

JUN 9 1988

U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendment to Chapter VI, Section 6, Subsection 6.12(9) (Solicitation).--Approval was given to amend the Regents' Rules and Regulations, Part One, Chapter VI, Section 6, Subsection 6.12(9) concerning solicitation to read as set forth below:

(9) The solicitation of funds by any organization that can present to the chief administrative officer, or his or her delegate, written evidence from the Internal Revenue Service that the organization has been granted an exemption from taxation under 26 U.S.C.A. 501(c)(3) (Internal Revenue Code). No organization may solicit under this subdivision for more than a total of fourteen days, whether continuous or intermittent, during each state fiscal year.

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3. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Approval of Amendments to Chapter II, Relating to the Assignment, Duties and Responsibilities of Officers of System Administration; Authorization for System Administration Study Committee and Executive Secretary to the Board to Make Editorial Changes Therein; and Statement by Vice-Chairman Ratliff.--Chairman Blanton called on Vice-Chairman Ratliff who read the following statement related to the proposed amendments to the Regents' Rules and Regulations, Part One, Chapter II:

Statement by Vice-Chairman Ratliff

These amendments to the Regents' Rules and Regulations result, in part, from an ongoing management audit of the U. T. System Administration being conducted by the combined Executive and Finance and Audit Committees of the Board with the advice and counsel of Peat Marwick Main & Co.

In summary, the amendments realign the duties, responsibilities and reporting lines of certain officers of System Administration in the following ways:

1. The Chancellor is affirmed as the chief executive officer of the System.

2. The Executive Vice Chancellors for Academic and Health Affairs continue as strong line officers responsible to the Chancellor for the operations of the academic and health components with access to the Board and a responsibility to work directly with the appropriate committees of the Board.
3. In addition to current management functions, the Executive Vice Chancellor for Asset Management will be responsible for policies on the receipt, disbursement and custody of funds, depository agreements with banks and for the custody of securities owned by the System that are not in the custody of the State Treasurer.
4. The offices of General Counsel and Governmental Relations will continue to be headed by Vice Chancellors and report directly to the Chancellor, but with continued obligations to support the Board and the Executive Vice Chancellors.
5. The existing position of Executive Director for Finance and Administration has been redesignated as a Vice Chancellor for Business Affairs. This position will also report to the Chancellor and will be responsible for managing the operations of the offices of Facilities Planning and Construction, Budget, Comptroller, System Personnel, Police and related business support services.
6. The reporting lines of the component presidents will not change. They will continue to be responsible to the Executive Vice Chancellor for Academic Affairs or Health Affairs, as appropriate, and will have access to the Chancellor on an as needed basis.

With the approval and implementation of this realignment of duties, responsibilities and reporting lines, it is the intention of the Board to:

1. Implement a strong chief executive officer plan of organization.
2. Maintain the Executive Vice Chancellor positions as strong line officers with delegated responsibility for major functional programs.
3. Position the System Administration to move quickly in response to problems and/or opportunities and to operate with optimum efficiency and effectiveness.

4. Improve accountability and concentrate the reporting process to the Board.
5. Maximize the income potential of the investment programs and the management of all System assets by expanding the responsibilities of the Executive Vice Chancellor for Asset Management.
6. Create an organizational structure comparable to that used by the major higher education systems in the United States.

Following this statement, Vice-Chairman Ratliff moved that the amendments to the Regents' Rules and Regulations, Part One, Chapter II, which were discussed in Executive Session and which were now before the Board, be approved with an effective date of June 1, 1988.

This motion includes authority for the System Administration Study Committee to make additional editorial changes which will be reported to the Board.

Vice-Chairman Ratliff further moved that the Executive Secretary to the Board, in consultation with the Office of General Counsel, be authorized to make such other changes in the Regents' Rules and Regulations as are necessary to bring them into conformity with the approved amendments in Part One, Chapter II.

Regent Barshop seconded the motion which carried by unanimous vote.

The Regents' Rules and Regulations, Part One, Chapter II, as approved by the Board to be effective June 1, 1988, are set forth on Pages 221 - 246.

CHAPTER II

ADMINISTRATION

Sec. 1. General Provisions.

1.1 Administration.

The "System Administration" is the administration of The University of Texas System.

1.2 The University of Texas System.

The University of Texas System (herein sometimes called the "System") is composed of the System Administration and those institutions assigned by the Constitution or by the Legislature to be governed by the Board of Regents of The University of Texas System. The System Administration shall be based in Austin.

Sec. 2. Board's Exercise of Authority.

The Board of Regents exercises its powers and authorities in the governance of The University of Texas System through the System Administration, headed by the Chancellor.

Sec. 3. Chancellor.

The Chancellor is the chief executive officer of The University of Texas System. The Chancellor reports to and is responsible to the Board of Regents of The University of Texas System. The Chancellor has direct line responsibility for all aspects of the U. T. System's operations.

3.1 Appointment and Tenure.

The Chancellor shall be elected by the affirmative vote of a majority of the Regents in office and shall hold office without fixed term, subject to the pleasure of the Board.

3.2 Purview and Primary Duties of the Chancellor.

The Chancellor, by delegation from the Board, is authorized to exercise the powers and authorities of the Board in the governance of the System. The Chancellor will normally act through the officers of the System regarding the matters delegated to them by these Rules. The Chancellor, however, shall not be precluded from any direct participation and communication with System Administration officers or staff, institutional officers or staff, faculty members, and groups. The major duties of the Chancellor include:

3.21 Advising and counseling with the Board with respect to the policies, purposes, and goals of the System; acting as executive agent of the Board in implementing its policies; representing the System in all other respects as deemed appropriate to carry out such policies, purposes and goals, and interpreting and articulating the System's

academic, administrative and developmental policies, programs, needs and concerns to the general public and to other constituencies at the community, state, regional and national levels.

- 3.22 Preparing for recommendation to the Board a strategic plan for The University of Texas System, revised periodically, setting forth recommendations for academic programs, capital expenditures, and the allocation of other financial resources.
- 3.23 Directing the management and administration of System Administration and all component institutions of the System.
- 3.24 Presenting to the appropriate standing committees of the Board and to the Board nominations for all officers of the System, and for all officers of component institutions as provided in these Rules and Regulations.
- 3.25 Periodically reviewing the organization of the System Administration and the component institutions of the System and reporting to the appropriate standing committees of the Board and to the Board recommendations for changes in organization, assignments and procedures.
- 3.26 Preparing and approving appropriate recommendations to the Board and its standing committees along with the recommendation of the appropriate chief administrative officer of a component institution.
- 3.27 Preparing and approving annual operating budgets for the System Administration and the component institutions of the System and submitting such recommendations to the Board.
- 3.28 Preparing and approving biennial legislative submissions to the Legislative Budget Board and to the Governor for the System Administration and the component institutions of the System for the consideration of the Board in accordance with Section 6 of Chapter II of Part Two of these Rules and Regulations.

3.3

Audit.

The Chancellor, as chief executive officer of the System, is responsible for insuring the implementation of appropriate audit and postaudit procedures for the System and System Administration. Accordingly, with regard to his or her audit functions (see Section 7.32 of this Chapter), the Comptroller, in staff capacity, reports directly to the Chancellor.

- 5.1 Appointment and Tenure.
The Executive Vice Chancellor for Health Affairs shall be elected by an affirmative vote of a majority of the Regents in office upon nomination by the Chancellor. The Executive Vice Chancellor for Health Affairs shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions concerning the Executive Vice Chancellor for Health Affairs are subject to review and approval by the Board.
- 5.2 Duties and Responsibilities.
The Executive Vice Chancellor for Health Affairs shall have as a prime responsibility the maintenance of high academic quality in the health-related teaching institutions and high quality health services in the health-care delivery institutions of the System. Through the chief administrative officers of the component institutions, he or she shall have responsibility for the budgets, academic planning and programs, facilities planning and construction, and personnel (both academic and nonacademic) of those components. In consultation with the Chancellor, the Executive Vice Chancellor for Health Affairs shall prepare recommendations and supporting information on such matters for consideration by the appropriate standing committees of the Board and the Board of Regents.

Sec. 6. Executive Vice Chancellor for Asset Management.

The Executive Vice Chancellor for Asset Management has line responsibility for the conduct of all investments and for the management of the assets of the System. The Manager of University Lands - Oil, Gas, and Mineral Interests, the Manager of University Lands - Surface Interests, the Director for Investments, Director for Endowments and Trusts, and the Director of the University Lands Accounting Office report to and are responsible to the Executive Vice Chancellor for Asset Management. The Executive Vice Chancellor for Asset Management reports to and is responsible to the Chancellor. The Executive Vice Chancellor for Asset Management has direct access to the Board of Regents and is expected to work directly with the appropriate committees of the Board in discharging the duties of the office.

- 6.1 Appointment and Tenure.
The Executive Vice Chancellor for Asset Management shall be elected by an affirmative vote of a majority of the Regents in office upon nomination by the Chancellor. The Executive Vice Chancellor for Asset Management shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions concerning the Executive Vice Chancellor for Asset Management are subject to review and approval by the Board.

6.2

Duties and Responsibilities.

The Executive Vice Chancellor for Asset Management has responsibility for lands management (including management of trust lands, endowment lands, and management of the Permanent University Fund lands); investments and trusts (including investment and management of trusts, trust assets, and endowments) and management of the investment of the Permanent University Fund. This office has as a prime responsibility the management of the lands, trusts, endowments, and other such funds of the System in such a manner as to maximize the monies available for excellence in all activities of the System. This office also has a prime responsibility for policies on receipt, disbursement, and custody of funds; for terms of depository agreements with banks; and for custody (with the Director of Accounting) for bearer securities owned by System funds that are maintained in bank safety deposit boxes and are not in custody with the State Treasurer. This office in conjunction with the Vice Chancellor and General Counsel prepares debt issues. In consultation with the Chancellor, the Executive Vice Chancellor for Asset Management shall prepare recommendations and supporting information on all such operations for consideration by the appropriate standing committees of the Board and the Board of Regents.

6.3

Offices Reporting to the Executive Vice Chancellor for Asset Management.

6.31 Lands Management.

The Executive Vice Chancellor for Asset Management provides direction and management for all transactions relative to Permanent University Fund lands (hereinafter sometimes referred to as "University Lands"), trust lands, and other noncampus real estate interests owned or controlled by the Board of Regents. In the exercise of those responsibilities, the Executive Vice Chancellor for Asset Management:

6.311 Works closely with the Board for Lease of University Lands in the discharge of its duties and responsibilities.

6.312 Works closely with the chief administrative officer of a component institution of the System and that officer's delegates with regard to the management of trust lands and other noncampus real estate interests held by the Board of Regents for and on behalf of a particular institution.

- 6.313 Establishes procedures that insure effective coordination with the Director for Endowments and Trusts with regard to the management of trust lands other than University Lands.
- 6.314 Directs and manages the operation of the following budgeted activities which are part of the Office of Lands Management:
- Board for Lease - University Lands;
 - University Lands - Oil, Gas, and Mineral Interests;
 - University Lands Accounting Office;
 - University Lands - Surface Interests (Oil Field Supervision); and
 - University Lands - Surface Interests (Leasing and Agricultural Projects).
- 6.32 Manager of University Lands - Oil, Gas, and Mineral Interests.
 Subject to delegation by the Executive Vice Chancellor for Asset Management, the Manager of University Lands - Oil, Gas, and Mineral Interests is responsible for providing field supervision of System operations, activities and transactions involving oil, gas, and mineral development and production on the University Lands. Within limits of authority set by the Executive Vice Chancellor for Asset Management, the Manager's regular duties include:
- 6.321 Making recommendations to the Board for Lease of University Lands, and the Board of Regents, as appropriate, for periodic oil and gas lease sales of University Lands, and for unitization, pooling and other transactions involving oil and gas leasehold and royalty interests and other mineral interests in University Lands.
- 6.322 Organizing, directing, guiding, setting objectives and standards for, and assigning and evaluating the work of, all personnel reporting to him or her.

- 6.323 Reviewing periodically the terms and conditions of forms and transactions involving oil and gas interests in University Lands, and making recommendations with respect thereto to the Executive Vice Chancellor for Asset Management and the Board for Lease of University Lands.
 - 6.324 Reporting regularly to the Executive Vice Chancellor for Asset Management and the Board for Lease of University Lands all activities, developments and problems which could significantly affect System interests and University Lands, together with his or her recommendations with respect thereto.
 - 6.325 Working closely with the Board for Lease of University Lands in the discharge of its duties and responsibilities.
 - 6.326 Coordinating with the Manager of University Lands - Surface Interests in the discharge of their respective duties and responsibilities.
- 6.33 Manager of University Lands - Surface Interests.
 Subject to delegation by the Executive Vice Chancellor for Asset Management, the Manager of University Lands - Surface Interests is responsible for providing field supervision of System operations, activities, and transactions pertaining to surface interests, water rights and oil and gas field operations in or on University Lands. Within limits of authority set by the Executive Vice Chancellor for Asset Management, the Manager's regular duties include:
- 6.331 Making recommendations to the Board with respect to all transactions involving surface interests in University Lands, including research projects, right-of-way easements, agricultural, grazing and other surface use leases, and geophysical permits.
 - 6.332 Organizing, directing, guiding, setting objectives and standards for, and assigning and evaluating the work of, all personnel reporting to him or her.

- 6.333 Reviewing periodically the terms and conditions of forms and transactions involving surface interests in University Lands, and making recommendations with respect thereto to the Executive Vice Chancellor for Asset Management.
- 6.334 Reporting regularly to the Executive Vice Chancellor for Asset Management all activities, developments and problems which could significantly affect System interests in University Lands, together with his or her recommendations with respect thereto.
- 6.335 Working closely with federal and state agencies in connection with research and development projects and activities, involving utilization and husbandry of University Lands, of mutual interest to the System and such agencies.
- 6.336 Coordinating with the Manager of University Lands - Oil, Gas, and Mineral Interests in the discharge of their respective duties and responsibilities, and acts as oil and gas fields supervisor.

6.34

Investments and Trusts.

The Executive Vice Chancellor for Asset Management and his or her delegates, the Director for Investments, and the Director for Endowments and Trusts implements policies and actions approved by the Board with respect to:

- 6.341 Investing, managing, and administering of all endowment funds belonging to the System and its component institutions, including the Permanent University Fund and all trusts and special funds.
- 6.342 Issuing, managing, and paying all bonds and other evidences of indebtedness issued by the Board for System and its component institutions.
- 6.343 Presenting to the Board through the Chancellor periodic reports of the status and prospect of funds for which he or she has responsibility and

that will be available for expenditure by the System and its component institutions.

- 6.344 Consulting with the Executive Associate for Economic Affairs with respect to the development of long-range plans for the development and management of the economic resources of the System and its component institutions.

Sec. 7. Vice Chancellor for Business Affairs.

The Vice Chancellor for Business Affairs reports to the Chancellor and is responsible for the direction of those offices and supervision of those areas of responsibility set forth in Section 7.3 of this Chapter. The Vice Chancellor for Business Affairs provides staff assistance to the Chancellor and the Executive Vice Chancellors in the exercise of their responsibilities. The Vice Chancellor for Business Affairs has direct access to the Board of Regents of The University of Texas System and is expected to work directly with the appropriate committees of the Board in discharging the duties of the office.

7.1 Appointment and Tenure.

The Vice Chancellor for Business Affairs shall be appointed by the Board after nomination by the Chancellor. The Vice Chancellor for Business Affairs shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions regarding the Vice Chancellor for Business Affairs are subject to review and approval by the Board.

7.2 Duties and Responsibilities.

The primary responsibilities of the Vice Chancellor for Business Affairs include:

- 7.21 The provision of staff assistance to the Chancellor and the Executive Vice Chancellors in the execution of their responsibilities.
- 7.22 Submitting recommendations to the Chancellor and to the appropriate Executive Vice Chancellor on business operations of the components of the System.
- 7.23 Reviewing and making recommendations on uniform business systems and management.
- 7.24 Submitting recommendations relating to programs for the most efficient management of personnel and resources.
- 7.25 Submitting recommendations for program development for training of personnel in nonacademic areas.
- 7.26 Reviewing and making recommendations on programs of long-range planning for physical facilities and financial resources.

- 7.27 Reviewing and making recommendations relating to police and security matters within the System.
- 7.28 Coordinating the business affairs of the System with other officers and members of the System Administration staff.
- 7.29 In consultation with the appropriate Executive Vice Chancellor, coordinating the activities of business administrative operations of the component institutions.
- 7.2(10) Managing the operations of the offices of Facilities Planning and Construction, Budget, Comptroller, System Personnel, Police, and Special Services.
- 7.2(11) Supervising and coordinating the acquisition of all real property at the component institutions.
- 7.2(12) Directing the management of the purchasing, accounting, equipment inventories, and vouchering operations for the offices of the System Administration and coordinating the building services for the System buildings.
- 7.2(13) Directing the management of the System-wide insurance programs (except the System Plan for Professional Medical Malpractice Self-Insurance), including approval of all policies and coverages, such programs to include:
 - Fire and Extended Coverage;
 - Liability;
 - Health;
 - Life;
 - Accidental Death and Dismemberment;
 - Income Replacement; and
 - Retirement.
- 7.2(14) Performing such other duties as may be assigned by the Chancellor.

7.3 Duties of Officers Reporting to the Vice Chancellor for Business Affairs.

- 7.31 Budget Director.
The Budget Director's primary responsibilities are to plan and develop systems and procedures for uniform budget preparation, budget control and financial reporting. Subject to delegation by the Vice Chancellor for Business Affairs, the major duties of the Budget Director include:
 - 7.311 Formulating procedures governing the preparation and review of all budgets and developing effective methods of presenting approved budgets to appropriate agencies.

- 7.312 Recommending procedures to be followed, including format, schedules of budget preparation, and effective review of budgets.
- 7.313 Preparing budget-writing instructions.
- 7.314 Conducting budget and other related research studies.
- 7.315 Planning systems and procedures for budgetary control and financial reporting.
- 7.316 Controlling and supervising distribution of all budgets and processing and approving (as delegated) interim budget changes.
- 7.317 Preparing periodic budgetary, financial, and special reports, as appropriate.
- 7.318 Serving as liaison with the staff of the Legislative Budget Board, the Governor's Budget and Planning Office, and the Texas Higher Education Coordinating Board.

7.32

Comptroller.

Subject to delegation by the Vice Chancellor for Business Affairs (provided, however, that, in the audit functions, the Comptroller shall report directly to the Chancellor), the Comptroller formulates and recommends procedures to be followed in the business operations of the System for:

- 7.321 Accounting, auditing and reporting, and expenditure control.
- 7.322 Procurement and purchasing.
- 7.323 Management of auxiliary service enterprises.
- 7.324 Data processing systems - including prior approval of equipment acquisitions by purchase or lease.
- 7.325 Accounting and business system development.
- 7.326 Accounting records, forms, procedures, and financial reports, including format for such reports.
- 7.327 Lease contracts for building space.
- 7.328 Approval of the business aspects and overhead rates in research and other contracts with outside agencies.
- 7.329 Conducting postaudits at each component institution.

7.32(10) Supervising the auditing of oil and gas production.

7.33

Director of Accounting.

The Director of Accounting of The University of Texas at Austin serves also as director of accounting for System Administration and is the accounting officer for both The University of Texas at Austin and for System Administration.

With respect to System Administration matters, the Director of Accounting reports to and is responsible to the Comptroller. With respect to other matters, the Director reports to the appropriate officers of The University of Texas at Austin. Subject to delegation by the Vice Chancellor for Business Affairs, the duties of the office include:

- 7.331 Having responsibility for custody, accounting and reporting of all funds handled by the Director of Accounting's Office for the component institutions outside of Austin, and for System Administration, the Permanent University Fund, the Available University Fund, and trust and special funds.
- 7.332 For securities owned by System funds and not in custody of the State Treasurer, having custody of registered securities and joint custodian, with the Executive Vice Chancellor for Asset Management, of bearer securities maintained in bank lock boxes.
- 7.333 Maintaining a full and complete set of records that accurately reflect the balances and transactions of all financial and property accounts of the System (as contracted with such accounts of the component institutions).

7.34

Director of Facilities Planning and Construction.

The Director of Facilities Planning and Construction reports to the Vice Chancellor for Business Affairs. The primary duties and responsibilities of the office include:

- 7.341 The provision of staff assistance to the Chancellor and the Executive

- Vice Chancellors in the execution of their responsibilities.
- 7.342 Managing the administration and general supervision of any new building construction and initial equipping thereof or any inside or outside repairs, remodeling, rehabilitation, new construction of improvements other than building, or campus planning costing \$300,000 or more; managing any preliminary planning, feasibility studies, or investigations which are estimated to ultimately develop into one of the above projects at any component institution of the System; advising and working with the consultants, architects and engineers employed by the Board subject to the terms and conditions of the contracts with those architects and engineers.
- 7.343 Serving as ex officio member of all faculty building committees at the component institutions.
- 7.344 Preparing and executing all documents relating to the acquisition and the use of funds received from the federal government and state agencies in connection with construction grant awards.
- 7.345 Coordinating the preparation of and approving of all grant applications on approved construction projects filed with governmental agencies.
- 7.346 Coordinating the development of and maintaining of master plans for all component institutions, including but not limited to land utilization, utility and landscape plans.
- 7.347 Developing standards for maintenance of all physical facilities at component institutions.
- 7.348 Directing the negotiation and approval of all utility contracts.

7.35

System Personnel Director.

The System Personnel Director's primary responsibility is to plan, develop, and coordinate System-wide personnel policies and procedures. Subject to delegation by the Vice Chancellor for Business Affairs, the System Personnel Director is responsible for:

- 7.351 Acting as liaison between component institution personnel officers and the System officers regarding all personnel matters relating to classified personnel, administrative staff, and certain matters relating to teaching and/or academic personnel.
- 7.352 Advising the System officers and making recommendations concerning development of methods and procedures designed to maximize the effectiveness of System Personnel Programs.
- 7.353 Reviewing and recommending all classified personnel pay plans for each component institution, including the establishment of proper classification and pay scales consistent with needs and System-wide policies and procedures.
- 7.354 Reviewing and recommending the Personnel Office budgets for each component institution.
- 7.355 Directing the administration of the System Personnel Office, including the Workers' Compensation Insurance section.
- 7.356 Reviewing and recommending to System officers any rules and regulations or changes thereto that, after proper consultation with officers of component institutions, are considered beneficial or necessary for the proper administration of the System-wide Personnel Program.
- 7.357 Establishing employee development and training programs for all component institutions, including particularly supervisory training programs.
- 7.358 Formulating policies and procedures concerning labor relations and employer-employee relationships.

- 7.359 Assisting and establishing personnel data systems and proper practices and procedures concerning the personnel records of all employees.
 - 7.35(10) Conducting System-wide wage and salary research studies and formulating data for proper implementation of personnel pay programs.
 - 7.35(11) In consultation with the personnel offices of the component institutions, developing and maintaining a System-wide Personnel Pay Plan with uniform titles and account numbers.
- 7.36 Director of Police.
 Subject to delegation by the Vice Chancellor for Business Affairs, the Director of Police is responsible for:
- 7.361 Approving qualifications for police personnel at the component institutions of the System and approving all applicants to a basic or in-service training school or academy.
 - 7.362 Approving the organizational structure for police departments at the component institutions of the System.
 - 7.363 Establishing and supervising all training programs for System police, including basic and in-service training, as well as on-the-job training at each component institution of the System.
 - 7.364 Conducting the System training in accordance with the standards of the Texas Commission on Law Enforcement Officer Standards and Education, in order to maintain accreditation with this state agency.
 - 7.365 Maintaining liaison with the Director of Training, Texas Department of Public Safety, and the Coordinator of Training, Federal Bureau of Investigation, and being aware of new training techniques, procedures, programs, and equipment.
 - 7.366 Establishing a uniform reporting and record system for police departments at the component

- 7.367 institutions of the System and approving any changes thereto. Conducting periodic inspection of the police departments at the component institutions of the System and evaluating their performance as police agencies.
- 7.368 Formulating and establishing policies and procedures for police operations on a System-wide basis.
- 7.369 Establishing, maintaining, and supervising on a System-wide basis, a program for police personnel promotion.
- 7.36(10) Reviewing and recommending the pay scale for police personnel throughout the System.
- 7.36(11) Surveying all component institutions of the System for security needs of existing buildings, grounds, and lighting, in order to make the appropriate recommendations to insure the prevention of criminal activities and the protection of life and property.
- 7.36(12) Consulting with the Office of Facilities Planning and Construction on security needs for new construction including security lighting on the property of the component institutions of the System.
- 7.36(13) Coordinating the use of police throughout the System in emergency situations.
- 7.36(14) Submitting periodic reports to the Vice Chancellor for Business Affairs concerning the operations of the police departments of the System.

Sec. 8. Vice Chancellor and General Counsel.

The Vice Chancellor and General Counsel reports to the Chancellor. The Vice Chancellor and General Counsel is responsible for the provision of legal services to the Board of Regents of The University of Texas System as set out in Section 8.2 of this Chapter. The Vice Chancellor and General Counsel provides staff assistance to the Chancellor and the Executive Vice Chancellors in the exercise of their responsibilities. The Vice Chancellor and General Counsel has direct access to the Board of Regents of The University of Texas System and is expected to work directly with the appropriate committees of the Board in discharging the duties of the office.

- 8.1 Appointment and Tenure.
 The Vice Chancellor and General Counsel shall be appointed by the Board after nomination by the Chancellor. The Vice Chancellor and General Counsel shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions regarding the Vice Chancellor and General Counsel are subject to review and approval by the Board.
- 8.2 Duties and Responsibilities.
 The primary responsibilities of the Vice Chancellor and General Counsel include:
- 8.21 The provision of staff assistance to the Chancellor and the Executive Vice Chancellors in the execution of their responsibilities.
 - 8.22 Providing all legal services required by the Board of Regents of The University of Texas System and its personnel to insure the proper protection and advancement of the System's interests.
 - 8.23 Maintaining the supervision, and delivery of legal services at a high level of effectiveness.
 - 8.24 Directing and managing all legal personnel and legal affairs of the System, its units and its component institutions.
 - 8.25 Providing advice, counsel and legal interpretations to System officials and personnel concerning legal matters affecting System operations.
 - 8.26 Directing the Office of Vice Chancellor and General Counsel personnel with respect to work priorities and assignments, standards of performance, and career development, delegating to staff members responsibility for particular legal and administrative tasks; and coordinating and controlling budget and personnel levels.
 - 8.27 Directing and managing (within applicable limits of authority) all litigation and administrative agency hearings; authorizing and approving the institution of legal proceedings; evaluating, directing and approving action and procedures relative to prosecution or defense of pending litigation and administrative proceedings; employing outside counsel; and authorizing and approving settlement or appeal of litigation.
 - 8.28 Advising, counseling, and disseminating information to affected System units relative to the nature, evaluation, progress, and results of litigation, administrative proceedings, and other legal

- matters, and making recommendations to System officials and other personnel as to future operations and objectives.
- 8.29 Approving as to form all contracts and agreements and all amendments to the Regents' Rules and Regulations; and approving as to form all institutional Handbooks of Operating Procedures, whether finally approved or not, and all amendments to such Handbooks.
 - 8.2(10) Drafting all legislation that has been approved by the Board or requested by any System officer for submission to the Board for approval and providing legal counsel on pending legislation.
 - 8.2(11) Identifying and evaluating administrative and functional problems and directing or recommending, as appropriate, courses of action for solution.
 - 8.2(12) Representing the System before legal, educational and governmental groups and associations.
 - 8.2(13) Acting as administrator of the System Plan for Professional Medical Malpractice Self-Insurance and the System Intellectual Property Offices.
 - 8.2(14) Working in cooperation with the Attorney General of the State of Texas, State agency legal counsel and outside counsel.
 - 8.2(15) Assuming responsibility for any other legal, administrative or operational matters delegated by the Chancellor.

Sec. 9. Vice Chancellor for Governmental Relations.

The Vice Chancellor for Governmental Relations reports to the Chancellor. The Vice Chancellor for Governmental Relations is responsible for coordinating the effective representation of the System in the area of governmental affairs as set out in Section 9.2 of this Chapter. The Vice Chancellor for Governmental Relations provides staff assistance to the Chancellor and the Executive Vice Chancellors in the exercise of their responsibilities. The Vice Chancellor for Governmental Relations has direct access to the Board of Regents of The University of Texas System and is expected to work directly with appropriate committees of the Board in discharging the duties of the office.

9.1 Appointment and Tenure.

The Vice Chancellor for Governmental Relations shall be appointed by the Board after nomination by the Chancellor. The Vice Chancellor for Governmental Relations shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions regarding the Vice Chancellor for Governmental Relations are subject to review and approval by the Board.

9.2

Duties and Responsibilities of the Vice Chancellor for Governmental Relations.

The primary responsibilities of the office include:

- 9.21 The provision of staff assistance to the Chancellor and the Executive Vice Chancellors in the execution of their responsibilities.
- 9.22 Representing the Board of Regents of The University of Texas System in its relations with federal, state, and local legislative bodies and agencies.
- 9.23 Making recommendations to the Chancellor in the area of public policy as it affects the relationship of the System with the federal, state, and local governments.
- 9.24 Informing appropriate administrative officers of current operations and long-range developments on the federal and state level, which may affect the System.
- 9.25 Maintaining and distributing information to, and advising appropriate System Administration and component institution officials, in order to assure proper action by the System with respect to federal, state, and local governmental programs and activities.
- 9.26 Defining the job responsibilities, the assignment of duties, and supervising staff members employed in or assigned to work in the governmental affairs area.
- 9.27 Performing such other duties and responsibilities for the efficient operation of the System as shall be assigned by the Chancellor.

Sec. 10. Councils of the System.

10.1 The System Council.

The System Council is composed of the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Asset Management, the Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, the Vice Chancellor for Governmental Relations, the Executive Assistant to the Chancellor, the Director of Development, and the chief administrative officers of all the component institutions of The University of Texas System. The Chancellor shall serve as the Council's permanent chairman and shall conduct regular meetings to discuss those matters of general concern to the operation of The University of Texas System.

- 10.2 The Council of Academic Institutions.
The Council of Academic Institutions is composed of the Executive Vice Chancellor for Academic Affairs and the chief administrative officers of the general academic institutions of the System. The Chancellor, the Executive Vice Chancellor for Asset Management, the Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, the Vice Chancellor for Governmental Relations, the Executive Assistant to the Chancellor, and the Director of Development, serve as ex officio members of this Council. The Executive Vice Chancellor for Academic Affairs shall serve as the Council's permanent chairman and shall conduct regular meetings to review common problems of planning, development, and operation of the several institutions represented.
- 10.3 The Council of Health Institutions.
The Council of Health Institutions is composed of the Executive Vice Chancellor for Health Affairs and the chief administrative officers of the component institutions of the System concerned directly with health affairs. The Chancellor, the Executive Vice Chancellor for Asset Management, the Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, the Vice Chancellor for Governmental Relations, the Executive Assistant to the Chancellor, and the Director of Development serve as ex officio members of this Council. The Executive Vice Chancellor for Health Affairs acts as the Council's permanent chairman and shall conduct regular meetings to review common problems of planning, development, and operation of the several institutions represented.
- 10.4 The Business Management Council.
The Business Management Council advises the System Administration in the areas of component budgeting, business management, data processing, physical plant operations, planning, construction, and accounting systems development. The Council is composed of the Vice Chancellor for Business Affairs and the chief business officers of the component institutions. The Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Asset Management, the Vice Chancellor and General Counsel, the Vice Chancellor for Governmental Relations, the Executive Assistant to the Chancellor, and the Director of Development, or their delegates, serve as ex officio members of this Council. The Vice Chancellor for Business Affairs shall serve as the Council's permanent chairman and shall conduct regular meetings of the Council.

Sec. 11.

Chief Administrative Officers of Component Institutions.

- 11.1 The Board selects the chief administrative officer of each component institution.
- 11.11 When there is a vacancy or it is known that there is to be a vacancy in the office of a chief administrative officer of a component institution having faculty and students, an Advisory Committee shall be established to recommend candidates to the Board. The Executive Vice Chancellor having responsibility for the operation of the institution where the vacancy has occurred or is to occur shall be chairman of the Advisory Committee. In circumstances where this Executive Vice Chancellor may be a candidate for the office, the chairman of the Advisory Committee shall be the Chancellor or the Chancellor's designee. In addition to the chairman, committee membership is as follows:
- The Chancellor;
 - Three Chief Administrative Officers;
(to be appointed by the Chairman of the Board from three of the component institutions)
 - Three Regents;
(to be appointed by the Chairman of the Board)
 - Five Faculty members of the institution involved, at least three of whom shall have the rank of associate professor or higher; (method of selection to be determined by the General Faculty of the campus)
 - One Dean;
(for academic institutions to be selected by Dean's Council of the institution involved)
(for health-related institutions to be the Dean of the Medical School involved)
 - Two Students from the institution involved;
(method of selection to be determined by

the Student Government of the campus involved or, if there be no Student Government, by the chief administrative officer of the institution)

President of the Ex-Students' Association of the campus involved; (if institution does not have an active alumni organization, then an alumnus of the component selected by the Chairman of the Board of Regents)

Not more than three representatives of the component's external constituency who have demonstrated a deep interest in and support of the institution, its programs and its role in community activities to be appointed by the Chairman of the Board of Regents.

- 11.12 When there is a vacancy or it is known that there is to be a vacancy in the office of a chief administrative officer of a component institution not having faculty and students, an Advisory Committee shall be appointed by the Executive Vice Chancellor having responsibility for the institution, subject to approval of the Chairman of the Board. The Executive Vice Chancellor having such responsibility shall be Chairman of the Committee.
- 11.13 The Advisory Committee shall set up selection criteria that relate to the needs of the individual component, initiate mechanisms to develop an appropriate candidate pool, seek information on the several candidates and inquire from competent sources as to the candidates' academic, administrative and business ability. The Committee may also interview candidates as a part of its selection process keeping in mind that the confidentiality of the process is important to its ultimate success.
- 11.14 Finally, the Advisory Committee shall submit, through its Chairman, a recommended list of not less than five or more than ten candidates with no preference indicated. Candidates submitted shall have received a majority vote of the

Committee. The recommended list should be developed and submitted without regard to the Advisory Committee's assessment of the potential availability of any candidate. If none of the names submitted in the report of the Advisory Committee is satisfactory to the Board, then the Board in its discretion may either name a new committee or proceed to select a chief administrative officer under such other procedures as in its discretion it may deem proper and appropriate.

11.2 Each chief administrative officer reports to and is responsible to the Executive Vice Chancellor having responsibility for the institution, and serves without fixed term, subject to the pleasure of the appropriate Executive Vice Chancellor and approval by the Chancellor and the Board. The chief administrative officer has access to the Chancellor and is expected to consult with the appropriate Executive Vice Chancellor and the Chancellor on significant issues on an as needed basis.

11.3 Within the policies and regulations of the Board, and under the supervision and direction of the Executive Vice Chancellor having responsibility for the institution, the chief administrative officer has general authority and responsibility for the administration of that institution.

11.31 Specifically, the chief administrative officer is expected, with the appropriate participation of the staff, to:

11.311 Develop and administer plans and policies for the program, organization, and operation of the institution.

11.312 Interpret the System policy to the staff, and interpret the institution's programs and needs to the System Administration and to the public.

11.313 Develop and administer policies relating to students, and where applicable, to the proper management of services to patients.

11.314 Recommend appropriate operating budgets and supervise expenditures under approved budgets.

11.315 Nominate all members of the faculty and staff, maintain efficient personnel programs, and recommend staff members for promotion, retention, or dismissal for cause.

- 11.316 Insure efficient management of business affairs and physical property; recommend additions and alterations to the physical plant.
- 11.317 Serve as presiding officer at official meetings of faculty and staff of the institution, and as ex officio member of each college or school faculty (if any) within the institution.
- 11.318 Appoint, or establish procedures for the appointment of, all faculty, staff, and student committees.
- 11.319 Cause to be prepared and submitted to the appropriate Executive Vice Chancellor the rules and regulations for the governance of the institution. When such rules and regulations have been finally approved by the Chancellor, they shall thereafter constitute the Handbook of Operating Procedures for that institution. Provided, however, that whether or not finally approved by the Chancellor, any rule or regulation in any such institutional Handbook of Operating Procedures that is in conflict with any rule or regulation in the Regents' Rules and Regulations, is null and void and has no effect, and whenever any such conflict is detected, the Chancellor and the chief administrative officer of the component institution shall immediately make such amendments to the institutional Handbook of Operating Procedures as may be necessary to eliminate such conflict.
- 11.31(10) Assume initiative in developing long-range plans for the program and physical facilities of the institution.
- 11.31(11) Assume active leadership in developing private fund support for the institution in accordance

of their respective offices. They shall hold office without fixed term subject to the pleasure of the officer to whom they report. The actions of the Executive Vice Chancellors or Vice Chancellors concerning such staff and officers are in turn subject to approval by the Chancellor.

12.5

Honorary Titles.

The titles Chancellor Emeritus, President Emeritus and similar honorary designations shall be conferred only by appropriate action of the Board on individuals who are fully retired. No person is authorized to use any such title unless it has been bestowed by the Board.

with policies and procedures established in the Regents' Rules and Regulations.

Sec. 12. Appointment of Other Officers and Staff.

- 12.1 The Board delegates to the Chancellor and the Executive Vice Chancellor having responsibility for the institution and they, in turn, delegate to the chief administrative officer of each component institution the responsibility for the appointment and dismissal of all other administrative officers of each component institution, including vice presidents, deans, directors and their equivalents. However, prior approval of the appropriate Executive Vice Chancellor shall be necessary for each such permanent or acting appointment and for each such dismissal whether from a permanent or acting appointment. All such other administrative officers serve without fixed terms and subject to the pleasure of the chief administrative officer of the institution and the aforesaid approval of the Executive Vice Chancellor.
- 12.2 The Board delegates to the Chancellor and the Executive Vice Chancellor having responsibility for the institution and they, in turn, delegate to the chief administrative officer of each component institution the responsibility for the permanent or acting appointment of department chairmen, department heads, and their equivalents. Such department chairmen, department heads and their equivalents serve without fixed terms and subject to the pleasure of the chief administrative officer of the institution.
- 12.3 The Board endorses the principle of reasonable faculty and student consultation in the selection of administrative officers of the component institutions, and the primary operating units, and expects the chief administrative officer, as he or she deems appropriate, to consult in the selection process with the representatives of the faculty and student body. However, the chief administrative officer of the component institution is responsible for executing the duties of the office and consequently shall not be bound by nominations to administrative positions by campus selection committees, and the Handbook of Operating Procedures of each component institution shall so state.
- 12.4 Staff and Officers of System Administration. Staff and officers of System Administration shall be appointed by the Chancellor, the Executive Vice Chancellors, or Vice Chancellors to whom they will report. Officers so appointed shall not have tenure by virtue

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5. U. T. M.D. Anderson Cancer Center: Authorization to Change the Name of (a) The University of Texas System Cancer Center to The University of Texas M.D. Anderson Cancer Center, (b) The University of Texas M.D. Anderson Hospital and Tumor Institute at Houston to The University of Texas M.D. Anderson Hospital and The University of Texas M.D. Anderson Tumor Institute, and (c) The University of Texas Science Park to The University of Texas M.D. Anderson Science Park, and (d) to Amend the Regents' Rules and Regulations, Part One, Chapter VIII, Section 4, Subsection 4.(15) (Institutions and Entities Composing the System).--Upon recommendation of the Health Affairs Committee, the Board changed the name of The University of Texas System Cancer Center to The University of Texas M.D. Anderson Cancer Center with the short title to be U. T. M.D. Anderson Cancer Center with the following designations to be used for the component parts of the institution with the shortened title as shown in parenthesis:

The University of Texas M.D. Anderson Hospital
(U. T. M.D. Anderson Hospital)
The University of Texas M.D. Anderson Tumor Institute
(U. T. M.D. Anderson Tumor Institute)
The University of Texas M.D. Anderson Science Park
(U. T. M.D. Anderson Science Park).

Further, it was noted that the Executive Secretary to the Board would make the appropriate editorial changes in the Regents' Rules and Regulations, Part One, Chapter VIII, Section 4, Subsection 4.(15) (Institutions and Entities Composing the System).

The use of "U. T. M.D. Anderson Cancer Center" provides consistent identification in both the scientific and lay communities, improves marketing and private fund development of the institution and abates confusion which existed with the previous designation.

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4. U. T. Austin: Approval to Establish the Longhorn Foundation and the Longhorn Associates for Excellence in Women's Athletics Foundation and to Amend the Regents' Rules and Regulations, Part One, Chapter VII, Section 4, Subsection 4.33 (Internal Foundations); Establishment of the Longhorn Foundation Advisory Council and the Longhorn Associates for Excellence in Women's Athletics Advisory Council; and Approval of Initial Nominees to the Longhorn Associates for Excellence in Women's Athletics Advisory Council (Regents' Rules and Regulations, Part One, Chapter VII, Section 3).--Upon recommendation of the Academic Affairs Committee, the Board:
 - a. Approved the resolutions set out on Pages 15 - 16 creating (1) the Longhorn Foundation as an internal foundation to benefit Intercollegiate Athletics for Men and (2) the Longhorn Associates for Excellence in Women's Athletics Foundation as an internal foundation to benefit Intercollegiate Athletics for Women at The University of Texas at Austin, in accordance with the Regents' Rules and Regulations, Part One, Chapter VII, Section 4, Subsection 4.3 (Internal Foundations)
 - b. Authorized the Executive Secretary to the U. T. Board of Regents to add both foundations to the list of approved internal foundations set out in the Regents' Rules and Regulations, Part One, Chapter VII, Section 4, Subsection 4.33
 - c. Established the Longhorn Foundation Advisory Council and the Longhorn Associates for Excellence in Women's Athletics Advisory Council pursuant to the Regents' Rules and Regulations, Part One, Chapter VII, Section 3, with the understanding that nominees to the Longhorn Foundation Advisory Council will be submitted for approval at a future meeting
 - d. Approved initial nominees to the Longhorn Associates for Excellence in Women's Athletics Advisory Council with the understanding that the names of the nominees will be reported for the record after they have been contacted and acceptances have been received.

Resolution of the Board of Regents
of The University of Texas System

WHEREAS, There exists a clear and specific need for means to finance the program of the Department of Intercollegiate Athletics for Men of The University of Texas at Austin, in addition to the regular budgetary provisions; and

WHEREAS, It is the desire of interested persons to set up the facilities to encourage and assist in such financing;

IT IS NOW RESOLVED, That the Board of Regents of The University of Texas System hereby establishes the Longhorn Foundation of the Department of Intercollegiate Athletics for Men of The University of Texas at Austin.

AND FURTHER, That the purpose of the said Foundation shall be to foster the understanding and development of the programs of the Department of Intercollegiate Athletics for Men at The University of Texas at Austin, and to encourage the making of gifts to the Foundation by deed, grant, will or otherwise for any purpose appropriate to the work of the Foundation.

AND FINALLY, That all donations to and assets of the Foundation shall be accepted and managed subject to the following conditions:

1. The funds of the Foundation shall be devoted solely to the enrichment of the scholarship programs for student athletes in all men's varsity sports of the Department of Intercollegiate Athletics of The University of Texas at Austin and shall not be used for the ordinary operating expenses of the Department of Intercollegiate Athletics.

2. A donation to the Foundation may be made for a specific purpose and may be given in the name of the donor or other designation specified by the donor or may be given as unrestricted funds.

3. The Board of Regents shall hold, manage, control, sell, exchange, lease, convey, mortgage or otherwise encumber, invest or reinvest, and generally shall have the power to dispose of in any manner and for any consideration and on any terms the said gifts, funds, or property in their discretion and shall from time to time pay out of the income, or if the income be insufficient, out of the principal, all expenses of the trust and all expenditures incurred in furthering the purposes of the trust.

4. Neither any donation to the Longhorn Foundation nor any fund or property arising therefrom in whatever form it may take shall ever be any part of the Permanent University Fund nor shall the Legislature have power to be in any way authorized to change the purposes thereof or to divert such donation, fund or property from those designated purposes.

5. As in the case of other funds, authorization for expenditure of all funds from the Foundation shall be vested in the Board of Regents and recommendations for such expenditures shall be made by the President of The University of Texas at Austin to the Office of the Chancellor and by the Office of the Chancellor to the Board of Regents of The University of Texas System.

Resolution of the Board of Regents
of The University of Texas System

WHEREAS, There exists a clear and specific need for means to finance the program of the Department of Intercollegiate Athletics for Women of The University of Texas at Austin, in addition to the regular budgetary provisions; and

WHEREAS, It is the desire of interested persons to set up the facilities to encourage and assist in such financing;

IT IS NOW RESOLVED, That the Board of Regents of The University of Texas System hereby establishes the Longhorn Associates for Excellence in Women's Athletics Foundation of the Department of Intercollegiate Athletics for Women of The University of Texas at Austin.

AND FURTHER, That the purpose of the said Foundation shall be to foster the understanding and development of the programs of the Department of Intercollegiate Athletics for Women at The University of Texas at Austin, and to encourage the making of gifts to the Foundation by deed, grant, will or otherwise for any purpose appropriate to the work of the Foundation.

AND FINALLY, That all donations to and assets of the Foundation shall be accepted and managed subject to the following conditions:

1. The funds of the Foundation shall be devoted solely to the enrichment of the scholarship programs for student athletes in all women's varsity sports of the Department of Intercollegiate Athletics for Women of The University of Texas at Austin and shall not be used for the ordinary operating expenses of the Department of Intercollegiate Athletics for Women.

2. A donation to the Foundation may be made for a specific purpose and may be given in the name of the donor or other designation specified by the donor or may be given as unrestricted funds.

3. The Board of Regents shall hold, manage, control, sell, exchange, lease, convey, mortgage or otherwise encumber, invest or reinvest, and generally shall have the power to dispose of in any manner and for any consideration and on any terms the said gifts, funds, or property in their discretion and shall from time to time pay out of the income, or if the income be insufficient, out of the principal, all expenses of the trust and all expenditures incurred in furthering the purposes of the trust.

4. Neither any donation to the Longhorn Associates for Excellence in Women's Athletics Foundation nor any fund or property arising therefrom in whatever form it may take shall ever be any part of the Permanent University Fund nor shall the Legislature have power to be in any way authorized to change the purposes thereof or to divert such donation, fund or property from those designated purposes.

5. As in the case of other funds, authorization for expenditure of all funds from the Foundation shall be vested in the Board of Regents and recommendations for such expenditures shall be made by the President of The University of Texas at Austin to the Office of the Chancellor and by the Office of the Chancellor to the Board of Regents of The University of Texas System.

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U. T. Board of Regents: Amendments to (a) Regents' Rules and Regulations, Part One, Chapter II, Section 9.2 (Investments and Trusts); (b) Regents' Rules and Regulations, Part Two, Chapter IX, Sections 1, 2 and 5 (Matters Relating to Investments, Trusts, and Lands); (c) The Charter of The University of Texas System Common Trust Fund; (d) The Common Trust Fund Investment Policy Statement; and (e) the Medical Malpractice Self-Insurance Fund Investment Policy Statement.--In order to clarify recent restructuring of the Office of Asset Management for The University of Texas System, the Board:

a. Amended the Regents' Rules and Regulations, Part One, Chapter II, Subsection 9.2 as set out below:

9.2 Investments and Trusts.

The Executive Vice Chancellor for Asset Management and his or her delegates, the Director for Investments and the Director for Endowments and Trusts, implement policies and actions approved by the Board with respect to:

- 9.21 Investing, managing, and administering of all endowment funds belonging to the System and its component institutions, including the Permanent University Fund and all trusts and special funds.
- 9.22 Issuing, managing and paying all bonds and other evidences of indebtedness issued by the Board for System and its component institutions.
- 9.23 Presenting to the Board through the Office of the Chancellor periodic reports of the status and prospect of funds for which he or she has responsibility and that will be available for expenditure by the System and its component institutions.
- 9.24 Consulting with the Executive Associate for Economic Affairs with respect to the development of long-range plans for the development and management of the economic resources of the System and its component institutions.

b. Amended the Regents' Rules and Regulations, Part Two, Chapter IX, Sections 1, 2 and 5 as set out below:

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

- 1.1 Authority to Purchase, Exchange, and Sell Securities for and on Behalf of the Permanent University Fund (hereinafter sometimes referred to as "PUF") and the Board.--The Chancellor,

or his or her delegate, the Executive Vice Chancellor for Asset Management, and the Director for Investments are authorized to purchase, exchange, and sell any and all securities for and on behalf of the PUF or the Board, and to execute all related state government documents. In addition, external investment managers appointed by the Board of Regents may purchase, sell, or exchange securities, pursuant to written agreement with the Board of Regents, from funds designated from the PUF, the Common Trust Fund, the Medical Malpractice Self-Insurance Fund, or any funds held in trust.

1.2 Authority to Assign and Transfer Securities Owned by the PUF and the Board.--The Chancellor, or his or her delegate, the Executive Vice Chancellor for Asset Management, the Director for Endowments and Trusts, the Comptroller and Associate Comptroller, and the Trust Officer may each assign and transfer any and all securities of any description whatever and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of any securities registered in the name of the PUF or the Board, or in any other form of registration of such securities held for the account of the PUF or the Board in whatever manner, including all fiduciary capacities and including those registered in the names of trusts or foundations managed and controlled by said Board. In addition, custodian banks appointed by the Executive Vice Chancellor for Asset Management may assign and transfer securities and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of any security owned by the Board.

1.3 Authority to Execute Instruments Relating to Land and Mineral Interests.--The Chairman of the Board, the Vice-Chairmen, the Chancellor, or his or her delegate, and the Executive Vice Chancellor for Asset Management are each authorized to execute conveyances, deeds, surface and/or mineral leases, easements, rights-of-way, oil and gas division orders, and transfer orders, geophysical and material source permits, water contracts, pooling and unitization agreements, and any other instruments as may be necessary or appropriate from time to time, relating to the handling, management, control, and disposition of any real estate or mineral interest held or controlled by the Board as a part of the PUF or as a part of any trust or special fund.

- 1.4 Authority to Receive and Collect Money and/or Property.--The Chancellor, the Executive Vice Chancellor for Asset Management, and the Director for Endowments and Trusts are each authorized and empowered to ask, demand, collect, recover, and receive any and all sums of money, debts, dues, rights, property, effects, or demands, whatever, due, payable, or belonging, or that may become due, payable, or belonging to any of the above funds from investment transactions, from any person or persons, whatever, and to execute any and all necessary or proper receipts, releases, and discharges therefor.
- 1.5 Authority to Execute Proxies and Consent to Modifications in Bond Indentures.--The Chancellor, or his or her delegate, the Executive Vice Chancellor for Asset Management, the Director for Investments, the Director for Endowments and Trusts, and the Investment Officers are each authorized to consent to modifications in bond indentures and to execute proxies within the approved investment policies.
- 1.6 Authority to Deliver and Maintain Securities in Book-Entry Form.--Securities owned by the PUF or the Board may be delivered and maintained by a custodian bank or a member bank of the Federal Reserve System in book-entry form subject to applicable law.

Sec. 2. Policy for Investment and Management of the PUF.

- 2.1 The policies for the investment of funds for the Permanent University Fund shall be those outlined in The Permanent University Fund Investment Policy Statement.
- 2.2 Advice of Investment Advisory Committee.--The Chancellor, the Executive Vice Chancellor for Asset Management, and the Director for Investments shall seek the advice and counsel of the Investment Advisory Committee at its regular quarterly meetings and at other times as appropriate on all of the major matters involving the PUF.
- 2.3 Reports to the Regents' Land and Investment Committee.
 - 2.31 All purchases, sales, and exchanges of investments shall be reported for ratification by the Board through the Regents' Land and Investment Committee.

- 2.32 The investment performance of the Fund, as measured by an unaffiliated organization, shall be reported to the Regents' Land and Investment Committee at least annually.
 - 2.33 The nature and extent of any investments in or business transacted with any firm with which a member of The University of Texas System investment staff is affiliated will be reported to the Regents' Land and Investment Committee annually.
 - 2.34 The Fund's investment in U. S. companies with substantive investments or operations in South Africa will be reported to the Regents' Land and Investment Committee semiannually in combination with the status review of these firms' effective compliance with the spirit of the six key elements of the Sullivan Principles.
 - 2.35 All proxy votes on the social issue of investment and corporate conduct in South Africa will be reported to the Regents' Land and Investment Committee.
- 2.4 The Chancellor, the Executive Vice Chancellor for Asset Management, or the Director for Investments are each authorized to take any and all steps as may be considered necessary or advisable to protect the interest of the PUF in event of default or any other significant changes occurring with respect to any investment.
- 2.5 Policies with Respect to Stock Rights, Fractional Shares, and Proxies.
- 2.51 Exercise of or sale of stock rights and warrants is to be made at the discretion of the Chancellor, the Executive Vice Chancellor for Asset Management, the Director for Investments, or the Investment Officers. Stock rights or warrants which arise in connection with funds under control of an unaffiliated investment manager shall be handled by that manager at its discretion.

2.52 Fractional shares which arise in connection with funds under control of an unaffiliated investment manager or the System investment staff shall be handled by that manager or the staff at its discretion.

2.53 As a general rule, voting stocks held are to be voted by returning proxies to present management. When the Director for Investments or the Director for Endowments and Trusts determines that a vote with management would not be in the shareholder's best financial interest, or when a proposal under consideration is of a social nature, the matter will be referred to the Chancellor or the Executive Vice Chancellor for Asset Management, or, in the event both of them are absent, to the Chairman of the Land and Investment Committee. Voting on the issue of investments and corporate conduct in South Africa shall correspond to the Regents' Policy Statement on South African Issues adopted by the Board at its February 1986 meeting.

2.6 Exchange of Bonds.--The Chancellor, the Executive Vice Chancellor for Asset Management, the Director for Investments, and the Investment Officers are each authorized to exchange bonds owned, from time to time, on a par for par basis (with such cash adjustments as may be required) for other eligible bonds or obligations. In any such exchange the cost of the bonds exchanged out (plus or minus the cash adjustments involved) shall be carried forward as the cost of the bonds or obligations acquired, even though the sale and purchase may be effected through different brokers. Such sales and purchases may be considered as exchanges provided there has been an improvement in book yield.

Sec. 5. Investment Advisory Committee.--The Investment Advisory Committee is and has been established in order to assist and advise the Chancellor, the Executive Vice Chancellor for Asset Management, and the Director for Investments with respect to matters relating to the management of investments.

The following rules shall apply to such Committee:

- 5.1 Membership.--Six members of the Committee shall be selected because of their particular qualifications and experience in the field of investments, including experience in bond and corporate stock investments.
 - 5.2 Selection Procedure.--Appointments to such Committee shall be made by the Board after recommendation by the Chancellor.
 - 5.3 Term of Office.--Each member shall serve a three-year term, with the terms of two members expiring each August 31. A member is eligible for reappointment to a consecutive three-year term, but may not be reappointed thereafter without a three-year break in service.
 - 5.4 Meetings.--Meetings shall be held quarterly and at such other dates as may be considered advisable by the Chancellor and the Executive Vice Chancellor for Asset Management.
- c. Amended The Charter of The University of Texas System Common Trust Fund as set out below:

THE CHARTER OF
THE UNIVERSITY OF TEXAS SYSTEM COMMON TRUST FUND
(Originally Established as
"Funds Grouped for Investment" on June 27, 1932
Amended on February 27, 1948, Amended on March 11, 1967,
Amended on December 5, 1985, Amended on February 13, 1986,
Amended on October 9, 1987, and
Amended on December 3, 1987)

ARTICLE I

Fund Name, Purpose, and Eligibility for Participation

1. The Common Trust Fund as herein established shall be known as "The University of Texas System Common Trust Fund" (originally designated as "Funds Grouped for Investment") and shall be under the control of the Board of Regents of The University of Texas System, as Trustee.
2. The purpose of the Common Trust Fund is to provide for the collective investment of various endowment and trust funds held by The University of Texas System or by the Board of Regents of The University of Texas System in a fiduciary capacity.
3. No endowment or trust fund shall be admitted unless it is under the sole control, with full discretion as to investments, of the Board of Regents of The University of Texas System and/or an official or officials of The University of Texas System in his official capacity. However, no such official, other than the Board of Regents, the Executive Vice Chancellor for Asset Management, or his or her designee,

shall have any control over the management of the Common Trust Fund other than to request admittance or withdrawal of any endowment or trust fund under his control as designated trustee thereof. No endowment or trust shall be admitted which contains a specific provision against commingling or whose investment restrictions prohibit purchase of securities as stated in Article II hereof.

4. The fiscal year for the Common Trust Fund shall be from September 1 through August 31 of the succeeding year.

ARTICLE II

Investments

1. All assets of the Common Trust Fund shall at all times be vested in the Board of Regents of The University of Texas System, and such assets shall be deemed to be held by the Board as a fiduciary regardless of the name in which the securities may be registered.
2. The Common Trust Fund may be invested and reinvested in such securities and investments as are permitted by the laws of the State of Texas as legal investments for funds held by trustees. Where not otherwise in conflict with the provisions of this plan, investment and other powers established by the Texas Trust Code (Subtitle B, Title 9, Texas Property Code) shall prevail.
3. The Common Trust Fund shall be further limited to such investments as are eligible under The Common Trust Fund Investment Policy as adopted by the Board of Regents and as amended from time to time.

ARTICLE III

Asset Valuation

1. As of the first valuation date (March 1, 1948) following adoption of the original plans for a common trust fund, units of the Fund were issued for each \$1.00 invested therein, and thereafter additional units were issued and shall be issued from time to time only on the basis of an amount equal to the then per unit value as determined in accordance with Article III, Section 2, hereof. In order to permit complete investment of a given endowment or trust and to avoid fractional units, any donated amount will be assigned a whole number of units in the Fund based on the appropriate per unit value of the Fund. Any amount of the trust or endowment which exceeds the market value of the units assigned will be transferred to the Common Trust Fund, but no unit shall be issued. Each endowment or trust whose monies are invested in the Common Trust Fund shall have an undivided interest in such Fund in the proportion that the number of units invested therein bears to the total number of all units comprising the Common Trust Fund.

2. On or as of the last business day occurring in November, February, May, and August in each fiscal year (the quarterly evaluation date), the net market value of all assets held for the Common Trust Fund and the per unit value of the Fund shall be determined. Valuations shall be given no effect on the general ledger and supporting ledgers of the University but shall be memorandum accounts only. Such valuations shall be determined in the following manner:
 - a. Listed securities shall be valued at the closing price on the primary exchange on which the stock is traded or at the closing "composite price" as listed in the edition of "The Wall Street Journal" containing the valuation date's prices.
 - b. For Over the Counter (OTC) stocks, the stocks shall be valued at the last bid price.
 - c. If no sale or bid price is available for the last business day of the quarter, the security shall be valued as of the closest business day preceding the last business day of the quarter on which a sale or bid price is available.
 - d. Fixed income securities shall be valued at a price obtained from a recognized bond pricing service.
 - e. Mortgages and mortgage participations shall be evaluated by taking the then face value unless there shall be an existing default in the payment of principal and/or income; in which event, the value as determined by the Executive Vice Chancellor for Asset Management in consultation with his or her staff, from the best information then available, shall be used.
 - f. Cash and cash equivalents, consisting of market instruments with a maximum term of 270 days, shall be valued at their book value on the general ledger.
 - g. All other assets shall be valued by the Executive Vice Chancellor for Asset Management in consultation with his or her staff from the best information then available.

The amount determined as provided in (a) through (g) above, after deducting therefrom all expenses chargeable to principal, shall represent the net market value of the assets comprising such Fund; and the value of each unit thereof shall be its proportionate part of such net value. Such valuation shall be final and conclusive.

ARTICLE IV

Admissions and Withdrawals

1. Admission to the Common Trust Fund may be made on any quarterly entrance date (September 1, December 1, March 1, and June 1 of each fiscal year) prior to approval of the Board of Regents upon deposit to the Common Trust Fund of cash or securities eligible under The Common Trust Fund Investment Policy, valued according to the method described in Article III hereof. Securities ineligible under The Common Trust Fund Investment Policy require prior approval of the Board of Regents for deposit to the Common Trust Fund.
2. All admissions made prior to approval of the Board of Regents shall be reported at the first subsequent meeting for ratification by the Board of Regents through the Regents' Land and Investment Committee.
3. Any withdrawals from the Fund require prior approval of the Board of Regents. Withdrawals shall be valued at the market value of the assigned units on the quarterly evaluation date following the approval by the Board of Regents. Withdrawals shall be paid in cash as soon as practicable after such valuation.

ARTICLE V

Segregation of Investments

1. If any investment contained in the Common Trust Fund shall be subsequently determined by the Board of Regents to be an ineligible investment, such investment may, prior to any further admissions to or withdrawals from such Fund, at the discretion of the Executive Vice Chancellor for Asset Management, be sold or segregated and set apart in a liquidating account solely for the benefit of those endowments or trusts participating in the Common Trust Fund at the time of such segregation.
2. Each such liquidating account shall be administered in such manner and the proceeds thereof distributed at such time or times as the Executive Vice Chancellor for Asset Management deems to be for the best interests of the participants in the Common Trust Fund.

ARTICLE VI

Fund Accounting

1. Gross cash income shall consist of actual cash received as income payments on assets held in the Fund. Net cash income shall be gross cash income less investment management fees and administrative processing and custodial fees.
2. Book value of the Fund shall be maintained on a cash receipts and disbursements basis except that bond premiums and discounts shall be amortized with discounts amortized to par on the final maturity date and premiums amortized to the

next call price on that call date and succeeding call prices and dates thereafter until maturity. Asset write-offs or write-downs shall be determined by the Executive Vice Chancellor for Asset Management.

3. Market value of the Fund shall be established as stated in Article III.
4. Any net cash income for a quarter which exceeds the distribution amount for the quarter shall be retained in the Income Reserve Account of the Fund. Such retained income shall not be assigned units in the Fund.

ARTICLE VII

Distribution of Income

1. Distribution shall be made quarterly as soon as practicable after the last calendar day of November, February, May, and August of each fiscal year to the endowment and trust funds participating in the Fund during the respective quarter. The distribution amount shall be the lesser of:
 - (a) one-fourth of an annual guideline amount per unit established by the Board of Regents and as redetermined from time to time by the Board of Regents; or
 - (b) the net cash income for the quarter plus the Income Reserve Account of the Fund.

ARTICLE VIII

Management of Fund

1. Unless in conflict with specific provisions hereof, the management and investment of the Common Trust Fund shall be under the Executive Vice Chancellor for Asset Management, such management and investment thereof to be in accordance with the provisions of the Texas Trust Code (Subtitle B, Title 9, Texas Property Code) and The Common Trust Fund Investment Policy approved by the Board of Regents.

ARTICLE IX

Amendment or Termination of Plan

1. The Board of Regents reserves the right to amend or terminate the Common Trust Fund as it deems necessary or advisable.

- d. Amended the Investment Guidelines section of "The Common Trust Fund Investment Policy Statement" as set out below:

INVESTMENT GUIDELINES

The Fund must be invested at all times in strict compliance with the Texas Trust Code (Subtitle B, Title 9, Texas Property Code) and other applicable law. The primary and constant standard for making investment decisions is the "Prudent Person Rule."

Investment restrictions include the following:

- ° All investments must be U. S. dollar denominated unless held by an investment manager retained to manage an international portfolio.
- ° No investments may be made in securities of the South African government, government agencies, or firms.
- ° Commercial paper must be rated in the two highest quality classes by Moody's Investors Service, Inc. (P1 or P2) or Standard & Poor's Corporation (A1 or A2).
- ° Negotiable certificates of deposit must be with a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- ° Bankers' Acceptances must be guaranteed by an accepting bank with a minimum certificate of deposit rating of 1 by Duff & Phelps.
- ° Repurchase Agreements and Reverse Repurchase Agreements must be with a domestic dealer selected by the Federal Reserve as a primary dealer in U. S. Treasury securities; or a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- ° Investment policies of any unaffiliated liquid investment fund must be reviewed and approved by the Executive Vice Chancellor for Asset Management prior to investment of Fund monies in such liquid investment fund. No requirement exists that such funds conform to the above restrictions on money market instruments.
- ° Corporate bonds and preferred stocks must be rated a minimum of Baa3 by Moody's Investors Service, Inc. or BBB- by Standard & Poor's Corporation, respectively, when purchased. Bonds rated below A3 and A- shall not constitute an excessive portion of the total bond portfolio. Unrated bonds or preferred stocks may be purchased prior to review by the Land and Investment Committee if, in the opinion of the System's investment staff, they are at least equal in quality to publicly offered securities eligible for purchase. The cost of unrated bonds and preferred stocks which have not been reviewed by the Land and Investment Committee may not exceed 1% of the book value of the Fund.

- ° No more than five percent of the voting securities of a corporation may be owned.
- ° No securities may be purchased or held which would jeopardize the Fund's tax exempt status.
- ° No securities may be purchased on margin or leverage.
- ° No transactions in short sales will be made.
- ° Transactions in financial futures and options (other than those received as part of an investment unit) may only occur as part of a hedging program authorized by the Land and Investment Committee.
- ° Unaffiliated investment managers transacting solely within their assigned assets:
 - shall hold no more than 25% of their managed portfolio in any one industry at cost unless the manager was retained to concentrate in an industry or industries.
 - shall hold no more than 10% of their managed portfolio in the securities of one corporation at cost.
 - shall not hold investment in real estate, partnerships, and other such illiquid assets unless retained to manage this type of asset and shall hold no more than 10% of their managed portfolio in any other asset category different than the type they were retained to manage. Short-term liquid investments are excluded from this limitation. Convertible securities are considered to be equity equivalents for purposes of this restriction.
 - shall hold no securities traded only in foreign markets unless they were retained to manage an international portfolio.

- e. Amended the Investment Guidelines section of the "Medical Malpractice Self-Insurance Fund Investment Policy Statement" as set out below:

INVESTMENT GUIDELINES

The Fund must be invested at all times in strict compliance with the Texas Trust Code (Subtitle B, Title 9, Texas Property Code) and other applicable law. The primary and constant standard for making investment decisions is the "Prudent Person Rule."

Investment restrictions include the following:

- ° All investments must be U. S. dollar denominated unless held by an investment manager retained to manage an international portfolio.
- ° No investments may be made in securities of the South African government, government agencies, or firms.
- ° Commercial paper must be rated in the two highest quality classes by Moody's Investors Service, Inc. (P1 or P2), or Standard & Poor's Corporation (A1 or A2).
- ° Negotiable certificates of deposit must be with a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- ° Bankers' Acceptances must be guaranteed by an accepting bank with a minimum certificate of deposit rating of 1 by Duff & Phelps.
- ° Repurchase Agreements and Reverse Repurchase Agreements must be with a domestic dealer selected by the Federal Reserve as a primary dealer in U. S. Treasury securities; or a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- ° Investment policies of any unaffiliated liquid investment fund must be reviewed and approved by the Executive Vice Chancellor for Asset Management prior to investment of Fund monies in such liquid investment fund. No requirement exists that such funds conform to the above restrictions on money market instruments.
- ° Corporate bonds and preferred stocks must be rated a minimum of Baa3 by Moody's Investors Service, Inc., or BBB- by Standard & Poor's Corporation, respectively, when purchased. Bonds rated below A3 and A- shall not constitute an excessive portion of the total bond portfolio. Unrated bonds or preferred stocks may be purchased prior to review by the Land and Investment Committee if, in the opinion of the System's investment staff, they are at least equal in quality to publicly offered securities eligible for purchase. The cost of unrated bonds and preferred stocks which have not been reviewed by the Land and Investment Committee may not exceed 1% of the book value of the Fund.

- ° No more than five percent of the voting securities of a corporation may be owned.
- ° No securities may be purchased or held which would jeopardize the Fund's tax exempt status.
- ° No securities may be purchased on margin or leverage.
- ° No transactions in short sales will be made.
- ° Transactions in financial futures and options (other than those received as part of an investment unit) may only occur as part of a hedging program authorized by the Land and Investment Committee.
- ° Unaffiliated investment managers transacting solely within their assigned assets:
 - shall hold no more than 25% of their managed portfolio in any one industry at cost unless the manager was retained to concentrate in an industry or industries.
 - shall hold no more than 10% of their managed portfolio in the securities of one corporation at cost.
 - shall not hold investment in real estate, partnerships, and other such illiquid assets unless retained to manage this type of asset and shall hold no more than 10% of their managed portfolio in any other asset category different than the type they were retained to manage. Short-term liquid investments are excluded from this limitation. Convertible securities are considered to be equity equivalents for purposes of this restriction.
 - shall hold no securities traded only in foreign markets unless they were retained to manage an international portfolio.

DEC - 3 1987

2. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter I, Section 10, Subsection 10.1 (Signature Authority for Documents Executed on Behalf of the Board) and Authorization for the Executive Secretary to the Board to Make Appropriate Editorial Changes Therein.--Approval was given to amend the Regents' Rules and Regulations, Part One, Chapter I, Section 10, Subsection 10.1 (Signature Authority for Documents Executed on Behalf of the Board) to read as set forth below:

Sec. 10 Signature Authority for Documents Executed on Behalf of the Board.

10.1 Except as may be otherwise provided in these Rules and Regulations or in the resolution or order of the Board with respect to the approval of a specific document or with respect to the approval of a program or project requiring the execution of one or more documents, the Chairman of the Board, the Designated Vice-Chairman of the Board, the Chancellor or his or her designee, or the appropriate Executive Vice Chancellor may sign on behalf of the Board:

10.11 all contracts, agreements, leases, conveyances, deeds, easements, rights-of-way, bonds, licenses, or permits and all amendments,

extensions or renewals of same that have been approved, authorized or granted by the Board as an item on the Agenda of the Board at a regular or special meeting;

10.12 applications for permits or licenses to be issued to the Board or a component institution that have been approved or authorized by the Board;

10.13 renewals of permits or licenses issued to the Board or a component institution that are renewable without change in the terms or conditions thereof where the original application for such permit or license was made pursuant to the approval or authorization of the Board and such approval or authorization has not been withdrawn.

Further, approval was granted for the Executive Secretary to the U. T. Board of Regents, in consultation with the Office of General Counsel, to make such editorial changes in the remainder of the Regents' Rules and Regulations as may be necessary in order to conform to the foregoing changes and such other editorial changes as are necessary to ensure that Chapter I is not gender specific.

1.

OCT - 9 1987

U. T. Southwestern Medical Center - Dallas: Authorization to Change the Name of (a) The University of Texas Health Science Center at Dallas to The University of Texas Southwestern Medical Center at Dallas and (b) The University of Texas School of Allied Health Sciences at Dallas to The University of Texas Southwestern Allied Health Sciences School at Dallas and to Amend the Regents' Rules and Regulations, Part One, Chapter VIII, Section 4, Subsections 4(11) and 4(11)3 (Institutions and Entities Composing the System).--Upon recommendation of the Health Affairs Committee, the Board changed the name of (a) The University of Texas Health Science Center at Dallas to The University of Texas Southwestern Medical Center at Dallas with the short title to be U. T. Southwestern Medical Center - Dallas and (b) The University of Texas School of Allied Health Sciences at Dallas to The University of Texas Southwestern Allied Health Sciences School at Dallas with the short title to be U. T. Southwestern A.H.S.S. - Dallas.

Further, it was noted that the Executive Secretary to the Board would make the appropriate editorial changes in the Regents' Rules and Regulations, Part One, Chapter VIII, Section 4, Subsections 4(11) and 4(11)3 (Institutions and Entities Composing the System).

The use of "The University of Texas Southwestern Medical Center at Dallas" incorporates all the essential functional and historical identities and avoids public confusion of what "health science center" might mean, and it lends itself to a short, identifiable, distinct and historically accurate name.

OCT - 9 1987

5. U. T. Austin: Approval to Establish the Nursing Foundation of the School of Nursing and to Amend the Regents' Rules and Regulations, Part One, Chapter VII, Section 4, Subsection 4.33 (Internal Foundations).--In accordance with the Regents' Rules and Regulations, Part One, Chapter VII, Section 4, Subsection 4.33, relating to establishment of internal foundations, approval was given to establish the Nursing Foundation of the School of Nursing at The University of Texas at Austin by issuance of the standard resolution adopted by the U. T. Board of Regents in October 1980 as set out on Page 22. The Foundation was approved by the School of Nursing Advisory Council at its Spring 1987 meeting.

The 28-member School of Nursing Advisory Council as listed on Page 121 will constitute the advisory council for the Foundation.

Further, the Nursing Foundation of the School of Nursing will be added to the list of internal foundations contained in Section 4, Subsection 4.33, Part One, Chapter VII of the Regents' Rules and Regulations.

The purpose of this internal foundation shall be to foster the understanding and development of the programs of the School of Nursing and to encourage the making of gifts to the Foundation by deed, grant, will or otherwise for any purpose appropriate to the work of the Foundation.

**RESOLUTION OF THE BOARD OF REGENTS
OF THE UNIVERSITY OF TEXAS SYSTEM**

WHEREAS, there exists a clear and specific need for means to finance the program of the School of Nursing of The University of Texas at Austin, in addition to the regular budgetary provisions, and

WHEREAS, it is the desire of interested persons to set up the facilities to encourage and assist in such financing,

IT IS NOW RESOLVED, that the Board of Regents of The University of Texas System hereby establishes, the Nursing Foundation of the School of Nursing of The University of Texas at Austin.

AND FURTHER, that the purpose of the said Foundation shall be to foster the understanding and development of the programs of the School of Nursing at The University of Texas at Austin, and to encourage the making of gifts to the Foundation by deed, grant, will or otherwise for any purpose appropriate to the work of the Foundation.

1. The funds of the Foundation shall be devoted solely to the enrichment of the academic programs of the School of Nursing of The University of Texas at Austin and shall not be used for the ordinary operating expenses of the School of Nursing.
2. A donation to the Foundation may be made for a specific purpose and may be given in the name of the donor or other designation specified by the donor or may be given as unrestricted funds.
3. The Board of Regents shall hold, manage, control, sell, exchange, lease, convey, mortgage or otherwise encumber, invest or reinvest, and generally shall have power to dispose of in any manner and for any consideration and on any terms the said gifts, funds, or property in their discretion and shall from time to time pay out of the income, or if the income be insufficient, out of the principal, all expenses of trust and all expenditures incurred in furthering the purposes of the trust.
4. Neither any donation to the Nursing Foundation nor any fund or property arising therefrom in whatever form it may take shall ever be any part of the Permanent University Fund nor shall the Legislature have power or be in any way authorized to change the purposes thereof or to divert such donation, fund or property from those designated purposes.
5. As in the case of other University funds, authorization for expenditure of all funds from the Foundation shall be vested in the Board of Regents and recommendations for such expenditures shall be made by the President to the Office of the Chancellor and by the Office of the Chancellor to the Board of Regents of The University of Texas System.

OCT - 9 1987

2. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter III, Section 31 (Retirement and Modified Service).--To comply with recent amendments to the Federal Age Discrimination in Employment Act of 1967, the Board amended the Regents' Rules and Regulations, Part One, Chapter III, Section 31 (Retirement and Modified Service) to read as follows:

Sec. 31. Retirement and Modified Service.

31.1 No tenured faculty member or law enforcement officer of The University of Texas System or of any component institution or agency thereof shall be continued in a full-time service capacity or at a full-time compensation rate beyond the end of the fiscal year that includes his or her seventieth birthday.

31.2 The Board of Regents, upon the recommendation of the Office of the Chancellor and, when appropriate, the chief administrative officer of the affected component institution, may appoint a person who has retired pursuant to Subsection 31.1 to modified service after the end of the fiscal year that includes the person's seventieth birthday.

OCT - 9 1987

3. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter VI, Section 6, Subsection 6.12(4) (Solicitation).--Approval was given to amend the Regents' Rules and Regulations, Part One, Chapter VI, Section 6, Subsection 6.12(4) concerning solicitation to read as set forth below:

- (4) (a) The operation by the institution of any service or facility maintained for the convenience of the students, staff and/or faculty.
(b) The operation by the institution's subcontractor or lessee (through appropriate written agreements approved as to content by the chief administrative officer of the institution and the Office of the Chancellor, as to form by the Office of General Counsel, and by the Board of Regents through the Docket of the Office of the Chancellor) of one of the following services or facilities, maintained for the convenience of the students, staff and/or faculty: any bookstore, specialty store, laundry, pharmacy, cafeteria, child care facility (limited to children or bonafide dependents of students, staff and/or faculty), state or federal credit union (the membership in which must be limited primarily to students, faculty, and staff of the institution but which may include: students, faculty, and staff of other area institutions of higher education; students, faculty, and staff of other component institutions of the U. T. System; staff members of the U. T. System administration; and staff members of organizations closely related to the institution's educational mission such as ex-student organizations and cooperative bookstores), unmanned teller machines (any agreement for the placement of which must include a provision expressly prohibiting advertising the location of the unmanned teller machine to the general public), or travel agency (the use of which must be limited primarily to students, faculty and staff of the institution and which agency must agree to undertake no public advertising concerning the location of the facility).

This amendment would exempt on-campus child care facilities provided by a subcontractor or lessee from the definition of "prohibited solicitation."

AUG 13 1987

2. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter VI, Section 3 (Student Conduct and Discipline) and Authorization for the Executive Secretary to the Board to Make Appropriate Editorial Changes Therein.--In order to comply with legislation passed by the 70th Legislature, Regular Session, 1987, approval was given to amend Part One, Chapter VI, Section 3 (Student Conduct and Discipline), Subsections 3.2, 3.8, 3.(13), and 3.(15) and Subdivision 3.(10)2 of the Regents' Rules and Regulations as set out below:

- 3.2 All students are expected and required to obey the law, to show respect for properly constituted authority, and to observe correct standards of conduct.
- 3.21 Gambling, immoral conduct, dishonesty, or the excessive use of intoxicating liquors renders the student subject to discipline.
- 3.22 Any student who is guilty of the illegal use, possession, and/or sale of a drug or narcotic on the campus of a component institution of the System is subject to discipline, including expulsion, pursuant to the procedures set out in Subsection 3.(10) and 3.(11) of this Chapter. If a student is found guilty of the illegal use, possession, and/or sale of a drug or narcotic on campus, the minimum penalty shall be suspension for one calendar year.
- 3.23 Each component institution of the U. T. System that enrolls students shall amend its Handbook of Operating Procedures to provide for the imposition of the minimum penalty set out in Subdivision 3.22 of this Section.

- 3.(15) The chief administrative officer of the institution may approve, reject, or modify the decision in question, or may require that the original hearing be reopened for the presentation of additional evidence and reconsideration of the decision. It is provided, however, that if the finding as to guilt is upheld in a case involving the illegal use, possession, and/or sale of a drug or narcotic on campus, the penalty may not be reduced below the minimum penalty prescribed by Subdivision 3.22 of this Section.

The action of each reviewing authority shall be communicated in writing to the accused student and the Dean of Students. The decision of the chief administrative officer shall be the final appellate review.

Further, the Executive Secretary to the U. T. Board of Regents, in consultation with the Office of General Counsel, was authorized to make such editorial changes in the remainder of the Regents' Rules and Regulations as may be necessary in order to conform to the foregoing changes related to student services and activities and such other editorial changes as are necessary to ensure that Chapter VI is not gender specific.

House Resolution 235 and Senate Resolution 645 passed by the 70th Legislature, Regular Session, require that universities provide for a mandatory penalty of suspension of attendance or enrollment for a specified period of time if a student is found guilty of possessing illegal drugs on campus.

The amendments to Subsections 3.2, 3.(13), and 3.(15) and Subdivision 3.(10)2 implement the resolutions by including a minimum mandatory penalty of suspension for one calendar year in the current Regents' Rules and Regulations on student discipline.

The amendment to Subsection 3.8 is an additional correction related to prior U. T. Board of Regents action concerning permissible speech on campus.

- 3.8 Any student who engages in speech, either orally or in writing, that is directed to inciting or producing imminent lawless action and is likely to incite or produce such action, is subject to discipline.
- 3.(10)2 In any case where the accused student does not dispute the facts upon which the charges are based and executes a written waiver of the hearing procedures specified in Subsection 3.(11), the Dean of Students shall assess a penalty pursuant to Subsection 3.(13) that is appropriate to the charges and inform the student of such action in writing. The minimum penalty that the Dean may assess when a student admits illegal use, possession, and/or sale of a drug or narcotic on campus is the penalty prescribed in Subdivision 3.22 of this Section. Except in cases involving the assessment of the minimum penalty prescribed in Subdivision 3.22 of this Section, the decision of the Dean of Students on penalty may be appealed as in the case of a decision rendered subsequent to a hearing in accordance with Subsection 3.(11). The appeal is limited to the issue of penalty and no transcript will be required.
- 3.(13) (a) The Hearing Officer shall render and send to both parties a written decision which shall contain findings of facts and conclusions as to the guilt or innocence of the accused student and shall assess a penalty or penalties in accordance with the published disciplinary penalties of the institution or in accordance with the following prescribed penalties:
- 3.(13)1 Disciplinary probation.
 - 3.(13)2 Withholding of grades, official transcript or degree.
 - 3.(13)3 Bar against readmission.
 - 3.(13)4 Restitution or reimbursement for damage to or misappropriation of institutional property.
 - 3.(13)5 Suspension of rights and privileges, including participation in athletic or extracurricular activities.
 - 3.(13)6 Failing grade.
 - 3.(13)7 Denial of degree.
 - 3.(13)8 Suspension from the institution for a period of time not to exceed one calendar year.
 - 3.(13)9 Expulsion from the institution for a specific period of time not less than one year. Expulsion may be permanent.
 - 3.(13)10 Revocation of degree and withdrawal of diploma.
 - 3.(13)11 Other penalty as deemed appropriate under the circumstances.
- (b) If a Hearing Officer finds a student guilty of the illegal use, possession, and/or sale of a drug or narcotic on campus, the Hearing Officer must assess a minimum penalty of suspension for one calendar year as provided in Subdivision 3.22 of this Section.

JUN 11 1987

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

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

AUG 13 1987

1. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendment to Chapter I, Section 7, Subsection 7.112 (Committee Structure) and Authorization for the Executive Secretary to the Board to Make Appropriate Editorial Changes Therein.--Approval was given to amend Part One, Chapter I, Section 7, Subsection 7.112 (Committee Structure) of the Regents' Rules and Regulations to read as set out below:

7.112 Each standing committee, other than the Executive Committee, is composed of not less than three members of the Board appointed by the Chairman.

Further, approval was granted for the Executive Secretary to the U. T. Board of Regents, in consultation with the Office of General Counsel, to make such editorial changes in the remainder of the Regents' Rules and Regulations as may be necessary in order to conform to the foregoing change related to committee structure and such other editorial changes as are necessary to ensure that Chapter I is not gender specific.

OCT -9 1986².

U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter II (Administration) and Authorization for the Executive Secretary to the Board to Make Appropriate Editorial Changes Therein.--In order to reflect the dissolution of the Office of Public Affairs of The University of Texas System, approval was given to amend Chapter II (Administration) of Part One of the Regents' Rules and Regulations as set forth below:

- a. Subsection 8.3 (Duties of the Director of Public Affairs) was deleted.
- b. A new Section 16 was added to read as follows:

Sec. 16. Director of Public Information.

The Director of Public Information reports to the Office of the Chancellor under the day-to-day supervision of the Chancellor. His primary duties and responsibilities include:

- 16.1 The provision of staff assistance to the Chancellor, the Executive Vice Chancellors, and the Vice Chancellors in the execution of their responsibilities.
- 16.2 Supervising the staff of the Office of Public Information.
- 16.3 Communicating the activities of the Board and System Administration.
- 16.4 Coordinating news releases and other public information emanating from the component institutions, which releases and information involve the Board and System Administration.
- 16.5 Developing a format for the presentation of information about System institutions and activities to the general public.
- 16.6 Performing such other duties and responsibilities for the efficient operation of the System as shall be assigned by the Office of the Chancellor.

- c. Present Section 16 was renumbered as Section 17 and the title "Director of Public Affairs" was deleted from the lists of members of the System Council, the Council of Academic Institutions, the Council of Health Institutions, and the Business Management Council as set out in that Section.
- d. Present Sections 17 and 18 were renumbered as Sections 18 and 19, respectively.

Further, approval was granted for the Executive Secretary to the Board of Regents, in consultation with the Office of General Counsel, to make such editorial changes in the remainder of the Regents' Rules and Regulations as are necessary to conform to the foregoing changes.