81° 38' W. - 156.29 feet to the Southwest corner of the herein described tract;

THENCE N. 08° 22' W. - 147.27 feet to a re-entrant corner of the herein described tract;

THENCE S. 81° 38' E. - 6.29 feet to an inside corner of the herein described tract;

THENCE N. 08° 22' W. - 142.73 feet to the POINT OF BEGINNING.

CONTAINING 44,426.33 square feet 1.020 acres of land, more or less.

Lessor hereby adopts, ratifies and confirms the lease as it is hereby amended and demises to Lessee all of the land above described and referred to, subject to and under the terms and conditions of the lease, as amended.

These provisions shall extend to and be binding on the heirs, legal representatives, successors, and assigns of both parties hereto.

The amended description shall be incorporated into the basic lease and except as amended all of the terms of the basic lease shall remain in full force and effect, unaltered and unchanged by this subsequent agreement.

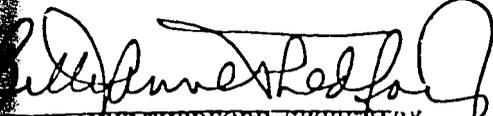
EXECUTED by the parties on the day and year first above written.

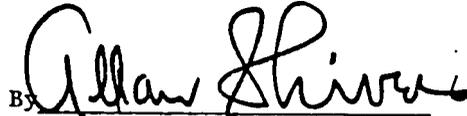
JUL 9 1976

4052

ATTEST:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

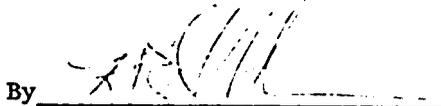
  
BETTY ANNE THEDFORD, SECRETARY  
Board of Regents of  
The University of Texas System

By 

ATTEST:

LONE STAR ENERGY COMPANY

\_\_\_\_\_  
Secretary

By   
Senior Vice President

Approved as to Form:

*W. H. S.*  
Approved as to Content:

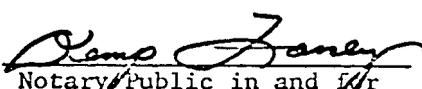
  
University Attorney

  
Deputy Chancellor for Administration  
*E. W. Alker*

THE STATE OF TEXAS    I  
                                  I  
COUNTY OF TRAVIS    I

BEFORE ME, the undersigned authority, on this day personally appeared Allan Shivers, Chairman of the Board of Regents of The University of Texas System, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said Board of Regents of The University of Texas System.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 2<sup>nd</sup> day of July, 1975.

  
Notary Public in and for  
Travis County, Texas

THE STATE OF TEXAS    I  
                                  I  
COUNTY OF DALLAS    I

BEFORE ME, the undersigned authority, on this day personally appeared R. B. WILLIAMS, Senior Vice President of Lone Star Energy Company, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of the said Lone Star Energy Company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 1975.

\_\_\_\_\_  
Notary Public in and for  
Dallas County, Texas  
JEAN H. LUTTENBERG, Notary Public  
in and for Dallas County, Texas

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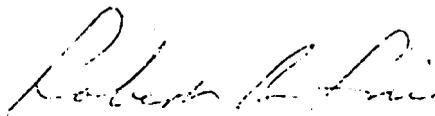
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Below is an additional report from the Special Committee:

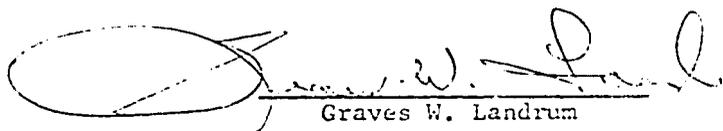
May 17, 1976

To the Board of Regents of  
The University of Texas System:

The Special Committee appointed at the Regents' Meeting held on December 13, 1974, has reviewed and approved two new revised contracts between Lone Star Energy Company and the Veterans Administration for thermal energy services to be provided by the thermal energy plant located on the campus of the Health Science Center at San Antonio. These new revised contracts are entitled, "Supplementary Agreement" and "Modification Agreement," and are both dated April 30, 1976. Together, these new revised contracts take the place of the draft contract between the two parties which was previously approved by the Special Committee on June 12, 1975.



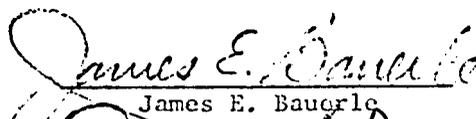
Robert B. Price



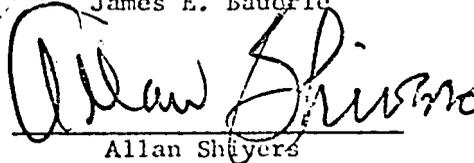
Graves W. Landrum



E. D. Walker



James E. Baugle



Allan Shivers

The Supplementary Agreement and Modification Agreement referred to in the foregoing report, both dated April 30, 1976, between the Lone Star Energy Company and the Veterans Administration are set out on Pages 124 - 138 .

## c. Supplementary Agreement

THIS SUPPLEMENTARY AGREEMENT made and entered into this  
3<sup>rd</sup> day of April 1976 by and  
between LONE STAR ENERGY COMPANY, a Texas Corporation,  
hereinafter referred to as "Contractor" and the UNITED STATES  
OF AMERICA represented by the Contracting Officer of the  
Audie L. Murphy Memorial Veterans Hospital, San Antonio, Texas.

## WITNESSETH:

WHEREAS, there exists a Chilled Water and Steam Service  
Agreement, dated November 1, 1971, a Construction Agreement and  
an Award dated August 4, 1971 between Central Energy of San Antonio,  
Inc., and the Government that provide for the construction of  
facilities, the operation and maintenance thereof and the  
furnishing of chilled water and steam from these facilities  
to serve the requirements of the Veterans Administration Hospital  
in San Antonio, Texas; and

WHEREAS, the construction of facilities has been accom-  
plished in accordance with the aforementioned agreements and  
chilled water and steam services are being furnished and accepted  
from these facilities; and

WHEREAS, Lone Star Energy Company, hereinafter referred to  
as Contractor, has purchased the assets and properties of  
Central Energy of San Antonio, Inc., and has taken an assignment  
of the aforementioned agreements with approval of the Government;  
and

WHEREAS, Contractor has proposed that it install increased and additional facilities for stand-by capacity for furnishing steam through utilization of fuel oil; and

WHEREAS, Contractor has arranged to install a 5 KV electrical service capable of handling an additional 6000 tons of electric driven cooling equipment, and shall at this time install 3000 tons of electric driven cooling equipment; and

WHEREAS, the Government is advised that recent developments in the energy field indicate that the possibility of loss or decrease in availability of natural gas as the prime energy source has become greater in recent months; and

WHEREAS, it appears to be in the best interest of the Government in view of these changed conditions to become prepared to meet such possible emergency conditions by securing the proposed additional stand-by capacity as proposed by the Contractor; and

WHEREAS, the other users of Contractor's services at this location have agreed to bear their proportionate shares of the cost of providing such additional facilities,

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for the purpose of providing for the Government at its Veterans Administration Hospital at San Antonio, Texas, more secure and reliable sources and facilities for procurement of steam and chilled water under outage or emergency situations, the parties hereto do enter into this SUPPLEMENTARY AGREEMENT providing as follows:

1. Contractor agrees to proceed immediately to erect facilities capable of providing, and Contractor shall provide sustained steam production in the event of prolonged outages of natural gas so long as fuel oil is available.

JUL 9 1976

4056

2. Contractor agrees to proceed immediately to erect facilities capable of providing, and Contractor's plant shall provide, 100 percent cooling capacity in the event of loss of natural gas as an energy source, and shall provide 75 percent cooling capacity in the event one of the largest single chillers is out of service. Contractor's plant shall provide approximately 30 percent of its total cooling capacity in the event of total loss of electrical service. Such installation, deemed the most feasible method of providing additional cooling capacity, will not only provide immediately an additional 900 tons of plant cooling capacity, but, also will provide an additional stand-by source of chilled water which shall be available to Contractor's customers.

3. Contractor shall proceed immediately to provide such facilities and shall:

(a) Install or cause to be installed a 5 KV electrical service capable of handling an additional 6000 tons of cooling capacity over that installed on October 31, 1975.

(b) Provide storage facilities for 240,000 gallons of fuel oil to permit approximately (15) days operation at 100 percent steam load of the plant in the event of total loss of natural gas service.

(c) The contractor shall provide a suitable operational check-out for readiness of this storage facility and shall report the findings of such check-out to the aforesaid Veterans Administration Hospital at least quarterly.

4. The Government agrees to pay its portion (a proration based upon established percentages of steam and chilled water delivered to the three users of Contractor's existing facilities) of the capital costs of installing and activating such additional facilities. It is estimated that the total cost of the electrical portion of the proposed expansion is \$770,000.00, and of this amount \$425,000.00 is charged to providing the 5 KV electrical service. Of that amount of \$425,000.00, the Government's pro rata share (30.3%) is \$128,700.00. The cost of providing 240,000 gallon capacity oil storage is established as \$450,000.00. Of that amount, the Government's pro rata share (30.94%) is \$139,200.00. Accordingly, the Government agrees to pay to Contractor upon the completion and activation of such additional facilities amounts as follows:

- (a) For the cost of such new 5 KV electrical service, the sum of \$128,700.00.
- (b) For the cost of the additional fuel oil facilities, having a capacity of an additional 240,000 gallons of fuel oil, the sum of \$139,200.00, plus the actual cost of 74,400 gallons of fuel oil for initial fill;  
PROVIDED, that upon termination of the service agreement between Contractor and the Government, the Government shall be reimbursed for such cost of its share of the aforesaid initial fuel fill by Contractor and/or the Board of Regents of the University of Texas System at the then existing market price.

5. In providing to the Government at such hospital both steam and chilled water, the Contractor shall utilize and account for natural gas, fuel and electricity, which can be obtained and used at the lowest unit cost, except during periods when effective plant operations require otherwise.

6. It is agreed that the Contractor shall continue to furnish and Government shall receive steam and chilled water at the aforesaid Veterans Administration Hospital at basic rates established in accordance with the Chilled Water and Steam Agreement dated November 1, 1971 between the Government and Central Energy of San Antonio, Incorporated, as amended or modified by the parties hereto by a Modification Agreement of even date herewith. In consideration of the payment by the Government, as provided for in paragraph 4, hereof, a portion of the Contractor's capital costs for installation of such additional facilities, Contractor agrees that the Government shall not incur any increase in basic rates occasioned by the costs of such new facilities. There shall be no increase in the basic rates to the Government by reason of this Supplemental Agreement.

7. All requirements and provisions of the Government's Agreements with CENTRAL ENERGY OF SAN ANTONIO, INCORPORATED, dated August 4, 1971 (modified by a subsequent Novation Agreement with Lone Star) and the CHILLED WATER AND STEAM SERVICE AGREEMENT dated November 1, 1971, as amended by the Modification Agreement of even date herewith shall remain in full force and effect except as expressly modified or altered herein.

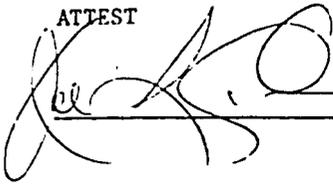
8. Contractor will not be responsible for any interruption of the delivery of chilled water or steam or for the performance of any of the duties assumed hereunder by Contractor, due to strikes, fires, or governmental interference, or regulation of or by any governmental authority, acts of God, or causes beyond the control of Contractor.

JUL 9 1976

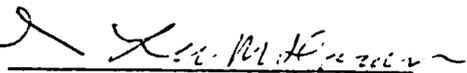
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IN WITNESS WHEREOF, the parties hereto have caused this  
Supplementary Agreement to be executed and delivered as of the  
date and year first above written.

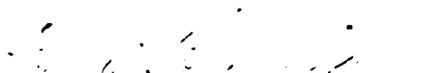
ATTEST



UNITED STATES OF AMERICA

By   
Contracting Officer  
Veterans Administration

ATTEST

  
Asst. Corporate Secretary

LONE STAR ENERGY COMPANY

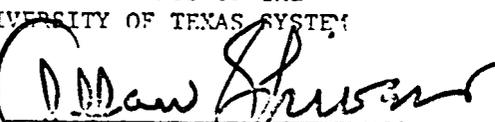
By   
N. H. Parrott  
Executive Vice President

APPROVED:

ATTEST

  
BETTY ANNE THEDFORD, SECRETARY  
Board of Regents of  
The University of Texas System

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

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

APPROVED AS TO FORM

APPROVED AS TO CONTENT

  
University Attorney  
The University of Texas System

By   
E. D. Walker  
Deputy Chancellor for Administration  
The University of Texas System

## d. Modification Agreement

THIS AGREEMENT made and entered into this 30<sup>th</sup> day of July 1976 by and between LONE STAR ENERGY COMPANY, a Texas Corporation, hereinafter referred to as Contractor and the UNITED STATES OF AMERICA represented by the Contracting Officer of the Audie L. Murphy Memorial Veterans Hospital, San Antonio, Texas.

## WITNESSETH:

WHEREAS, there exists a Chilled Water and Steam Service Agreement, dated November 1, 1971, and the Agreement dated August 4, 1971, between Central Energy of San Antonio, Inc. and the Government that provides for the construction of facilities, the operation and maintenance thereof and the furnishing of chilled water and steam from these facilities to serve the requirements of the aforesaid Veterans Administration Hospital in San Antonio, Texas; and

WHEREAS, construction of facilities has been made and chilled water and steam services are being furnished and accepted from these facilities; and

WHEREAS, the Contractor has purchased the assets and properties of Central Energy of San Antonio, Inc., and taken an assignment of the aforementioned agreements with approval of the Government; and

WHEREAS, the parties hereto recognize that all requirements and provisions of the Government's Agreements with CENTRAL ENERGY OF SAN ANTONIO, INCORPORATED, dated August 4, 1971

and the CHILLED WATER AND STEAM SERVICE AGREEMENT dated November 1, 1971 (modified by a subsequent Novation Agreement with Lone Star dated November 1, 1972) shall remain in full force and effect except as expressly modified or altered hereinafter.

WHEREAS, general conditions have resulted in continually increasing utility and labor costs to the Contractor considerably in excess of the rates of increase contemplated by the parties to the original agreement, and the Contractor has been called upon to provide increased services to co-users of its facilities.

NOW, THEREFORE, in consideration of the payment by Contractor to the Government of the sum of One Dollar (\$1.00) and other good and valuable considerations, receipt whereof is hereby acknowledged, the parties do hereby agree to modify the existing CHILLED WATER AND STEAM SERVICE AGREEMENT dated November 1, 1971, as follows:

1. Section I. SPECIFICATIONS, subparagraph e of Section 1, relating to Chilled Water, of paragraph B of the aforesaid Chilled Water and Steam Service Agreement shall be deleted and instead thereof the following new subparagraph e shall be inserted, to-wit:

e. Adjustments - - The monthly charge for chilled water based on the above basic rates, shall be adjusted by increase or decrease in the cost of fuel, electricity, water and labor incurred each billing period by applying the factors set out below to such costs, as soon as practicable after such cost figures are available:

(1) For refrigeration produced using steam turbines or absorption chillers, \$.0002 per ton hour for each cent by which cost to the Contractor per million B.T.U. of the fuel utilized varies from twenty-five and two-tenths cents per million B.T.U.

(2) For the refrigeration produced using electric motor driven chillers, \$.0011 per ton hour for each one-tenth cent by which the cost to the Contractor per Kilowatt hour (KWH) of electrical energy, including cost determined on the basis of demand, varies from \$.009 per KWH. Where electric driven chillers are not utilized, the electrical cost adjustment shall be \$.00033 per ton hour for each \$.001 change in the cost of electrical energy, including charges based on demand, from \$.009 per KWH.

(3) \$.0002 per ton hour for each two cents by which the cost to the Contractor per thousand gallons of water used varies from thirteen and one-half cents per thousand gallons of water.

(4) \$.00012 per ton hour for each five percent change in the average cost of labor prevailing for manufacturing employees in the San Antonio labor market for the month of December of each contract year from the average cost of labor prevailing for manufacturing employees in the San Antonio labor market for December 1970. The average cost of labor prevailing for manufacturing employees in the San Antonio labor market shall be determined by reference to and in conformity with the index of Gross Average Hours and Earnings in the

San Antonio Metropolitan Area published by the Texas Employment Commission in cooperation with the United States Bureau of Labor Statistics.

2. Section I, SPECIFICATIONS, subparagraph c and subparagraph e of Section 2, relating to steam, of paragraph B of the aforesaid Chilled Water and Steam Service Agreement shall be deleted and instead thereof the following new subparagraphs c and e shall be inserted, to wit:

c. Return of Steam - - The hospital shall return all steam condensate to the Contractor's circulating system as follows:

(1) Steam condensate shall be returned to the Contractor's return line at a pressure sufficient to enter the return line but not to exceed 50 p.s.i.g. The hospital shall pay for unreturned steam condensate at the rate of \$.67 per thousand gallons for quantities in excess of 30 thousand gallons not returned during any month.

e. Adjustments - - The monthly charge for steam based on the above basic rates, shall be adjusted by increase or decrease in the cost of fuel, electricity, water and labor incurred each billing period by applying the factors set out below to such costs, as soon as practicable after such cost figures are available:

JUL 9 1976

4064

(1) \$.0015 per million B.T.U. for each one-tenth cent by which the cost to the Contractor per million B.T.U. of the fuel used in the central plant system allocated to production of steam for sale varies from twenty-five and two-tenths cents per million B.T.U.

(2) \$.002 per million B.T.U. for each one-tenth cent by which the cost to the Contractor per KWH of electrical energy, including cost determined on the basis of demand, varies from \$.009 per KWH.

(3) \$.005 per million B.T.U. for each one cent by which the cost to the Contractor per thousand gallons of water used in the central plant system varies from thirteen and one-half cents per thousand gallons of water.

(4) \$.013 per million B.T.U. for each five percent change in the average cost of labor prevailing for manufacturing employees in the San Antonio, Texas, labor market for December of each contract year from the average cost of labor prevailing for manufacturing employees in the San Antonio, Texas labor market for December 1970, such costs determined as provided in paragraph I.B.1.e (4) of this contract.

3. In addition to the adjustments provided for herein above in paragraph 1.e. on page 2, relating to Chilled Water, and paragraph 2.e on page 4, relating to Steam, an adjustment for taxes shall be made to reflect the increase or decrease in annual taxes other than sales, use and income taxes, from a base amount paid by Contractor in 1971. The monthly charge shall be increased or decreased, as the case may be, by an

Rev. 1.

amount equal to 2.56 percent of the amount of changed taxes. The amount of taxes and equitable percentage represented above, shall be subject to annual validation by both parties.

4. Section II. GENERAL PROVISIONS, subparagraph A of the aforesaid Chilled Water and Steam Service Agreement shall be deleted and instead thereof the following new provisions shall be inserted, to wit:

A. Period of Contract - - This contract shall be for a period of three (3) years from the date of first service to the hospital and may be renewed for successive three (3) year periods thereafter upon written agreement executed by both parties prior to expiration of the then current contract period. For the purpose hereof the date of "first service" shall be deemed to be May 1, 1973. Contract periods extending beyond the end of any fiscal year of the Government are subject to the availability of funds and no service will be furnished by the Contractor after the end of any fiscal year until specifically authorized by the contracting officer.

And subparagraph B thereof shall be deleted, and in lieu thereof the following new subparagraph B shall become applicable:

B. Adjustments - - It is recognized that in the original Paragraph B, Section II, General Provisions, of the Chilled Water and Steam Service Agreement, the Contractor's average cost is computed for the immediately preceding fiscal year and adjustments made to deliveries commencing July 1 of the Government's next fiscal year. Using this formula the Contractor will not have recovered all of its adjustment costs to which it is entitled by reason of costs incurred during the period from November 1, 1973, through

March 31, 1976, by the time this agreement becomes effective. Accordingly, it is agreed by the parties that at such time as the Contractor submits to the Government its duly authenticated statement as to the unreimbursed charges, utilizing the formulae provided in the original Chilled Water and Steam Agreement, the Government, upon final verification of the amount so due, shall pay such amount. For the purpose of arriving at a present determination of the amount of reimbursement, it is agreed that the monthly future deliveries shall be considered the same as the corresponding monthly 1975 deliveries. For example, earned but uncollected adjustments for November 1973 - - October 1974 would have been billed by July 5, 1976. Under this Agreement, the calculations for the months of May and June 1976 will utilize the November 1973 - - October 1974 adjustment factors of \$.01363 per ton hour for chilled water and \$.8740 MMBTU for steam applied to the May and June 1975 ton hours and MMBTU, respectively. The remaining sums due the Contractor for the periods November 1, 1974 - - October 31, 1975 and November 1, 1975 - - March 31, 1976, shall be calculated using the adjustment factor for those respective periods and 1975 monthly deliveries of chilled water and steam.

5. The parties hereto agree that the Government shall adjust its calendar year reimbursement to pay the Contractor for the Government's proportionate share of any change in costs of providing services provided by this contract incurred by the Contractor as a result of requirements of rules, regulations

JUL 9 1976

4067

or laws hereafter imposed on the Contractor by City, State or Federal Governments or any agency thereof, except income, sales or use taxes.

6. It is agreed finally that nothing in this Modification Agreement shall be construed as relieving the Contractor of its obligations to furnish steam and chilled water to the aforesaid Veterans Administration Hospital at basic rates no more than those established in accordance with the original agreement with Central Energy of San Antonio, Incorporated and the subsequent Chilled Water and Steam Service Agreement as amended or modified hereinabove or hereafter by written agreement of the parties.

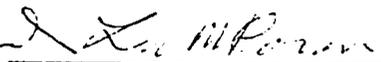
7. The aforesaid Chilled Water and Steam Service Agreement, as modified hereby, is hereby renewed for an additional three years beginning May 1, 1976.

IN WITNESS WHEREOF, the parties hereto have caused this Modification Agreement to be executed and delivered by duly authorized agents or officers of the respective parties as of the date and year first above written.

ATTEST

UNITED STATES OF AMERICA

  
\_\_\_\_\_  
Director, Audie L. Murphy  
Memorial Veterans Hospital  
San Antonio, Texas

By   
\_\_\_\_\_  
Contracting Officer, Audie  
L. Murphy Memorial Veterans  
Hospital, San Antonio, Texas

ATTEST

LONE STAR ENERGY COMPANY

  
\_\_\_\_\_  
Asst. Corporate Secretary

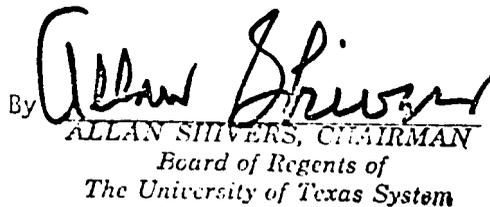
By   
\_\_\_\_\_  
N. H. Parrott  
Executive Vice President

APPROVED:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

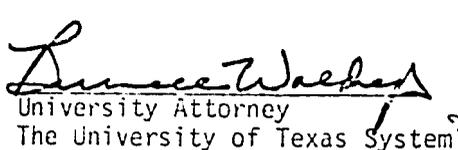
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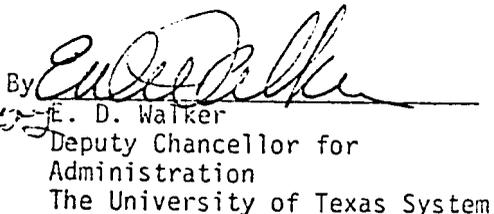
  
BETTY ANNE THEDFORD, SECRETARY  
Board of Regents of  
The University of Texas System

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

APPROVED AS TO FORM

APPROVED AS TO CONTENT

  
University Attorney  
The University of Texas System

By   
E. D. Walker  
Deputy Chancellor for  
Administration  
The University of Texas System

3. Dallas Health Science Center: Discontinuance of Affiliation Agreements with (a) Marbridge House of Dallas, Dallas, Texas; (b) National Association for Retarded Children, Arlington, Texas; (c) Texas Easter Seal Society, Dallas, Texas; (d) Youth Services Bureau of Tarrant County, Fort Worth, Texas; and (e) Texas Institute for Rehabilitation and Research, Houston, Texas. --In order that the record will be complete, the following Affiliation Agreements with The University of Texas Health Science Center at Dallas have been discontinued:

- a. Marbridge House of Dallas, Dallas, Texas, originally approved September 11, 1972
- b. National Association for Retarded Children, Arlington, Texas, originally approved March 5, 1973
- c. Texas Easter Seal Society, Dallas, Texas, originally approved July 21, 1972
- d. Youth Services Bureau of Tarrant County, Fort Worth, Texas, originally approved January 26, 1973
- e. Texas Institute for Rehabilitation and Research, Houston, Texas, originally approved December 8, 1972

President Sprague has reported that Dallas Health Science Center no longer has programs for which these affiliations are needed.

Discontinuance of these agreements was ratified by unanimous vote.

### COMMITTEE OF THE WHOLE - EXECUTIVE SESSION

Following the meeting of the Committee of the Whole in Open Session, the Executive Session of the Committee of the Whole met in Room 209 pursuant to Article 6252-17, Sections 2(e) and (g), V. T. C. S.

Chairman Shivers reported that the Board of Regents discussed in Executive Session personnel matters as related to the recommended 1976-77 Operating Budgets for The University of Texas System and litigation under the Will of Howard Hughes. He then called for consideration of the only item requiring action:

**U. T. SYSTEM: ADOPTION OF 1976-77 OPERATING BUDGETS, INCLUDING AUXILIARY ENTERPRISES, GRANTS AND GOVERNMENT FUNDS, RESTRICTED CURRENT FUNDS, AND MEDICAL SERVICES RESEARCH DEVELOPMENT PROGRAMS; AVAILABILITY TO PRESS.** --By unanimous vote, the proposed 1976-77 Operating Budgets for The University of Texas System listed below were adopted with authorization to System Administration to make any errata corrections. These budgets are a part of the Minutes of this meeting, and the official copy is in bound Volume XXXI entitled Annual Budgets for 1976-77:

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

These budgets include auxiliary Enterprises, Grants and Government Funds, and Restricted Current Funds. The budgets for the medical installations include the Medical Services Research Development Programs. The rules governing these Operating Budgets are included on pink sheets in each of the bound copies.

Chairman Shivers announced to the Press that on Monday morning, July 12, a copy of the Budgets would be available in the Conference Room on the third floor of O. Henry Hall for examination. Arrangements can be made there if someone wishes to purchase a copy.

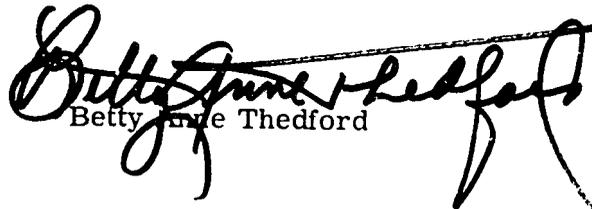
**WILL OF HOWARD HUGHES.** --Chairman Shivers reported that in Executive Session Attorney General Hill advised the Regents that the two handwriting experts who had been employed to make independent examinations of the so-called Howard Hughes Mormon Will by the four universities named in the Will had reported that in their opinion the

JUL 9 1976

4070

Will is a forgery. In view of these developments The University of Texas System does not plan to actively pursue probate of the Will.

ADJOURNMENT. --All items on the Agenda having been considered, the meeting was duly adjourned at 12:30 p. m.

  
Betty Jane Thedford

July 13, 1976