

OMISSION

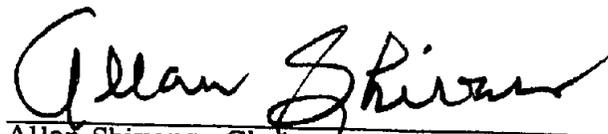
Pages 4059-4457

A. Rath Baker

SIGNATURE OF OPERATOR

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 29, 1977) to be reflected in the Minutes.

Signed this the 29th day of July, 1977, A.D.



Allan Shivers, Chairman

Dan C. Williams, Vice-Chairman



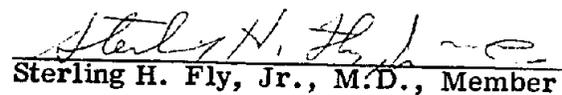
James E. Bauerle, D.D.S., Member



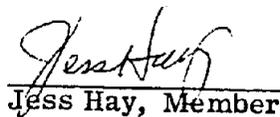
Mrs. Roland K. Blumberg, Member



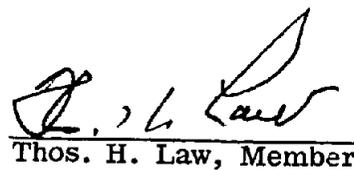
Edward Clark, Member



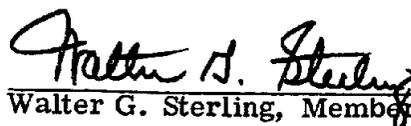
Sterling H. Fly, Jr., M.D., Member



Jess Hay, Member



Thos. H. Law, Member



Walter G. Sterling, Member

Meeting No. 747
THE MINUTES OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

Pages 1 - 77

July 29, 1977

Austin, Texas

MEETING NO. 747

FRIDAY, JULY 29, 1977.--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 29, 1977, in the Regents' Meeting Room on the ninth floor of Ashbel Smith Hall, Austin, Texas, with the following in attendance and Chairman Shivers presiding:

ATTENDANCE.--

Present

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

Absent

Vice-Chairman Williams *
-excused

Secretary Thedford

Chancellor LeMaistre
Deputy Chancellor Walker

BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING ON JUNE 10, 1977.--Upon motion of Regent Bauerle, seconded by Regent Sterling, the Minutes of the meeting of the Board of Regents of The University of Texas System held on June 10, 1977, in Austin, Texas, were approved without objection as circulated by Secretary Thedford. The official copy is recorded in the Permanent Minutes, Volume XXIV, Page 3527.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1977: (1) RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1977, IN THE AMOUNT OF \$20,000,000 AND AWARDING THE SALE OF THE BONDS TO FIRST NATIONAL BANK IN DALLAS, DALLAS, TEXAS; (2) DESIGNATION OF AMERICAN NATIONAL BANK OF AUSTIN, AUSTIN, TEXAS; CITIBANK, N.A., 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 & OFFICE CENTERS, INC., AUSTIN, TEXAS.--The written RESOLUTION set out on Pages 3 - 21 was duly introduced for the consideration of said bonds and read in full. It was duly moved by Regent Law, seconded by Regent Sterling, 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

*Vice-Chairman Williams, who was out of the state on business, was excused from the meeting.

The adoption of this Resolution authorized issuance of Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1977, in the amount of \$20,000,000 and awarded the sale of the bonds to the First National Bank in Dallas, Dallas, Texas, for the principal amount thereof and accrued interest to the date of delivery, plus a premium of \$948 (Page 20) at the interest rates reflected on Page 10 . The effective interest rate is 4.6353 percent.

It was moved by Regent Law, seconded by Regent Sterling, that the bid of American National Bank of Austin, Austin, Texas, with Citibank, N.A., 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 1977, in the amount of \$20,000,000 be accepted (Pages 11, 15). The bid was accepted by unanimous vote. To serve in this capacity, the American National Bank will pay to the Board of Regents \$1,500 per annum as long as there are bonds outstanding.

The contract to print the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1977, in the amount of \$20,000,000 was awarded by unanimous vote to Hart Graphics & Office Centers, Inc., Austin, Texas, the only bidder, upon motion of Regent Law, seconded by Regent Sterling. These bonds are to be printed according to specifications with lithographed borders for the sum of \$2,115, there being five interest rates.

[The Official Notice of Sale and Official Statement will be incorporated in the official copy of the Minutes (Permanent Minutes)].

Official Notice of SALE
&
Official STATEMENT

for

Board of Regents of The University of Texas System

Permanent University Fund Bonds

New Series 1977

\$20,000,000

Board of Regents of The Texas A&M University System

Permanent University Fund Bonds

New Series 1977

\$10,000,000

TO BE DATED JULY 1, 1977

Official Notice of SALE
&
Official STATEMENT

for

Board of Regents of The University of Texas System
Permanent University Fund Bonds

New Series 1977 \$20,000,000

Board of Regents of The Texas A&M University System
Permanent University Fund Bonds

New Series 1977 \$10,000,000

TO BE DATED JULY 1, 1977

Part I

OFFICIAL NOTICE OF SALE

Board of Regents of The University of Texas System
Permanent University Fund Bonds
New Series 1977

\$20,000,000

Board of Regents of The Texas A&M University System
Permanent University Fund Bonds
New Series 1977

\$10,000,000

Bids to be Opened
Thursday, July 28, 1977, 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 28, 1977, 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 29, 1977, 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 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 \$20,000,000 of Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1977, the good faith check must be payable to the Board of Regents of The University of Texas System in the amount of \$400,000.
2. For the \$10,000,000 of Board of Regents of The Texas A&M University System Permanent University Fund Bonds, New Series 1977, the good faith check must be payable to the Board of Regents of The Texas A&M University System in the amount of \$200,000.

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 opinions of Messrs. Vinson & Elkins, bond counsel for The University of Texas System, and Messrs. McCall, Parkhurst & Horton, bond counsel for The Texas A&M University System, to a like effect and to the effect that the interest on the bonds is exempt from federal income taxation under existing statutes, regulations and Court decisions. Neither Messrs. Vinson & Elkins nor Messrs. McCall, Parkhurst & Horton took part in the preparation of the Official Notice of Sale or the Official Statement nor have such firms undertaken independently to verify any of the information contained therein, except that, in their capacity as bond counsel, such firms have reviewed the information describing the bonds in such Notice and Statement to verify that such description conforms to the provisions of the bond resolution. The legal fees to be paid Messrs. Vinson & Elkins and Messrs. McCall, Parkhurst & Horton for services rendered in connection with the issuance of the bonds are contingent on the sale and delivery of the bonds.

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

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

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

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

Paying Agent Banks: On the date these bonds are sold, the Board of Regents of The University of Texas System and the Board of Regents of The Texas A&M University System, respectively, will select a Texas bank with assets in excess of \$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 30, 1977, 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 30, 1977, or thereafter when the bonds are tendered for delivery up to and including September 30, 1977. 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 30, 1977, 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.

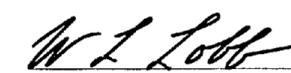
Responsibility for Qualification of Bonds for Sale in Respective States: The Boards assume no responsibility for qualification of the bonds under the securities laws of any jurisdiction in which the bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility 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 Chancellor
The Texas A&M University System
College Station, Texas 77843

July 15, 1977



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

\$20,000,000

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM
PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1977

\$10,000,000

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1977

DATE OF BONDS: July 1, 1977

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

PAYABLE: Annual principal (July 1) and semiannual interest (January 1 and July 1; first coupon payable January 1, 1978) 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
1978	\$ 800,000	\$400,000
1979	800,000	400,000
1980	800,000	400,000
1981	800,000	400,000
1982	900,000	450,000
1983	900,000	450,000
1984	900,000	450,000
1985	900,000	450,000
1986	1,000,000	500,000
1987	1,000,000	500,000
1988	1,000,000	500,000
1989	1,000,000	500,000
1990	1,100,000	550,000
1991	1,100,000	550,000
1992	1,100,000	550,000
1993	1,100,000	550,000
1994	1,200,000	600,000
1995	1,200,000	600,000
1996	1,200,000	600,000
1997	1,200,000	600,000

CALL PRICE: Both issues of bonds are non-callable prior to July 1, 1987. Beginning July 1, 1987, all bonds of both issues are callable on any interest payment date, on thirty days' notice, at the price effective on such date determined as follows:

Par and accrued interest to the date fixed for redemption plus a premium of two percent (2%) if redeemed on or after July 1, 1987, but prior to July 1, 1988, such premium declining by one-half of one percent (1/2%) on July 1, 1988, and each July 1 thereafter to par on July 1, 1991.

PURPOSE: The \$20,000,000 of Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1977, 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 \$10,000,000 of Board of Regents of The Texas A&M University System Permanent University Fund Bonds, New Series 1977, 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, 1977, in the aggregate principal amount of \$15,685,000 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, 1977, in the aggregate principal amount \$3,695,000 with all of said bonds being on a parity and being payable from and secured by a first lien on and pledge of the interest of The Texas A&M University System in the income from the Permanent University Fund (hereinafter sometimes called "The Texas A&M University System Old Series Outstanding Bonds").

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

THE BOARD OF REGENTS of The University of Texas System heretofore has authorized, issued, sold and delivered its Permanent University Fund Bonds, New Series 1967, dated July 1, 1967, New Series 1968, dated July 1, 1968, New Series 1969, dated July 1, 1969, New Series 1970, dated July 1, 1970, New Series 1971, dated July 1, 1971, New Series 1972, dated July 1, 1972, New Series 1973, dated July 1, 1973, New Series 1974, dated July 1, 1974, New Series 1975, dated July 1, 1975, and New Series 1976, dated July 1, 1976, outstanding as of July 1, 1977, in the aggregate principal amount of \$87,970,000 (hereinafter sometimes called "The University of Texas System New Series Outstanding Bonds"), and the Board of Regents of The Texas A&M University System heretofore has authorized, issued, sold and delivered its Permanent University Fund Bonds, New Series 1967, dated July 1, 1967, New Series 1968, dated July 1, 1968, New Series 1969, dated July 1, 1969, New Series 1970, dated July 1, 1970, New Series 1971, dated July 1, 1971, New Series 1972, dated July 1, 1972, New Series 1973, dated July 1, 1973, New Series 1974, dated July 1, 1974, New Series 1975, dated July 1, 1975, and New Series 1976, dated July 1, 1976, outstanding as of July 1, 1977, in the aggregate principal amount of \$47,720,000 (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 1977, 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 1977, 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 and the Board of Regents of The Texas A&M University System and which are payable from the income from the Permanent University Fund, and (ii) the installment or series of New Series Additional Parity Bonds or Notes then proposed to be issued, and

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

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

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

(1) that while any bonds or notes of the Board of Regents of The University of Texas System or the Board of Regents of The Texas A&M University System heretofore or hereafter issued and delivered pursuant to the provisions of Section 18, Article VII of the Texas Constitution, approved by vote of the people of Texas on August 23, 1947, or pursuant to the provisions of the amendments to Section 18, Article VII of the Texas Constitution, approved by vote of the people of Texas on November 6, 1956, and on November 8, 1966, or pursuant to the provisions of Chapter 255, page 546, Acts of 1957, Fifty-fifth Legislature of Texas, Regular Session, 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 1977, will be as follows:

The University of Texas System	\$123,655,000
The Texas A&M University System	\$ 61,415,000

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 1977, 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. In the opinion of Bond Counsels, the interest on all such bonds is exempt from Federal income taxes under existing statutes, regulations, rulings and court decisions.

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

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

DELIVERY: When issued; anticipated on or about August 30, 1977.

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

A. PERMANENT UNIVERSITY FUND

History

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

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

Land

AS OF this date, the Permanent University Fund owns 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 land to leading operators, including almost all of the major, as well as many strong independent, companies in the Southwest. As of February 28, 1977, 849,832 acres of land belonging to said Fund were under oil and gas leases, of which 351,489 were held by production from 5,768 oil wells and 220 gas wells.

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

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

Investments

AS OF February 28, 1977, securities owned by the Permanent University Fund which is administered by the Board of Regents of The University of Texas System were as follows:

	Fund Value
GOVERNMENT SECURITIES:	
U. S. Treasury Bonds	\$127,400,406
U. S. Agency Bonds	117,438,088
FHA Real Estate Mortgages	10,222,838
Total Government Securities	255,061,332
CORPORATE SECURITIES:	
Bonds	\$289,484,525
Common Stocks	307,508,904
Convertible Debentures	8,083,090
Convertible Preferred Stock	2,434,505
Commercial Paper	26,753,000
Total Corporate Securities	634,264,024
TOTAL SECURITIES	889,325,356
CASH AND ACCOUNTS RECEIVABLE	2,150,469
TOTAL SECURITIES AND CASH	\$891,475,825

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 9/1/69	\$541,780	\$318,551	\$1,414	\$13,369	\$208,446
Additions FYE 8/31					
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	1,795	11,389
1975	67,488	58,513	156	753	8,066
1976	72,827	70,123	192	(12,867)	15,379
Total 8/31/76	\$854,599	\$552,011	\$2,578	\$40,905	\$259,105

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)

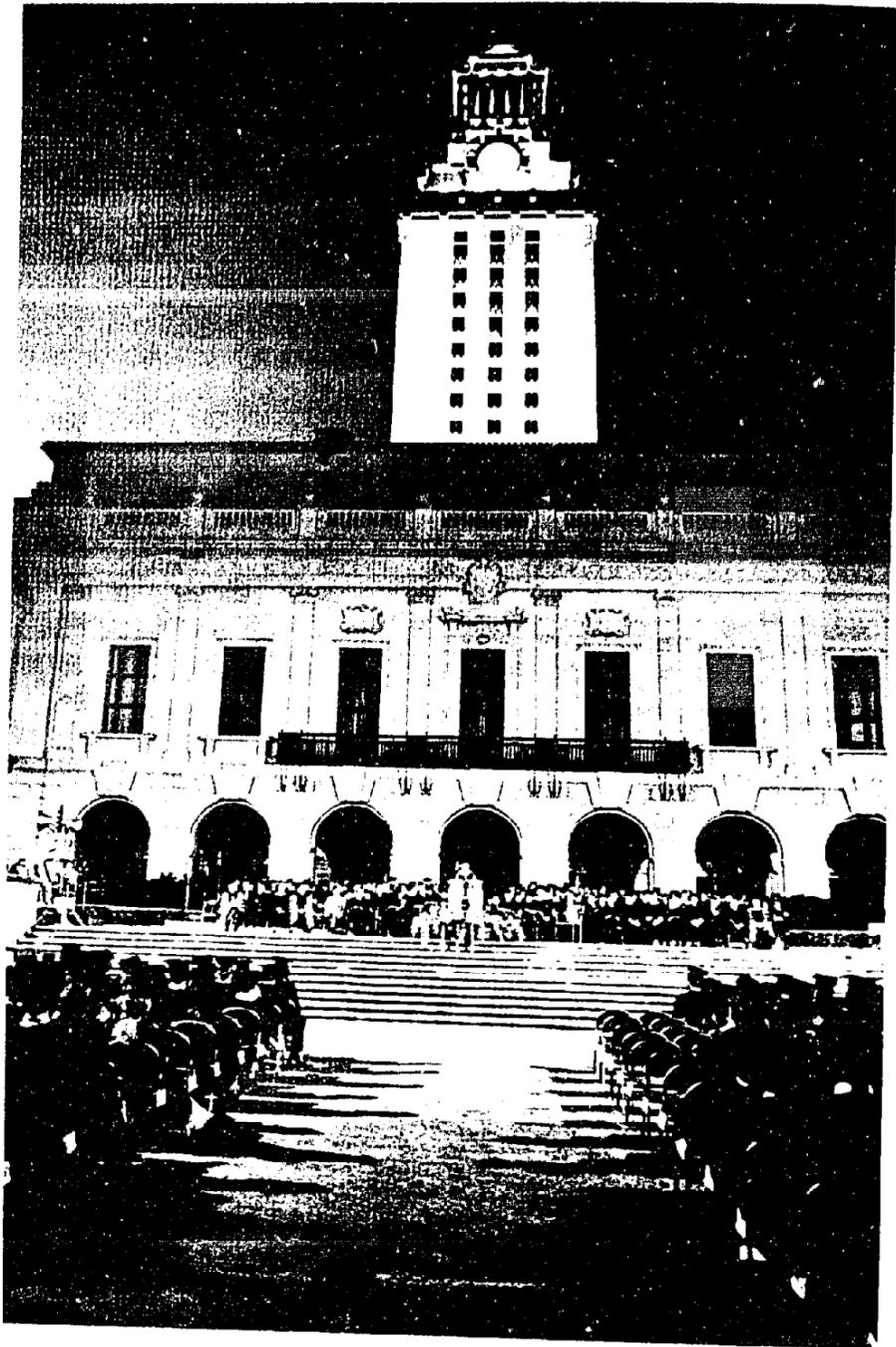
Fiscal Year Ending August 31	Investments for FYE 8/31	Net Investment Income-Est. (After Management Expense)			Other Income to U of T*	Total Avail. Univ. Fund to U of T
		Total	A&M	U of T		
1973†	\$669,356	\$31,199	\$10,399	\$20,800	\$1,036	\$21,836
1974†	714,284	35,611	11,870	23,741	1,532	25,273
1975†	781,772	39,105	13,035	26,070	1,539	27,609
1976†	854,598	46,542	15,514	31,028	1,544	32,572
1977	935,000	51,850	17,283	34,567	1,500	36,067
1978	1,010,000	56,057	18,686	37,371	1,176	38,547
1979	1,085,000	60,701	20,234	40,467	1,145	41,612
1980	1,160,000	64,280	21,427	42,853	1,150	44,003
1981	1,230,000	68,540	22,847	45,693	1,150	46,843
1982	1,295,000	72,510	24,170	48,340	1,150	49,490
1983	1,355,000	76,190	25,397	50,793	1,150	51,943
1984	1,410,000	79,580	26,527	53,053	1,150	54,203
1985	1,462,000	82,716	27,572	55,144	1,150	56,294
1986	1,511,000	85,678	28,559	57,119	1,150	58,269
1987 and thereafter	1,557,000	88,466	29,489	58,977	1,150	60,127

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

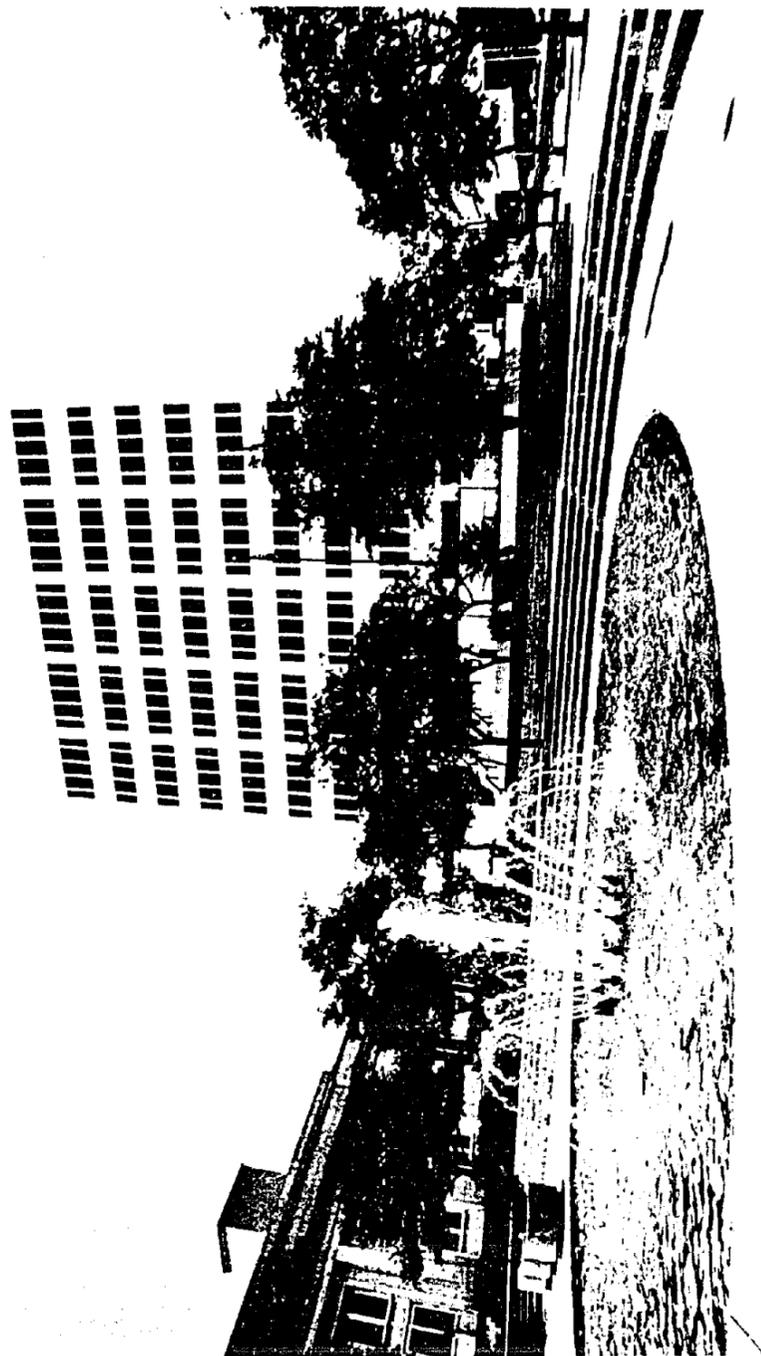
TABLE II
Projected Coverage of Actual and Estimated Annual Principal and Interest
Requirements of All University Fund Bonds*

Fiscal Year Ending 8/31	The University of Texas System			The Texas A&M University System		
	Annual Income	Debt Service	Coverage Times	Annual Income	Debt Service	Coverage Times
1978	\$38,547,000	\$14,465,140	2.7	\$18,686,000	\$7,507,325	2.5
1979	41,612,000	14,258,250	2.9	20,234,000	7,084,963	2.9
1980	44,003,000	13,831,898	3.2	21,427,000	6,641,116	3.2
1981	46,843,000	13,361,860	3.5	22,847,000	6,540,653	3.5
1982	49,490,000	12,830,190	3.9	24,170,000	6,148,705	3.9
1983	51,943,000	12,289,787	4.2	25,397,000	5,716,393	4.4
1984	54,203,000	11,847,147	4.6	26,526,000	5,650,638	4.7
1985	56,294,000	11,419,945	4.9	27,572,000	5,556,100	5.0
1986	58,268,000	10,857,165	5.4	28,559,000	5,465,375	5.2
1987	60,127,000	9,899,090	6.1	29,489,000	5,326,100	5.5
1988	60,127,000	8,803,810	6.8	29,489,000	4,591,850	6.4
1989	60,127,000	7,687,595	7.8	29,489,000	4,179,525	7.1
1990	60,127,000	7,112,414	8.5	29,489,000	3,785,390	7.8
1991	60,127,000	6,418,810	9.4	29,489,000	3,356,925	8.8
1992	60,127,000	5,675,260	10.6	29,489,000	2,953,850	10.0
1993	60,127,000	4,964,180	12.1	29,489,000	2,563,225	11.5
1994	60,127,000	4,169,580	14.4	29,489,000	2,192,040	13.5
1995	60,127,000	3,317,400	18.1	29,489,000	1,726,500	17.1
1996	60,127,000	2,329,200	25.8	29,489,000	1,164,600	25.3
1997	60,127,000	1,263,000	47.6	29,489,000	631,500	46.7

* Including the New Series 1977 Bonds proposed to be issued on which an interest rate of 5.25% has been assumed.



University of Texas at Austin



Abbott South Hall, The University of Texas System

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 L. Bouerle	San Antonio
Mrs. Jane Blumberg	Seguin
The Honorable Edward Clark	Austin
Dr. Sterling H. Dy, Jr.	Uvalde
Mr. Jess Thomas Hay	Dallas
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. LeMastre, Chancellor
Dr. E. D. Walker, Deputy Chancellor
Dr. Ernest T. Smerdon, Associate Deputy Chancellor for Academic Affairs
Mr. W. L. Lobb, Associate Deputy Chancellor for Investments, Trusts 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. Mike Hudson, Director for Public Affairs
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



Students along The South Mall, The University of Texas at Austin



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- 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. Creighton A. Burk, 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. Cardozer, 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. Kern Wildenthal, Acting 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., Executive Dean
- The University of Texas Graduate School of Biomedical Sciences at Galveston
Dr. J. Palmer Saunders, Dean
- The University of Texas School of Allied Health Sciences at Galveston
Dr. Robert K. Bing, Dean
- The University of Texas Institute for the Medical Humanities at Galveston
Dr. William B. Bean, Director
- The University of Texas Marine Biomedical Institute at Galveston
Dr. Stewart Wolf, Director
- The University of Texas Health Science Center at HOUSTON
Dr. Truman G. Blocker, Jr., Acting President
- The University of Texas Medical School at Houston
Dr. Robert L. Tuttle, Dean
- The University of Texas Dental Branch at Houston
Dr. John V. Olson, Dean
- The University of Texas Graduate School of Biomedical Sciences at Houston
Dr. Margery W. Shaw, Acting Dean
- The University of Texas School of Allied Health Sciences at Houston
Dr. Alton Hodges, Dean
- The University of Texas School of Public Health at Houston
Dr. Reuel A. Stallones, Dean
- The University of Texas Speech and Hearing Institute at Houston
Dr. Tina Bangs, Director

- The University of Texas 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. James W. Wagener, Acting Dean
- The University of Texas Graduate School of Biomedical Sciences at San Antonio
Dr. Armand J. Guarino, Dean
- The University of Texas System Cancer Center
Dr. R. Lee Clark, President
- The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston
Dr. Robert C. Hickey, Director
- The University of Texas Environmental Science Park at Smithville
Dr. Charles R. Shaw, Acting Head

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 40 fields, masters degrees in 34 fields and doctoral programs in six fields. To serve the growing enrollment and expanding degree programs, the physical plant is being expanded with construction valued at \$31 million, with completion scheduled for 1978.

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

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

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

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

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

HEALTH-RELATED INSTITUTIONS

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

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

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

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

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

THE CURRENT BUDGET for The University of Texas System for the fiscal year ending August 31, 1977, is slightly over \$634,756,000 from all sources. The budget for The University of Texas System for the fiscal year ending August 31, 1978, is estimated to be approximately \$700,000,000.

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 1976 was as follows:

U. T.—Austin	41,387
U. T.—Arlington	16,745
U. T.—El Paso	14,795
U. T.—San Antonio	7,498
U. T.—Permian Basin	1,471
U. T.—Dallas	4,416
Dallas Health Science Center	1,240
Galveston Medical Branch	1,338
Houston Health Science Center	1,905
San Antonio Health Science Center	1,551
Total	92,346

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

	Fiscal Year Ended August 31		
	1974	1975	1976
CURRENT REVENUES			
Tuition and Fees	\$ 32,202,151	\$ 34,038,275	\$ 37,113,131
Federal Funds	75,825,177	94,357,130	103,050,426
State Appropriations	236,483,852	273,019,312	359,865,867
Private Gifts	20,276,628	23,222,270	26,132,234
Endowment Income (Includes transfers from Available University Fund)	9,234,118	10,468,184	14,953,267
Sales and Services of Auxiliary Enterprises	25,168,067	28,481,534	34,245,265
Sales and Services of Hospitals and Clinics; Professional Fees	49,989,985	65,317,505	77,351,011
Sales and Services of Educational Departments and Other Sources	11,124,516	12,867,365	18,116,506
Total Current Revenues	\$460,304,494	\$541,771,575	\$670,827,707
CURRENT EXPENDITURES AND MANDATORY TRANSFERS			
Educational and General	383,021,580	465,137,468	552,090,903
Auxiliary Enterprises	26,704,923	30,980,381	38,949,885
Mandatory Transfers	23,014,974	25,346,608	28,763,154
Total Current Expenditures and Mandatory Transfers	\$432,741,477	\$521,464,457	\$619,803,942
EXCESS REVENUES OVER EXPENDITURES AND MANDATORY TRANSFERS	\$ 27,563,017	\$ 20,307,118	\$ 51,023,765

THE TABLE below reports the assets of The University of Texas System, including all component institutions, as at August 31, 1976.

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

At August 31, 1976

ASSETS	
I. Current Funds	
A. General	\$ 72,309,767
B. Auxiliary Enterprises and Activities	19,484,947
C. Designated	69,490,891
D. Restricted	147,970,138
Total Current Funds	\$ 309,255,743
II. Loan Funds	\$ 21,922,514
III. Endowment and Similar Funds	
A. State (Permanent University Fund)	\$ 864,600,783
B. Other than State	102,847,112
Total Endowment and Similar Funds	\$ 967,447,895
IV. Annuity and Life Income Funds	\$ 4,255,532
V. Available University Fund	\$ 15,372,268
VI. Plant Funds	
A. Unexpended	\$ 224,979,330
B. Renewals and Replacements	1,178,447
C. Funds for Retirement of Indebtedness	48,824,402
D. Invested in Plant	1,271,435,593
Total Plant Funds	\$1,546,417,772
VII. Agency Funds	\$ 6,161,897
DEDUCT: Inter-Fund Groups Accounts	\$ 50,172,736
GRAND TOTAL ASSETS	\$2,820,660,885
Less: Total Liabilities	723,270,742
FUND BALANCES (i.e., Net Worth)	\$2,097,390,143

Outstanding Indebtedness

THE UNIVERSITY OF TEXAS SYSTEM has no bank loans or other unfunded indebtedness outstanding except current accounts payable. Following is a table showing all bonded indebtedness outstanding and the condition of the unpaid portions thereof as of February 28, 1977. Previously retired or refunded issues have been omitted from the schedule.

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

THE UNIVERSITY OF TEXAS SYSTEM	Original Amount Issued	Outstanding February 28, 1977	Interest & Sinking Fund February 28, 1977
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	\$15,360,000	\$10,403,75
General Tuition Revenue Bonds, Series 1972, 6%, 5.80%, 5.25%, 5.30%, 5.40%, 5.50%, 5%, due serially 4/1/74 through 4/1/2002	50,000,000	47,660,000	(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	16,420,000	(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	7,626,707

¹ Series 1972 and Series 1972A are parity issues with Series 1971. Interest and Sinking Fund figure for 1971 issue includes three.

PERMANENT UNIVERSITY FUND

Permanent University Fund Bonds, Series 1959, 4%, 3 3/4% and 3.4%, dated 7/1/59, due serially 7/1/60 through 7/1/79	4,000,000	720,000	(1)
Permanent University Fund Bonds, Series 1960, 4 1/2%, 3% and 3.1%, dated 7/1/60, due serially 7/1/61 through 7/1/80	5,000,000	1,200,000	(1)
Permanent University Fund Bonds, Series 1961, 4 1/2%, 3% and 3.2%, dated 7/1/61, due serially 7/1/62 through 7/1/81	6,000,000	1,770,000	(1)
Permanent University Fund Bonds, Series 1962, 2 1/2%, 2 3/4%, 2.9% and 3%, dated 7/1/62, due serially 7/1/63 through 7/1/82	5,000,000	1,750,000	(1)
Permanent University Fund Bonds, Series 1963, 4 1/2%, 2 3/4%, 2.9% and 3%, dated 7/1/63, due serially 7/1/64 through 7/1/83	4,000,000	1,620,000	(1)
Permanent University Fund Bonds, Series 1964, 4 1/2%, 2.8%, 2.9% and 3%, dated 7/1/64, due serially 7/1/65 through 7/1/84	4,000,000	1,840,000	(1)
Permanent University Fund Bonds, Series 1965, 4 1/2%, 3.4%, 3% and 3.1%, dated 7/1/65, due serially 7/1/66 through 7/1/85	6,000,000	3,060,000	(1)
Permanent University Fund Bonds, Series 1966, 4 1/2%, 3.9%, 3.7% and 3.75%, dated 7/1/66, due serially 7/1/67 through 7/1/86	11,000,000	6,160,000	(1)
Permanent University Fund Bonds, New Series 1967, 4.40%, 3.6%, 3.70% and 3.75%, dated 7/1/67, due serially 7/1/68 through 7/1/87	14,000,000	8,540,000	(1)

PERMANENT UNIVERSITY FUND--(continued)

	Original Amount Issued	Outstanding February 28, 1977	Interest & Sinking Fund February 28, 1977
Permanent University Fund Bonds, New Series 1968, 4 1/2%, 4%, 4.1% and 4.2%, dated 7/1/68, due serially 7/1/69 through 7/1/88	\$15,000,000	\$ 9,900,000	(2)
Permanent University Fund Bonds, New Series 1969, 6.20%, 5.40%, 5.50%, 5.60% and 5.25%, dated 7/1/69, due serially 7/1/70 through 7/1/89	7,000,000	4,935,000	(2)
Permanent University Fund Bonds, New Series 1970, 6.5%, 6.10%, 6%, 6.20% and 5.5%, dated 7/1/70, due serially 7/1/71 through 7/1/90	7,500,000	5,630,000	(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	7,155,000	(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	7,560,000	(2)
Permanent University Fund Bonds, New Series 1973, 6%, 5%, 5.10%, 5.20% and 5.25%, dated 7/1/73, due serially 7/1/74 through 7/1/93	11,000,000	9,680,000	(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	10,120,000	(2)
Permanent University Fund Bonds, New Series 1975, 6% and 5%, dated 7/1/75, due serially 7/1/76 through 7/1/95	11,000,000	13,440,000	(2)
Permanent University Fund Bonds, New Series 1976, 4.5%, 5%, 5.2%, 5.3% and 5.5% dated 7/1/76 due serially 7/1/77 through 7/1/96	16,000,000	16,000,000	(2)

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

UNIVERSITY OF TEXAS AT AUSTIN

University of Texas Hospital Refunding Bonds, 2 1/4% and 2%, dated 1/1/51, due serially through 1/1/80 ¹	980,000	140,000	137,002
Dormitory Revenue Bonds, Series 1954, 4%, 2 1/2%, 2 3/4%, 2.90% and 3%, dated 9/1/54, due serially from 9/1/57 through 9/1/94 (Simkins, Blanton, Moore, Varsity Cafeteria) ²	3,402,000	2,088,000	542,243
Dormitory Revenue Bonds, Series 1956, 2 3/4%, dated 4/1/56, due serially from 4/1/59 through 4/1/96 (Kinsolving) ³	4,150,000	2,711,000	735,404
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, 2 7/8%, dated 10/1/58, due serially 10/1/61 through 10/1/88 ⁴	1,620,000	827,000	332,758
Student Housing Revenue Bonds of 1963, 3 1/2%, dated 10/1/63, due serially 10/1/66 through 10/1/2003 ⁵	1,800,000	1,490,000	247,906
Housing System Revenue Bonds, Series 1967, 5%, 4.4%, 4 1/4%, 4%, 4.1% and 4.15%, dated 1/1/67, due serially 5/1/71 through 5/1/2007 ⁶	16,500,000	15,220,000	1,477,662

	Original Amount Issued	Outstanding February 28, 1977	Interest & Sinking Fund February 28, 1977
U. T. AUSTIN—(continued)			
Building Revenue Bond of 1968, 3%, dated 5/1/68, due serially 5/1/71 through 5/1/2010 ¹	\$ 520,000	\$ 178,000	\$ 54,514
Building Revenue Bonds, Series 1969, 6%, 5.80%, 5.10% and 4.25%, due serially 5/1/72 through 5/1/2005 ²	25,000,000	23,155,000	1,805,520
Combined Fee Revenue Bonds, Series 1970, 8.5%, 7.8%, 7.3%, 7.4%, 7.5% and 7%, dated 6/1/70, due serially 6/1/71 through 6/1/2000 ³	10,000,000	9,275,000	6,933,022
Combined Fee Revenue Bonds, Series 1971, 6.75%, 5.25%, 5.50%, 5.75% and 6%, dated 2/1/71, due serially 6/1/72 through 6/1/2001 ⁴	20,000,000	18,790,000	(1)
Married Student Housing Revenue Bonds, Series 1971, 7.5%, 6.75%, 6.7%, 6.75% and 6%, dated 8/1/71, due serially 8/1/75 through 8/1/2006 ⁵	3,100,000	3,015,000	269,287
Combined Fee Revenue Bonds, Series 1972, 6%, 5.75%, 5.20%, 5.25%, 5.30% and 4.50%, dated 10/1/72, due serially 6/1/73 through 6/1/2002 ⁶	10,000,000	9,325,000	(1)
Combined Fee Revenue Bonds, Series 1973, 6.50%, 6%, 5.40%, 5.50%, 5.60%, 5.70% and 5%, dated 10/1/73, due serially 6/1/74 through 6/1/2004 ⁷	34,000,000	32,955,000	(1)
Building Revenue Bonds, Series 1974, 6.50%, 5.50%, 5.60%, 5.70% and 5%, dated 1/1/74, due serially 4/1/75 through 4/1/2004 ⁸	53,000,000	51,590,000	5,304,820
Building Revenue Bonds, Series 1974-A, 8.50%, 7.25%, 7.10%, 7.50%, 7.60% and 7.00%, dated 10/1/74, due serially 1/1/76 through 4/1/98 ⁹	6,000,000	5,930,000	(1)
Combined Fee Revenue Bonds, Series 1974, 8.00%, 7.75%, 7.50%, 7.60%, 7.70%, 7.75% and 6.50%, dated 12/1/74, due serially 6/1/74 through 6/1/99 ¹⁰	6,900,000	6,685,000	(1)
¹ Secured by first lien on and pledge of revenues from compulsory student hospital fee.			
² Secured by first lien on and pledge of net revenues from Blanton Dormitory, Sinkins Hall, Moore Hall, and Varsity Cafeteria.			
³ Secured by first lien on and pledge of net revenues from Kinsolving Dormitory, plus surplus revenues from debt-free Andrew and Carothers Dormitories for Women.			
⁴ Series B, originally \$1,500,000 but \$280,000 cancelled prior to delivery. Secured by first lien on and pledge of revenues from compulsory student union fee.			
⁵ Secured by first lien on and pledge of net revenues from 200 apartments for married students.			
⁶ Secured by first lien on and pledge of gross revenues of University Housing System.			
⁷ Secured by first lien on and pledge of gross revenues from Student Co-op Housing System.			
⁸ Secured by first lien on and pledge of net revenues of Utility Plant and gross Student Building Use Fees.			
⁹ Secured by first lien on and pledge of Building Use Fee and General Fee.			
¹⁰ Secured by first lien on gross revenues from Married Student Housing System.			
¹¹ Interest and Sinking Funds for Combined Fee Revenue Bonds, Series 1970, 1971, 1972, 1973 and 1974 consolidated.			
¹² Secured by first lien on and pledge of Available Funds Surplus and Special Fee.			
¹³ Interest and Sinking Funds for Building Revenue Bonds, Series 1974 and 1974-A consolidated.			

U. T. EL PASO

Texas Western College, Student Union Revenue Bonds, Series A of 1967, 2 3/4%, dated 10/1/67, due serially 10/1/68 through 10/1/87; and Series B of 1967, 6%, 5.8%, 5%, 5.1% and 5.2%, dated 10/1/67, due serially 10/1/69 through 10/1/2001 ¹	3,158,000	2,729,000	204,392
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¹ Secured by first lien on and pledge of student use fees and net revenues of operation of all services afforded. Series A issued in amount of \$158,000 refunding Series 1957; Series B issued in amount of \$2,700,000.

U. T. EL PASO—(continued)

	Original Amount Issued	Outstanding February 28, 1977	Interest & Sinking Fund February 28, 1977
Texas Western College, Student Housing Revenue Bonds of 1961, Bonds 1-120, 3 1/2% and 3%, dated 10/1/61, due serially 10/1/61 through 10/1/71; Bond R-1, 3 1/2%, dated 10/1/61, due serially 10/1/72 through 10/1/2001 ¹	\$ 1,000,000	\$ 755,000	\$ 113,692
Building Revenue Bonds, Series 1969, 6.50%, 6%, 5.60% and 4%, dated 5/1/69, due serially 11/1/72 through 11/1/2005 ²	8,500,000	8,070,000	657,180
Combined Fee Revenue Bonds, Series 1970, 8%, 6.70%, 6.80%, 7.90%, 7% and 7.10%, dated 5/1/70, due serially 5/1/73 through 5/1/2006 ³	5,500,000	5,315,000	1,389,151
Combined Fee Revenue Bonds, Series 1971, 6%, 5%, 5.10%, 5.20%, 5.25% and 4.50%, dated 11/1/71, due serially 5/1/72 through 5/1/2006 ⁴	1,000,000	3,820,000	(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 ⁵	5,000,000	4,875,000	(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 ⁶	1,500,000	1,470,000	(5)

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

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

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

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

ALVESTON MEDICAL BRANCH

University of Texas, Medical Branch Dormitory Revenue Bonds, Series 1955, 4%, 3 1/4% and 3.3%, dated 9/1/55, due serially 9/1/57 through 9/1/94 ¹	2,512,000	1,540,000	643,286
University of Texas Medical Branch, Endowment and Hospital Revenue Bonds, Series 1973, 6.25%, 5.70%, 5.60%, 5.70%, 5.80%, 5.90% and 4.75%, dated 7/1/73, due serially 7/1/77 through 7/1/99 ²	31,500,000	31,500,000	5,989,715

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

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

D. ANDERSON HOSPITAL AND TUMOR INSTITUTE AT HOUSTON

Endowment and Hospital Revenue Bonds, Series 1972, 6%, 5.40%, 5.20%, 5.25%, 5.30%, 5.40% and 4.50%, due serially 8/1/77 through 8/1/97 ¹	16,000,000	16,000,000	3,392,041
Endowment and Hospital Revenue Bonds, Series 1976, 5%, 5.30%, 5.45%, 5.75%, 5.85% and 6% due serially 8/1/79 through 8/1/93 ²	2,500,000	2,500,000	(1)
Hospital Revenue Bonds, Subordinate Lien Series 1976, 6.02%, maturing 7/1/79 through 7/1/86 ³	1,770,000	1,770,000	232,280

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

² Interest and Sinking Fund combined with Series 1972 Issue.

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

T. PERMIAN BASIN

Building and General Fee Revenue Bonds, Series 1976, 5.25%, due serially 4/1/77 through 4/1/81 ¹	\$ 600,000	\$ 600,000	\$ 206,052
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¹ Secured by first lien on and pledge of Housing System revenue and General Fee.

U. T. ARLINGTON

	Original Amount Issued	Outstanding February 28, 1971	Interest Schedule February
Student Center Fee Bonds, Series 1960, 1 1/2% and 1 3/4%, dated 7-1-60, due serially 7-1-62 through 7-1-89	600,000	433,000	16 1/2
General Fee Bonds, Series 1961, 1 1/2%, 1 3/4% and 1 1/2%, dated 7-1-61, due serially 7-1-63 through 7-1-96	650,000	126,000	6 1/2
West Campus Dormitory Revenue Notes, Series 1961, 3%, dated 1-1-61, due serially 1-1-63 through 1-1-79	75,000	17,775	1 1/2
Housing System Revenue Refunding Bonds, Series 1961, 1 1/2%, 2 1/2%, 3%, 4%, 5 1/2% and 6 1/2%, dated 7-1-61, due serially 7-1-61 through 7-1-94	1,206,000	1,271,000	11 1/2
Parking Facilities Revenue Bonds, Series 1961, 1 1/2%, dated 1-1-61, due serially 1-1-63 through 1-1-79	300,000	83,000	6 1/2
Student Fee Revenue Bonds, Series 1961, 5%, 1 1/2%, 1 3/4%, 1 1/2% and 6 1/2%, dated 7-1-61, due serially 7-1-66 through 7-1-96	2,200,000	2,195,000	16 1/2
Student Fee Revenue Bonds, Series 1966, 5%, 1 1/2%, and 1 3/4%, dated 1-1-66, due serially 7-1-68 through 7-1-97	1,750,000	1,115,000	11 1/2
Student Fee Revenue Bond, Series 1968, 3%, dated 7-1-68, due serially 7-1-71 through 7-1-99	1,285,000	1,090,000	11 1/2
Combined Fee Revenue Bonds, Series 1971, 1 1/4% and 1 1/2%, dated 1-1-71, due serially 7-1-71 through 7-1-82	375,000	195,000	11 1/2
Combined Fee Revenue Bonds, Series 1971-A, 6 3/8%, 5 3/8%, 5 1/8%, 4 1/8%, 3 1/8% and 3%, dated 1-1-71, due serially 1-1-72 through 7-1-2001	5,000,000	1,615,000	11 1/2
State Ad Valorem Tax Bonds, Series 1972, 1%, 1 1/8%, 1 1/4%, 1 1/2%, and 1 3/4%, dated 1-1-72, due serially 9-1-73 through 9-1-78	10,300,000	1,100,000	11 1/2
Combined Fee Revenue Bonds, Series 1971, 6 1/2%, 5 3/8%, 5 1/8%, 5 1/2%, and 1 1/2%, dated 1-1-71, due serially 7-1-71 through 7-1-2002	3,500,000	3,190,000	11 1/2
Combined Fee Revenue Bonds, Series 1971-A, 6 3/8%, 6 1/8%, 5 3/8%, 5 1/8%, 5 1/2%, 5 1/8%, and 5%, dated 10-1-71, due serially 7-1-71 through 7-1-2001	7,500,000	7,310,000	11 1/2
State Ad Valorem Tax Bonds, Series 1971, 5 1/8%, 5 3/8%, 1 1/2%, and 1 1/4%, due serially 9-1-71 through 9-1-78	1,365,000	910,000	11 1/2
Combined Fee Revenue Bonds, Series 1971-B, 2 5/8%, 6 3/8%, 7 3/8%, 7 1/8%, 7 1/8%, 7 1/8%, and 7 3/8%, dated 11-1-71, due serially 6-1-71 through 6-1-97	1,300,000	1,250,000	11 1/2
School Plant State Ad Valorem Tax Bonds, Series 1970, 3 3/4%, total due 9-1-79	1,750,000	1,750,000	11 1/2

* Secured by first lien on student center fee fees.
 * Secured by first lien on extra-student use fees.
 * Secured by net proceeds from West Campus housing and dining facilities.
 * Secured by net proceeds from plant and maintenance for 600 men and 1,000 women.
 * Secured by net proceeds from parking fees.
 * Secured by net proceeds from dormitory and hospital use fees.
 * Interest and sinking fund payments for Student Fee Revenue Bonds - Series 1961, 1966 and 1968 combined.
 * Secured by first lien on the utility use for school plant and hospital use for student center use for (subject to Student Fee Bonds, Series 1961).
 * Secured by first lien on the utility use for school plant.
 * Interest and sinking fund payments for Fee Revenue Bonds Series 1971, 1971-A, 1971, 1971-A, and 1971, combined.
 * Secured by a bond issued by the State Treasurer.
 * Secured by a bond issued by the State Treasurer.
 * All of the bonds are subject to the 3% ad valorem tax levied at the rate of 10¢ per \$100 of value on all of the taxable property in the State of Texas.



J. Earl Rudder Center, Texas A&M University

U. T. ARLINGTON

	Original Amount Issued	Outstanding February 28, 1977	Interest & Sinking Funds February 28, 1977
Student Center Fee Bonds, Series 1960, 4½% and 4¾%, dated 7/1/60, due serially 7/1/62 through 7/1/89 ¹	600,000	378,000	86,212
Gymnasium Fee Bonds, Series 1961, 1½%, 1½% and 4¼%, dated 7/1/61, due serially 7/1/63 through 7/1/90 ²	650,000	426,000	99,596
West Campus Dormitory Revenue Notes, Series 1963, 3%, dated 1/1/63, due serially 1/1/65 through 4/1/79 ³	75,000	17,775	31
Housing System Revenue Refunding Bonds, Series 1963, 3.375%, 2¼%, 3%, 3¼%, 3½% and 3¾%, dated 7/1/63, due serially 7/1/64 through 7/1/93 ⁴	1,806,000	1,271,000	111,351
Parking Facilities Revenue Bonds, Series 1964, 3½%, dated 3/1/64, due serially 3/1/65 through 3/1/70 ⁵	350,000	88,000	31,321
Student Fee Revenue Bonds, Series 1964, 5%, 4%, 3¾%, 3.9% and 0.10%, dated 7/1/64, due serially 7/1/66 through 7/1/96 ⁶	3,250,000	2,195,000	483,758
Student Fee Revenue Bonds, Series 1966, 5%, 4.25% and 4.10%, dated 1/1/66, due serially 7/1/68 through 7/1/97 ⁷	1,750,000	1,415,000	0
Student Fee Revenue Bond, Series 1968, 3%, dated 7/1/68, due serially 7/1/71 through 7/1/98 ⁸	1,285,000	1,090,000	0
Combined Fee Revenue Bonds, Series 1971, 3¼% and 4%, dated 1/1/71, due serially 7/1/71 through 7/1/82 ⁹	875,000	495,000	1,873,647
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 ¹⁰	5,000,000	4,645,000	0
State Ad Valorem Tax Bonds, Series 1972, 4%, 3.70%, 3.90% and 4%, dated 4/1/72, due serially 9/1/73 through 9/1/78 ¹¹	10,300,000	4,100,000	0
Combined Fee Revenue Bonds, Series 1973, 6%, 5.30%, 5%, 5.10%, 5.20% and 4.50%, dated 1/1/73, due serially 7/1/74 through 7/1/2002 ¹²	8,500,000	8,190,000	0
Combined Fee Revenue Bonds, Series 1973-A, 6.50%, 6%, 5.40%, 5.50%, 5.60%, 5.70% and 5%, dated 10/1/73, due serially 7/1/74 through 7/1/2004 ¹³	7,500,000	7,340,000	0
State Ad Valorem Tax Bonds, Series 1974, 5.65%, 5.30%, 4.15% and 4.20%, due serially 9/1/74 through 9/1/78 ¹⁴	1,865,000	940,000	0
Combined Fee Revenue Bonds, Series 1974, 8.25%, 6.80%, 7.30%, 7.50%, 7.60%, 7.70% and 7.85%, dated 11/1/74, due serially 6/1/75 through 6/1/97 ¹⁵	1,300,000	1,250,000	0
Subordinate State Ad Valorem Tax Bonds, Series 1976, 3.8%, total due 9/1/78 ¹⁶	4,750,000	4,750,000	0

¹ Secured by first lien on student center use fees.

² Secured by first lien on gymnasium use fees.

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

⁴ Secured by net revenues from dormitories for 604 men and 1339 women.

⁵ Secured by revenues from parking fees.

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

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

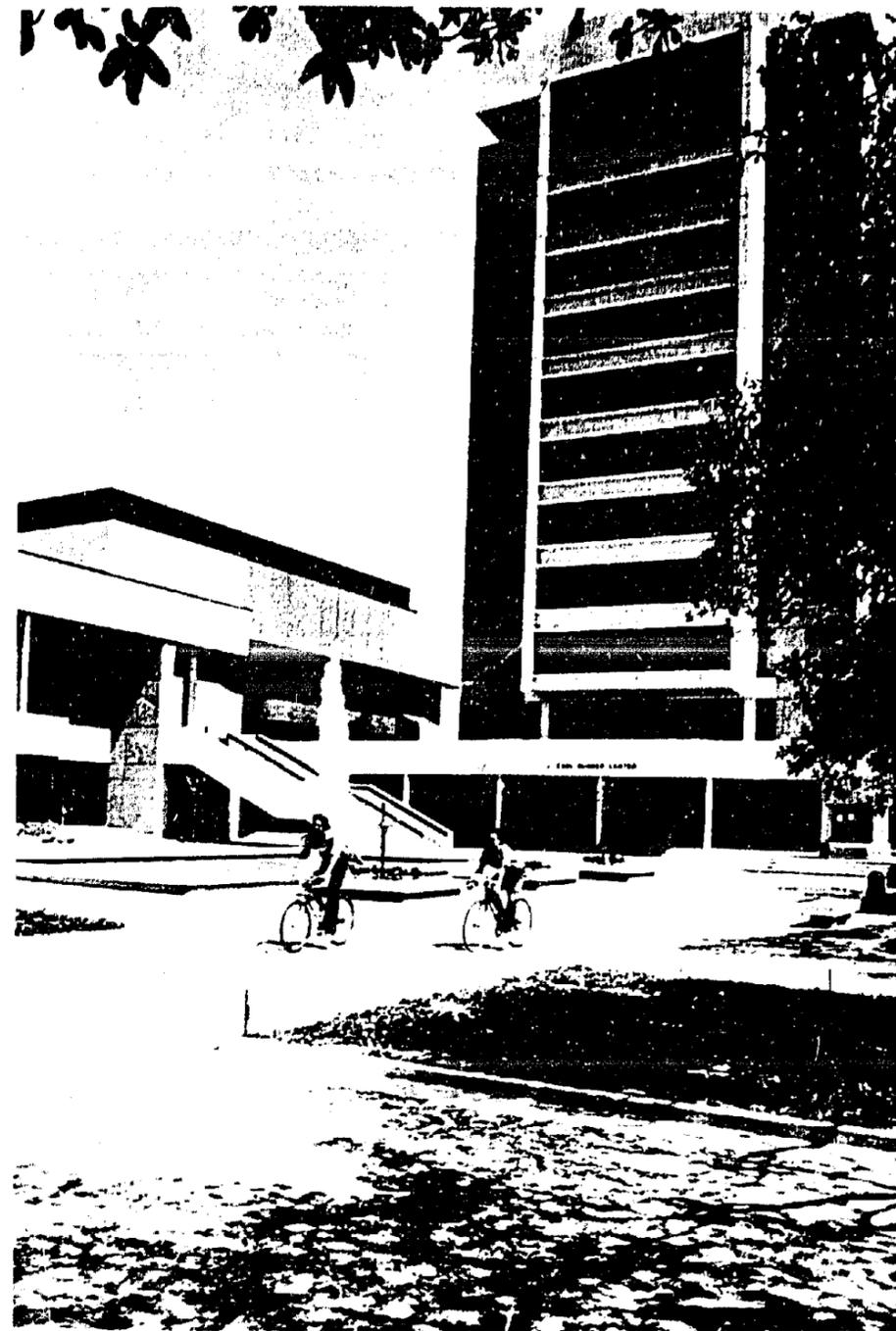
⁸ Secured by first lien on library use fee, auditorium and hospital use fee and student center use fee (subject to Student Center Fee Bonds, Series 1960).

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

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

¹¹ Interest and Sinking Fund maintained by State Treasury.

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



J. Earl Rudder Center, Texas A&M University

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, 1977, were as follows:

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

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

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

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. Daniel C. Pfannstiel, Director

Texas Forest Service
 Mr. Paul R. Kramer, Director

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

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

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

THE BUDGET for The Texas A&M University System for the current fiscal year is in excess of \$286,000,000, 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 Liberty 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 of approximately \$417,600,000.

Enrollment

THE ENROLLMENT at teaching institutions of The Texas A&M University System in the fall of 1976 was as follows:

Texas A&M University	27,497
Prairie View A&M University	5,079
Tarleton State University	3,206
Total	<u>35,782</u>

Financial Position

THE CURRENT funds income of The Texas A&M University System for the fiscal year ended August 31, 1976, was as follows:

TEXAS A&M UNIVERSITY	
1. State Appropriations	\$ 54,948,164.00
2. Student Fees	4,691,760.23
3. Income from State Endowment	15,514,024.07*
4. Restricted Funds	20,654,738.83
5. Sales and Services	628,600.24
6. Other Sources	1,941,952.27
Total Educational and General	<u>98,379,239.64</u>
7. Designated Funds	1,659,219.45
8. Auxiliary Enterprises and Activities (Dining Halls, Dormitories, College Store, Laundry, etc.)	28,595,701.86
TOTAL TEXAS A&M UNIVERSITY	<u>128,634,160.95</u>
MOODY COLLEGE OF MARINE SCIENCES AND MARITIME RESOURCES	2,767,995.97
TARLETON STATE UNIVERSITY	8,042,832.31
PRAIRIE VIEW A&M UNIVERSITY	26,714,391.50
TEXAS AGRICULTURAL EXPERIMENT STATION	27,538,721.26
TEXAS AGRICULTURAL EXTENSION SERVICE	29,736,651.93
TEXAS FOREST SERVICE	6,000,483.97
TEXAS ENGINEERING EXPERIMENT STATION	10,784,614.20
TEXAS ENGINEERING EXTENSION SERVICE	3,394,868.52
TEXAS TRANSPORTATION INSTITUTE	3,604,148.95
THE TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES	863,271.52
GRAND TOTAL THE TEXAS A&M UNIVERSITY SYSTEM	<u>\$248,082,141.08</u>

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

THE ASSETS of The Texas A&M University System as at August 31, 1976, were as follows:

ASSETS

I. CURRENT FUNDS	
A. General	\$ 26,503,552.86
B. Designated	15,897,606.77
C. Auxiliary Enterprises	24,169,895.33
D. Restricted Funds	<u>20,025,003.32</u>
Total Current Funds Assets	\$ 86,596,058.28
II. LOAN FUNDS	4,748,006.72
III. ENDOWMENT FUNDS	
A. State	*
B. Other than State	<u>10,402,518.74</u>
Total Endowment Funds Assets	10,402,518.74
IV. ANNUITY AND LIFE INCOME FUNDS	972,806.15
V. PLANT FUNDS	
A. Unexpended	
Available A&M University Fund	17,735,235.30
Other Plant Funds	<u>68,535,806.07</u>
Total Unexpended Plant Funds	86,271,041.37
B. For Retirement of Indebtedness	12,886,338.56
C. Invested in Plant	<u>417,619,498.57</u>
Total Plant Funds Assets	516,776,878.50
VI. AGENCY FUNDS	2,288,509.37
GRAND TOTAL ASSETS	<u>621,784,777.76</u>
Less: Total Liabilities	199,744,809.02
FUND BALANCES (i.e., Net Worth)	<u>\$422,039,968.74</u>

* The Texas A&M University System shares in the income from the Permanent University Fund which Fund as of August 31, 1976, was carried on the books of The University of Texas System at \$654,598,399.

Outstanding Indebtedness

THE TEXAS A&M UNIVERSITY SYSTEM has no bank loans or other unfunded indebtedness as of February 28, 1977. Following is a table showing all funded indebtedness outstanding and the condition of the unpaid portions thereof as of February 28, 1977. Previously retired or refunded issues have been omitted from the schedule.

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

THE TEXAS A&M UNIVERSITY SYSTEM	Original Amount Issued	Outstanding February 28, 1977	Interest & Sinking Fund February 28, 1977
Tuition Revenue Bonds, Series of 1973, 6.50%, 5.25%, 5.50%, 5.60%, 5.65%, 5.70% and 5.00%, due serially through 11/1/03 ¹	\$ 3,500,000	\$ 3,395,000	\$ 406,386 ¹
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 ¹	4,000,000	3,885,000	†
PERMANENT UNIVERSITY FUND			
Permanent University Fund Bonds, Series of 1958, 4%, 2.50% and 2.70%, due serially through 7/1/78 ²	5,000,000	600,000	308,153
Permanent University Fund Bonds, Series of 1959, 4%, 3.25% and 3.40%, due serially through 7/1/79 ²	6,000,000	1,080,000	378,407
Permanent University Fund Bonds, Series of 1961, 4.50%, 3% and 3.20%, due serially through 7/1/81 ²	5,000,000	1,475,000	298,658
Permanent University Fund Bonds, Series of 1962, 2.50%, 2.75%, 2.90% and 3%, due serially through 7/1/82 ²	5,000,000	1,750,000	300,985
Permanent University Fund Bonds, New Series of 1967, 4.40%, 3.60%, 3.70% and 3.75%, due serially through 7/1/87 ²	10,000,000	6,100,000	612,550
Permanent University Fund Bonds, New Series of 1968, 4.875%, 4%, 4.10% and 4.20%, due serially through 7/1/88 ²	5,000,000	3,300,000	317,750
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 ²	5,000,000	3,525,000	324,038
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 ²	5,000,000	3,750,000	338,600
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 ²	5,000,000	3,975,000	320,514
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 ²	5,000,000	4,200,000	323,350
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 ²	5,000,000	4,400,000	312,625
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 ²	6,000,000	5,520,000	410,760

PERMANENT UNIVERSITY FUND—(continued)

	Original Amount Issued	Outstanding February 28, 1977	Interest & Sinking Fund February 28, 1977
Permanent University Fund Bonds, New Series 1975, 6.00%, 5.30%, 5.50%, 5.70% and 6.00%, due serially through 7/1/95 ²	\$ 8,000,000	\$ 7,680,000	\$ 539,000
Permanent University Fund Bonds, New Series 1976, 5.50%, 5.00%, 5.20%, 5.30% and 4.50%, due serially through 7/1/96 ²	8,000,000	8,000,000	528,160
TEXAS A&M UNIVERSITY (At College Station)			
Agricultural and Mechanical College of Texas Press Building Revenue Bonds, Series of 1954, 3.1%, due serially through 10/1/83 ³	220,000	69,000	67,333
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 ³	2,500,000	1,115,000	534,188
Agricultural and Mechanical College of Texas Building Revenue Bonds, Series of 1963, 3.5%, due serially through 4/1/03 ³	4,743,000	3,928,000	839,822
Texas A&M University Student Fee Revenue Bonds, Series of 1966, 5% and 4.25%, due serially through 7/1/05 ³	2,200,000	1,935,000	281,461
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 ³	800,000	585,000	109,079
Texas A&M University Athletic Facilities Revenue Bonds, Series of 1966, 4.5%, due serially through 10/1/79 ³	400,000	115,000	2,260
Texas A&M University Housing System Revenue Bonds, Series of 1966, 5%, 4.40% and 4.25%, due serially through 6/1/98 ³	2,000,000	1,595,000	3,661,140*
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 ³	1,000,000	965,000*
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 ^{3,4}	9,500,000	8,975,000	1,400,720***
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 6/1/09 ³	5,000,000	4,895,000*
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 5/1/01 ^{3,4}	6,500,000	6,115,000	1,958,632††
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 4/1/02 ^{3,4}	1,600,000	1,550,000	113,867
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 ³	1,600,000	1,415,000	150,463
Texas A&M University Student Family Apartment Revenue Refunding Bonds, Series of 1972, 2.875%, due serially through 4/1/96 ³	1,632,000	1,422,000**

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

	Original Amount Issued	Outstanding February 28, 1977	Interest & Sinking Fund February 28, 1977
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 ¹	\$ 2,500,000	\$ 2,385,000	\$ 824,799*
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 6/1/05 ²	7,500,000	7,345,000	*
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 ³	9,500,000	9,425,000	**
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 ⁴	25,900,000	24,770,000	††

* Interest and Sinking Fund for Housing System Revenue Bonds, Series 1966, 1967, 1970 and 1973.
 ** Interest and Sinking Fund for Student Family Apartment Revenue Bonds, Series 1972 and Student Family Apartment Revenue 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.

TARLETON STATE UNIVERSITY (At Stephenville)

Tarleton State College Dormitory Revenue Bonds, Series of 1952, 3.25%, 3.40% and 3.50%, due serially through 6/1/79 ¹	300,000	18,000	49,636
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 4/1/07 ²	1,700,000	1,291,000	129,909
Tarleton State College Building Use Fee Revenue Bonds, Series of 1967, 4.75%, due serially through 6/1/92 ³	160,000	125,000	15,209
Tarleton State College Student Tuition Fee Revenue Bonds, Series of 1967, 4.75%, due serially through 6/1/98 ⁴	250,000	215,000	300,107
Tarleton State College Crockett Hall Dormitory Revenue Bonds, Series of 1969, 6.00%, due serially through 9/1/94 ⁵	330,000	275,000	5,000
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 4/1/01 ⁶	500,000	490,000	44,203
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 ⁷	300,000	290,000	26,150
Tarleton State University Combined Fee Revenue Bonds, Series of 1974, 7.75% and 8.00%, due serially through 4/1/03 ⁸	4,000,000	3,955,000	172,897

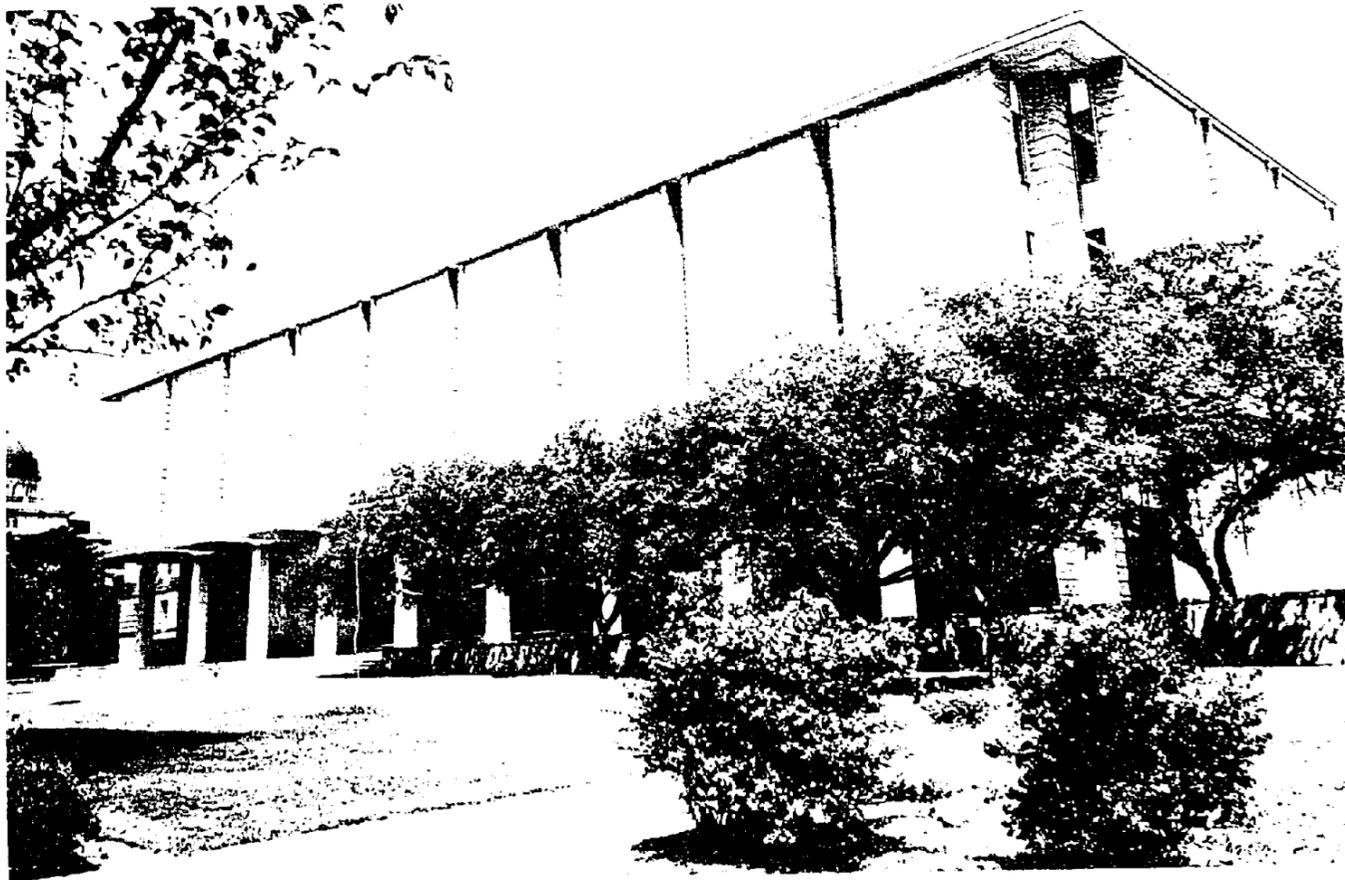
PRAIRIE VIEW A&M UNIVERSITY (At Prairie View)

Prairie View Agricultural and Mechanical College of Texas Power Plant Revenue Bonds, Series of 1965, 3%, due serially through 5/1/77 ⁹	300,000	30,000	31,499
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PRAIRIE VIEW A&M UNIVERSITY
(At Prairie View) -- (continued)

	Original Amount Issued	Outstanding February 28, 1977	Interest & Sinking Fund February 28, 1977
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 ¹⁰	\$ 400,000	\$ 335,000	\$ 170,100
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 ¹¹	915,000	410,000	257,310
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 ¹²	500,000	390,000	118,393
Prairie View Agricultural and Mechanical College of Texas Housing System Revenue Bonds, Series of 1970-A, 3.625%, due serially through 4/1/04 ¹³	2,313,000	2,073,000	2,216,376*
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 ¹⁴	11,000,000	10,880,000	*
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 ¹⁵	750,000	715,000	196,562
Prairie View Agricultural and Mechanical College of Texas 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 ¹⁶	6,400,000	6,310,000	347,359

* Interest and Sinking Fund for Housing System Series 1970-A and 1970-B.
¹ Secured by first lien on and pledge of student tuition charges received by Texas A&M University.
² Secured by first lien on and pledge of the interest of The Texas A&M University System in the income from the Permanent University Fund.
³ Secured by lien on and pledge of the interest of The Texas A&M University System in the income from the Permanent University Fund, subject only and subordinate to the first lien on and pledge of said interest heretofore created in connection with all Permanent University Fund Bonds issued prior to 1967 as listed above.
⁴ Secured by first lien on and pledge of net revenues derived from operations of the A&M Press.
⁵ Secured by first lien on and pledge of net revenues derived from specific housing and dining hall operations.
⁶ Secured by first lien on and pledge of net revenues derived from operations of Power Plants.
⁷ Secured by pledge of Coliseum and Library Use Fee charged all students attending the University.
⁸ Secured by pledge of Stadium Use Fee charged all students attending the University.
⁹ Secured by first lien on and pledge of net revenues derived from intercollegiate athletic events.
¹⁰ Secured by pledge of Library Use Fee charged all students attending the University.
¹¹ Secured by first lien on and pledge of a Building Use Fee charged all tuition-paying students attending the University.
¹² Secured by first lien on and pledge of a Student Fee charged all students attending the University, net revenues from the operation of the Utility System, and a lien on and pledge of net revenues from the operation of the existing Power Plant subject to the lien securing the Power Plant Revenue Bonds, Series of 1963.
¹³ 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 existing Power Plant subject to the lien securing the payment of the outstanding Power Plant Revenue Bonds, Series of 1965.



Library Building



M. F. Harrington Education Center, Texas A&M University

BID FORM

Date

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

Address:
W. L. Lobb, 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 July 15, 1977, 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

\$20,000,000 par value Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1977, dated July 1, 1977:

FOR BONDS MATURING	COUPON RATE
1978 through%
..... through%
..... through%
..... through%
..... through%
Premium	\$.....
Net Interest Cost*	\$.....
Weighted Average Annual Interest Rate†%

B. SEPARATE BID ON

\$10,000,000 par value Board of Regents of The Texas A&M University System Permanent University Fund Bonds, New Series 1977, dated July 1, 1977:

FOR BONDS MATURING	COUPON RATE
1978 through%
..... through%
..... through%
..... through%
..... through%
Premium	\$.....
Net Interest Cost*	\$.....
Weighted Average Annual Interest Rate†%

<i>Check No.</i>	<i>Drawn On</i>	<i>For</i>	<i>Amount of check</i>
.....	U. T. Bonds	\$400,000
.....	A&M Bonds	200,000

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, 1977 :

* 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 23 1977

3984

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 1977, IN THE AMOUNT OF \$20,000,000.

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

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

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

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

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

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

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

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

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

WHEREAS, in said resolution adopted on June 16, 1967, the Board set forth the terms and conditions under which additional bonds may be issued to be on a parity with the aforesaid New Series 1967 subordinate lien bonds, and the Board has issued its Permanent University Fund Bonds, New Series 1968, New Series 1969, New Series 1970, New Series 1971, New Series 1972, New Series 1973, New Series 1974, New Series 1975 and New Series 1976, 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 \$20,000,000; 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 \$928,000,000:

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

JUL 29 1977

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

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

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

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

The term "Bonds" or "New Series 1977 Bonds" shall mean the New Series 1977 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.

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

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 1977," 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 \$20,000,000 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, 1977, shall be in the denomination of \$5,000 each, shall be numbered consecutively from 1 through 4,000, and shall mature serially on July 1 in each of the years, and in the amounts, respectively, as set forth in the following schedule:

\$ 800,000	1978/1981
900,000	1982/1985
1,000,000	1986/1989
1,100,000	1990/1993
1,200,000	1994/1997

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 1978 through 1985, 5.00%,
- maturities 1986 through 1990, 4.50%,
- maturities 1991 through 1992, 4.70%,
- maturities 1993 through 1996, 4.75%,
- maturities 1997, 4.00%,

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 1977

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

FIVE THOUSAND DOLLARS

and to pay interest thereon, from the date hereof, at the rate of _____% per annum, evidenced by interest coupons payable JANUARY 1, 1978, and semiannually thereafter on each JULY 1 and JANUARY 1 while this bond is outstanding. The principal of this bond and the interest coupons appertaining hereto shall be payable to bearer, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this bond or proper interest coupon, at American National Bank of Austin, Austin, Texas, or, at the option of the bearer, at Citibank, N.A., New York, New York, or Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, which places shall be the paying agents for this Series of bonds.

THIS BOND is one of a Series of negotiable coupon bonds dated JULY 1, 1977, issued in the principal amount of \$20,000,000 FOR THE PURPOSE OF CONSTRUCTING, EQUIPPING, OR ACQUIRING BUILDINGS OR OTHER PERMANENT IMPROVEMENTS FOR THE UNIVERSITY OF TEXAS SYSTEM, to the extent and in the manner provided by law, in accordance with the provisions of the Amendments to Section 18, Article VII of the Texas Constitution, adopted by a vote of the people of Texas on November 6, 1956, and on November 8, 1966.

ON JULY 1, 1987, OR ON ANY INTEREST PAYMENT DATE THEREAFTER, any outstanding bonds of this Series may be redeemed prior to their scheduled maturities, at the option of said Board, IN

WHOLE, OR FROM TIME TO TIME IN PART, for the following redemption prices (expressed as percentages of the principal amount) plus unpaid accrued interest on the bonds called for redemption to the date fixed for redemption:

<u>Redemption Date</u>	<u>Redemption Price</u>
July 1, 1987, or January 1, 1988	102%
July 1, 1988, or January 1, 1989	101-1/2%
July 1, 1989, or January 1, 1990	101%
July 1, 1990, or January 1, 1991	100-1/2%
July 1, 1991, or thereafter	100%

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

IT IS HEREBY certified, recited and covenanted that this bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the issuance and delivery of this bond have been performed, existed and been done in accordance with law; and that the interest on and principal of this bond, and the Series of which it is a part, together with the other New Series Outstanding Bonds, are equally and ratably

secured by and payable from a lien on and pledge of the Interest of The University of Texas System in the income from the Permanent University Fund, as such Interest is apportioned by Section 66.03, Texas Education Code (Chapter 42 of the Acts of the Regular Session of the 42nd Legislature of the State of Texas), subject only and subordinate to the first lien on and pledge of said Interest heretofore created in connection with the Old Series Outstanding Bonds (as such terms are defined in the Resolution authorizing this Series of bonds).

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

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

*(Coupons maturing after July 1, 1987, 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,)

States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this interest coupon, at American National Bank of Austin, Austin, Texas, or, at the option of the bearer, at Citibank, N.A., 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 1977, DATED JULY 1, 1977. BOND NO. _____.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

Secretary

Chairman

FORM OF ENDORSEMENT FOR REGISTRATION AS TO PRINCIPAL:

ENDORSEMENT FOR REGISTRATION AS TO PRINCIPAL

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

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

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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 1977 Bonds herein authorized. The New Series 1977 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 1977 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 1977 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, 1977, and semiannually thereafter on or before May 15 and November 15 of each year while the New Series 1977 Bonds, or interest thereon, are outstanding and unpaid, the amount of interest or principal and interest which will become due on the New Series 1977 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, 1977, and semiannually thereafter on or before May 15 and November 15 of each year while any of the New Series 1977 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 1977 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 1977 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 1977 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 1977 Bonds (whether payable to the bearer or payable to the registered owner thereof) and such of the coupons as are presented for payment, and said paying agent situated in the State of Texas by accepting designation as such paying agent agrees and is obligated to perform such service.

(e) The paying agents shall totally destroy all paid New Series 1977 Bonds and coupons, and shall furnish the Board with an appropriate certificate of destruction covering the New Series 1977 Bonds and coupons thus destroyed.

(f) The Board shall make provision with the paying agents for the rendition of a statement to The University of Texas System for any sums due such paying agents for services rendered in connection with the payment of the New Series 1977 Bonds and coupons by such paying agents, and the amount of such charges shall be paid by the Board from funds available for such purpose.

9. That all of the language, terms, provisions, covenants and agreements of Section 7 through 13, both inclusive, of the resolution adopted June 16, 1967, authorizing the issuance of the New Series 1967 Bonds are hereby referred to, adopted, and made applicable to the New Series 1977 Bonds authorized by this Resolution, for all purposes.

10. That after said New Series 1977 Bonds shall have been executed, it shall be the duty of the Chairman of the Board or some officer of the Board acting under his authority, to deliver said Bonds and all necessary records and proceedings to the Attorney General of Texas, for examination and approval by the Attorney General. After said bonds shall have been approved by the Attorney General, they shall be delivered to the Comptroller

of Public Accounts of the State of Texas for registration. Upon registration of said Bonds, the Comptroller of Public Accounts (or a deputy lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein to be printed and endorsed on each of said Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each of said Bonds.

11. That said New Series 1977 Bonds are hereby sold and shall be delivered to First National Bank in Dallas, for the principal amount thereof and accrued interest to the date of delivery, plus a premium of \$948.00.

12. That the Board certifies that based upon all facts, estimates and circumstances now known or reasonably expected to be in existence of the date the Bonds are delivered and paid for, the Board reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds or any portion of the Bonds to be an "arbitrage bond" under Section 103(c)(2) of the Internal Revenue Code of 1954, as amended, and the temporary and proposed regulations heretofore prescribed thereunder, including, without limitation, Sections 1.103-13 and 1.103-14 of the proposed regulations published in the Federal Register on May 3, 1973, May 11, 1973, December 3, 1975 and October 29, 1976 (or corresponding provisions of proposed, temporary or final regulations replacing such proposed regulations). Furthermore, all officers, employees and agents of the University are authorized and directed to provide certifications of facts, estimates and circumstances which are material to the reasonable expectations of the Board as of the date the Bonds are delivered and paid for, and any such certifications may be relied upon by counsel, by the owners or holders of the Bonds, or by any person interested in

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

13. That the Official Notice of Sale, Official Statement and Official Bid Form relating to the Bonds and submitted to this Board are found to be correct and are hereby approved.

INTRODUCTION OF STUDENT AND FACULTY REPRESENTATIVES AND OTHER GUESTS. --At this point in the meeting, Chairman Shivers called on the Presidents of the component institutions who, in turn, introduced the following student and faculty members:

U. T. Arlington - President Nedderman presented:

Mr. Tim Matheus, President, Student Congress
Mr. Keith Head, Vice President, Student Congress
Miss Karel Holloway, News Editor, Shorthorn

U. T. Austin - President Rogers presented:

Mr. Marc Luzzatto, Vice President of Students' Association
Mr. John Parker, Reporter, The Daily Texan

U. T. Dallas - President Jordan presented:

Mr. Stewart Swift "Sparky" Sparks III, President of
Student Government
Mr. Doug Malany, Chairman of Student Union Committee

U. T. El Paso - President Templeton presented:

Dr. Carl Hall, Chairman of Faculty Senate
Mr. Chad Perlin, Editor, Prospector

U. T. San Antonio - President Flawn presented:

Mr. Steve Linahan, President of Student
Representative Assembly
Miss Sherry Gillespie, Vice President of Student
Representative Assembly

Galveston Medical Branch - President Levin presented:

Mr. Duke McHugh, Chairman of the Senate of the
Student Government Association

Houston Health Science Center - Acting President Blocker presented:

Dr. Arlowayne Swort, Dean of Nursing School

Mr. Bill Wells and Miss Ann O'Dowd were introduced by Chairman Shivers as special guests from the Legislative Budget Board.

Deputy Chancellor Walker introduced Dr. George Hurst, Superintendent, and Mr. David Turman, Administrator, of the East Texas Chest Hospital in Tyler. The East Texas Chest Hospital will be transferred from the Texas State Board of Health Resources to the Board of Regents of The University of Texas System as of September 1, 1977. (Page 75)

At this point, Chairman Shivers relayed a message from Mr. Ralph Spence extending an invitation to the Board and the University officials to come to Tyler to inspect the newly acquired facility and expressing a desire to host an official meeting of the Board of Regents in Tyler. Mr. Spence is a U. T. Ex-Student, Distinguished Alumnus and member of the Coordinating Board, Texas College and University System.

U. T. AUSTIN: REQUEST FROM NEAL GRAHAM, CHAIRMAN OF SOS COMMITTEE TO OVERRULE ATHLETICS COUNCIL AND CHANGE KICKOFF TIME FOR FIRST THREE 1977 FOOTBALL GAMES (SEPTEMBER 10 AND 17 AND OCTOBER 1). --Chairman Shivers recognized Mr. Neal Graham, Senior Business major and Chairman of Save Our Skin (SOS) Committee at The University of Texas at Austin. Mr. Graham presented a written statement (filed in the Office of the Secretary) to the Board of Regents asking that the kickoff time of the first three 1977 football games be changed from 4:00 p. m. to 7:30 p. m. He emphasized a health hazard to the athletes as well as to the football fans due to excessive heat at this time of the year. In conclusion, he said that "the

Board of Regents is our first and last hope in this situation. The Athletics Council has voted to have the games played at four o'clock; President Rogers has approved that action; and in the normal course of things no further administrative approval is required. But the Legislature has empowered this Board to govern U. T. Austin; and since this is clearly a matter of policy, we beg you to exercise your statutory authority today."

In response to Chairman Shivers, Mr. J. Neils Thompson, Chairman of the Athletics Council at U. T. Austin, said that in his opinion the decision of the Athletics Council in scheduling the games at 4:00 p. m. was based upon: (1) the recommendation of Coach Akers who feels that he can cope with the heat situation [The Coach prefers the games earlier so there will not be the prolonged tension for the players.]; and (2) the economical and financial reasons advanced by the Business Office.

Regent Blumberg moved that U. T. Austin authorities be directed to change the kickoff time of the first three 1977 football games (September 10 and 17 and October 1) from 4:00 p. m. to 7:30 p. m. Regent Law seconded the motion.

In a discussion that ensued, Chairman Shivers pointed out that this was an internal matter but the Board did have authority to act on it.

When the question recurred on the motion, it was defeated by a vote of three to five.

REPORT OF SANTA RITA AWARD COMMITTEE: AWARD TO J. ERIK JONSSON OF DALLAS, TEXAS. --Before recessing for the Standing Committees to meet, Chairman Shivers announced that the Santa Rita Award Committee (composed of Regent Clark, Chairman, and Regents Shivers and Williams) would meet. Regent Shivers, as a member of the committee, moved that Mr. J. Erik Jonsson, former mayor of Dallas and a great contributor to the U. T. System, be named to receive the 1977 Santa Rita Award. The motion prevailed, and Committee Chairman Clark reported to the Board that Mr. J. Erik Jonsson of Dallas, Texas, had been unanimously selected to receive the Santa Rita Award and that this award would be presented to Mr. Jonsson in Dallas on the evening of December 15 preceding the Regents' meeting on December 16, 1977.

RECESS FOR COMMITTEE MEETINGS AND EXECUTIVE SESSION OF THE COMMITTEE OF THE WHOLE. --Chairman Shivers announced that (1) the Board of Regents would recess (9:45 a. m.) for meetings of the Standing Committees and (2) following the Open Session of the Committee of the Whole, the Board of Regents would retire to the Regents' Committee Room and convene as a Committee of the Whole in Executive Session pursuant to Article 6252-17, Sections 2(e), (f) and (g), V.T.C.S. to consider:

- a. Pending or Contemplated Litigation
 - b. Land Acquisition
 - c. Personnel Matters
- 1977-78 Operating Budgets

RECONVENE. --Immediately after the meeting of the Executive Session of the Committee of the Whole (1:15 p. m.), the Board of Regents reconvened in the Regents' Meeting Room to receive the committee reports.

REPORTS OF STANDING COMMITTEES

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

REPORT OF SYSTEM ADMINISTRATION COMMITTEE (Pages 24 - 26). -- In the absence of Vice-Chairman Williams, Chairman of the System Administration Committee, Chairman Shivers stated that all matters of the System Administration Committee had been considered in open session; and he filed the following report. There being no objection, the report was adopted:

Report

In open session this morning, the System Administration Committee approved without objection each of the following recommendations of the administration and submits them to the Board of Regents for formal approval:

1. U. T. El Paso: Request to Purchase 31,720 Square Feet of Property Across from Special Events Center (4-B&G-77). -- It is recommended by President Templeton and concurred in by System Administration that approval be given to

- a. Acquire from the legal owners at a price of \$142,740 Lots 11-20, Block 224, Alexander Addition, City and County of El Paso, Texas, subject to the approval of the deed and title by the Office of General Counsel

This property consists of 31,720 square feet of land located on Oregon Street between Cincinnati Avenue and Baltimore Drive and across from the Special Events Center at The University of Texas at El Paso. Currently this property will provide additional parking for students during normal class hours as well as for events scheduled in the Special Events Center; later it may serve as a future site for an academic or service building.

- b. Appropriate from Interest on Combined Fee Revenue Bond Proceeds \$142,740 (purchase price) plus an amount necessary for miscellaneous expenses, including closing costs

2. U. T. Austin, U. T. El Paso and Dallas Health Science Center (Dallas Southwestern Medical School): Proposed Amendments to 1976-1977 Budgets (14-B-77). -- The appropriate chief administrative officers, concurred in by System Administration, recommend adoption of the amendments on Pages 25 - 26 to the following 1976-77 Operating Budgets:

The University of Texas at Austin, Page 25
 The University of Texas at El Paso, Page 25
 The University of Texas Health Science Center
 at Dallas (Dallas Southwestern Medical
 School), Page 26

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

THE UNIVERSITY OF TEXAS AT AUSTIN

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
45.	Miscellaneous General Institutional Expenses - Diplomas Transfer of Funds	From: Student Services Fees Unappropriated Balance	To: Diplomas	
	Amount of Transfer	\$ 16,200	\$ 16,200	---
46.	Auxiliary Enterprises - Student Government Office Transfer of Funds	From: Student Government Unappropriated Income (From Student Services Fees)	To: Student Government Office - Salaries \$ 1,971 Other Operating Expense <u>1,444</u>	
	Amount of Transfer	\$ 3,415	<u>\$ 3,415</u>	---

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THE UNIVERSITY OF TEXAS AT EL PASO

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
1.	Utilities - Purchased Utilities Transfer of Funds	From: Unappropriated Balance	To: Purchased Utilities	
	Amount of Transfer	\$ 147,392	\$ 147,392	---

This appropriation is to pay the additional cost of purchased utilities due to pass-through fuel increases billed on a delayed basis from Lone Star Energy Company. The added costs by years are as follows:

1973-74	\$ 59,898
1974-75	\$ 43,073
1975-76	\$ 44,421

The State Comptroller would not pay these pass-through charges from current year appropriations for purchased utilities. Senate Bill No. 913 was introduced by Senator Santiesteban as a deficiency appropriation measure; it did not pass. Therefore, U. T. El Paso is obligated to pay these bills from General Funds Unappropriated Balances.

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THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT DALLAS

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
	<u>Dallas Southwestern Medical School</u>			
22.	Donald J. Smiley (Tenure) Internal Medicine	Professor	Professor	
	Salary Rate	\$ 40,900	\$ 46,900	6/1/77
	Source of Funds: Presbyterian Hospital			

REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (Pages 27-31). --Committee Chairman Sterling stated that all matters of the Academic and Developmental Affairs Committee were conducted in open session and had been approved without objection unless otherwise indicated. He filed the following report; there being no objection, it was adopted:

1. U. T. System: Deputy Chancellor's Docket No. 13 (Attachment No. 1)(Catalog Change). --Committee Chairman Sterling reported that no exception had been received to Deputy Chancellor's Docket No. 13. At the meeting no objections were offered during the consideration of the Docket, and the Docket was unanimously approved in the form distributed by the Secretary. It is attached (Attachment No. 1) following Page 77 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 next catalogs printed by the respective institutions.

2. U. T. Austin: Appointment of Professor Edward L. Summers to the Arthur Young Professorship in Accounting, College of Business Administration. --Upon the recommendation of Dean Kozmetsky, approved by President Rogers and concurred in by System Administration, Professor Edward L. Summers was appointed to the Arthur Young Professorship in Accounting in the College of Business Administration at The University of Texas at Austin effective September 1, 1977. Professor Summers succeeds Dr. Raynard M. Sommerfeld, the initial recipient of this professorship which was established by the Board of Regents on July 21, 1972.
3. U. T. Austin: Reaffirmation of Appointment of Dean George Kozmetsky Initial Recipient of J. Marion West Chair for Constructive Capitalism, Graduate School of Business. --On February 11, 1977, Dean George Kozmetsky was appointed by unanimous vote the initial recipient of the J. Marion West Chair for Constructive Capitalism in the Graduate School of Business at The University of Texas at Austin.

This appointment, effective September 1, 1977, was reaffirmed at this meeting. Dean Kozmetsky is an outstanding leader in world business and industry and is most deserving of this honor.

The trustees of the J. M. West Texas Corporation of Houston, Texas, had recommended that Dean Kozmetsky be the initial holder of this chair; and System Administration had received endorsement of this recommendation from President Rogers, members of the faculty and Advisory Council of the College of Business Administration and of the faculty of the Graduate School of Business.

4. U. T. Austin: Appointment of Professor Timothy W. Ruefli Initial Recipient of H. B. "Hank" Harkins Professorship in Constructive Capitalism, Graduate School of Business. -- Professor Timothy W. Ruefli was appointed initial recipient of the H. B. "Hank" Harkins Professorship in Constructive Capitalism in the Graduate School of Business at The University of Texas at Austin effective September 1, 1977. This professorship was established by the Board of Regents on April 15, 1977.

The terms of the grant establishing the H. B. "Hank" Harkins Professorship in Constructive Capitalism provide that it be awarded to the Associate Director of the Institute for Constructive Capitalism. Professor Ruefli is currently serving in that capacity.

5. U. T. Austin: Appointment of (a) Dr. John E. Breen Initial Recipient of John J. McKetta Energy Professorship in Engineering and (b) Dr. David M. Himmelblau Initial Recipient of Bob R. Dorsey Professorship in Engineering, College of Engineering. -- Upon the recommendation of President Rogers, concurred in by System Administration, the Academic and Developmental Affairs Committee appointed the following in the College of Engineering at The University of Texas at Austin effective September 1, 1977:

- a. Dr. John E. Breen initial recipient of the John J. McKetta Energy Professorship in Engineering, established by the Board of Regents on December 10, 1976
- b. Dr. David M. Himmelblau initial recipient of the Bob R. Dorsey Professorship in Engineering, established by the Board of Regents on February 11, 1977

6. U. T. Austin: Appointment of Professor Joe B. Frantz Initial Recipient of Walter Prescott Webb Chair in History, College of Social and Behavioral Sciences. -- Professor Joe B. Frantz was appointed initial recipient of the Walter Prescott Webb Chair in History in the College of Social and Behavioral Sciences at The University of Texas at Austin effective September 1, 1977. This chair was established by the Board of Regents on February 11, 1977.

Professor Frantz is a most distinguished historian and is widely known throughout the State of Texas and the nation.

7. U. T. Austin: Authorization to Change Name of Department of Health, Physical Education and Recreation to Department of Physical and Health Education and to Submit to Coordinating Board (Catalog Change). -- Since the Department of Health, Physical Education and Recreation has not developed a degree program in recreation, has no courses in recreation and has no plans to include the development of a degree program in recreation and based on the recommendation of President Rogers, concurred in by System Administration, the name of the Department of Health, Physical Education and Recreation was changed to the Department of Physical and Health Education at The University of Texas at Austin.

The administration was instructed to forward this name change to the Coordinating Board, Texas College and University System for its consideration. If approved, it was ordered that the next appropriate catalog published by U. T. Austin be changed to conform.

8. U. T. Austin: Handling Fee and Testing Fee in Extension Teaching and Field Service Bureau of the Division of Continuing Education (Catalog Change). -- Upon the recommendation of President Rogers, concurred in by System Administration, the following were authorized for the Extension Teaching and Field Service Bureau of the Division of Continuing Education at The University of Texas at Austin effective September 1, 1977:

- a. A \$10 handling fee for each correspondence course, either college or high school, for which a student enrolls
- b. An increase from \$2 to \$3 in the fee to administer the General Educational Development Testing (GED), making an increase in the cost of taking the battery of five tests from \$10 to \$15

It was ordered that the next published catalogs for the Division of Continuing Education be conformed to this action and that prior to the publication of such catalogs these fees be announced to the students.

9. U. T. Dallas: Amendment No. 1 and Transition Section to Constitution of the Student Congress. -- President Jordan submitted an amendment to the Constitution of the Student Congress at The University of Texas at Dallas (approved April 28, 1975) and a transition section. The amendment and the transition section had been adopted by the Student Congress on March 30 and 31, 1977. This amendment and transition section had been reviewed and approved by the Office of General Counsel.

With changes in terminology suggested by Regent Law, the amendment and transition section were approved in the form set out below:

Amendment No. 1

Amend Articles II and IV by deleting Section 2 and Section 4 of Article II and Section 2 of Article IV and substituting in lieu thereof the following:

- a. Article II, Section 2

Section 2. ELECTION OF PRESIDENT AND VICE PRESIDENT
The President and Vice President of the Student Government shall be chosen by an at-large election of the entire Student Body to be conducted in conjunction with the election of graduate student government representatives in the spring of each year.

- b. Article II, Section 4

Section 4. TERM OF OFFICE

- (1) The term of office for the President and the Vice President shall correspond to the regular term of office of the graduate Student Government representatives.
- (2) The term of office for the Secretary, Treasurer, and Parliamentarian shall correspond to each session of the Student Congress.

c. Article IV, Section 2

Section 2. TERM OF OFFICE FOR PRESIDENT AND VICE PRESIDENT

The President and Vice President may serve for only one term in the same office. A term shall consist of one year or any portion thereof prior to the next regularly scheduled Presidential election.

Transition Section

Add the following temporary transitional paragraph:

In the fall of 1977, elections for Student Government President and Vice President shall be held in accordance with the provisions of the Student Government Constitution as the Constitution existed prior to the approval of amendments by the Board of Regents of The University of Texas System on July 29, 1977; provided, however, that graduate students, if otherwise qualified, shall be eligible for election to the office of President and Vice President of Student Congress. Persons elected in the fall election of 1977 (whether graduate or undergraduate students) shall serve only until the last day of April, 1978. Elections in the spring of 1978 shall be conducted and terms served in accordance with the constitutional amendments as approved by the Board of Regents of The University of Texas System on July 29, 1977. After the last day of April, 1978, this transitional section shall be considered executed and deleted from all subsequent publications of the Constitution of the Student Congress of The University of Texas at Dallas.

10. U. T. Dallas: Student Union Fee (H. B. No. 1594, 65th Leg., R. S., 1977, Texas Education Code Sec. 70.08) Effective Fall Semester 1977 (Catalog Change). -- Under authority of House Bill No. 1594, Sixty-fifth Legislature, R. S., 1977 (Section 70.08--Texas Education Code) and upon recommendation of President Jordan, concurred in by System Administration, authorization was given to levy a Student Union Fee at The University of Texas at Dallas of \$15 per student for each semester of the long session and 12-week summer term and \$7.50 per student for each short term of the summer session effective with the fall semester 1977. For those students taking less than a full academic load, the Student Union Fee was ordered prorated at the rate of \$1.25 per semester credit hour not to exceed the statutory limit of \$15 for each regular semester or 12-week summer session and not to exceed \$7.50 for each 6-week term of the summer session.

It was noted that H. B. 1594 recommends that a Student Union Advisory Committee be established to make recommendations concerning the Student Union. President Jordan reported that he had already appointed the committee, and this committee is currently active.

It was ordered that the next appropriate catalog published for U. T. Dallas be conformed to this action.

11. U. T. El Paso: Amendments to Constitution of the Student Association. -- President Templeton submitted amendments to the Constitution of the Student Association at The University of Texas at El Paso, which amendments had been adopted in a special election held April 27-28, 1977, by the Student Association and had been reviewed and approved by the Office of General Counsel. Upon President Templeton's recommendation, concurred in by System Administration, the amendments to the revised Student Association Constitution (revised May 14, 1976) were approved and are set out below. As provided by the existing Constitution, the four amendments were ordered placed in a special amendments section at the end of the Constitution and notations made in the appropriate sections in the body of the Constitution that the sections had been amended:

a. Qualifications for Office: Maintenance Requirement.
(supersedes Article II, Section 2 entirely)

To qualify as an officer in the Student Association, a student must be enrolled for at least six (6) credit hours during the fall semester and be enrolled for at least six (6) credit hours during the spring semester; must have a 2.5 cumulative grade point average at the time he or she takes office and maintain a 2.5 grade point average during his or her term of office as stipulated by Article II, Section 8 of this Constitution: must have at least thirty (30) credit hours at The University of Texas at El Paso by the time that he or she takes office; and must not be on disciplinary or scholastic probation of any kind.

b. Qualifications for Office: Provisions for Disqualification for Office; Penalty; Replacement.

(addition to Article II, Section 2 as amended above)

Anyone who takes office without meeting stated requirements or who fails to meet stated qualifications during his or her term of office shall forfeit his seat on the Student Association Council and the next alternate in the line of succession shall take the vacated seat and all rights and privileges thereof.

c. Monthly Stipends: Provisions for Absence from Meetings; Excuse, Penalties, and Limitation.

(addition to Article II, Section 7)

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

d. Supreme Court: Proceedings; Publication Requirement; Locations.

(supersedes Article V, Section 6 entirely)

The Supreme Court shall publish three bound copies of its official proceedings at the end of the academic year to be permanently located at the following places:

- a. Office of the Student Association
- b. Office of Student Affairs
- c. Office of the University Librarian

REPORT OF BUILDINGS AND GROUNDS COMMITTEE (Pages 32 - 48). -- Committee Chairman Bauerle reported that all items in the Buildings and Grounds Committee were considered in open session, and each item was unanimously approved unless otherwise indicated. He filed the following report that was adopted without objection:

1. U. T. Arlington - Library - Sixth Floor - Alterations for Additional Special Collections: Award of Contract to NICO Industries, Inc., Dallas, Texas, and Additional Appropriation Therefor. -- The Administration reported that all bids received for the remodeling of approximately 4,500 gross square feet of space on the Sixth Floor of the Library at The University of Texas at Arlington exceeded the Project Architect's final construction cost estimate of \$139,824. After reviewing these bids, the Administration concluded that the high priority for providing reading rooms, exhibit and research space and support facilities for the additional prestigious collections warranted proceeding with the proposed contract award and additional appropriation.

Upon the recommendation of President Nedderman and System Administration, the Buildings and Grounds Committee unanimously approved:

- a. The award of a construction contract for alterations to the sixth floor of the Library for special collections at The University of Texas at Arlington to the lowest responsible bidder, NICO Industries, Inc., Dallas, Texas, for the lump sum base bid in the amount of \$197,028
- b. A revised total project cost of \$240,000 to cover the building construction contract award, movable furnishings and equipment, fees and miscellaneous expenses
- c. An additional appropriation of \$66,000 from Unappropriated Plant Funds - Interest on Bond proceeds for the project, \$174,000 having previously been appropriated

It was noted that an area on this sixth floor of the Library was designed in 1972 to house the Jenkins Garrett Texana Collections presented to the University by former Regent Garrett, and this project provides for additional remodeling of approximately 4,500 gross square feet of space for the acquisition of other new collections.

2. U. T. Arlington - Remodeling of Life Science Building: Award of Contract to Childs Construction Company, Inc., Fort Worth, Texas. -- A tabulation of the bids received for the Remodeling of the Life Science Building at The University of Texas at Arlington was received and considered.

Upon the recommendation of President Nedderman and System Administration, the Buildings and Grounds Committee awarded a construction contract for this remodeling project to the lowest responsible bidder, Childs Construction Company, Inc., Fort Worth, Texas, for the lump sum base bid of \$1,397,000, and approved a total project cost of \$1,600,000 to cover the contract award, equipment, fees and miscellaneous expenses.

3. U. T. Arlington - Remodeling of Trinity Hall: Approval of Preliminary Plans and Additional Appropriation. --The preliminary plans and specifications for the remodeling of approximately 50,000 gross square feet of Trinity Hall at The University of Texas at Arlington were approved as prepared by the Project Architect, Sowden-Kelley-Barfield, Fort Worth, Texas, at an estimated total project cost of \$1,300,000; and the Project Architect was authorized to prepare the final plans and specifications. The scope of the remodeling of this 270 student capacity dormitory includes 7,000 square feet of lounge and study space as well as remodeling of 45 residential units for 6 students each.

An additional appropriation of \$18,000 was authorized from Unappropriated Plant Funds - Interest on Bond proceeds for fees and miscellaneous expenses through the preparation of final plans and specifications, \$35,000 having been previously appropriated from the same source.

System Administration reported that an application for funding for this project will be filed with the Housing and Urban Development Agency as soon as its guidelines are issued. In the event that this source of funds is not available, a proposed Revenue Bond issue will be presented to the Board of Regents for consideration. The operating costs, including maintenance, operation, utilities, and debt service requirement, if any, will be financed by room and board charges to those using the facility.

4. U. T. Arlington - Additional Parking Facilities and Expansion of Parking Facilities: Ratification of Contract Award to SRO Asphalt, Inc., Arlington, Texas, to Construct Five Parking Lots [Mitchell and Pecan Streets; College and Border Streets (Previously Called West and Border Streets); Fourth and Oak Streets; Second and Monroe Streets (Northwest Corner of Monroe and Second Streets); and South Cooper Street]. --The Administration reported that with the concurrence of the Office of Facilities Planning and Construction, the U. T. Arlington Administration had awarded a construction contract to the lowest responsible bidder, SRO Asphalt, Inc., Arlington, Texas, in the amount of \$338,200 for the construction of five parking lots on the campus of The University of Texas at Arlington. These parking lots are to be constructed at the locations set out below:

- a. Mitchell and Pecan Streets
- b. College and Border Streets (Previously Called West and Border Streets)
- c. Fourth and Oak Streets
- d. Second and Monroe Streets (Northwest Corner of Monroe and Second Streets)
- e. South Cooper Street

It was pointed out that a previous contract for four parking lots had been awarded to SRO Asphalt, Inc., in the amount of \$131,000 (ratified July 9, 1976) and that with the award of this contract there would be nine parking lots completed at U. T. Arlington for a total amount of \$469,200.

Upon the recommendation of President Nedderman and System Administration, the action of the U. T. Arlington Administration in awarding the \$338,200 construction contract to SRO Asphalt, Inc., was ratified.

5. U. T. Austin - Special Events Center: Award of Contracts for Furniture and Furnishings to Rockford Furniture & Carpets, Inc., Austin, Texas; Abel Contract Furniture & Equipment Co., Inc., Austin, Texas; Percy Manufacturing Co., Inc., New York, New York; and Custom Kitchen Equipment Co., Inc., Humble, Texas. --The Administration submitted a tabulation of the bids received for the General Furnishings and Equipment and for the Kitchen Equipment for the Special Events Center at The University of Texas at Austin. It was pointed out that although only two bids were received for the Kitchen Equipment, seven invitations were issued. One of the two bids received was nonresponsive in that it did not include the required bid security; however, the one responsive bid was substantially less than the estimate for this equipment. The Administration believed that a rebid would not accomplish improved results; hence a recommendation was submitted to include the award of a contract for the Kitchen Equipment along with the other recommended awards.

Upon the recommendation of President Rogers and System Administration, contracts were awarded for the furniture and furnishings for the Special Events Center at U. T. Austin to the lowest responsible bidders as set out below:

Rockford Furniture & Carpets,
Inc., Austin, Texas

Base Proposal "A" (General Furniture)	\$ 45,474.90
Base Proposal "C" (Movable Seating)	119,659.20
Base Proposal "H" (Stools)	<u>4,388.23</u>

Total Contract Award to Rockford Furniture & Carpets, Inc.	\$ 169,522.33
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Abel Contract Furniture & Equipment
Co., Inc., Austin, Texas

Base Proposal "B" (Lounge Furniture)	\$ 15,718.00
Base Proposal "E" (Tables)	30,388.80
Base Proposal "F" (Exhibit Booths and Crowd Control Equipment)	7,691.28
Base Proposal "G" (Coat Storage Fixtures)	<u>4,992.44</u>

Total Contract Award to Abel Contract Furniture & Equipment Co., Inc.	58,790.52
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Percy Manufacturing Co., Inc.
New York, New York

Base Proposal "D" (Ticket Equipment)	\$ <u>35,002.00</u>	35,002.00
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Custom Kitchen Equipment Co., Inc.
Humble, Texas

Base Proposal "J" (Kitchen Equipment)	\$ <u>82,435.00</u>	<u>82,435.00</u>
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Grand Total Contract Awards	<u>\$ 345,749.85</u>
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The appropriated funds necessary to cover these contract awards are available in the Specialized Equipment Account for this project.

6. U. T. Austin - South Parking Lot at Special Events Center: Approval of Project; Authorization for Project Architect, B. W. Crain, Jr., to Prepare Final Plans; Appointment of Committee to Approve Final Plans; and Appropriation Therefor. --The Administration reported that the completion of the construction of the Special Events Center at The University of Texas at Austin is currently anticipated in late 1977. The original design of this project provided for a surface parking lot on the south end of the construction site when this area was no longer needed by the building contractor. Initial site development studies prepared by the Office of Facilities Planning and Construction and the Architect indicate that the parking surface, curbs, striping, storm drainage and site preparation can be provided for approximately 460 cars at an estimated cost of \$520 per car. Additionally, the requirements for security lighting, a water supply and irrigation system, control kiosks, graphics, sidewalks, and landscaping can be provided within an estimated total project cost of \$408,000.

In connection with this project, and upon the recommendation of President Rogers and System Administration, the Buildings and Grounds Committee:

- a. Authorized the Project Architect, B. W. Crain, Jr., Longview, Texas, to prepare final plans and specifications for the South Parking Lot at the U. T. Austin Special Events Center at an estimated total project cost of \$408,000
 - b. Appointed a committee consisting of Chairman Shivers, Committee Chairman Bauerle, Deputy Chancellor Walker, Associate Deputy Chancellor Landrum, Director Kristoferson and President Rogers to approve the final plans
 - c. Authorized the Office of Facilities Planning and Construction to Advertise for bids
 - d. Appropriated \$408,000 from Interest on Bond proceeds
7. U. T. Austin - Addition to Robert A. Welch Hall: Award of Contracts for Classroom and Auditorium Seating to Central Distributing Co. - Agent of Heywood-Wakefield Co., San Antonio, Texas, and Griggs Equipment, Inc., Belton, Texas. --Upon the recommendation of President Rogers and System Administration, contracts for the Classroom and Auditorium Seating in the Addition to Robert A. Welch Hall at The University of Texas at Austin were awarded to the lowest responsible bidders as set out below:

Central Distributing Co.
-Agent of Heywood-Wakefield Co.
San Antonio, Texas

Base Bid "A" (Classroom Seating) \$ 87,160.48

Griggs Equipment, Inc.
Belton, Texas

Base Bid "B" (Auditorium Seating) 48,872.00

Total Contract Awards \$136,032.48

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

8. U. T. Austin - Marine Science Institute at Port Aransas: Authorization to Construct Two Tennis Courts and Funding Therefor. -- Upon the recommendation of President Rogers and the Administrative Officers of U. T. Austin and the Port Aransas Marine Science Institute, concurred in by System Administration, the Buildings and Grounds Committee authorized:

- a. The construction of two lighted Laykold tennis courts, a practice area with backboard, and appropriate security and windbreak fencing at the Marine Science Institute at Port Aransas of The University of Texas at Austin at an estimated total project cost not to exceed \$60,000
- b. The completion of the project design, final contract documents, bid advertisement and award of contract by all necessary actions of U. T. Austin Administration and the Physical Plant Staff
- c. The transfer of \$60,000 from Student Services Fee Account No. 29-2800-0000 to Project Account No. 28-1420-1150 for this project

9. U. T. Dallas - Phase III Fine Arts Building - Initial Studio Facilities: Award of Contract to Kugler-Morris, General Contractors, Inc., Dallas, Texas, and Additional Appropriation Therefor. -- The Administration reported that all bids received for the Phase III Fine Arts Building - Initial Studio Facilities (25,321 gross square feet) at The University of Texas at Dallas exceeded the \$423,979 final construction cost estimate of the Project Architect, Fisher and Spillman, Inc., Dallas, Texas. The Project Architect had made a comparison and analysis of the low bidder's bid and the cost estimate which indicated a general increase across the board in all items. Hence, the Administration had determined that the low bid of approximately \$25.00 per square foot was reasonable.

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

- a. A construction contract for the Phase III Fine Arts Building - Initial Studio Facilities at The University of Texas at Dallas to the lowest responsible bidder, Kugler-Morris, General Contractors, Inc., Dallas, Texas, as follows:

Base Bid	\$709,000
Deduct	
Alternate No. 1 (Substitute fabricated metal building structural system and roof)	<u>-66,000</u>
Total Contract Award	<u>\$643,000</u>

- b. A revised total project cost of \$750,000 to cover the building construction contract award, movable furnishings and equipment, landscaping, fees and miscellaneous expenses
 - c. An additional appropriation of \$250,000 from Building Use Fees to cover the total project cost, \$500,000 having previously been appropriated from this same source
10. U. T. Dallas: Report of Hearing Officer on Claim for Phase II Construction. --This item was withdrawn prior to the meeting.
11. U. T. Dallas: Three Drainage Easements and Two Temporary Construction Easements to City of Richardson for Construction of Railroad Underpass for Renner Road. --At its meeting held September 12, 1975 (Permanent Minutes, Volume XXIII, Page 99), the Board of Regents dedicated a right-of-way to the City of Richardson, Texas, for the construction of Renner Road onto the campus of The University of Texas at Dallas. The Administration reported that the City of Richardson now proposes to construct an underpass at the point of intersection of the extension of Renner Road with the Gulf, Colorado and Santa Fe Railroad and had requested the following easements relating thereto:

Easement No. 1 - A drainage easement approximately 35'x40' (.0311 acres) on the north side of Renner Road

Easement No. 2 - A drainage easement approximately 20'x25' (.0118 acres) on the south side of Renner Road

Easement No. 3 - A drainage easement approximately 20'x107' (.0492 acres) on the southwest side of the Gulf, Colorado and Santa Fe Railroad right-of-way

Easement No. 4 - A temporary construction easement approximately 175' wide (2.3854 acres) along the northeast side of the Gulf, Colorado and Santa Fe Railroad right-of-way between the St. Louis and Southwestern Railroad right-of-way and Renner Road, a distance of approximately 659 feet

Easement No. 5 - A temporary construction easement approximately 175' wide (2.6773 acres) along the northeast side of the Gulf, Colorado and Santa Fe Railroad right-of-way for a distance of approximately 633' southeast from Renner Road

Upon the recommendation of President Jordan and System Administration, authorization was given to grant to the City of Richardson Easements Nos. 1 through 5 as outlined above; and the Chairman of the Board of Regents was authorized to execute each easement when it had been approved as to content by Deputy Chancellor Walker and as to form by an attorney of the Office of General Counsel.

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12. U. T. El Paso - Administration Building - Alterations and Additions: Approval of Preliminary Plans. -- Upon the recommendation of President Templeton and System Administration, the preliminary plans and specifications for the Alterations and Additions to the Administration Building at The University of Texas at El Paso were approved at an estimated cost of \$1,400,000. The Project Architect, Fouts Langford Gomez Moore, Inc., El Paso, Texas, was authorized to prepare the final plans and specifications for the project to be submitted to the Board of Regents at a future meeting.
13. U. T. El Paso - Repair, Rehabilitation and Additions to El Paso Centennial Museum: Authorization for Project; Appointment of Fouts Langford Gomez Moore, Inc., El Paso, Texas, Project Architect; and Appropriation Therefor. -- It was reported by the Administration that the El Paso Centennial Museum on The University of Texas at El Paso campus is in need of repair and rehabilitation, and that the 65th Legislature had appropriated \$525,500 toward completion of the project.

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

- a. Authorized the Repair and Rehabilitation of the El Paso Centennial Museum and the Addition of approximately 5,000 square feet thereto at an estimated total project cost of \$735,500
- b. Appointed the firm of Fouts Langford Gomez Moore, Inc., El Paso, Texas, Project Architect with authorization to prepare preliminary plans to be submitted to the Board of Regents for consideration at a future meeting
- c. Appropriated \$525,500 made available by the 65th Legislature effective September 1, 1977, and allocated \$210,000 from the Completion of Master Plan Account appropriated from proceeds of Permanent University Fund Bonds by the Board of Regents at its December 10, 1976 meeting

Committee Chairman Bauerle reported that he had visited the Museum in April and that he was delighted to have a part in the upgrading of this facility.

14. U. T. El Paso - Library Annex Building: Appointment of Committee to Award Contracts for Furniture and Furnishings. -- Upon the recommendation of President Templeton and System Administration, the following committee was appointed to award prior to the September meeting of the Board of Regents and within the funds available contracts for the furniture and furnishings for the Library Annex Building at The University of Texas at El Paso.

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

15. U. T. El Paso - Site Improvements for South Campus Area (Part of Master Plan): Authorization to Construct Parking Lot and Funding Therefor. --It had been proposed by the Administration at The University of Texas at El Paso that in order to alleviate parking and traffic problems and improve the appearance and utilization of the south campus area at U. T. El Paso, there be added to the Master Plan a new parking lot consisting of approximately 125 spaces, retaining walls, walkways, lighting and general site improvements in the campus area bound by Hawthorne Street, Rim Road and Schuster Street.

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

- a. Approved the construction of the Site Improvements for the South Campus Area (Parking Lot) as part of the Master Plan at a total project cost of approximately \$50,000
- b. Authorized completion of the project through all necessary actions of the U. T. El Paso Administration and Physical Plant Department with their own forces or through contract services in consultation with the Office of Facilities Planning and Construction
- c. Approved funding of the total project cost from the Completion of Master Plan Account appropriated from proceeds of Permanent University Fund Bonds by the Board of Regents at the December 10, 1976 meeting

It was noted that the operating and maintenance costs of the parking facility will be financed from parking fees.

16. 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) - Air Conditioning of Memorial Gym and GUS Manufacturing Company: Award of Contract to Prati & Prati General Contractors, Inc., El Paso, Texas. --The Administration reported that in accordance with authorization granted at the July 25, 1975 meeting of the Board of Regents bids had been called for and received for the air conditioning of Memorial Gym and the building occupied by Globe Universal Services, Inc. (GUS Manufacturing Company) [part of the 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) project] at The University of Texas at El Paso.

Following a discussion, and upon the recommendation of President Templeton and System Administration, the Buildings and Grounds Committee:

- a. Awarded a construction contract for the air conditioning of Memorial Gym and the building occupied by GUS Manufacturing at U. T. El Paso to the lowest responsible bidder, Prati & Prati General Contractors, Inc., El Paso, Texas, in the amount of \$488,400
- b. Approved a revised total project cost of \$600,000 to cover the construction contract award, fees and miscellaneous expenses within previously appropriated funds

17. U. T. Permian Basin - Classroom-Administration Building (Now Known as Classroom Building): Acceptance of Revision of Annual Interest Grant No. 5-6-00630-0. --The following resolution was adopted:

WHEREAS, At the meeting of the Board of Regents held July 30, 1971, Annual Interest Grant No. 5-6-00630-0 for the Classroom-Administration Building (now known as the Classroom Building) at The University of Texas of the Permian Basin in the annual amount of \$21,460 on a loan amount of \$1,000,000 was accepted;

WHEREAS, At the Board of Regents' meetings held March 16, 1972, June 9, 1972, September 11, 1972, March 5, 1973 and October 1, 1976, five amendments to Annual Interest Grant No. 5-6-00630-0 were accepted resulting in an annual amount of \$53,781 on a loan amount of \$3,626,000 based on an estimated total project cost;

WHEREAS, Upon completion of the project, the maximum amount eligible for loan support calculated from final project costs was \$3,499,000; and

WHEREAS, The Department of Health, Education and Welfare has issued a "Notification of Reduction Annual Interest Grant Commitment" which reduces the annual amount of this grant to \$52,039 for the balance of the loan (25 years) to reflect the lower maximum loan support amount; now, therefore, be it

RESOLVED, That, upon the recommendation of President Cardozier and System Administration, the Board of Regents accepts the revised grant as outline above.

18. U. T. San Antonio - Institute of Texan Cultures: Authorization to Remodel - Phase I; Appointment of Bartlett Cocks and Associates, Project Architect with Authorization to Prepare Final Plans; and Appropriation Therefor. --The Administration reported that it had been determined by the U. T. San Antonio Administration that the existing need for additional space at the Institute of Texan Cultures of The University of Texas at San Antonio could be met by remodeling 17,268 gross square feet of unimproved space on the third level. Preliminary studies indicate this partial remodeling could provide for both a maximum utilization of existing space and serve all or part of the needs for a regional historical resource depository, classrooms, increased staff work areas and a separate entranceway. Based on these preliminary studies, a request for legislative appropriations had been made for \$293,064, and the Legislature had provided one-half of this amount, \$146,532.

In connection with this project, President Flawn and System Administration recommended that the Buildings and Grounds Committee:

- a. Authorize the phased remodeling of the Institute of Texan Cultures at U. T. San Antonio

- b. Appoint the firm of Bartlett Cocke and Associates, San Antonio, Texas, Project Architect, with authorization to prepare final plans and specifications to be presented to the Board of Regents for consideration at a future meeting
- c. Appropriate the current legislative appropriations of \$146,532 to the project, effective September 1 of this year

The recommendations were approved. It was noted, however, that additional funds will be required before the entire remodeling project can be completed.

19. Dallas Health Science Center - Parking Structure II: Approval of Preliminary Plans and Additional Appropriation. -- Upon the recommendation of President Sprague and System Administration, the preliminary plans and outline specifications for a second parking structure (Parking Structure II) at The University of Texas Health Science Center at Dallas were approved at an estimated total project cost of \$2,100,000. The Project Architect, Beran and Shelmire, Dallas, Texas, was authorized to prepare the final plans and specifications to be submitted to the Board of Regents for consideration at a future meeting.

Further, an additional sum of \$65,000 was appropriated from Dallas Health Science Center Plant Funds Account No. [redacted] to cover fees and miscellaneous expenses through the preparation of final plans and specifications, \$30,000 having previously been appropriated toward the initial design expenses.

20. Galveston Medical Branch (Galveston Medical School): Addition to Animal Facility: Building Named Microbiology Building; Inscription for Plaque. -- Upon the recommendation of the Administration, the Addition to the Animal Facility at the Galveston Medical School of The University of Texas Medical Branch at Galveston was named Microbiology Building; and the following inscription was approved for the plaque to be placed on the building. This inscription follows the standard pattern approved by the Board of Regents at its meeting held October 1, 1966:

MICROBIOLOGY 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

William C. Levin, M.D.
 President, The University
 of Texas Medical Branch
 at Galveston

Louis Lloyd Oliver and Tibor
 Beerman, A.I.A. Architects
 Project Architect

Fleetwood Construction Co., Inc.
 Contractor

21. Galveston Medical Branch (Galveston Medical School) - Remodeling of Animal Care Facilities in Surgical Research Building: Approval of Project and Funding Therefor. --In order to bring the Animal Care Facilities in the Surgical Research Building at the Galveston Medical School of The University of Texas Medical Branch at Galveston into conformity with the guidelines of the National Institutes of Health and the Department of Agriculture, President Levin and System Administration submitted the following recommendations which were approved by the Buildings and Grounds Committee:
- a. Approve the remodeling of approximately 6,000 square feet of Animal Care Facilities in the Surgical Research Building at an estimated total project cost of \$375,000
 - b. Authorize completion of the remodeled construction and equipping of the facility through all necessary actions of the Galveston Medical Branch Administration and Physical Plant Department with their own forces or through contract services in consultation with the Office of Facilities Planning and Construction
 - c. Approve funding of the total project cost through all appropriate actions in the expenditure of available Federal Educational and Research Support Grants, professional fees income from the Department of Surgery, and service fees from the Animal Care Center
22. Galveston Medical Branch (Galveston Medical School) - Keiller Building (Basic Science Teaching Research Facilities): Authorization to Remodel First and Second Floors for Department of Pathology and Funding Therefor. --Upon the recommendation of President Levin and System Administration, the Buildings and Grounds Committee:
- a. Approved the remodeling of approximately 7,000 square feet on the first and second floors of the Keiller Building at the Galveston Medical School of The University of Texas Medical Branch at Galveston for the Department of Pathology at an estimated total project cost of \$350,000
 - b. Authorized completion of the remodeled construction and equipping of the facility through all necessary actions of the Galveston Medical Branch Administration and Physical Plant Department with their own forces or through contract services in consultation with the Office of Facilities Planning and Construction
 - c. Approved funding of the total project cost through all appropriate actions by expenditures from available Federal Educational Grant Funds and Department of Pathology Professional Fees Income

23. Galveston Medical Branch (Galveston Hospitals) - Addition to John Sealy Hospital: Award of Contracts for Furniture and Furnishings (Bid II) to Abel Contract Furniture & Equipment Co., Inc., Austin, Texas, and Rockford Furniture & Carpets, Inc., Austin, Texas. -- Upon the recommendation of President Levin and System Administration, contracts were awarded to the lowest responsible bidders as set out below for furniture and furnishings (Bid II) for the Addition to the John Sealy Hospital at The University of Texas Medical Branch at Galveston (Galveston Hospitals):

Abel Contract Furniture &
Equipment Co., Inc.
Austin, Texas

Base Proposal "A" (Wood
Furniture) \$ 22,348.81

Rockford Furniture & Carpets,
Inc., Austin, Texas

Base Proposal "B" (Steel
Furniture) 63,328.89

Total Contract Awards \$ 85,677.70

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

It was noted that the special committee appointed at the meeting on February 11, 1977, to award contracts for furniture and furnishings for the Addition to the John Sealy Hospital was not activated.

24. Galveston Medical Branch (Galveston Hospitals) - Remodeling of John Sealy Hospital Unit 9C: Authorization for Project and Funding Therefor. -- In connection with the hospitalization provided by The University of Texas Medical Branch at Galveston for certain inmates from the Texas Department of Corrections, the Administration advised that due to the increase in the number of patients from the Department of Corrections and also due to a federal court ruling making it necessary for the Medical Branch to provide hospital care for a higher security risk inmate than can be accommodated in the existing open ward situation within the John Sealy Hospital, modifications must be made to the hospital to provide a self-contained, top security, prison unit as soon as possible.

This facility is being remodeled for use until such time as the Texas Department of Corrections Hospital is completed.

Plans and specifications for such a modification project had been prepared by the Texas Department of Corrections in cooperation with the Galveston Medical Branch.

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

- a. Approved the remodeling of approximately 7,500 square feet of John Sealy Hospital Unit 9C to provide a maximum security area for 35 male and 5 female inmate patients from the Texas Department of Corrections at an estimated total project cost of \$125,000

- b. Authorized completion of the remodeled construction and equipping of the facility through all necessary actions of the Galveston Medical Branch Administration and Physical Plant Department with their own forces or through contract services in consultation with the Office of Facilities Planning and Construction and the Texas Department of Corrections
- c. Approved funding of the project through all appropriate actions of an Interagency Cooperation Contract between the Galveston Medical Branch and the Texas Department of Corrections

25. Galveston Medical Branch (Galveston Hospitals) - Texas Department of Corrections Hospital: Authorization for Project and Appointment of Bernard Johnson, Inc., Houston, Texas, and Jessen Associates, Inc., Austin, Texas - a Joint Venture, Project Architect. --The Administration reported that the 65th Legislature (S.B. No. 1225) had authorized the construction of a hospital for the care and treatment of inmates of the Texas Department of Corrections, had appropriated \$40,000,000 to the Texas Department of Corrections (\$20,000,000 in Fiscal Year 1977-78 and a like sum in Fiscal Year 1978-79) for the construction of this hospital, and had ordered that it be located on the campus of The University of Texas Medical Branch at Galveston on a site to be approved by the Board of Regents of The University of Texas System and by the Board of the Department of Corrections. Expenditure of funds for the project will be provided for through an interagency cooperative agreement between the University and the Department of Corrections.

The Buildings and Grounds Committee approved the construction of the Texas Department of Corrections Hospital with the understanding that the proposed site would be submitted for approval at a future meeting of the Board of Regents.

With respect to System Administration's recommendation that a Project Architect be selected:

Regent Shivers moved that a Joint Venture of Bernard Johnson, Inc., Houston, Texas, and Jessen Associates, Inc., Austin, Texas, be named. Regent Blumberg seconded the motion.

Regent Sterling suggested Page Southerland and Page of Austin and Houston, Texas.

On the basis that Geren Associates, Fort Worth, Texas, had made a feasibility study for the Department of Corrections and had done much work in hospital construction, Regent Law offered a substitute motion that a Joint Venture of Geren Associates and Page Southerland Page be named. Regent Sterling seconded the motion.

Regent Clark offered a substitute motion for a Joint Venture of Bernard Johnson, Inc. and Geren Associates and Page Southerland and Page. This motion died for the lack of a second.

The question recurred on the substitute motion of Regent Law, seconded by Regent Sterling. The substitute motion failed three to five.

The question recurred on the original motion which prevailed, and approval was given to a Joint Venture of Bernard Johnson, Inc., and Jessen Associates, Inc.

26. Galveston Medical Branch (Galveston Hospitals) - Parking Facility for Ambulatory Care Center: Approval of Final Plans and Authorization to Advertise for Bids. --The final plans and specifications prepared by the Project Architect, Louis Lloyd Oliver and Tibor Beerman, Galveston, Texas, for the Parking Facility associated with the Ambulatory Care Center at The University of Texas Medical Branch at Galveston (Galveston Hospitals) were approved within the \$18,700,000 total project cost previously appropriated for the Ambulatory Care Center and Parking Facility. The plans and specifications will provide parking for 400 cars adjacent to the future Ambulatory Care Center at a total estimated cost of \$1,500,000.

The Director of the Office of Facilities Planning and Construction was authorized to advertise for bids for this project which will be submitted to the Board of Regents at a future meeting.

27. Houston Health Science Center (and University Cancer Center) - Prudential Building: Authorization to Remodel; Appointment of Joint Venture - John S. Chase, Houston, Texas, and Golemon & Rolfe, Houston, Texas, Project Architect; and Appropriation Therefor. --The Administration reported that the Prudential Insurance Company who has been occupying, maintaining and operating the Prudential Building (acquired by the Board on Regents on July 19, 1974) will vacate the building probably in the fall of 1977. The building contains approximately 500,000 gross square feet and is located adjacent to the Texas Medical Center in Houston and adjacent to or near the existing facilities of The University of Texas Health Science Center at Houston and The University of Texas System Cancer Center. It is now timely to begin the planning for the remodeling of the building to accommodate the program requirements of the departments of the Houston Health Science Center and the University Cancer Center that will occupy the building. The 65th Legislature appropriated \$5,318,043 for the remodeling of this building and also appropriated funds for operation and maintenance thereof.

Deputy Chancellor Walker asked, and it was unanimously approved, that the planning and construction of this job be a joint project of the Houston Health Science Center and the University Cancer Center.

The Buildings and Grounds Committee authorized the Remodeling of the Prudential Building and appropriated the sum of \$5,318,043 made available by the 65th Legislature for the remodeling of this building.

With respect to the Administration's recommendation that a Project Architect be selected:

Regent Sterling nominated John S. Chase, Houston, Texas.

Regent Bauerle asked to amend the motion to be a Joint Venture of John S. Chase, Houston, Texas, and Golemon & Rolfe, Houston, Texas. Regent Sterling accepted the amendment.

The motion of Regent Sterling as amended was duly seconded, and by unanimous vote approval was given to a Joint Venture: John S. Chase, Houston, Texas, and Golemon & Rolfe, Houston, Texas.

28. San Antonio Health Science Center - Expansion of Basic Science Teaching Space: Authorization for Project; Appointment of Phelps & Simmons & Garza and Bartlett Cocke & Associates, Inc., San Antonio, Texas, Project Architect to Prepare Preliminary Plans and Cost Estimate; and Appropriation Therefor. --The Administration submitted the following report:

One of the most urgent needs of The University of Texas Health Science Center at San Antonio is an expansion of Basic Science Teaching Space to accommodate medical school classes of 200 students. In recognition of this need, the 65th Legislature appropriated \$9,262,500 for Building Expansion - Basic Science Building to include:

- a. Two lecture rooms with a capacity of approximately 300 students each
- b. Additional small conference and seminar rooms of various sizes
- c. Additional Basic Science Teaching Laboratories, Faculty Offices
- d. Correction of current and projected space deficits within Basic Science Departments

The campus master plan and recent feasibility studies indicate that the Basic Science Departmental Teaching Space should be built on Levels 3, 4 and 5 above the Phase IV Expansion on the west side of the Medical School/Dental School Buildings which is now under construction. The large lecture classrooms should be on the east side of the Medical School adjacent to the existing Library and Student Activity areas. The estimated total square footage to be provided is 95,000 square feet.

The new space would cost approximately \$3.79 per square foot per year for operation and maintenance, including utilities based on fiscal year 1976 experience.

With respect to the need for the expansion of Basic Science Teaching Space at the San Antonio Health Science Center, President Harrison and System Administration proposed that the Buildings and Grounds Committee:

- a. Authorize the Expansion of Basic Science Teaching Space at the San Antonio Health Science Center
- b. Authorize the preparation of preliminary plans, outline specifications and a cost estimate for the Basic Science Teaching Space Expansion and appoint the associated firms of Phelps & Simmons & Garza and Bartlett Cocke & Associates, Inc., San Antonio, Texas, Project Architect

- c. Appropriate the sum of \$9,262,500 effective as of September 1, 1977, which amount was made available by the 65th Legislature for the Expansion of The University of Texas Health Science Center at San Antonio

The proposals set out above were approved.

- 29. San Antonio Health Science Center - Expansion - Phase IV: Ratification of Award of Alternates Nos. 1, 2, 3 and 4 to Contract with Kunz Construction Company, Inc., San Antonio, Texas, and Additional Appropriation Therefor. --The Administration reported that in accordance with authorization granted at the April 15, 1977, meeting to award Additive Alternates Nos. 1, 2, 3 and 4 for the finishing of shelled space to the Phase IV Expansion at The University of Texas Health Science Center at San Antonio subject to a availability of funds, the 65th Legislature had appropriated \$9,262,500 for "Building Expansion - Basic Science Building," and a contract for the alternates had been awarded to Kunz Construction Company, Inc., San Antonio, Texas, as follows:

Alternate No. 1 - Finish Area A	\$ 314,270
Alternate No. 2 - Finish Area B	272,994
Alternate No. 3 - Finish Area C	280,245
Alternate No. 4 - Finish Area D	<u>106,216</u>

\$973,725

These alternates will complete approximately 25,000 square feet of area for Basic Science Teaching.

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

- a. Ratified the award of Alternates Nos. 1, 2, 3 and 4 for the Phase IV Expansion to Kunz Construction Company, Inc., in the amount of \$973,725
- b. Authorized the appropriation of \$988,331 to this project for the four additive alternates and related project expenses from the 65th Legislative appropriation effective on September 1, 1977

- 30. University Cancer Center (M. D. Anderson) - Environmental Science Park at Smithville - Science Park Chimpanzee Facility (Camp Swift Division at Bastrop): Authorization for Project Subject to Federal Grants for Operation and Maintenance; and Appropriation Therefor. --It was reported by the Administration that in view of the long recognized need for additional experimental animal facilities that an application for the operational support of a Chimpanzee Facility had been made to the National Institutes of Health for the Camp Swift Division at Bastrop, Texas, of the Environmental Science Park at Smithville of The University of Texas System Cancer Center. If such support is received, holding and housing facilities will be required. It was further reported that the University Cancer Center Administration, Physical Plant Staff and the Office of Facilities

Planning and Construction had completed initial studies for the experimental animal holding and housing requirements for this facility at an estimated total project cost of \$500,000 to be funded from Unappropriated Surplus of the Cancer Center.

Approval of the contract funding is anticipated within several weeks; and, accordingly, President Clark and System Administration recommended that the Buildings and Grounds Committee:

- a. Authorize the construction of the Science Park Chimpanzee Facility at Bastrop subject to approval of contract funding for operational support and other appropriate agency approvals
- b. Authorize the completion of the project design, final contract documents and advertisement for bids by all necessary actions of The University of Texas System Cancer Center Administration, Physical Plant Staff, the Office of Facilities Planning and Construction and any required consultants
- c. Appropriate \$40,000 from University Cancer Center Plant Funds Unexpended Unappropriated Balance Account No. [REDACTED] for the preparation of final plans and specifications and related project expenses

The recommendations were approved. After receipt of all required approvals and confirmed operational support, the advertisement for bids will be scheduled. Bidding results and recommended total project funding will be reported to the Board of Regents at a future meeting.

REPORT OF MEDICAL AFFAIRS COMMITTEE (Pages 49 - 54). --With the statement that the meeting of the Medical Affairs Committee had been conducted in open session and that all actions therein had been approved without objection unless otherwise indicated, Committee Chairman Law filed the following report. There being no objection, the report was adopted:

Report

Committee Chairman Law opened the meeting of the Medical Affairs Committee by calling attention to the fact that the proposed agreements on the Agenda had been approved as to subject and content by the Deputy Chancellor but had not been approved as to form by the Office of General Counsel since in the form one or two items needed to be changed. Thus, all approvals were based on the subject matter in the preliminary agreements submitted.

1. U. T. Austin: Affiliation Agreement with School of Medical Technology, The Methodist Hospital, Houston, Texas (Department of Microbiology--Medical Technology Curriculum). --Upon the recommendation of President Rogers, concurred in by System Administration, unanimous approval was given to the substance and content of a preliminary draft of an affiliation agreement between the Board of Regents of The University of Texas System and the School of Medical Technology, The Methodist Hospital, Houston, Texas, for the Medical Technology Curriculum of the Department of Microbiology at The University of Texas at Austin. This agreement was authorized with the understanding that it will contain the hold harmless clause and that it is subject to the final approval as to form by the Office of General Counsel.

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

2. U. T. El Paso: Affiliation Agreement with Texas Department of Health Resources, Public Health Region 3 - El Paso, El Paso, Texas (College of Nursing). --Unanimous approval was given to the substance and content of a preliminary draft of an affiliation agreement between the Board of Regents of The University of Texas System and the Texas Department of Health Resources, Public Health Region 3 - El Paso, El Paso, Texas, for The University of Texas at El Paso College of Nursing. The agreement was authorized with the understanding that it will contain the hold harmless clause and that it is subject to the final approval as to form by the Office of General Counsel. This facility will provide a practice laboratory for educational purposes for the students and faculty in the College of Nursing.

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

3. Dallas Health Science Center (Dallas Southwestern Medical School): Guidelines for Harry S. Moss Heart Center. -- Upon the recommendation of President Sprague, concurred in by System Administration, the following guidelines for the operation of the Harry S. Moss Heart Center at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas were adopted:

The Harry S. Moss Heart Center was established at the Southwestern Medical School of The University of Texas Health Science Center at Dallas by action of The Board of Regents of The University of Texas System on February 24, 1976.

To ensure efficient management and optimal scientific utilization, administration of the Harry S. Moss Heart Center will be structured in the following way (See Chart, Page 52).

The lines of authority ascend from the professional members of the staff, through the Director of the Center; to the Dean of The University of Texas Southwestern Medical School at Dallas; to the President of The University of Texas Health Science Center at Dallas; to the Deputy Chancellor; and to the Board of Regents of The University of Texas System.

Policy decisions and supervision of the Center will be entrusted to an Executive Committee from The University of Texas Southwestern Medical School. The Executive Committee will consist of (1) Chief Executive Officer of The University of Texas Health Science Center at Dallas; (2) Vice President for Business Affairs of The University of Texas Health Science Center at Dallas; (3) Representative of The University of Texas Southwestern Medical School at Dallas to be designated by the President of the Dallas Health Science Center; (4) Chairman of the Department of Internal Medicine; and (5) Director of the Harry S. Moss Heart Center. The Executive Committee will meet at least quarterly to review all aspects of the program.

Day-to-day administration of the Center will be coordinated by the Director, who will report to the Executive Committee.

All of the professional members of the Harry S. Moss Heart Center shall have an appointment in one or more of the academic departments in The University of Texas Southwestern Medical School. New appointments and adjustment of salary levels shall be arranged through the appropriate department chairman. Most of the professional personnel of the Moss Heart Center at the

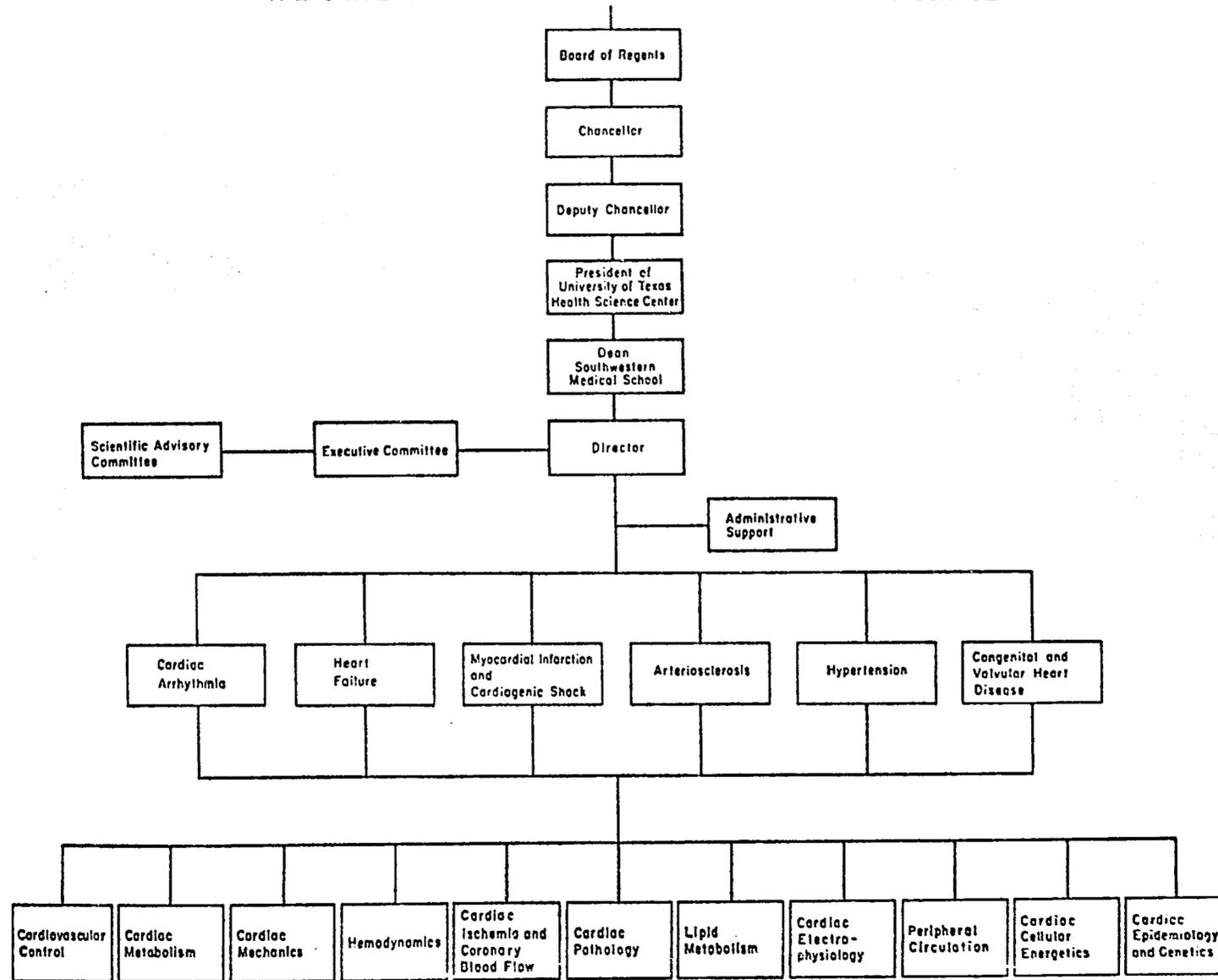
present time have their appointments in the Department of Medicine, but some have either joint or single appointments in other academic departments.

Both the Executive Committee and the Director will interact with an external Scientific Advisory Committee. The Scientific Advisory Committee will be composed of four medical scientists from across the nation who are prominent in the field of cardiology research. This committee will provide independent evaluation of the research projects and training programs of the Harry S. Moss Heart Center and will make recommendations for future programs. It is anticipated that each member of the Scientific Advisory Committee will visit the program individually for a few days every two years after which he or she will submit a written report to the Executive Committee Director describing his evaluations and recommendations.

The Scientific Advisory Committee is currently comprised of the following members:

- (1) Dr. Eugene Braunwald, Chairman, Department of Medicine, Harvard Medical School, Peter Bent Brigham Hospital, Boston, Massachusetts
- (2) Dr. Lloyd Hefner, Professor of Medicine, University of Alabama, Birmingham, Alabama
- (3) Dr. Joseph Reeves, Director, Cardiovascular Laboratory, St. Elizabeth Hospital, Beaumont, Texas
- (4) Dr. Howard Morgan, Chairman, Department of Physiology, Milton S. Hershey Medical Center, Pennsylvania State University, Hershey, Pennsylvania

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL SCHOOL



4. Dallas Health Science Center (Dallas Southwestern Medical School): Affiliation Agreement with the Dallas Board of Trustees of Baylor University (Baylor Hospital), Dallas, Texas. -- Upon the recommendation of President Sprague, concurred in by System Administration, unanimous approval was given to the substance and content of a preliminary draft of an affiliation agreement between the Board of Regents of The University of Texas System and the Dallas Board of Trustees of Baylor University on behalf of Baylor University Medical Center, Dallas, Texas, for the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas. This agreement was approved with the understanding that it will contain the hold harmless clause and that it is subject to the final approval as to form by the Office of General Counsel.

The purpose of the affiliation agreement is to establish a broad framework of policy to facilitate the cooperation between the Dallas Southwestern Medical School and the Baylor University Medical Center. The responsibility for establishing definitive relationships will be vested in the respective department chairmen of the Dallas Southwestern Medical School; and each departmental affiliation with the Baylor University Medical Center shall be an individual contract between the Dallas Southwestern Medical School and Baylor University Medical Center. These Contracts of Services will be reported in future dockets of the Deputy Chancellor for approval by the Board of Regents.

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

5. Houston Health Science Center (Houston Allied Health Sciences School): Affiliation Agreements with (a) Harris County Health Department, Houston, Texas, and (b) Hermann Hospital, Houston, Texas. -- Upon the recommendation of Acting President Blocker, concurred in by System Administration, unanimous approval was given to the substance and content of preliminary drafts of affiliation agreements between the Board of Regents of The University of Texas System and the following facilities for the School of Allied Health Sciences at The University of Texas Health Science Center at Houston for a program in nutrition and dietetics. These agreements were authorized with the understanding that they will contain the hold harmless clause and that they are subject to the final approval as to form by the Office of General Counsel:

- a. Harris County Health Department, Houston, Texas
- b. Hermann Hospital, Houston, Texas

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

6. San Antonio Health Science Center: Affiliation Agreements with (a) Carriage Square Nursing Home, San Antonio, Texas, and (b) San Antonio Community Hospital, San Antonio, Texas (School of Nursing). --Unanimous approval was given to the substance and content of preliminary drafts of affiliation agreements between the Board of Regents of The University of Texas System and the following facilities for the School of Nursing at The University of Texas Health Science Center at San Antonio upon the recommendation of President Harrison, concurred in by System Administration. These agreements were approved with the understanding that they will contain the hold harmless clause and that they are subject to the final approval as to form by the Office of General Counsel.
- a. Carriage Square Nursing Home, San Antonio, Texas
 - b. San Antonio Community Hospital, San Antonio, Texas

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

7. San Antonio Health Science Center (San Antonio Dental School): Authorization to Seek Permission from Coordinating Board to Establish Postdoctorate Certificate and Master of Science Degree Programs in Prosthodontics and Periodontics (Catalog Change). --Approval was given to seek permission from the Coordinating Board, Texas College and University System to establish the following new degree and certificate programs at the San Antonio Dental School of The University of Texas Health Science Center at San Antonio:
- a. Postdoctorate certificate and Master of Science Degree in the specialty of Prosthodontics
 - b. Postdoctorate certificate and Master of Science Degree in the specialty of Periodontics

If these programs are approved by the Coordinating Board, they will be effective as soon as the San Antonio Health Science Center can certify to the Coordinating Board that funding is available. The library and other facilities of the San Antonio Dental School are adequate for both programs.

It was ordered that the next catalog published by the San Antonio Dental School be amended to reflect these changes if the Coordinating Board authorizes the establishment of these two new programs.

JUL 29 1977

REPORT OF LAND AND INVESTMENT COMMITTEE (Pages 55 - 67). -- Committee Chairman Clark reported that all matters of the Land and Investment Committee were acted upon in open session, and he filed the following report which was adopted without objection:

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 when each has been approved as to form by an attorney in the Office of General Counsel and as to content by the appropriate official. These instruments relate to real estate or mineral interests held or controlled by the Board of Regents as a part of the Permanent University Fund or as a part of any Trust and Special Fund.

PERMANENT UNIVERSITY FUND

A. INVESTMENT MATTERS

1. Permanent University Fund - Investment Advisory Committee: Reappointment of Mr. Dee Osborne, Houston, Texas. -- Upon the recommendation of the Administration, Mr. Dee Osborne of Houston, Texas, whose term as a member of the Investment Advisory Committee expires on August 31, 1977, was reappointed for a 5-year term, September 1, 1977 through August 31, 1982. With this reappointment, the members of the Permanent University Fund Investment Advisory Committee are:

	<u>Term Expires</u>
Mr. Roger Jenswold	8/31/78
Mr. Harold W. Hartley	8/31/79
Mr. Thomas B. McDade	8/31/80
Mr. Gene H. Bishop	8/31/81
Mr. Dee Osborne	8/31/82

Development - May 31, 1977. --The following report with respect to certain monies cleared to the Permanent University Fund and Available University Fund for May 1977 and a report on Oil and Gas Development - May 31, 1977, were received from the Director, Auditing Oil and Gas Production and made a part of this Committee's report:

	<u>May 1977</u>	<u>Cumulative This Fiscal Year</u>	<u>Cumulative Preceding Fiscal Year (Averaged)</u>
<u>Permanent University Fund</u>			
Royalty			
Oil	\$3,154,843.19	\$28,321,806.12	\$26,613,990.18
Gas - Regular	2,272,677.31	19,755,243.77	17,487,228.15
- F.P.C.	- 0 -	74,928.15	255,793.77
- Market Value Settlements	1,124,657.43	6,378,396.10	5,801,546.57
- In Kind Settlements	268,772.64	1,414,998.34	1,981,682.46
Water	7,695.26	112,421.35	142,620.48
Salt Brine	3,816.62	22,145.65	16,504.02
Sulphur	127,977.83	978,794.84	320,224.41
Rental on Oil and Gas Leases	189,392.33	873,978.08	443,518.92
Rental on Water Contracts	- 0 -	15,797.96	15,193.44
Rental on Brine Contracts	- 0 -	300.00	74.97
Rental on Sulphur Contracts	- 0 -	- 0 -	11,520.00
Amendments and Extensions of Mineral Leases	- 0 -	251,071.13	38,436.12
	<u>7,149,832.61</u>	<u>58,199,881.49</u>	<u>53,128,333.89</u>
Bonuses, Oil & Gas Lease Sales, (actual)	- 0 -	13,324,000.00	9,687,500.00
Total, Permanent University Fund	<u>7,149,832.61</u>	<u>71,523,881.49</u>	<u>62,815,833.89</u>
<u>Available University Fund</u>			
Rental on Easements	12,506.76	220,146.22	296,875.17
Interest on Easements and Royalty	483.92	27,188.54	2,528.55
Correction Fees - Easements	- 0 -	300.00	196.20
Transfer and Relinquishment Fees	229.65	7,066.15	3,496.50
Total, Available University Fund	<u>13,220.33</u>	<u>254,700.91</u>	<u>303,096.42</u>
Total, Permanent and Available University Funds	<u>\$7,163,052.94</u>	<u>\$71,778,582.40</u>	<u>\$63,118,930.31</u>

Oil and Gas Development - May 31, 1977
Acreage Under Lease - 991,576

Number of Producing Acres - 353,575

Number of Producing Leases - 1,555

B. LAND MATTER

Easements and Surface Leases Nos. 4367-4397 and Material Source Permits Nos. 529 and 530. --Easements and Surface Leases Nos. 4367-4397 and Material Source Permits Nos. 529 and 530 were approved as set out below. All have been approved as to content by the appropriate officials. Payment has been received in advance unless otherwise indicated, and the documents are on the University's standard forms and are at the standard rates that became effective February 1, 1977:

a. Easements and Surface Leases Nos. 4367-4397

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
4367	R-B Disposal Systems, Inc.	Surface Lease (salt water disposal contract)	Andrews	13	1 acre	6/15/77- 6/14/78*	\$ 1,200.00 (annually)
4368	R-B Disposal Systems, Inc.	Surface Lease (salt water disposal contract)	Andrews	3	1 acre	6/15/77- 6/14/78*	1,200.00 (annually)
4369	J. P. Oil Company (renewal of 2430)	Surface Lease (salt water disposal contract)	Crockett	50	1 acre	6/20/77- 6/19/78*	400.00 (annually)
4370	Delhi Gas Pipeline Corporation	Surface Lease (meter, valve & tank site)	Crockett	29	1 acre (approximately)	5/1/77- 4/30/87	1,500.00 (full)
4371	Northern Natural Gas Company (renewal of 2454)	Surface Lease (gas processing plant)	Pecos	19	8.15 acres	9/1/77- 8/31/87	2,852.50 (full)
4372	El Paso Natural Gas Company	Surface Lease (cathodic protection station)	Hudspeth	K	less than 1 acre	4/1/77- 3/31/87	150.00 (full)

*Renewable from year to year, but not to exceed a total of five years.

Land Matters - Continued--

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
4373	Exxon Pipeline Company (renewal of 2375)	Surface Lease (cathodic protection station)	Schleicher	54	less than 1 acre	3/1/77- 2/28/87	\$ 150.00 (full)
4374	J. L. Davis	Pipe Line	Reagan	58	216.54 rds. 4 inch	1/1/77- 12/31/86	649.62
4375	Atlantic Richfield Company	Surface Lease (compressor site)	Crane	30	3 acres (approximately)	6/1/77- 5/31/87	1,500.00 (full)
4376	Northern Natural Gas Company	Pipe Line	Andrews	12	131.15 rds. 4½ inch	3/1/77- 2/28/87	393.45
4377	El Paso Natural Gas Company	Pipe Line	Crockett	29	220.61 rds. 4½ inch	6/1/77- 5/31/87	661.83
4378	Northern Natural Gas Company	Pipe Line	Ward	18	230.30 rds. 8-5/8 inch	4/1/77- 3/31/87	690.90
4379	Cities Service Oil Company	Pipe Line	Ward	18	73.9 rds. 3½ inch	5/1/77- 4/30/87	221.70
4380	Delhi Gas Pipeline Corporation	Pipe Line	Crockett	29	46.97 rds. 4½ inch	5/1/77- 4/30/87	150.00 (min.)
4381	Mobil Pipe Line Company (renewal of 2341)	Pipe Line	Andrews	4	2,568.6 rds. various size	1/1/77- 12/31/86	6,421.50
4382	Northern Natural Gas Company (renewal of 2510)	Pipe Line	Irion, Schleicher	52,53, 54	3,039.69 rds. 16 inch	8/1/77- 7/31/87	10,638.92

Land Matters - Continued--

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
4383	West Texas Utilities Company (renewal of 2471)	Power Line	Reagan	12	260 rds. (single pole transmission)	8/1/77- 7/31/87	\$ 390.00
4384	Atlantic Richfield Company (renewal of 2379)	Pipe Line	Crane	31	1,855.48 rds. 3 inch	7/1/77- 6/30/87	4,638.70
4385	Texaco Inc. (renewal of 2415)	Pipe Line	Andrews	9	520.18 rds. 2-7/8 inch	6/1/77- 5/31/87	1,300.45
4386	Texas Electric Service Company (renewal of 2432, 2433 and 2434)	Power Line	Andrews	3,4,8, 9,11,13	3,317.58 rds. single pole	6/1/77- 5/31/87	3,317.58
4387	El Paso Natural Gas Company (renewal of 2400 and 2405)	Pipe Line	Andrews	1,9	180.516 rds. 4½ inch 235.2 rds. 2-3/8 inch	8/1/77- 7/31/87	1,039.29
4388	Delhi Gas Pipeline Corporation (renewal of 2325)	Pipe Line	Pecos	27,28 165 J. Campbell Survey	885.69 rds. 6-5/8 inch	8/1/76- 7/31/86	2,214.23
4389	Exxon Pipeline Company (renewal of 2214)	Pipe Line	Andrews	10	177.03 rds. 4½ inch	12/1/76- 11/30/86	442.58
4390	Exxon Pipeline Company (renewal of 2217)	Pipe Line	Crane	30	2,575.69 rds. 18 inch	12/1/76- 11/30/86	9,014.92

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Land Matters - Continued--

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
4391	Exxon Pipeline Company (renewal of 2216)	Pipe Line	Upton, Reagan	58,3,2, 9,8,11	7,033.47 rds. 18 inch	12/1/76- 11/30/86	\$24,617.15
4392	Exxon Pipeline Company (renewal of 2213)	Pipe Line	Andrews	1	259.98 rds. 4½ inch	12/1/76- 11/30/86	649.95
4393	Delhi Gas Pipeline Corporation	Pipe Line	Pecos	20	66.48 rds. 4½ inch	5/1/77- 4/30/87	199.44
4394	Atlantic Richfield Company (renewal of 2378)	Pipe Line	Crane, Ector	35	651.321 rds. 3 inch	7/1/77- 6/30/87	1,628.30
4395	Amoco Production Company	Pipe Line	Andrews	13	38.2 rds. 4 inch	4/1/77- 3/31/87	150.00 (min.)
4396	Texas Electric Service Company (renewal of 2427)	Power Line	Winkler	21	154.91 rds. single pole	7/1/77- 6/30/87	154.91
4397	Shell Oil Company (renewal of 2468)	Power Line	Andrews	9	163.68 rds. single pole	8/1/77- 7/31/87	163.68

b. Material Source Permits Nos. 529-530

No.	Grantee	County	Location	Quantity	Consideration
529	Evert McDougal, Jr. dba McDougal Construction	Crane	Block 30	400 cubic yards caliche	\$ 150.00 (min.)
530	Charles Ivey	El Paso	Block L	333 cubic yards caliche	150.00 (min.)

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TRUST AND SPECIAL FUNDS

A. GIFTS, BEQUESTS AND ESTATES

1. U. T. Austin - Acceptance of Gift of Real Estate (Part of Lot 1, Block 31, Unit 4, Rollingwood Estates, Bexar County, Texas) from Dr. Lucy Austin Clark, Winston-Salem, North Carolina, to Establish the Robert T. Clark, Jr., Scholarship Fund.-- Approval was given to the recommendation of the Administration that:

A gift of a deed covering part of Lot 1, Block 31, Unit 4, Rollingwood Estates, Bexar County, Texas, near the northwest city limits of San Antonio be accepted from Dr. Lucy Austin Clark of Winston-Salem, North Carolina, and that the Robert T. Clark, Jr., Scholarship Fund for students in Germanic Languages be established at The University of Texas at Austin.

The Administration reported that this real estate is valued at approximately \$2,000, and that Dr. Clark is providing in her will a bequest sufficient to bring the scholarship fund to at least \$10,000.

Dr. Robert T. Clark, Jr., the deceased husband of the donor, was at one time a member of the faculty of the Department of Germanic Languages at U. T. Austin. It was with sincere appreciation that this gift was accepted.

2. U. T. Austin - Report on Bequests (a) John Porter King, Jr., and (b) Grace Madeline Maverick: Establishment of Endowment Funds and Use of Income Therefrom.--The following reports and recommendations were received from the Administration and approved by the Land and Investment Committee:
 - a. All of the bequest of John Porter King, Jr., Fort Worth, Texas (accepted June 5, 1975, Permanent Minutes, Volume XXII, Page 4204) has been received by the University except for an interest of approximately 2% in a tract of land in West Texas, which interest is probably worth about \$2,000. The total funds received amount to \$146,105. It is recommended that these funds be placed in an endowment account to be carried as the John Porter King, Jr., Fund with the income to be used at The University of Texas at Austin as a discretionary fund of its President subject to prior approval by the Board of Regents.
 - b. All of the bequest of Grace Madeline Maverick, San Antonio, Texas (accepted July 25, 1975, Permanent Minutes, Volume XXII, Page 4686) has been received. The principal of the bequest amounts to \$404,294; accumulated income to date is approximately \$40,000. It is recommended that the principal and income on hand after transfer of \$20,000 to U. T. Austin for current use be placed in the Grace M. Maverick Fund as an

endowment with the income to be used at The University of Texas at Austin as a discretionary fund of its President subject to prior approval by the Board of Regents.

3. U. T. Permian Basin: Acceptance of Gift from J. Conrad Dunagan to Establish Endowment Fund for U. T. Permian Basin Merit Awards. -- Upon recommendation of the Administration, a \$5,000 gift was accepted from Mr. J. Conrad Dunagan to begin the endowment of the U. T. Permian Basin Merit Awards to be given to students of outstanding academic achievement attending The University of Texas of the Permian Basin, principally graduates of Permian Basin community colleges but not limited thereto.

It was noted that at the February 11, 1977, meeting of the Board of Regents a \$50,000 gift from an anonymous donor had been reported in Deputy Chancellor's Docket No. 10 (Permanent Minutes, Volume XXIV, Page 2435) to be used for scholarships and awards with a condition of the gift being that the \$50,000 could be used for awards only to the extent that the University raised additional gift funds which would be invested with the income therefrom to be used for the same purpose in the future. This \$5,000 gift received from Mr. Dunagan is the first of such gifts for the endowment account.

Committee Chairman Clark asked that an expression of the appreciation of the Board of Regents for this gift be transmitted by President Cardozier to Mr. Dunagan.

4. Galveston Medical Branch (Galveston Medical School): Acceptance of Bequest and Gifts and Establishment of the ArrNell Boelsche Weatherall Memorial Fund. -- Upon the recommendation of the Administration, there were accepted funds in the total amount of \$10,000.00 [\$3,586.61 from the bequest of Dr. ArrNell Boelsche (Weatherall); an equal amount as a gift from her surviving husband, John T. Weatherall, D.D.S., of Texas City, Texas; and \$2,826.78 from the members of the faculty in the Department of Pediatrics at the Galveston Medical School], and the ArrNell Boelsche Weatherall Memorial Fund was established at the Galveston Medical School of The University of Texas Medical Branch at Galveston. The income from this fund is to be used for the Child Development Unit of the Department of Pediatrics at the Galveston Medical School. Dr. Boelsche had been a member of the faculty in the Department of Pediatrics from 1953 until her death in 1975.

Committee Chairman Clark expressed appreciation on behalf of the Board of Regents for the bequest and gifts.

5. University Cancer Center (M. D. Anderson): Acceptance of Gift and Establishment of the Joanne Vandenberg Hill Lectureship and William O. Russell Award in Anatomical Pathology. --Stock Certificate No. HU 29154 for seven hundred shares of Houston Natural Gas Corporation Common Stock estimated to have an approximate value of \$21,000 was accepted with gratitude from Joanne Vandenberg Hill, Vail, Colorado. The Joanne Vandenberg Hill Lectureship and William O. Russell Award in Anatomical Pathology was established at M. D. Anderson of The University of Texas System Cancer Center to honor Dr. William O. Russell for the many contributions he has made to cancer care and research.

B. REAL ESTATE MATTERS

1. U. T. Austin - Thomas E. Hogg Estate - Oil and Gas Lease to Atlantic Richfield Company on Interest in 1,876.8 Acres in Jesse Thompson League, Brazoria County, Texas. -- With respect to the recommendation of the Administration for an oil and gas lease to Atlantic Richfield Company on the University's undivided 1/32 interest in 1,876.8 acres in the Jesse Thompson League, Brazoria County, Texas (Thomas E. Hogg Estate - The University of Texas at Austin), Committee Chairman Clark pointed out that this recommendation included a 1/6 royalty rather than the usual and customary rate of 1/5 received by the University. He stated that Atlantic Richfield Company had been approached with respect to the 1/5 royalty but had refused since the holders of the other 31/32 interests had agreed to the 1/6 royalty. Chairman Shivers commented that historically the Board of Regents had gone along with the other heirs of this property.

Following this discussion, authorization was given to grant an oil and gas lease to Atlantic Richfield Company as set out below:

Oil and Gas lease for a primary term of 3 years, 1/6 royalty, \$50 bonus per mineral acre, and \$10 per acre annual delay rental on the University's undivided 1/32 interest in 1,876.8 acres in the Jesse Thompson League, A-132, Brazoria County, Texas (Thomas E. Hogg Estate - The University of Texas at Austin)

The University's share of the bonus will be \$2,932.50. This interest is one of the interests coming to the University for the Hogg Foundation under the Will of Thomas E. Hogg upon the death of Mrs. Margaret Wells Markus, the surviving widow and life tenant of the residuary estate. Mrs. Markus died on June 18 of this year.

2. U. T. Austin - Archer M. Huntington Museum Fund: Approval of Oil and Gas Lease to Florida Gas Exploration Company on 7.093 Acres, H. B. Littlefield Survey, Galveston County, Texas. --The following resolution was adopted:

WHEREAS, By deed dated July 11, 1955, the Board of Regents of The University of Texas, sold to Community Public Service Company, a certain 7.093 acre tract in the H. B. Littlefield Survey, Galveston County, Texas (U. T. Austin - Archer M. Huntington Museum Fund property) with a reservation of 3/4 of the minerals and leasing rights subject to approval by Community Public Service Company;

WHEREAS, The Administration recommended that approval be given to an oil and gas lease to Florida Gas Exploration Company on this 7.093 acre tract for a primary term of 3 years, 1/4 royalty, cash bonus of \$356.83 per acre, and annual delay rental of \$10 per acre;

WHEREAS, The terms of the proposed lease, which prohibit drilling on the tract, are the same as for a lease made December 2, 1976, to the same company by Texas City Terminal Railway Company with approval by the Board of Regents (Permanent Minutes, Volume XXIV, Page 1218) on an adjoining larger tract under which the University owns 1/2 of the minerals;

WHEREAS, 1/4 of the bonus and 1/4 of any rental and royalties under the proposed lease will go to Community Public Service Company; now therefore, be it

RESOLVED, That approval is hereby given to an oil and gas lease to Florida Gas Exploration on the certain 7.093 acre tract described herein under the terms set out in this resolution.

3. U. T. Austin - Archer M. Huntington Museum Fund: Approval of Oil and Gas Lease from Texas City Terminal Railway Company to Mitchell Energy Corporation Covering Tract in S. C. Bundick League, Galveston County, Texas. -- Upon the recommendation of the Administration, approval was given to an oil and gas lease from Texas City Terminal Railway Company to Mitchell Energy Corporation on a tract of 120 acres in the S. C. Bundick League, A-7, Galveston County, Texas, for a primary term of 2 years, bonus of \$100 per acre, 1/4 royalty, and annual delay rental of \$10 per acre.

It was pointed out that this tract was sold by the Board of Regents in 1957 (Permanent Minutes, Volume IV, Page 878) with one half of the minerals, fully participating, retained and with leasing rights going to the purchaser; however, Texas City Terminal Railway Company had requested this approval by the Board.

4. U. T. El Paso - Frank B. Cotton Trust: Approval of Assignment of Grazing Lease Covering 6,100.95 Acres in Culberson County, Texas, from Tom Bennett, Jr., to A-1, Inc. --Presently, Tom Bennett, Jr., has a lease on 6,100.95 acres in Culberson County, Texas (Frank B. Cotton Trust, The University of Texas at El Paso) which expires September 31, 1978. Upon the recommendation of System Administration, approval was given to assign this lease to A-1, Inc., at the present annual rental of \$915.14 effective March 15, 1977, with an assignment fee of \$150.00, the same fee that is charged for assignments on Permanent University Fund Lands.
5. U. T. El Paso - Josephine Clardy Fox Estate: Renewal of Lease with Allright Auto Parks, Inc., at 222 South Oregon Street, El Paso, Texas. --Approval was given to the recommendation of System Administration that:

The parking lot lease with Allright Auto Parks, Inc., covering the property located at 222 South Oregon Street in El Paso, Texas, be renewed for a term of one year commencing August 1, 1977, and ending July 31, 1978, at a rental of \$400 per month.

6. Galveston Medical Branch - Agnes Thelma Anderson Fund: Oil and Gas Lease to Sundance Oil Company on Interest in 193.535 Acres in Garner Mays Survey, Chambers County, Texas. --Approval was given to the recommendation of the Administration that:

An oil and gas lease covering the University's undivided 1/30 of the minerals under a 193.535 acre tract in Garner Mays Survey, A-183, Chambers County, Texas, be granted to Sundance Oil Company for a primary term of 3 years with bonus of \$50 per acre, 1/5 royalty, and annual delay rentals of \$10 per acre.

It was pointed out that this interest was bequeathed to the University under the Will of Agnes Thelma Anderson for a fund for student aid at The University of Texas Medical Branch at Galveston (bequest accepted July 27, 1973, Permanent Minutes, Volume XX, Page 3442), and the other owners involved are leasing under these same terms.

7. Galveston Medical Branch (Galveston Medical School): Granville T. Hall Chair in General Surgery and the Florence and Marie Hall Endowment for Programs of Excellence in Education in the Medical Sciences: Authorization to Divide Property and Dedicate Road Easements; Appointment of Licensed Surveyor; and Authorization to Advertise for Sealed Bids for Sale of 2,880 Acres in Howard and Glasscock Counties, Texas. --The following resolution was adopted:

WHEREAS, By instrument dated December 21, 1976, Florence Thelma Hall and Florence Marie Hall conveyed to the Board of Regents an undivided 3/4

interest in the surface only of 2,880 acres in Howard and Glasscock Counties, Texas, to establish the Granville T. Hall Chair in General Surgery and the Florence and Marie Hall Endowment for Programs of Excellence in Education in the Medical Sciences (Permanent Minutes, Volume XXIV, Page 2025);

WHEREAS, The remaining 1/4 interest of this 2,880 acres was conveyed to the Board of Regents by supplemental agreement dated March 14, 1977 (Permanent Minutes, Volume XXIV, Page 2767);

WHEREAS, Under the terms of the agreement the land is to be sold within a reasonable time, preferably no later than July 1, 1978, with the proceeds to be used first to endow the Chair in the amount of \$500,000 and the remainder to become the endowed fund for the Programs of Excellence;

WHEREAS, The University staff has concluded that the maximum price can be obtained by dividing the property into several smaller tracts ranging in size from approximately 282 acres to approximately 640 acres and offering these tracts for competitive bids; and

WHEREAS, The Associate Deputy Chancellor for Investments, Trusts and Lands requested authorization to:

- (a) Employ a licensed surveyor to furnish a description and plat of each of the seven tracts, and road easements which would provide ingress and egress to each tract;
- (b) Execute with the approval of the Deputy Chancellor instruments dedicating the road easements; and
- (c) Solicit sealed bids through the preparation of a brochure and advertisements in major Texas newspapers;

now, therefore, be it

RESOLVED, That the requests numbered (a), (b), and (c) set out in the last whereas paragraph of this resolution are hereby authorized; and, be it further

RESOLVED, That the sealed bids will be opened at 10 a. m. on September 14, 1977, in Austin, Texas,* and the results of the sale will be reported to the Board of Regents at its meeting on September 16, 1977.

*The recommendation of the Administration was for the sale to be in Midland; however, both the Administration and the members of the committee agreed that the place of sale should be Austin since the Board would be meeting in Austin two days thereafter.

8. University Cancer Center (M. D. Anderson) - Barbara G. Horowitz Fund: Authorization to Sell 1.56 Acres in San Antonio, Bexar County, Texas, to Urban Renewal Agency of the City of San Antonio. --Approval was given to the recommendation of the Administration that:

A 1.56 acre tract of land located on Rochambeau Street in San Antonio, Texas, be sold to the Urban Renewal Agency of the City of San Antonio for \$34,050 cash with all expenses of the sale to be paid by the purchaser.

This tract was bequeathed to the University under the Will of Mrs. Barbara G. Horowitz (bequest accepted by Board of Regents on July 26, 1968, Permanent Minutes, Volume XV, Page 1932; final report of bequest, Permanent Minutes, Volume XXII, Page 4207, June 5, 1975).

III. OTHER MATTERS

Report of Securities Transactions for Permanent University Fund and Trust and Special Funds for April and May 1977. -- The Report of Securities Transactions for the Permanent University Fund and Trust and Special Funds for the months of April and May 1977, submitted by the Office of Investments, Trusts and Lands, was received. It is attached (Attachment No. 2) following Page CC-15 of Attachment No. 1 and made a part of these Minutes.

COMMITTEE OF THE WHOLE
(Pages 68 - 76)

Chairman Shivers filed the following report of the Committee of the Whole; all action of which had been taken in open session. This report was adopted without objection:

BOARD OF REGENTS - RULES AND REGULATIONS, PART TWO: AMENDMENT TO CHAPTER I, SECTION 5 (POLICY AGAINST DISCRIMINATION). -- Upon recommendation of System Administration, the Regents' Rules and Regulations, Part Two, Chapter I, Section 5 was amended to read as follows. This change was necessary to implement the notice requirement of Section 504 of the Rehabilitation Act of 1973 (45 CFR 84) relating to the handicapped:

Sec. 5 Policy Against Discrimination. -- No person shall be excluded from participation in, denied the benefits of, or be subject to discrimination under, any program or activity sponsored or conducted by The University of Texas System or any of its component institutions, on any basis prohibited by applicable law, including, but not limited to, race, color, national origin, religion, sex, or handicap.

U. T. SYSTEM: AMENDMENT TO ROSTER OF DEPOSITORY BANKS (1) ADDITION OF CITIZENS FIRST NATIONAL BANK, THE PEOPLES NATIONAL BANK AND TYLER BANK & TRUST, ALL OF TYLER, TEXAS; AND (2) UNITED NATIONAL BANK, DALLAS, TEXAS. -- The roster of depository banks of The University of Texas System was amended by adding the following banks effective September 1, 1977, subject to the limitations indicated, and further subject to each bank being willing to execute the standard depository agreement previously approved by the Board of Regents:

1. The three banks presently being utilized by the East Texas Chest Hospital, Tyler, Texas:

Citizens First National Bank, Tyler, Texas
The Peoples National Bank, Tyler, Texas
Tyler Bank & Trust, Tyler, Texas

2. United National Bank, Dallas, Texas, for time deposits only

U. T. SYSTEM: IMPLEMENTATION OF SENATE BILL NO. 604, 65TH LEGISLATURE, R. S. , 1977 - REFUND POLICIES FOR TUITION AND FEES AND ASSESSMENT OF MATRICULATION FEES (CATALOG CHANGES). -- System Administration called to the attention of the Committee of the Whole the following provisions of Senate Bill No. 604, 65th Leg., R. S. , 1977:

1. Senate Bill No. 604 standardizes tuition and mandatory fee

refund rates for general academic institutions and medical and dental units as follows:

For a fall or spring semester or comparable trimester, withdrawal:

- (a) prior to the first class day 100 percent
- (b) during the first five class days 80 percent
- (c) during the second five class days 70 percent
- (d) during the third five class days 50 percent
- (e) during the fourth five class days 25 percent
- (f) after the fourth five class days None

For summer terms, withdrawal:

- (a) prior to the first class day 100 percent
- (b) during the first, second or third class day 80 percent
- (c) during the fourth, fifth or sixth class day 50 percent
- (d) seventh day of class and thereafter None

All refunds of tuition and fees which have been paid by a sponsor, donor or scholarship are to be refunded to the source rather than to the student. Also, student services and privileges are terminated with the student's withdrawal from the institution.

2. Senate Bill No. 604 permits the assessment of a "matriculation" fee of \$15 if a student withdraws from the institution before the first day of classes.

With respect to the first provision of Senate Bill No. 604 relating to mandatory fee refund rates, the Committee directed Deputy Chancellor Walker to have his office notify all of the component institutions that this is to be implemented effective August 29, 1977, that an appropriate notice be sent to all students and that it be included in the next published catalog.

With respect to the second provision of Senate Bill No. 604 ("matriculation" fee), approval was given to the Administration's recommendation that a "matriculation" fee of \$15 be assessed at all U. T. System institutions if a student withdraws from the institution before the first day of classes. This fee was ordered effective on or after August 29, 1977, but no later than the fall semester 1978. Within this period the effective date is to be at the discretion of the institution but with appropriate advance notice to students and is to be included in future published catalogs.

It was noted that this recommendation was based on a poll of the various U. T. System institutions and further noted that the Board of Regents had already granted U. T. Austin permission to collect this fee from students effective with the spring semester 1978.

U. T. SYSTEM - SYSTEM-WIDE AUTOMOBILE LIABILITY AND LIMITED GENERAL LIABILITY INSURANCE POLICY: ACCEPTANCE OF PROPOSAL FROM GRANITE STATE INSURANCE COMPANY. --System Administration submitted summaries of two proposals it had received with respect to a Motor Vehicle Liability Insurance policy for officers and employees for the use and operation of University owned vehicles, stating that although 80 different insurance companies had been requested to submit proposals only two had been received. The University is authorized to purchase this type of insurance under Article 6252-19a, V.T.C.S.

After consideration of the two proposals, the proposal from Granite State Insurance Company for Automobile Liability and Limited General Liability on Mobile Equipment insurance coverage for officers and employees arising from the use and operation of University owned motor vehicles was accepted for the fiscal year September 1, 1977 through August 31, 1978. Provisions of this proposal include:

Insurance Company:	Granite State (Part of the American International Group) Best Policyholder Rating: A+ Financial Rating Class XV
Servicing Agency:	Time Insurance Agency, Inc. Austin, Texas
Policy Coverage Limits:	\$100,000/\$300,000 Bodily Injury; \$150,000 Physical Damage
Annual Standard Premium: (Before discount, dividends, and rate experience modifier)	\$206,188
Rate Experience Modifier:	Not yet determined by State Insurance Service Office. Anticipated to be at a rate less than the present 62% credit due to increased loss experience
Premium Discount:	\$30,236
Anticipated Dividend:	10% (or approximately \$20,619)
Net Premium before application of Experience Modifier and Anticipated Dividend	\$175,952

In accordance with Article 6252-19a, as cited above, this policy is subject to approval by the State Board of Insurance and the Attorney General prior to issuance. Premiums for this policy will be prorated among the various component institutions by The University of Texas System.

U. T. SYSTEM: EMPLOYMENT OF OUTSIDE CONSULTANT TO STUDY OIL, GAS AND MINERAL TRANSACTIONS AND APPOINTMENT OF COMMITTEE TO SELECT CONSULTANT. --It was reported that the terms and conditions of the several kinds of transactions pertaining to oil, gas and other minerals, including exploration agreements, deeds, leases, production, transportation and sales, have recently undergone, and are continuing to undergo, significant changes. In order to protect properly and advance The University of Texas System's interests, it is felt that a review and study of these transactions should be made for the Board of Regents by a consultant with current experience and expertise with respect to such matters.

Based on the need for timely and accurate information, approval was given to System Administration's recommendation that the Deputy Chancellor, subject to prior approval by a committee composed of three members of the Board of Regents to be named by the Chairman, be authorized to

- a. Employ an outside consultant to make the review, study and recommendations
- b. Do all things necessary in connection therewith, including without limitation, negotiation and execution of an appropriate agreement for services of such consultant

Further, the Board of Regents requested that the Investment Advisory Committee assist in the selection of such outside consultant and definition of such consultant's duties.

U. T. SYSTEM: REVISION OF SYSTEM-WIDE PERSONNEL PAY PLAN FOR 1977-78. --Upon recommendation of Deputy Chancellor Walker the 1977-78 System-wide Personnel Pay Plan was authorized revised by reducing each salary entry and maximum pay step by 3.4% (one pay step) for those classifications that were increased one salary step or more in the System-wide Personnel Pay Plan adopted February 11, 1977.

This revision was necessary to conform our previously approved pay plan to the policies and guidelines adopted in the Appropriations Bill of the 65th Leg., R.S., with respect to automatic salary increases.

U. T. ARLINGTON AND U. T. AUSTIN: WAIVER OF COPYRIGHT ON LABOR LAWS IN TEXAS. --It was reported that Labor Laws in Texas, A Guide to Laws Affecting Employers and Employees, was written by Dr. Joan McCrea, Associate Professor of Economics at The University of Texas at Arlington, and published in March 1974 by the Bureau of Business Research, Graduate School of Business at The University of Texas at Austin. The book was copyrighted by the Board of Regents of The University of Texas System in 1974.

It was further reported that Dr. McCrea wishes to publish a revised edition of the book and has selected Gulf Publishing Company, Houston, Texas, as the publisher. The Bureau of Business Research is agreeable to this reassignment since it will not be in a position to justify the expense of publishing a revised edition of the book.

Upon the recommendations of President Nedderman and President Rogers, concurred in by System Administration, approval was given to waive the copyright of Labor Laws in Texas and to accept a compensation of \$25 from Gulf Publishing Company, Houston, Texas, for relinquishing all claims to this copyright.

U. T. ARLINGTON, U. T. DALLAS AND DALLAS HEALTH SCIENCE CENTER: ACQUISITION OF COMPUTER EQUIPMENT FOR U. T. ARLINGTON AND THE UNIVERSITY OF TEXAS REGIONAL COMPUTER CENTER IN NORTH TEXAS. --System Administration reported that an in-depth review by the Administration at The University of Texas at Arlington, The University of Texas at Dallas and The University of Texas Health Science Center at Dallas revealed the need for additional computing equipment for U. T. Arlington and The University of Texas Regional Computer Center in North Texas, with the increased usage being most pronounced in the area of academic computing at U. T. Arlington.

After due discussion, and upon the recommendation of President Nedderman, President Jordan and President Sprague, concurred in by System Administration, the Committee of the Whole authorized:

1. Acquisition by the U. T. institutions in North Texas of a large-scale and a medium-scale computer to be installed on the U. T. Arlington campus and also a large-scale computer to be installed at The University of Texas Regional Computer Center in North Texas (located on the campus of The University of Texas Health Science Center at Dallas) subject to final approval of purchase plans by System Administration at a cost not to exceed \$2,500,000
2. An appropriation of \$2,500,000 from various Unappropriated Plant Funds (Interest on Construction Funds Time Deposits) and Service Department Funds at U. T. Arlington for the proposed acquisition

U.T. AUSTIN: REDEDICATION OF TEXAS MEMORIAL STADIUM TO ALL AMERICAN VETERANS OF ALL WARS, H.S.R. NO. 25, 65th LEG., R.S., 1977. --The Honorable Al Brown, State Representative of District 57C, San Antonio, Texas, sponsored H.S.R. 25 of the Sixty-fifth Legislature, R.S., 1977, which asked the Board of Regents "to rededicate the Texas Memorial Stadium to make it a memorial to all American Veterans of all wars . . . and that it be so done in appropriate ceremonies in the Stadium . . ."

Without objection, the recommendation of System Administration that the dedication be at one of the football games was approved; and President Rogers and the Athletics Council at The University of Texas at Austin were instructed to get in touch with Representative Brown and arrange for the dedication.

U. T. AUSTIN: EXCEPTION TO REGENTS' RULES AND REGULATIONS, PART ONE, CHAPTER III, SECTION 31.1 TO EMPLOY PROFESSOR FOLKERT BRONS IN DEPARTMENT OF PETROLEUM ENGINEERING FOR THE 1977-78 ACADEMIC YEAR. --By unanimous vote an exception was made to the Regents' Rules and Regulations, Chapter III, Section 31.1, and authorization was given to employ Professor Folkert Brons, who is past retirement age, in the Department of Petroleum Engineering at The University of Texas at Austin on a full-time basis for the 1977-78 academic year. It was considered by the Board that this action would be to the advantage and best interest of the U. T. System and is in compliance with Section 31.(17) of Chapter III of the Regents' Rules and Regulations.

U. T. AUSTIN: RATIFICATION OF OUTSIDE EMPLOYMENT FOR PROFESSOR JOHN SUTTON OF THE SCHOOL OF LAW WHO SERVED AS SPECIAL COUNSEL TO TEXAS LEGISLATURE DURING FIRST CALLED SESSION, 65TH LEG., STATE OF TEXAS (REGENTS' RULES AND REGULATIONS, PART ONE, CHAPTER III, SECTIONS 13.10 AND 13.11). --It was considered that the appointment of Professor John Sutton of the School of Law at The University of Texas at Austin who served as special counsel to the Texas Legislature during the First Called Session, 65th Leg., State of Texas, was of benefit and interest to the University and to the State of Texas and created no conflict with Professor Sutton's position with U. T. Austin.

The submission of this item is in compliance with the Regents' Rules and Regulations, Part One, Chapter III, Section 13.10 and was submitted in accordance with Section 13.11. Without objection, the outside employment of Professor John Sutton was ratified.

U. T. AUSTIN: WAIVER OF REGENTS' RULES AND REGULATIONS, PART ONE, CHAPTER VIII, SECTION 1, TO NAME ENGINEERING LABORATORIES BUILDING "W.R. WOOLRICH LABORATORIES". -- Approval was given to waive Section 1 of Chapter III of Part One of the Regents' Rules and Regulations; and the Engineering Laboratories Building was named the W. R. Woolrich Laboratories at The University of Texas at Austin.

W. R. Woolrich who passed away in early 1977 served as Dean of the College of Engineering for nearly thirty years, and this tribute recognizes his leadership and outstanding contributions to the University.

U. T. AUSTIN - DEVELOPMENT BOARD: RESIGNATION OF MR. H. H. COFFIELD, ROCKDALE, TEXAS, AND NOMINEE TO FILL VACANCY. -- President Rogers announced the resignation of Mr. H. H. Coffield of Rockdale, Texas, as a member of the Development Board of The University of Texas at Austin. Upon the recommendation of President Rogers, concurred in by Chancellor LeMaistre, the name of a nominee to fill the vacancy caused by this resignation was approved. The nominee will be contacted, and his name will be released if he accepts the appointment.

GALVESTON MEDICAL BRANCH (GALVESTON HOSPITALS): ACCEPTANCE OF GRANT FROM THE SEALY AND SMITH FOUNDATION IN AMOUNT OF \$2,550,000 FOR PURCHASE OF COMPUTER. --With deep appreciation to The Sealy and Smith Foundation for their generous and continued support, approval was given to the acceptance of a grant in the amount of \$2,550,000 from the Foundation for the purchase of an IBM 370/158, Model 3 Computer for The John Sealy Hospital of The University of Texas Medical Branch at Galveston.

This computer capability will develop a total hospital information system that will enhance both inpatient and outpatient care, assist in reduction of health costs via reduced employment of additional personnel and provide a data base for statistical information required for participation with state and federal agencies in health support.

HOUSTON HEALTH SCIENCE CENTER: AUTHORIZATION TO SELL PRESIDENT'S HOME (10814 RIVERVIEW, HOUSTON, HARRIS COUNTY, TEXAS); APPOINTMENT OF COMMITTEE TO APPROVE SALE. -- Upon the recommendation of Acting President Blocker, concurred in by System Administration, authorization was given to sell for cash on a

sealed bid basis the property previously occupied by the President of The University of Texas Health Science Center at Houston (known as the President's Home) and more fully described as follows:

Lots 26 and 27, Block 5, Lakeside Forest, Section 1, an Addition in Harris County, Texas, according to the map or plat thereof recorded in Volume 163, Page 109, of the Map Records of Harris County, Texas (known as 10814 Riverview in the City of Houston, Texas)

In connection with this authorization, and upon the further recommendation of System Administration, the Board of Regents authorized that:

1. Two appraisals be secured
2. A Notice of Sale be published in two Houston newspapers for a minimum period of 12 days and that sealed bids be invited by the Houston Health Science Center Administration
3. A committee of Chairman Shivers, Regent Sterling, Deputy Chancellor Walker, Acting President Blocker and Vice President Franklin approve the sale to the successful bidder
4. The Houston Health Science Center Administration proceed with the closing
5. The deed be executed by the Chairman of the Board of Regents
6. The necessary expenditures for appraisals, surveys, title policy and miscellaneous expenses in connection with the sale be paid from proceeds received from the sale of the property

The results of the bidding and the committee approved sale of the property will be presented to the Board of Regents for ratification at a future meeting.

SAN ANTONIO HEALTH SCIENCE CENTER: AUTHORIZATION FOR DR. CARL J. PAUERSTEIN TO SERVE ON POPULATION RESEARCH COMMITTEE OF NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT [REGENTS' RULES AND REGULATIONS, PART ONE, CHAPTER III, SECTIONS 13.10 AND 13.11 (OUTSIDE EMPLOYMENT)]. --Upon the recommendation of President Harrison, concurred in by System Administration, authorization was given for Dr. Carl J. Pauerstein, Professor, Department of Obstetrics and Gynecology of the San Antonio Medical School of The University of Texas Health Science Center at San Antonio, to serve on the Population Research Committee of the National Institute of Child Health and Human Development, National Institutes of Health, for a term commencing immediately and ending June 30, 1980. Dr. Pauerstein will be reimbursed for travel expenses and will receive a consultant fee of \$100 per day for service on this committee.

This appointment is of benefit and interest to the University and to the State of Texas and creates no conflict with Dr. Pauerstein's position with the San Antonio Health Science Center. It is in compliance with Regents' Rules and Regulations, Part One, Chapter III, Section 13.10 and was submitted for approval by the Board of Regents in accordance with Section 13.11.

EAST TEXAS CHEST HOSPITAL: TRANSFER OF JURISDICTION FROM STATE BOARD OF HEALTH RESOURCES TO BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AND CHANGE OF NAME TO "THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER" PURSUANT TO PROVISIONS OF SENATE BILL NO. 1300, 65TH LEGISLATURE, R.S., 1977.--The following resolution was adopted in connection with the transfer of jurisdiction of the East Texas Chest Hospital [located eight miles northwest of the City of Tyler, Texas, on State Highway 271 (Gladewater Highway) at the site of the former military installation known as Camp Fannin] from the State Board of Health Resources to the Board of Regents of The University of Texas System (Senate Bill No. 1300, 65th Legislature, R.S., 1977):

RESOLUTION

WHEREAS, The East Texas Chest Hospital was transferred from the governance of the Texas State Board of Health Resources to the governance of the Board of Regents of The University of Texas System pursuant to Senate Bill 1300, Acts, 65th Legislature, 1977, R.S.; and

WHEREAS, Negotiations are presently being conducted to establish procedures for the orderly transfer of the land, buildings, facilities, improvements, equipment, supplies and property so as to consummate the transfer of jurisdiction on the effective date of the Act (September 1, 1977); and

WHEREAS, The East Texas Chest Hospital is a party to various contracts and the recipient of several grants, and is presently constructing a new facility and renovating the old one; and

WHEREAS, New depository agreements and the renewal of other types of agreements will be necessary; and

WHEREAS, It is the desire of the Board of Regents to change the present name of The East Texas Chest Hospital:

NOW, THEREFORE, BE IT RESOLVED By the Board of Regents of The University of Texas System that the Deputy Chancellor be authorized to take such action as he deems necessary to make an orderly transfer of the administration and business affairs of The East Texas Chest Hospital to the Board of Regents of The University of Texas System, and otherwise carry out the intention of the Legislature as expressed in or implied from said Senate Bill 1300.

BE IT FURTHER RESOLVED By the Board of Regents that the Chairman be authorized to execute any and all instruments necessary to accomplish such transfer.

BE IT FURTHER RESOLVED That, effective September 1, 1977, the Board of Regents hereby directs that the name of The East Texas Chest Hospital shall be changed to that of The University of Texas Health Center at Tyler.

SCHEDULED MEETINGS; DISCONTINUANCE OF OFFICIAL PRE-GAME (FOOTBALL) RECEPTIONS BY BOARD OF REGENTS. --Without objection the meeting schedule was revised to read:

September 16, 1977 -- Austin

November 11, 1977 -- Austin (previously scheduled on November 4, 1977 in Houston)

December 16, 1977 -- Dallas

Upon motion of Regent Clark, seconded by Regent Sterling, it was ordered that the official pre-game (football) receptions held by the Board of Regents during the past years be discontinued. The motion prevailed by unanimous vote.

REPORTS OF SPECIAL COMMITTEES

REPORT OF SANTA RITA AWARD COMMITTEE. --See Page 23.

REPORT OF SPECIAL COMMITTEE TO CONSIDER PROPOSALS BY REGENT HAY. --Regent Hay indicated that this report will be submitted at the Regents' meeting on September 16, 1977.

COMMITTEE OF THE WHOLE - EXECUTIVE SESSION
(Pages 76 - 77)

Chairman Shivers reported that the Proposed 1977-78 Operating Budgets for The University of Texas System were considered in Executive Session pursuant to Article 6252-17, Section 2 (g); and he placed this item before the Board for action:

U. T. SYSTEM: PROPOSED 1977-78 OPERATING BUDGETS (AMENDED) INCLUDING AUXILIARY ENTERPRISES, GRANTS AND GOVERNMENT FUNDS, RESTRICTED CURRENT FUNDS AND MEDICAL SERVICES RESEARCH DEVELOPMENT PROGRAMS; REQUEST FOR REGENTS' RULES AND REGULATIONS TO CONFORM. --A motion was made and seconded that the following Proposed 1977-78 Operating Budgets for The University of Texas System be approved:

- System Administration and Available University Fund
- The University of Texas at Arlington
- The University of Texas at Austin
- The University of Texas at Dallas
- The University of Texas at El Paso
- The University of Texas of the Permian Basin
- The University of Texas at San Antonio
- The University of Texas Health Science Center at Dallas
- The University of Texas Medical Branch at Galveston
- The University of Texas Health Science Center at Houston
- The University of Texas Health Science Center at San Antonio
- The University of Texas System Cancer Center
- The University of Texas Health Center at Tyler

These Operating Budgets include Auxiliary Enterprises, Grants and Government Funds, Restricted Current Funds and Medical Services Research Development Programs.

Regent Clark offered the following amendment to the Budget. This amendment was seconded by Regent Sterling and unanimously approved:

BE IT RESOLVED, That the budget for The University of Texas System for the fiscal year beginning September 1, 1977, be amended by changing the title of "Deputy Chancellor" to "President and Chief Operating Officer of The University of Texas System."

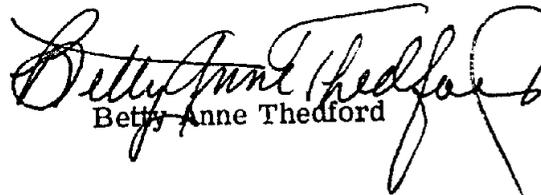
AND BE IT FURTHER RESOLVED, That the General Counsel be directed to prepare, under the direction and supervision of the Deputy Chancellor, an updated version of the Regents' Rules and Regulations for consideration by the Regents at their September meeting, with the updated version to reflect the Deputy Chancellor's new title and responsibilities, such other changes in The University of Texas System Administration titles and responsibilities as the Deputy Chancellor may recommend, and all other changes necessary to bring the Regents' Rules and Regulations in line with present practices and procedures in The University of Texas System.

The question then recurred on the motion as amended, and the proposed 1977-78 Operating Budgets as outlined above were adopted by unanimous vote.

OTHER MATTERS

U. T. SYSTEM: GUIDELINES FOR ADMINISTRATION OF SPECIAL ITEM APPROPRIATION SCHOLARSHIPS (TUITION SCHOLARSHIPS) (APPROPRIATIONS BILL, SECTION 15, 65TH LEG., R.S., 1977).--As the Board of Regents convened, Secretary Thedford received a request from The University of Texas at Austin that guidelines for the Administration of Special Item Appropriation Scholarships (Tuition Scholarships) for The University of Texas at Austin be adopted. The item was not on the Agenda for this meeting. The Board of Regents deferred action on this request until the next regular meeting of the Board so that it can be put on the Agenda and posted in accordance with the Open Meetings Law.

ADJOURNMENT.--The meeting was duly adjourned at 1:25 p. m.


Betty Anne Thedford

August 4, 1977