CHAPTER VIII

PHYSICAL PLANT IMPROVEMENTS

Sec. 1. New Building Construction Exceeding the Amount of $5,000 Per Project.

1.1 After the Board of Regents approves the construction of new buildings, the procedures shall be as follows:

1.11 The Institutional Building Advisory Committee shall hold necessary hearings and make proper investigations to translate the approved academic program into priorities for new construction, with suggestions as to total project area and function, and make such recommendations to the Chief Administrative Officer.

1.12 The Institutional Building Advisory Committee shall be relieved of further direct responsibility whenever a building contract is awarded, but shall be available for consultation as the building progresses, as requested by the Chief Administrative Officer, the Deputy Chancellor, or his delegate, and the project architect.

1.13 New projects shall be submitted to the Board of Regents for approval, including proposed funding, upon recommendation of the Chief Administrative Officer, the Deputy Chancellor, or his delegate.

1.2 Project Development.

1.21 The Board of Regents will employ a project architect for each new major building project at all component institutions.

1.22 The Chief Administrative Officer may appoint according to the Institutional Handbook of Operating Procedure an Ad Hoc Project Building Committee composed of but not limited to representatives of the departments or divisions that will occupy the building. The committee shall work with the Office of Facilities Planning and Construction to prepare a detailed program of the needs for each project.
PHYSICAL PLANT IMPROVEMENTS

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1.12 The Institutional Building Advisory Committee shall be relieved of further direct responsibility whenever a building contract is awarded, but shall be available for consultation as the building progresses, as requested by the Chief Administrative Officer, the Deputy Chancellor for Administration, or his delegate, and the project architect.

1.13 New projects shall be submitted to the Board of Regents for approval, including proposed funding, upon recommendation of the Chief Administrative Officer, the Deputy Chancellor for Administration, or his delegate, and the Chancellor.

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1.21 The Board of Regents will employ a project architect for each new major building project at all component institutions.

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1.23 The Chairman of the Institutional Building Advisory Committee, or his delegate, shall be an ex officio member of each Ad Hoc Project Building Committee.

1.24 The project architect shall be given the detailed program and will work in conjunction with the Office of Facilities Planning and Construction to prepare preliminary plans, exterior design, outline specifications, cost estimates, etc., which shall be submitted to the Board of Regents for approval upon the recommendation of the institutional head, the Deputy Chancellor, or his delegate.

1.25 After approval of the preliminary plans, the Board of Regents shall authorize the preparation of the working drawings and specifications. In the preparation of the final plans and specifications, the project architect shall work with the Ad Hoc Project Building Committee and the Office of Facilities Planning and Construction.

1.26 The final working drawings and specifications shall be submitted to the Board of Regents for approval upon the recommendation of the institutional head, the Deputy Chancellor, or his delegate.

1.3 Bidding and Construction Phase of Project.

1.31 After the Board of Regents approves the final plans and specifications, the Board shall authorize the Office of Facilities Planning and Construction to advertise for bids. Advertisements for bids for buildings shall be in accordance with state law.

1.32 The Deputy Chancellor, or his delegate, shall receive and open bids, with the project architect and others, tabulate and study such bids, and make recommendations to the Board of Regents.

1.33 The Board of Regents shall award contracts, and the contract documents shall be prepared by the project architect, checked and approved by the Deputy Chancellor, or his delegate, and the General Counsel for The University of Texas System, and signed by all contractors involved and the Chairman of the Board of Regents. At the time contracts are awarded, additional appropriations will be made if required.

1.34 The Deputy Chancellor, or his delegate, shall approve contractor's estimates, sign change orders, and provide general supervision of all new construction. He shall advise the Board of Regents if developments during construction require additional funds or other decisions of the Board.
1.23 The Chairman of the Institutional Building Advisory Committee, or his delegate, shall be an ex officio member of each Ad Hoc Project Building Committee.

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1.33 The Board of Regents shall award contracts, and the contract documents shall be prepared by the project architect, checked and approved by the Deputy Chancellor for Administration, or his delegate, and the Law Office, and signed by all contractors involved and the Chairman of the Board of Regents. At the time contracts are awarded, additional appropriations will be made if required.

1.34 The Deputy Chancellor for Administration, or his delegate, shall approve contractor's estimates, sign change orders, and provide general supervision of all new construction. He shall advise the Board of Regents if developments during construction require additional funds or other decisions of the Board.
1.35 The Deputy Chancellor, or his delegate, shall inspect the completed building and recommend final acceptance and final payment.

Sec. 2. New Building Construction Involving Less Than $5,000 Per Project.

New construction that involves a total expenditure of $5,000 or less per project may be handled at the component institution. Necessary funds must have been approved through the proper procedure. In each case, the project must have been approved by the Director of Physical Plant, the Chief Business Officer, and the Chief Administrative Officer of the institution involved.

Sec. 3. Minor Repairs and Remodeling and Improvements other than Buildings.

Minor repairs and remodeling of the physical plant and construction of improvements other than buildings involving proposed expenditures of less than $50,000 per project shall be made under the supervision of the Director of Physical Plant and the Chief Business Officer at the component institutions, with the approval of the Chief Administrative Officer, provided that necessary funds have been approved through proper procedure.

Sec. 4. Major Repairs and Remodeling and Improvements other than Buildings.

4.1 Any repair or remodeling project of the Physical Plant and construction of improvements other than buildings involving an estimated expenditure of $50,000 or more shall be deemed a construction project.

4.2 Unless otherwise approved by the Board of Regents, the procedures and regulations pertaining to new building construction shall apply to construction projects.

Sec. 5. Professional Services.

Each component institution is authorized to make use of architects, engineers, and other professional services up to a maximum cost of $3,000 with the approval of the Deputy Chancellor on recommendation of the Chief Business Officer.
1.35 The Deputy Chancellor for Administration, or his delegate, shall inspect the completed building and recommend final acceptance and final payment.

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Sec. 5. Professional Services.

Each component institution is authorized to make use of architects, engineers, and other professional services up to a maximum cost of $3,000 with the approval of the Deputy Chancellor for Administration on recommendation of the Chief Business Officer.
Sec. 6. Constitutional and Legislative Restrictions.

5.1 Section 18, Article VII, of the Texas Constitution requires approval by the Legislature, or an agency designated by the Legislature, prior to the construction of physical improvements financed by bonds authorized under this section at the component institutions other than The University of Texas at Austin and at El Paso.

6.2 Under the provisions of the current Appropriation Bill, prior to the allocation, expenditure or encumbrance of any funds provided under the authority of Article VII, Sections 17 and 18, of the Texas Constitution, for individual building construction projects costing in excess of Twenty-five Thousand Dollars ($25,000), other than classroom, library and laboratory building projects, the planned expenditure of such funds shall be approved by the Governor. Copies of such requests for the Governor's approval shall be filed with the Legislative Budget Board.

Sec. 7. Modification of Bids.

7.1 No bid shall be changed, amended, or modified by telegram or otherwise after it has been submitted or filed in response to an advertisement for bids in connection with the construction or erection of permanent improvements at any of the component institutions of The University of Texas System under Article 2593, Revised Civil Statutes of Texas, 1925.

7.2 The substance of this requirement shall be stated in the advertisement for such bids; provided, however, that this requirement shall not be construed to prohibit the submission of filing of more than one separate and independent bid by any bidder.

Sec. 8. Institutional Building Advisory Committees.

8.1 At each of the component institutions there shall be an institutional building advisory committee.

8.2 The committee shall be appointed by the Chief Administrative Officer in the same manner as other institution-wide committees are appointed.

8.3 The composition of the institutional building advisory committee shall be set forth in the Institutional Handbook of Operating Procedure of each component institution.

8.4 The Deputy Chancellor, or his delegate, and the Chief Business Officer of the institution shall be ex officio members of such committees.
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6.1 Section 18, Article VII, of the Texas Constitution requires approval by the Legislature, or an agency designated by the Legislature, prior to the construction of physical improvements financed by bonds authorized under this section at the component institutions other than The University of Texas at Austin and at El Paso.

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8.3 The composition of the institutional building advisory committee shall be set forth in the Institutional Handbook of Operating Procedure of each component institution.

8.4 The Deputy Chancellor for Administration, or his delegate, and the Chief Business Officer of the institution shall be ex officio members of such committees.
CHAPTER VIII

PHYSICAL PLANT IMPROVEMENTS

Sec. 1. New Construction Exceeding the Amount of $5,000 Per Project.

1.1 After the Board of Regents approves the construction of new facilities, the procedures shall be as follows:
   1.11 The Institutional Building Advisory Committee shall hold necessary hearings and make proper investigations to translate the approved academic program into priorities for new construction, with suggestions as to total project area and function, and make such recommendations to the institutional head.

1.12 The Institutional Building Advisory Committee shall be relieved of further direct responsibility whenever a building contract is awarded, but shall be available for consultation as the building progresses, as requested by the institutional head, the Deputy Chancellor for Administration, or his delegate, and the project architect.

1.13 New projects shall be submitted to the Board of Regents for approval, including proposed funding, upon recommendation of the institutional head, the Deputy Chancellor for Administration, or his delegate, and the Chancellor.

1.2 Project Development.
   1.21 The Board of Regents will employ a project architect for each new major building project at all component institutions.

1.22 The institutional head may appoint according to the Institutional Supplement an Ad Hoc Project Building Committee composed of but not limited to representatives of the departments or divisions that will occupy the building. The committee shall work with the Office of Facilities Planning and Construction to prepare a detailed program of the needs for each project.

1.23 The Chairman of the Institutional Building Advisory Committee, or his delegate, shall be an ex officio member of each Ad Hoc Project Building Committee.

1.24 The project architect shall be given the detailed program and will work in conjunction with the Office of Facilities Planning and Construction to prepare preliminary plans, exterior design, outline specifications, cost estimates, etc., which shall be submitted to the Board of Regents for approval upon the recommendation of the institutional head, the Deputy Chancellor for Administration, or his delegate, and the Chancellor.
CHAPTER VIII

PHYSICAL PLANT IMPROVEMENTS

Sec. 1. New Construction Exceeding the Amount of $5,000 Per Project.

1.1 After the Board of Regents approves the construction of new facilities, the procedures shall be as follows:

1.11 The Institutional Building Advisory Committee shall hold necessary hearings and make proper investigations to translate the approved academic program into priorities for new construction, with suggestions as to total project area and function, and make such recommendations to the institutional head.

1.12 The Institutional Building Advisory Committee shall be relieved of further direct responsibility whenever a building contract is awarded, but shall be available for consultation as the building progresses, as requested by the institutional head, the Deputy Chancellor for Administration, or his delegate, and the project architect.

1.13 New projects shall be submitted to the Board of Regents for approval, including proposed funding, upon recommendation of the institutional head, the Deputy Chancellor for Administration, or his delegate, the Chancellor-Elect, and the Chancellor.

1.2 Project Development.

1.21 The Board of Regents will employ a project architect for each new major building project at all component institutions.

1.22 The institutional head may appoint according to the Institutional Supplement an Ad Hoc Project Building Committee composed of but not limited to representatives of the departments or divisions that will occupy the building. The committee shall work with the Office of Facilities Planning and Construction to prepare a detailed program of the needs for each project.

1.23 The Chairman of the Institutional Building Advisory Committee, or his delegate, shall be an ex officio member of each Ad Hoc Project Building Committee.

1.24 The project architect shall be given the detailed program and will work in conjunction with the Office of Facilities Planning and Construction to prepare preliminary plans, exterior design, outline specifications, cost estimates, etc., which shall be submitted to the Board of Regents for approval upon the recommendation of the institutional head, the Deputy Chancellor for Administration, or his delegate the Chancellor-Elect, and the Chancellor.
As amended
March 6, 1970

CHAPTER VIII

PHYSICAL PLANT IMPROVEMENTS

Sec. 1. New Construction Exceeding the Amount of $5,000 Per Project.

1.1 After the Board of Regents approves the construction of new facilities, the procedures shall be as follows:

1.11 The Institutional Building Advisory Committee shall hold necessary hearings and make proper investigations to translate the approved academic program into priorities for new construction, with suggestions as to total project area and function, and make such recommendations to the institutional head.

1.12 The Institutional Building Advisory Committee shall be relieved of further direct responsibility whenever a building contract is awarded, but shall be available for consultation as the building progresses, as requested by the institutional head, the Executive Vice-Chancellor for Fiscal Affairs, or his delegate, and the project architect.

1.13 New projects shall be submitted to the Board of Regents for approval, including proposed funding, upon recommendation of the institutional head, the Executive Vice-Chancellor for Fiscal Affairs, or his delegate, the Deputy Chancellor, and the Chancellor.

1.2 Project Development.

1.21 The Board of Regents will employ a project architect for each new major building project at all component institutions.

1.22 The institutional head may appoint according to the Institutional Supplement an Ad Hoc Project Building Committee composed of but not limited to representatives of the departments or divisions that will occupy the building. The committee shall work with the Office of Facilities Planning and Construction to prepare a detailed program of the needs for each project.

1.23 The Chairman of the Institutional Building Advisory Committee, or his delegate, shall be an ex officio member of each Ad Hoc Project Building Committee.

1.24 The project architect shall be given the detailed program and will work in conjunction with the Office of Facilities Planning and Construction to prepare preliminary plans, exterior design, outline specifications, cost estimates, etc., which shall be submitted to the Board of Regents for approval upon the recommendation of the institutional head, the Executive Vice-Chancellor for Fiscal Affairs, or his delegate, the Deputy Chancellor, and the Chancellor.
CHAPTER VIII

PHYSICAL PLANT IMPROVEMENTS

Sec. 1. New Construction.

1.1 New construction in an amount exceeding $5,000 per project shall be approved by the Board of Regents upon recommendation of its Buildings and Grounds Committee, the Chancellor, the Vice-Chancellor for Business Affairs or his delegate, and the institutional head. It is the policy of the Board to employ a project architect for each major new building at all component institutions.

1.2 The institutional building committees shall study the physical plant needs of their respective institutions and make recommendations through administrative channels as to the priority of buildings, location of buildings, suggestions as to size, style, mechanical equipment, etc. The Vice-Chancellor for Business Affairs or his delegate shall be ex officio a member of all institutional building committees.

1.3 After the Board of Regents approves the construction of a new building and authorizes the preparation of preliminary plans, the procedures shall be as follows:

1.31 The institutional head shall appoint a representative of the department or division concerned to serve as a member of the institutional building committee in planning the building.

1.32 The institutional building committee shall prepare a program outlining the needs of the building, with a representative of the Office of Facilities Planning and Construction meeting with the group to discuss plans when necessary.

1.33 Preliminary plans and estimates of costs recommended by the institutional building committee, the department or division concerned, the institutional head, the Vice-Chancellor for Business Affairs or his delegate and the Chancellor shall be submitted to the Board of Regents for approval. After approval, the Board of Regents shall then authorize the project architect to prepare final plans and specifications.

1.34 The project architect in coordination with the Office of Facilities Planning and Construction shall prepare preliminary studies, including plans, elevation, exterior design, outline specifications, cost estimates, etc.
1.25 After approval of the preliminary plans, the Board of Regents shall authorize the preparation of the working drawings and specifications. In the preparation of the final plans and specifications, the project architect shall work with the Ad Hoc Project Building Committee and the Office of Facilities Planning and Construction.

1.26 The final working drawings and specifications shall be submitted to the Board of Regents for approval upon the recommendation of the institutional head, the Deputy Chancellor for Administration, or his delegate, the Chancellor-Elect, and the Chancellor.

1.3 Bidding and Construction Phase of Project.

1.31 After the Board of Regents approves the final plans and specifications, the Board shall authorize the Office of Facilities Planning and Construction to advertise for bids. Advertisements for bids for buildings shall be in accordance with state law.

1.32 The Deputy Chancellor for Administration, or his delegate, shall receive and open bids, with the project architect and others, tabulate and study such bids, and make recommendations to the Board of Regents.

1.33 The Board of Regents shall award contracts, and the contract documents shall be prepared by the project architect, checked and approved by the Deputy Chancellor for Administration, or his delegate, and the Law Office, and signed by all contractors involved and the Chairman of the Board of Regents. At the time contracts are awarded, additional appropriations will be made if required.

1.34 The Deputy Chancellor for Administration, or his delegate, shall approve contractor's estimates, sign change orders, and provide general supervision of all new construction. He shall advise the Board of Regents if developments during construction require additional funds or other decisions of the Board.

1.35 The Deputy Chancellor for Administration, or his delegate, shall inspect the completed building and recommend final acceptance and final payment.

Sec. 2. New Construction Involving Less Than $5,000 Per Project.

New construction that involves a total expenditure of $5,000 or less per project may be handled at the component institution. Necessary funds must have been approved through the proper procedure. In each case, the project must have been approved by the Director of Physical Plant, the chief business officer, and the executive head of the institution involved. This shall not include authority, however, to engage outside architects or engineers, as such employment must have the prior approval of the Board of Regents.
1.35 The project architect shall meet with the institutional building committees, the Vice-Chancellor for Business Affairs or his delegate, and the Director of Facilities Planning and Construction or his representative being present on occasion.

1.36 Final plans and specifications, recommended by the Buildings and Grounds Committee, the institutional building committees, the department or division concerned, the institutional head, the Vice-Chancellor for Business Affairs or his delegate, and the Chancellor shall be approved by the Board of Regents. After such approval the Board shall authorize the Vice-Chancellor for Business Affairs or his delegate to advertise for bids. Advertisements for bids for permanent improvements must, under State law, be carried for four consecutive weeks.

1.37 The Vice-Chancellor for Business Affairs or his delegate shall receive and open bids, with the project architect and others, tabulate and study such bids, and make recommendations to the Board of Regents through their Buildings and Grounds Committee.

1.38 The Board of Regents shall award contracts, and the contract documents shall be prepared by the project architect, checked and approved by the Vice-Chancellor for Business Affairs or his delegate and the University Attorney, and signed by all contractors involved and the Chairman of the Board of Regents. Work orders shall then be issued by the project architect.

1.39 The Vice-Chancellor for Business Affairs or his delegate shall approve contractors' estimates, sign change orders, and provide general supervision of all new construction. He shall advise the Board of Regents, through its Buildings and Grounds Committee, if developments during construction require additional funds or other decisions of the Board.

1.3(0) The Vice-Chancellor for Business Affairs or his delegate shall appoint a committee consisting of the Director of Facilities Planning and Construction, an architect and engineer from the staff of the Office of Facilities Planning and Construction, the component institution's chief business officer and director of physical plant, and the project architect to inspect the completed building and recommend to the Board of Regents final acceptance.

1.3(1) Final payment shall be made to the contractors only after approval of the above committee, and project architect.

1.4 New construction which involves a total expenditure of $5,000 or less per project may be handled at the component institution involved without the necessity for approval by the Chancellor, the Vice-Chancellor for Business Affairs or his delegate, and the Board of Regents. In each
Sec. 3. **Minor Repairs and Remodeling.**

Minor repairs and remodeling of the physical plant involving proposed expenditures of less than $50,000 per project shall be made under the supervision of the Director of Physical Plant and the chief business officer at the component institutions, with the approval of the institutional head, provided that necessary funds have been approved through proper procedure.

Sec. 4. **Major Repairs and Remodeling.**

4.1 Any repair or remodeling project of the Physical Plant involving an estimated expenditure of $50,000 or more shall be deemed a major repair or remodeling project.

4.2 Unless otherwise approved by the Board of Regents, the procedures and regulations pertaining to new construction shall apply to major repair and remodeling projects.

Sec. 5 **Constitutional and Legislative Restrictions.**

5.1 Section 18, Article VII, of the Texas Constitution requires approval by the Legislature, or an agency designated by the Legislature, prior to the construction of physical improvements financed by bonds authorized under this section at the component institutions other than The University of Texas at Austin and at El Paso.

5.2 Under the provisions of the current Appropriation Bill, prior to the allocation, expenditure or encumbrance of any funds provided under the authority of Article VII, Sections 17 and 18, of the Texas Constitution, for individual building construction projects costing in excess of Twenty-five Thousand Dollars ($25,000), other than classroom, library and laboratory building projects, the planned expenditure of such funds shall be approved by the Governor. Copies of such requests for the Governor's approval shall be filed with the Legislative Budget Board.

Sec. 6 **Modification of Bids.**

6.1 No bid shall be changed, amended, or modified by telegram or otherwise after it has been submitted or filed in response to an advertisement for bids in connection with the construction or erection of permanent improvements at any of the component institutions of The University of Texas System under Article 2593, Revised Civil Statutes of Texas, 1925.

6.2 The substance of this requirement shall be stated in the advertisement for such bids; provided, however, that this requirement shall not be construed to prohibit the submission of filing of more than one separate and independent bid by any bidder.
case, however, the appropriation for the project must have been approved by the Director of Physical Plant, the chief business officer, and the executive head of the institution involved, and the plans and specifications must be approved by the institutional Building Committee (on buildings), the head of the department or school primarily concerned, the Director of Physical Plant, the chief business officer, and the executive head of the institution involved. This shall not include authority, however, to engage outside architects or engineers, as such employment must have the prior approval of the Board of Regents.

Sec. 2 Minor Repairs and Remodeling.-- Minor repairs and remodeling of the physical plant involving proposed expenditures of less than $25,000 per project shall be made under the supervision of the Director of Physical Plant and/or the chief business officer at the component institutions, with the approval of the institutional head, provided that necessary funds have been approved through proper procedure.

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3.1 Any repair or remodeling project of the Physical Plant involving an estimated expenditure of $25,000 or more shall be deemed a major repair or remodeling project.

3.2 Unless otherwise approved by the Board of Regents, the procedures and regulations pertaining to new construction shall apply to major repair and remodeling projects.

Sec. 4 Institutional Building Committees.-- At each of the component institutions there shall be a building committee.

4.1 At institutions regularly offering instruction, this committee shall be appointed from the institutional faculty by the institutional head as other faculty committees are appointed with the chief business officer as a voting or ex officio member.

4.2 At other institutions, this committee shall be appointed by the institutional head as other institution-wide committees are appointed.

4.3 The composition of the several building committees shall be set forth in the Institutional Supplement of each component institution.

4.4 The Chancellor or his delegate and the Vice-Chancellor for Business Affairs or his delegate shall be ex officio members of all institutional building committees.
Sec. 7. Institutional Building Advisory Committees.

7.1 At each of the component institutions there shall be an institutional building advisory committee.

7.2 The committee shall be appointed by the institutional head in the same manner as other institution-wide committees are appointed.

7.3 The composition of the institutional building advisory committee shall be set forth in the Institutional Supplement of each component institution.

7.4 The Deputy Chancellor for Administration, or his delegate, and the chief business officer of the institution shall be ex officio members of such committees.
Sec. 7. **Institutional Building Advisory Committees.**

7.1 At each of the component institutions there shall be an institutional building advisory committee.

7.2 The committee shall be appointed by the institutional head in the same manner as other institution-wide committees are appointed.

7.3 The composition of the institutional building advisory committee shall be set forth in the Institutional Supplement of each component institution.

7.4 The Executive Vice-Chancellor for Fiscal Affairs, or his delegate, and the chief business officer of the institution shall be ex officio members of such committees.
DUE TO REVISION OF CHAPTER VIII, THERE IS NO PAGE 60
4.5 Duties of institutional building committees shall be as follows:

4.51 To hold necessary hearings and to make proper investigations regarding the building needs of the particular component institutions and to report conclusions to the institutional head.

4.52 To recommend to the institutional head the priority of need and location of specific buildings, with reasons for such recommendations.

4.53 When approval by the Board of Regents is given for the construction of a particular building to make suggestions to and through the institutional head to the Vice-Chancellor for Business Affairs or his delegate and the appointed project architect as to style, size, function, location, mechanical equipment, and general nature of the building, so as to facilitate the preparation of tentative plans and preliminary sketches.

4.54 To work with the Vice-Chancellor for Business Affairs or his delegate and the project architect until final plans and specifications for the construction of the building are prepared for presentation to the institutional head, the Vice-Chancellor for Business Affairs or his delegate, the Chancellor and the Buildings and Grounds Committee of the Board of Regents.

4.55 To make its reports and recommendations from time to time to the institutional head and the Vice-Chancellor for Business Affairs or his delegate, with summary reports to the Chancellor and to each member of the Buildings and Grounds Committee of the Board of Regents.

4.6 When requested by the institutional head or the Board of Regents (or its Buildings and Grounds Committee) an institutional building committee shall confer directly with the Board.

4.7 The institutional building committee shall be relieved of further direct responsibility whenever a building contract is awarded, but shall be available as the building progresses for consultation as requested by the institutional head, the Vice-Chancellor for Business Affairs or his delegate, and the project architect.

Sec. 5 Constitutional and Legislative Restrictions.

5.1 Section 18, Article VII, of the Texas Constitution requires approval by the Legislature, or an agency designated by the Legislature, prior to the construction of physical improvements financed by bonds authorized under this section at the component institutions other than The University of Texas at Austin and at El Paso.
5.2 Under the provisions of the current Appropriation Bill, prior to the allocation, expenditure or encumbrance of any funds provided under the authority of Article VII, Sections 17 and 18, of the Texas Constitution, for individual building construction projects costing in excess of Twenty-five Thousand Dollars ($25,000), other than classroom, library and laboratory building projects, the planned expenditure of such funds shall be approved by the Governor. Copies of such requests for the Governor's approval shall be filed with the Legislative Budget Board.

Sec. 6 Modification of Bids.

6.1 No bid shall be changed, amended, or modified by telegram or otherwise after it has been submitted or filed in response to an advertisement for bids in connection with the construction or erection of permanent improvements at any of the component institutions of The University of Texas System under Article 2593, Revised Civil Statutes of Texas, 1925.

6.2 The substance of this requirement shall be stated in the advertisement for such bids; provided, however, that this requirement shall not be construed to prohibit the submission of filing of more than one separate and independent bid by any bidder.

Sec. 7 Furniture and Furnishings.-- The current Appropriation Bill provides that no money appropriated shall be expended for furniture or furnishings which have been imported from a foreign country.
CHAPTER IX

MATTERS RELATING TO THE OFFICE OF INVESTMENTS, TRUSTS
AND LANDS

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

1.1 Authority to Purchase, Exchange, and Sell Securities for
and on Behalf of the Permanent University Fund of The
University of Texas and the Board of Regents of The Uni-
versity of Texas System.—The Deputy Chancellor or his
delegate, or the Associate Deputy Chancellor for Invest-
ments, Trusts and Lands, or the Investment Officer, are
each authorized to purchase, exchange and sell any and
all securities for and on behalf of the Permanent Univer-
sity Fund of The University of Texas or the Board of
Regents of The University of Texas System, and to execute
any and all documents necessary to the consummation of
any purchases or exchanges.

1.2 Authority to Assign and Transfer Securities Held by the
Permanent University Fund of The University of Texas and
the Board of Regents of The University of Texas System.—
The Deputy Chancellor, the Associate Deputy Chancellor
for Investments, Trusts and Lands or the Executive Assis-
tant for Administration or any Trust Officer may 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 Permanent
University Fund of The University of Texas or the Board
of Regents of The University of Texas System or in any
other form of registration of such securities held for
the account of the Permanent University Fund of The Uni-
versity of Texas or the Board of Regents of The University
of Texas System in whatever manner, including all fiduciary
capacities, and including those registered in the names of
trusts or foundations managed and controlled by said Board
of Regents.

1.3 Authority to Execute Instruments Relating to Land and Mineral Interests.—
The Chairman of the Board of Regents, the Vice-Chairman, the Deputy
Chancellor, and the Associate Deputy Chancellor for Investments, Trusts
and Lands 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 instru-
ments as may be necessary or appropriate from time to time, relating
CHAPTER IX

MATTERS RELATING TO THE OFFICE OF INVESTMENTS, TRUSTS AND LANDS

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

1.1 Authority to Sell, Assign, and Transfer Securities Held by the Permanent University Fund. -- The Deputy Chancellor, the Associate Deputy Chancellor for Investments, Trusts and Lands (or the Executive Assistant for Administration or any Trust Officer), and the Treasurer of the State of Texas (or the Acting Treasurer of the State of Texas) are jointly authorized to sell, assign, and transfer any and all of the bonds, stocks, notes, and other evidences of indebtedness and ownership of any description, whatever, owned by the Permanent University Fund of The University of Texas System (formerly The University of Texas) and registered in the name of "The University of Texas," "The University of Texas System," "The University of Texas for Permanent University Fund, a State Endowment Fund, Austin, Texas," "The University of Texas System for Permanent University Fund, a State Endowment Fund, Austin, Texas," "Permanent University Fund of The University of Texas," "Permanent University Fund of The University of Texas System," or in any other form of registration of such securities held for the account of the Permanent University Fund of The University of Texas System.

1.2 Authority to Sell, Assign, and Transfer Securities Held by the Board of Regents of The University of Texas System. -- The Deputy Chancellor, the Associate Deputy Chancellor for Investments, Trusts and Lands, and/or the Executive Assistant for Administration or any Trust Officer are each authorized to sell, assign, and transfer any and all bonds, stocks, notes, and other evidences of indebtedness and ownership of any description, whatever, registered in the name of the Board of Regents of The University of Texas System (formerly the Board of Regents of The University of Texas) in whatever manner, including all fiduciary capacities, and including those registered in the names of trusts or foundations managed and controlled by said Board of Regents.

1.3 Authority to Execute Instruments Relating to Land and Mineral Interests. -- The Chairman of the Board of Regents, the Vice-Chairman, the Deputy Chancellor, and the Associate Deputy Chancellor for Investments, Trusts and Lands 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
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1.2 Authority to Sell, Assign, and Transfer Securities Held by the Board of Regents of The University of Texas System. —The Deputy Chancellor for Administration, the Associate Deputy Chancellor for Investments, Trusts and Lands, and/or any Trust Officer are each authorized to sell, assign, and transfer any and all bonds, stocks, notes, and other evidences of indebtedness and ownership of any description, whatever, registered in the name of the Board of Regents of The University of Texas System (formerly the Board of Regents of The University of Texas) in whatever manner, including all fiduciary capacities, and including those registered in the names of trusts or foundations managed and controlled by said Board of Regents.

1.3 Authority to Execute Instruments Relating to Land and Mineral Interests. —The Chairman of the Board of Regents, the Vice-Chairman, the Deputy Chancellor for Administration, and the Associate Deputy Chancellor for Investments, Trusts and Lands are each authorized to execute conveyance 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,
MATTERS RELATING TO THE OFFICE OF INVESTMENTS, TRUSTS
AND LANDS

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

1.1 Authority to Sell, Assign, and Transfer Securities Held by the Perma­
nent University Fund. --The Associate Deputy Chancellor for Invest­
ments, Trusts and Lands (or any Trust Officer) and the Treasurer of
the State of Texas (or the Acting Treasurer of the State of Texas) are
jointly authorized to sell, assign, and transfer any and all of the
bonds, stocks, notes, and other evidences of indebtedness and owner­
ship of any description, whatever, owned by the Permanent University
Fund of The University of Texas System (formerly The University of
Texas) and registered in the name of "The University of Texas," "The
University of Texas System," "The University of Texas for Permanent
University Fund, a State Endowment Fund, Austin, Texas," "The
University of Texas System for Permanent University Fund, a State
Endowment Fund, Austin, Texas," "Permanent University Fund of
The University of Texas," "Permanent University Fund of The Univer­
sity of Texas System," or in any other form of registration of such
securities held for the account of the Permanent University Fund of The
University of Texas System.

1.2 Authority to Sell, Assign, and Transfer Securities Held by the Board of
Regents of The University of Texas System. --The Associate Deputy
Chancellor for Investments, Trusts and Lands and/or any Trust Officer
are each authorized to sell, assign, and transfer any and all bonds,
stocks, notes, and other evidences of indebtedness and ownership of any
description, whatever, registered in the name of the Board of Regents of
The University of Texas System (formerly the Board of Regents of The
University of Texas) in whatever manner, including all fiduciary capaci­
ties, and including those registered in the names of trusts or foundations
managed and controlled by said Board of Regents.

1.3 Authority to Execute Instruments Relating to Land and Mineral Interests. --
The Chairman of the Board of Regents, the Vice-Chairman, and the
Associate Deputy Chancellor for Investments, Trusts and Lands, 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 con­
tracts, pooling and unitization agreements, and any other instruments
as may be necessary or appropriate from time to time, relating to the
to the handling, management, control, and disposition of any real estate
or mineral interests held or controlled by the Board of Regents of The
University of Texas System as a part of the Permanent University Fund
or as a part of any trust or special fund.

1.4 Authority to Receive and Collect Money and/or Property. -- The Deputy
Chancellor, the Associate Deputy Chancellor for Investments, Trusts
and Lands, and/or the Executive Assistant for Administration or any
Trust Officer 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 any person or persons, whatever, and to execute any and all neces-
sary or proper receipts, releases, and discharges therefor.

1.5 Authority to Execute Proxies. -- The Deputy Chancellor or
the Associate Deputy Chancellor for Investments, Trusts
and Lands, or any Trust Officer, or the Director of Stock
Research are each authorized to execute proxies within
the approved investment policies.

Sec. 2. Investment Policy for Permanent University Fund.

2.1 Investments Authorized for Purchase.
2.11 Bonds of the United States, the State of Texas or counties of
said State, or in school bonds of municipalities, or in bonds
of any city of said State, or in bonds issued under and by virtue
of the Federal Farm Loan Act approved by the President of the
United States, July 17, 1916, and amendments, thereto.
2.12 Bonds or other obligations issued, insured, or guaranteed in
any manner by the United States Government or any of its
agencies.
2.13 Bonds, debentures, or obligations, and preferred and common
stocks issued by corporations, associations, or other insti-
tutions.
2.14 Convertible securities, of all kinds, issued by corporations on
the approved list.

2.2 Standards as to Quality.
2.21 Corporate Stocks:
2.211 Stocks eligible for purchase shall be restricted to stocks
of companies incorporated within the United States which
have paid dividends for five (5) consecutive years or
longer immediately prior to the date of purchase.
2.212 Except for bank and insurance shares, stock must be
listed upon an exchange registered with the Securities
and Exchange Commission or its successors.
to the handling, management, control, and disposition of any real estate or mineral interests held or controlled by the Board of Regents of The University of Texas System as a part of the Permanent University Fund or as a part of any trust or special fund.

1.4 Authority to Receive and Collect Money and/or Property. --The Deputy Chancellor, the Associate Deputy Chancellor for Investments, Trusts and Lands, and/or the Executive Assistant for Administration or any Trust Officer 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 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. --The Associate Deputy Chancellor for Investments, Trusts and Lands and/or the Executive Assistant for Administration or any Trust Officer are each authorized to execute proxies within the approved investment policies.

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2.11 Bonds of the United States, the State of Texas or counties of said State, or in school bonds of municipalities, or in bonds of any city of said State, or in bonds issued under and by virtue of the Federal Farm Loan Act approved by the President of the United States, July 17, 1916, and amendments, thereto.

2.12 Bonds or other obligations issued, insured, or guaranteed in any manner by the United States Government or any of its agencies.

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2.212 Except for bank and insurance shares, stock must be listed upon an exchange registered with the Securities and Exchange Commission or its successors.
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of any real estate or mineral interests held or controlled by the Board
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2.13 Bonds, debentures, or obligations, and preferred and common stocks issued by corporations, associations, or other institutions.

2.14 Convertible securities, of all kinds, issued by corporations on the approved list.

2.2 Standards as to Quality.
2.21 Corporate Stocks:
2.211 Stocks eligible for purchase shall be restricted to stocks of companies incorporated within the United States which have paid dividends for five (5) consecutive years or longer immediately prior to the date of purchase.

2.212 Except for bank and insurance shares, stock must be listed upon an exchange registered with the Securities and Exchange Commission or its successors.
2.213 Common stocks and convertible securities are eligible for purchase if they are issued by corporations which have been approved by the Board of Regents.

2.22 Corporate Obligations and Preferred Stocks: Corporate Bonds and Preferred Stocks must be rated "A" or better by Moody's Investors Service, Inc., or by Standard and Poor's Corporation. Bonds or preferred stocks offered by private placement and not rated may be purchased if in the opinion of the University's Investment Counsel they are of "A" quality or better. Commercial Paper must be rated in the two highest quality classes by Moody's Investors Service, Inc., or Standard and Poor's Corporation to be eligible for purchase.

2.23 FHA Mortgage Loans:

2.231 Loan Standards:
2.2311 The security for the loans shall be single family, owner occupied residences (including Row or Town Houses) of good design and construction, in good condition, and comparable in value to other homes in the neighborhood.
2.2312 Borrower must have a good credit rating and have adequate income to support the loan.
2.2313 Loans shall be for $10,000 or more and shall be fully insured by the FHA to the maximum extent permitted under the law.
2.2314 Title and hazard insurance policies, written by companies acceptable to the Board of Regents, shall be furnished with respect to each loan purchased. Hazard insurance policies must be written by companies having a Best's rating of A-BBB or better.
2.2315 No loan shall be purchased from any Seller-servicer until a formal contract has been entered into with such Seller-servicer on a form approved by the Board of Regents.

2.232 Minimum standards for Seller-servicers from which FHA loans are purchased:
2.2321 The Seller-servicer must be an approved FHA Mortgagee, and must have satisfactory credit rating, and an unimpaired capital and surplus of at least $250,000.
2.213 To be eligible for purchase, preferred and common stocks and convertible securities must be issued by corporations that have been formally approved by the Board of Regents.

2.22 Corporate Bonds and Obligations: Corporate Bonds must be rated "A" or better by a nationally recognized rating service. Bonds offered by private placement, or which for other reasons are not rated by such agencies, may be purchased if they bear a rating of equivalent quality by the University's Investment Counsel. Convertible debentures issued by companies on the approved list and Commercial Paper shall not be subject to this rating requirement.

2.23 FHA Mortgage Loans:
2.23.1 Loan Standards:
2.23.1.1 The security for the loans shall be single family, owner occupied residences (including Row or Town Houses) of good design and construction, in good condition, and comparable in value to other homes in the neighborhood.
2.23.1.2 Borrower must have a good credit rating and have adequate income to support the loan.
2.23.1.3 Loans shall be for $10,000 or more and shall be fully insured by the FHA to the maximum extent permitted under the law.
2.23.1.4 Title and hazard insurance policies, written by companies acceptable to the Board of Regents, shall be furnished with respect to each loan purchased. Hazard insurance policies must be written by companies having a Best's rating of A-BBB or better.
2.23.1.5 No loan shall be purchased from any Seller-servicer until a formal contract has been entered into with such Seller-servicer on a form approved by the Board of Regents.

2.23.2 Minimum standards for Seller-servicers from which FHA loans are purchased:
2.23.2.1 The Seller-servicer must be an approved FHA Mortgagee, and must have satisfactory credit rating, and an unimpaired capital and surplus of at least $250,000.
2.2322 It must have been actively engaged for at least five years in the mortgage loan business, and except for commercial banks, the mortgage loan business must be its principal business, and must have a capable and experienced organization, together with the necessary equipment to furnish timely accountings on a block basis.

2.2323 It must be servicing at least $25,000,000 of loans, and its clients (other than Federal National Mortgage Association) must include at least three institutional investors, and must have a capability of producing not less than $1,000,000 per year in FHA loans.

2.2324 It must carry a Mortgage Bankers Blanket Bond in an amount not less than $250,000.

2.233 Implementation of FHA Mortgage Loan Purchase program: The Deputy Chancellor, the Associate Deputy Chancellor for Investments, Trusts and Lands and/or the Executive Assistant for Administration or any Trust Officer, are each authorized

2.2331 To recommend the Seller-servicers with which Purchase and Servicing Agreements should be made, and after approval by the Board of Regents, to execute the Purchase and Servicing Agreements on the approved forms.

2.2332 To perform such acts and execute such documents as may be necessary from time to time in carrying out the provisions of any such Purchase and Servicing Agreement, including authority to accept or reject loans tendered under such agreements, to execute releases of the liens securing any loan or loans when paid in full, and to execute assignments of any notes and liens when appropriate to do so.

2.2333 To take any and all steps as may be considered necessary or advisable to protect the interest of the Permanent University Fund in event of default occurring with respect to any FHA Insured First Mortgage note held by such Fund. Not by way of limitation, but by way of illustration only, such authority shall include power to acquire title on behalf of the Board of Regents to the property securing any such note, by Trustees sale, foreclosure, or otherwise; to execute on behalf of the Board of Regents the necessary deed conveying the properties so acquired to the Federal Housing
2.2322 It must have been actively engaged for at least five years in the mortgage loan business, and except for commercial banks, the mortgage loan business must be its principal business, and must have a capable and experienced organization, together with the necessary equipment to furnish timely accountings on a block basis.

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2.2333 To take any and all steps as may be considered necessary or advisable to protect the interest of the Permanent University Fund in event of default occurring with respect to any FHA Insured First Mortgage note held by such Fund. Not by way of limitation, but by way of illustration only, such authority shall include power to acquire title on behalf of the Board of Regents to the property securing any such note, by Trustees sale, foreclosure, or otherwise; to execute on behalf of the Board of Regents the necessary deed conveying the properties so acquired to the Federal Housing
2. 2322 It must have been actively engaged for at least five years in the mortgage loan business, and except for commercial banks, the mortgage loan business must be its principal business, and must have a capable and experienced organization, together with the necessary equipment to furnish timely accountings on a block basis.

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2. 2324 It must carry a Mortgage Bankers Blanket Bond in an amount not less than $250,000.

2. 233 Implementation of FHA Mortgage Loan Purchase program:
The Deputy Chancellor for Administration, the Associate Deputy Chancellor for Investments, Trusts and Lands and/or any Trust Officer, are each authorized

2. 2331 To recommend the Seller-servicers with which Purchase and Servicing Agreements should be made, and after approval by the Board of Regents, to execute the Purchase and Servicing Agreements on the approved forms.

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2. 2333 To take any and all steps as may be considered necessary or advisable to protect the interest of the Permanent University Fund in event of default occurring with respect to any FHA Insured First Mortgage note held by such Fund. Not by way of limitation, but by way of illustration only, such authority shall include power to acquire title on behalf of the Board of Regents to the property securing any such note, by Trustees sale, foreclosure, or otherwise; to execute on behalf of the Board of Regents the necessary deed conveying the properties so acquired to the Federal Housing
It must have been actively engaged for at least five years in the mortgage loan business, and except for commercial banks, the mortgage loan business must be its principal business, and must have a capable and experienced organization, together with the necessary equipment to furnish timely accountings on a block basis.

It must be servicing at least $25,000,000 of loans, and its clients (other than Federal National Mortgage Association) must include at least three institutional investors, and must have a capability of producing not less than $1,000,000 per year in FHA loans.

It must carry a Mortgage Bankers Blanket Bond in an amount not less than $250,000.

Implementation of FHA Mortgage Loan Purchase program: The Associate Deputy Chancellor for Investments, Trusts and Lands and/or any Trust Officer, are each authorized

To recommend the Seller-servicers with which Purchase and Servicing Agreements should be made, and after approval by the Board of Regents, to execute the Purchase and Servicing Agreements on the approved forms.

To perform such acts and execute such documents as may be necessary from time to time in carrying out the provisions of any such Purchase and Servicing Agreement, including authority to accept or reject loans tendered under such agreements, to execute releases of the liens securing any loan or loans when paid in full, and to execute assignments of any notes and liens when appropriate to do so.

To take any and all steps as may be considered necessary or advisable to protect the interest of the Permanent University Fund in event of default occurring with respect to any FHA Insured First Mortgage note held by such Fund. Not by way of limitation, but by way of illustration only, such authority shall include power to acquire title on behalf of the Board of Regents to the property securing any such note, by Trustees sale, foreclosure, or otherwise; to execute on behalf of the Board of Regents the necessary deed conveying the properties so acquired to the Federal Housing Administration; to handle any
As amended 12/12/75

Administration; to handle any properties so acquired pending conveyance to the Federal Housing Administration; and to incur and pay such reasonable expenses as may be necessary in the acquisition and care of any such properties.

2.3 Diversification.
2.31 Not more than 5% of the voting stock of any one (1) corporation shall be owned at any given time by the Permanent University Fund.
2.32 Not more than 1% of the book value of the Permanent University Fund shall be invested at any given time in securities issued by any one (1) corporation.

2.4 Standard of Care.
2.41 Prudent Man Rule: In making or retaining each and all investments for the Permanent University Fund, and in the management, purchase, and sale of such investments from time to time, there shall be exercised the judgment and care under the circumstances then prevailing that men of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital.

2.5 Policies with Respect to Stock Rights, Fractional Shares, and Proxies.
2.51 As a general rule, stock rights received are to be exercised. In each instance, exercise or sale of the rights is to be made at the discretion of the Deputy Chancellor or the Associate Deputy Chancellor for Investments, Trusts and Lands.
2.52 As a general rule, fractional shares received from stock dividends, etc., are to be sold. In each instance, the decision to round out fractional shares or to sell will be made by the Deputy Chancellor or the Associate Deputy Chancellor for Investments, Trusts and Lands.
2.53 With few exceptions, voting stocks held are to be voted by returning proxies to present management. Exceptions require approval of the Board of Regents.

2.6 Implementation of Policies.
2.61 Approved List. A list of companies whose stocks are considered suitable for purchase or retention shall, after consultation with the Staff Investment Committee, the Investment Counsel, and the
Administration; to handle any properties so acquired pending conveyance to the Federal Housing Administration; and to incur and pay such reasonable expenses as may be necessary in the acquisition and care of any such properties.

2.3 Diversification.
2.31 Not more than 5% of the voting stock of any one (1) corporation shall be owned at any given time by the Permanent University Fund.

2.32 Not more than 1% of the book value of the Permanent University Fund shall be invested at any given time in securities issued by any one (1) corporation.

2.4 Standard of Care.
2.41 Prudent Man Rule: In making or retaining each and all investments for the Permanent University Fund, and in the management, purchase, and sale of such investments from time to time, there shall be exercised the judgment and care under the circumstances then prevailing that men of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital.

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2.51 As a general rule, stock rights received are to be exercised. In each instance, exercise or sale of the rights is to be made at the discretion of the Deputy Chancellor or the Associate Deputy Chancellor for Investments, Trusts and Lands.

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2.53 With few exceptions, voting stocks held are to be voted by returning proxies to present management. Exceptions require approval of the Board of Regents.

2.6 Implementation of Policies.
2.61 Approved List. A list of companies whose stocks are considered suitable for purchase or retention shall, after consultation with the Staff Investment Committee, the Investment Counsel, and the Investment Advisory Committee, be submitted by the Deputy
As amended 4/24/73

2.3 Diversification.
2.31 Not more than 5% of the voting stock of any one (1) corporation shall be owned at any given time by the Permanent University Fund.
2.32 Not more than 1% of the book value of the Permanent University Fund shall be invested at any given time in securities issued by any one (1) corporation.

2.4 Standard of Care.
2.41 Prudent Man Rule: In making or retaining each and all investments for the Permanent University Fund, and in the management, purchase, and sale of such investments from time to time, there shall be exercised the judgment and care under the circumstances then prevailing that men of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital.

2.5 Policies with Respect to Stock Rights, Fractional Shares, and Proxies.
2.51 As a general rule, stock rights received are to be exercised. In each instance, exercise or sale of the rights is to be made at the discretion of the Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands.
2.52 As a general rule, fractional shares received from stock dividends, etc., are to be sold. In each instance, the decision to round out fractional shares or to sell will be made by the Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands.
2.53 With few exceptions, voting stocks held are to be voted by returning proxies to present management. Exceptions require approval of the Board of Regents.

2.6 Implementation of Policies.
2.61 Approved List. A list of companies whose stocks are considered suitable for purchase or retention shall, after consultation with the Staff Investment Committee, the Investment Counsel, and the Investment Advisory Committee, be submitted by the Deputy
properties so acquired pending conveyance to the Federal Housing Administration; and to incur and pay such reasonable expenses as may be necessary in the acquisition and care of any such properties.

2.3 Diversification.

2.31 Not more than 5% of the voting stock of any one (1) corporation shall be owned at any given time by the Permanent University Fund.

2.32 Not more than 1% of the book value of the Permanent University Fund shall be invested at any given time in securities issued by any one (1) corporation.

2.4 Standard of Care.

2.41 Prudent Man Rule: In making or retaining each and all investments for the Permanent University Fund, and in the management, purchase, and sale of such investments from time to time, there shall be exercised the judgment and care under the circumstances then prevailing that men of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital.

2.5 Policies with Respect to Stock Rights, Fractional Shares, and Proxies.

2.51 As a general rule, stock rights received are to be exercised. In each instance, exercise or sale of the rights is to be made at the discretion of the Associate Deputy Chancellor for Investments, Trusts and Lands.

2.52 As a general rule, fractional shares received from stock dividends, etc., are to be sold. In each instance, the decision to round out fractional shares or to sell will be made by the Associate Deputy Chancellor for Investments, Trusts and Lands.

2.53 With few exceptions, voting stocks held are to be voted by returning proxies to present management. Exceptions require approval of the Board of Regents.

2.6 Implementation of Policies.

2.61 Approved List. A list of companies whose stocks are considered suitable for purchase or retention shall, after consultation with the Staff Investment Committee, the Investment Counsel, and the Investment Advisory Committee, be sub-
As amended 12/12/75

Investment Advisory Committee, be submitted by
the Deputy Chancellor, or the Associate Deputy
Chancellor for Investments, Trusts and Lands for
approval by the Board of Regents through the
Regents' Land and Investment Committee. This
list will be reviewed annually.

2.62 Authority regarding purchase and sale of securities. Within the
limitations of these Rules and Regulations, the Deputy Chancellor
or the Associate Deputy Chancellor for Investments, Trusts and
Lands is authorized to buy, sell or exchange, from time to time,
securities issued by the companies within the approved list, pro-
vided that sales in any one calendar month of stocks owned shall
not exceed 2 1/2% of the book value of the Permanent University
Fund. With the approval of the Chairman of the Land and Invest-
ment Committee, or the Chairman of the Board of Regents, the
Deputy Chancellor or the Associate Deputy Chancellor for Invest-
ments, Trusts and Lands may sell stocks in excess of 2 1/2%, but
not in excess of 5%, of the value of the Permanent University Fund.
Sales of stocks in any one month in excess of 5% of the value of the
Permanent University Fund require prior approval of the Board of
Regents.

2.63 Exchange of Bonds. The Deputy Chancellor or the Associate Deputy
Chancellor for Investments, Trusts and Lands is 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 adjustment 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.

2.64 Advice of Investment Advisory Committee. --The Deputy Chancellor
or the Associate Deputy Chancellor for Investments, Trusts and
Lands shall seek the advice and counsel of the Investment Advisory
Committee at its regular quarterly meetings on all of the major
matters involving the Permanent University Fund.

2.65 Reports of purchases, sales, and exchanges of Investments.--
All purchases, sales, and exchanges of Investments shall be
reported for ratification by the Board of Regents through the
Regents' Land and Investment Committee at each meeting of
the Board.

Sec. 3. Investment Policy for Trust and Special Funds.

3.1 Investments authorized for purchase:

3.11 Unless otherwise limited by the terms of the instrument by which
the fund was created, trust and special funds under the control of
the Board of Regents shall be invested and reinvested in such
securities and investments as are permitted by the Texas Trust
Act as legal investments for funds held by trustees.
Chancellor, or the Associate Deputy Chancellor for Investments, Trusts and Lands for approval by the Board of Regents through the Regents' Land and Investment Committee. In similar manner, recommendations regarding additions to and deletions from such list shall be submitted for the Regents' approval.

2.62 Authority regarding purchase and sale of securities. Within the limitations of these Rules and Regulations, the Deputy Chancellor or the Associate Deputy Chancellor for Investments, Trusts and Lands is authorized to buy, sell or exchange, from time to time, securities issued by the companies within the approved list, provided that sales in any one calendar month of stocks owned shall not exceed 2 1/2% of the book value of the Permanent University Fund. With the approval of the Chairman of the Land and Investment Committee, or the Chairman of the Board of Regents, the Deputy Chancellor or the Associate Deputy Chancellor for Investments, Trusts and Lands may sell stocks in excess of 2 1/2%, but not in excess of 5%, of the value of the Permanent University Fund. Sales of stocks in any one month in excess of 5% of the value of the Permanent University Fund require prior approval of the Board of Regents.

2.63 Exchange of Bonds. The Deputy Chancellor or the Associate Deputy Chancellor for Investments, Trusts and Lands is 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 adjustment 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.

2.64 Advice of Investment Advisory Committee. -- The Deputy Chancellor or the Associate Deputy Chancellor for Investments, Trusts and Lands shall seek the advice and counsel of the Investment Advisory Committee at its regular quarterly meetings on all of the major matters involving the Permanent University Fund.

2.65 Reports of purchases, sales, and exchanges of Investments. -- All purchases, sales, and exchanges of Investments shall be reported for ratification by the Board of Regents through the Regents' Land and Investment Committee at each meeting of the Board.

Sec. 3. Investment Policy for Trust and Special Funds.

3.1 Investments authorized for purchase:

3.11 Unless otherwise limited by the terms of the instrument by which the fund was created, trust and special funds under the control of the Board of Regents shall be invested and reinvested in such securities and investments as are permitted by the Texas Trust Act as legal investments for funds held by trustees.
Chancellor for Administration, or the Associate Deputy Chancellor for Investments, Trusts and Lands for approval by the Board of Regents through the Regents' Land and Investment Committee. In similar manner, recommendations regarding additions to and deletions from such list shall be submitted for the Regents' approval.

2.62 Authority regarding purchase and sale of securities. Within the limitations of these Rules and Regulations, the Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands is authorized to buy, sell or exchange, from time to time, securities issued by the companies within the approved list, provided that sales in any one calendar month of stocks owned shall not exceed 2 1/2% of the book value of the Permanent University Fund. With the approval of the Chairman of the Land and Investment Committee, or the Chairman of the Board of Regents, the Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands may sell stocks in excess of 2 1/2%, but not in excess of 5%, of the value of the Permanent University Fund. Sales of stocks in any one month in excess of 5% of the value of the Permanent University Fund require prior approval of the Board of Regents.

2.63 Exchange of Bonds. The Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands is 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 adjustment 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.

2.64 Advice of Investment Advisory Committee. --The Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands shall seek the advice and counsel of the Investment Advisory Committee at its regular quarterly meetings on all of the major matters involving the Permanent University Fund.

2.65 Reports of purchases, sales, and exchanges of Investments. --All purchases, sales, and exchanges of Investments shall be reported for ratification by the Board of Regents through the Regents' Land and Investment Committee at each meeting of the Board.

Sec. 3. Investment Policy for Trust and Special Funds.

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mitted by the Associate Deputy Chancellor for Investments, Trusts and Lands for approval by the Board of Regents through the Regents' Land and Investment Committee. In similar manner, recommendations regarding additions to and deletions from such list shall be submitted for the Regents' approval.

2.62 Authority regarding purchase and sale of securities. Within the limitations of these Rules and Regulations, the Associate Deputy Chancellor for Investments, Trusts and Lands is authorized to buy, sell or exchange, from time to time, securities issued by the companies within the approved list, provided that sales in any one calendar month of stocks owned shall not exceed 2 1/2% of the book value of the Permanent University Fund. With the approval of the Chairman of the Land and Investment Committee, or the Chairman of the Board of Regents, the Associate Deputy Chancellor for Investments, Trusts and Lands may sell stocks in excess of 2 1/2%, but not in excess of 5%, of the value of the Permanent University Fund. Sales of stocks in any one month in excess of 5% of the value of the Permanent University Fund require prior approval of the Board of Regents.

2.63 Exchange of Bonds. The Associate Deputy Chancellor for Investments, Trusts and Lands is 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 adjustment 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.

2.64 Advice of Investment Advisory Committee. --The Associate Deputy Chancellor for Investments, Trusts and Lands shall seek the advice and counsel of the Investment Advisory Committee at its regular quarterly meetings on all of the major matters involving the Permanent University Fund.

2.65 Reports of purchases, sales, and exchanges of Investments. --All purchases, sales, and exchanges of Investments shall be reported for ratification by the Board of Regents through the Regents' Land and Investment Committee at each meeting of the Board.

Sec. 3. Investment Policy for Trust and Special Funds.

3.1 Investments authorized for purchase:

3.11 Unless otherwise limited by the terms of the instrument by which the fund was created, trust and special funds under the control of the Board of Regents shall be invested and reinvested in such securities and investments as are permitted by the Texas Trust Act as legal investments for funds held by trustees.
3.12 Except as broadened by the foregoing Section 3.11, the general statement of policies outlined in Section 2 with respect to the Permanent University Fund shall likewise apply to the investment and management of any trust or special funds under the control of the Board of Regents.

3.2 Implementation of Policies. --The provisions of Section 2.6 with respect to the implementation of policies for the investment and management of the Permanent University Fund shall likewise apply to trust and special funds, provided that approval of the Board of Regents shall be required before any stock is purchased which is not on the approved list.

Sec. 4 Investment Policy for Common Trust Fund. --The policies for the investment and management of funds for The University of Texas System Common Trust Fund shall be the same as those outlined in Section 3 with respect to trust and special funds.

Sec. 5 Staff Investment Committee.

5.1 Membership. --The Staff Investment Committee shall consist of the Deputy Chancellor, the Associate Deputy Chancellor for Investments, Trusts and Lands, the Investment Officer, and such other members as may be designated from time to time by the Deputy Chancellor or the Associate Deputy Chancellor for Investments, Trusts and Lands.

5.2 Duties. --The Staff Investment Committee shall cooperate and advise with the Deputy Chancellor or the Associate Deputy Chancellor for Investments, Trusts and Lands on matters relating to the management of investments for which he is responsible.

Sec. 6 Investment Advisory Committee. --To assist and advise with the Deputy Chancellor or the Associate Deputy Chancellor for Investments, Trusts and Lands on matters relating to the management of investments for which he is responsible, the Investment Advisory Committee, heretofore established, shall be continued. The following rules shall apply to such Committee:

6.1 Membership. --Five 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.

6.2 Selection Procedure. --Appointments to such Committee shall be made by the Board of Regents after recommendation by the Deputy Chancellor or the Associate Deputy Chancellor for Investments, Trusts and Lands.

6.3 Term of Office. --Each member shall serve a five year term on a rotating basis, with the term of one member expiring each August 31.
3.12 Except as broadened by the foregoing Section 3.11, the general statement of policies outlined in Section 2 with respect to the Permanent University Fund shall likewise apply to the investment and management of any trust or special funds under the control of the Board of Regents.

3.2 Implementation of Policies. --The provisions of Section 2.6 with respect to the implementation of policies for the investment and management of the Permanent University Fund shall likewise apply to trust and special funds, provided that approval of the Board of Regents shall be required before any stock is purchased which is not on the approved list.

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5.2 Duties. --The Staff Investment Committee shall cooperate and advise with the Deputy Chancellor or the Associate Deputy Chancellor for Investments, Trusts and Lands on matters relating to the management of investments for which he is responsible.

Sec. 6 Investment Advisory Committee. --To assist and advise with the Deputy Chancellor or the Associate Deputy Chancellor for Investments, Trusts and Lands on matters relating to the management of investments for which he is responsible, the Investment Advisory Committee, heretofore established, shall be continued. The following rules shall apply to such Committee:

6.1 Membership. --The four members of the Committee shall be selected because of their particular qualifications and experience in the field of investments, with primary emphasis being placed on their experience in bond and corporate stock investments.

6.2 Selection Procedure. --Appointments to such Committee shall be made by the Board of Regents after recommendation by the Deputy Chancellor or the Associate Deputy Chancellor for Investments, Trusts and Lands.

6.3 Term of Office and Compensation. --Each member shall serve a four year term on a rotating basis, with the term of one member expiring each August 31, and shall be compensated at the rate of $100 per meeting attended.
3.12 Except as broadened by the foregoing Section 3.11, the general statement of policies outlined in Section 2 with respect to the Permanent University Fund shall likewise apply to the investment and management of any trust or special funds under the control of the Board of Regents.

3.2 Implementation of Policies. --The provisions of Section 2.6 with respect to the implementation of policies for the investment and management of the Permanent University Fund shall likewise apply to trust and special funds, provided that approval of the Board of Regents shall be required before any stock is purchased which is not on the approved list.

Sec. 4 Investment Policy for Common Trust Fund. --The policies for the investment and management of funds for The University of Texas System Common Trust Fund shall be the same as those outlined in Section 3 with respect to trust and special funds.

Sec. 5 Staff Investment Committee.

5.1 Membership. --The Staff Investment Committee shall consist of the Deputy Chancellor for Administration, the Associate Deputy Chancellor for Investments, Trusts and Lands, the Investment Officer, and such other members as may be designated from time to time by the Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands.

5.2 Duties. --The Staff Investment Committee shall cooperate and advise with the Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands on matters relating to the management of investments for which he is responsible.

Sec. 6 Investment Advisory Committee. --To assist and advise with Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands on matters relating to the management of investments for which he is responsible, the Investment Advisory Committee, heretofore established, shall be continued. The following rules shall apply to such Committee:

6.1 Membership. --The four members of the Committee shall be selected because of their particular qualifications and experience in the field of investments, with primary emphasis being placed on their experience in bond and corporate stock investments.

6.2 Selection Procedure. --Appointments to such Committee shall be made by the Board of Regents after recommendation by the Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands.

6.3 Term of Office and Compensation. --Each member shall serve a four year term on a rotating basis, with the term of one member expiring each August 31, and shall be compensated at the rate of $100 per meeting attended.
3.12 Except as broadened by the foregoing Section 3.11, the general statement of policies outlined in Section 2 with respect to the Permanent University Fund shall likewise apply to the investment and management of any trust or special funds under the control of the Board of Regents.

3.2 Implementation of Policies. --The provisions of Section 2.6 with respect to the implementation of policies for the investment and management of the Permanent University Fund shall likewise apply to trust and special funds, provided that approval of the Board of Regents shall be required before any stock is purchased which is not on the approved list.

Sec. 4 Investment Policy for Common Trust Fund. --The policies for the investment and management of funds for The University of Texas System Common Trust Fund shall be the same as those outlined in Section 3 with respect to trust and special funds.

Sec. 5 Staff Investment Committee.

5.1 Membership. --The Staff Investment Committee shall consist of the Associate Deputy Chancellor for Investments, Trusts and Lands, the Investment Officer, and such other members as may be designated from time to time by the Associate Deputy Chancellor for Investments, Trusts and Lands.

5.2 Duties. --The Staff Investment Committee shall cooperate and advise with the Associate Deputy Chancellor for Investments, Trusts and Lands on matters relating to the management of investments for which he is responsible.

Sec. 6 Investment Advisory Committee. --To assist and advise with the Associate Deputy Chancellor for Investments, Trusts and Lands on matters relating to the management of investments for which he is responsible, the Investment Advisory Committee, heretofore established, shall be continued. The following rules shall apply to such Committee:

6.1 Membership. --The four members of the Committee shall be selected because of their particular qualifications and experience in the field of investments, with primary emphasis being placed on their experience in bond and corporate stock investments.

6.2 Selection Procedure. --Appointments to such Committee shall be made by the Board of Regents after recommendation by the Associate Deputy Chancellor for Investments, Trusts and Lands.

6.3 Term of Office and Compensation. --Each member shall serve a four year term on a rotating basis, with the term of one member expiring each August 31, and shall be compensated at the rate of $100 per meeting attended.
6.4 Meetings. -- Meetings shall be held quarterly and at such other dates as may be considered advisable by the Deputy Chancellor or the Associate Deputy Chancellor for Investments, Trusts and Lands.

Sec. 7 Investment Transactions: Sales, purchases and exchanges shall be effected through investment dealers or brokers in accordance with normal investment practices, if, in the judgment of the Deputy Chancellor or the Associate Deputy Chancellor for Investments, Trusts and Lands, these services will produce the maximum benefit to The University of Texas System.
6.4 Meetings. —Meetings shall be held quarterly and at such other dates as may be considered advisable by the Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands.

Sec. 7 Investment Transactions: Sales, purchases and exchanges shall be effected through investment dealers or brokers in accordance with normal investment practices, if, in the judgment of the Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands, these services will produce the maximum benefit to The University of Texas System.
6.4 Meetings. —Meetings shall be held quarterly and at such other dates as may be considered advisable by the Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands.

Sec. 7 Brokerage Firms.

7.1 Approved List. —Normally, purchase and sale transactions shall be effected through firms approved by the Board of Regents after recommendation by the Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands. Where the best interests of The University of Texas System seem to require it, such transactions may be effected through such other broker or brokers as the Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands may approve.

7.2 Unlisted Securities. —Purchases and sales will generally be effected through brokers on the approved list. Where the best interests of The University of Texas System seem to require it, such transactions may be effected through such broker or brokers as the Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands may select.

7.3 Block Transactions. —Block purchases and sales will generally be effected through brokers on the approved list. Where the best interests of The University of Texas System seem to require it, such transactions may be effected through such broker or brokers as the Deputy Chancellor for Administration or the Associate Deputy Chancellor for Investments, Trusts and Lands may select.
6.4 Meetings. --Meetings shall be held quarterly and at such other dates as may be considered advisable by the Associate Deputy Chancellor for Investments, Trusts and Lands.

Sec. 7. Brokerage Firms.

7.1 Approved List.--Normally, purchase and sale transactions shall be effected through firms approved by the Board of Regents after recommendation by the Associate Deputy Chancellor for Investments, Trusts and Lands. Where the best interests of The University of Texas System seem to require it, such transactions may be effected through such other broker or brokers as the Associate Deputy Chancellor for Investments, Trusts and Lands may approve.

7.2 Unlisted Securities. --Purchases and sales will generally be effected through brokers on the approved list. Where the best interests of The University of Texas System seem to require it, such transactions may be effected through such broker or brokers as the Associate Deputy Chancellor for Investments, Trusts and Lands may select.

7.3 Block Transactions. --Block purchases and sales will generally be effected through brokers on the approved list. Where the best interests of The University of Texas System seem to require it, such transactions may be effected through such broker or brokers as the Associate Deputy Chancellor for Investments, Trusts and Lands may select.
CHAPTER IX

Matters relating to the Office of Investments, Trusts and Lands

Sec. 1. Certain Specific Authorizations to the Associate Deputy Chancellor for Investments, Trusts and Lands and the Endowment Officer.

1.1 Authority to Sell, Assign, and Transfer Securities Held by the Permanent University Fund.—The Associate Deputy Chancellor for Investments, Trusts and Lands and the Treasurer of the State of Texas (or the Acting Treasurer of the State of Texas) are jointly authorized to sell, assign, and transfer any and all of the bonds, stocks, notes, and other evidences of indebtedness and ownership of any description, whatever, owned by the Permanent University Fund of The University of Texas System (formerly The University of Texas) and registered in the name of "The University of Texas," "The University of Texas System," "The University of Texas for Permanent University Fund, a State Endowment Fund, Austin, Texas," "The University of Texas System for Permanent University Fund, a State Endowment Fund, Austin, Texas," "Permanent University Fund of The University of Texas," "Permanent University Fund of The University of Texas System," or in any other form of registration of such securities held for the account of the Permanent University Fund of The University of Texas System.

1.2 Authority to Sell, Assign, and Transfer Securities Held by the Board of Regents of The University of Texas System.—The Associate Deputy Chancellor for Investments, Trusts and Lands and/or any Trust Officer are each authorized to sell, assign, and transfer any and all bonds, stocks, notes, and other evidences of indebtedness and ownership of any description, whatever, registered in the name of the Board of Regents of The University of Texas System (formerly the Board of Regents of The University of Texas) in whatever manner, including all fiduciary capacities, and including those registered in the names of trusts or foundations managed and controlled by said Board of Regents.

1.3 Authority to Execute Instruments Relating to Land and Mineral Interests.—The Chairman of the Board of Regents, the Vice-Chairman, and the Associate Deputy Chancellor for Investments, Trusts and Lands, 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
CHAPTER IX

MATTERS RELATING TO THE OFFICE OF INVESTMENTS, TRUSTS AND LANDS

Sec. 1. Certain Specific Authorizations to the Associate Deputy Chancellor for Investments, Trusts and Lands and the Endowment Officer.

1.1 Authority to Sell, Assign, and Transfer Securities Held by the Permanent University Fund. - The Associate Deputy Chancellor for Investments, Trusts and Lands (or the Endowment Officer) and the Treasurer of the State of Texas (or the Acting Treasurer of the State of Texas) are jointly authorized to sell, assign, and transfer any and all of the bonds, stocks, notes, and other evidences of indebtedness and ownership of any description whatsoever owned by the Permanent University Fund of The University of Texas System (formerly the University of Texas) and registered in the name of "The University of Texas," "The University of Texas System," "The University of Texas for Permanent University Fund, a State Endowment Fund, Austin, Texas," "The University of Texas System for Permanent University Fund, a State Endowment Fund, Austin, Texas," "Permanent University Fund of The University of Texas," "Permanent University Fund of The University of Texas System," or in any other form of registration of such securities held for the account of the Permanent University Fund of The University of Texas System.

1.2 Authority to Sell, Assign, and Transfer Securities Held by the Board of Regents of The University of Texas System. - The Associate Deputy Chancellor for Investments, Trusts and Lands and/or the Endowment Officer are each authorized to sell, assign, and transfer any and all bonds, stocks, notes, and other evidences of indebtedness and ownership of any description whatsoever registered in the name of the Board of Regents of The University of Texas System (formerly the Board of Regents of The University of Texas) in whatever manner, including all fiduciary capacities, and including those registered in the names of trusts or foundations managed and controlled by said Board of Regents.

1.3 Authority to Execute Instruments Relating to Land and Mineral Interests. - The Chairman of the Board of Regents, the Vice-Chairman, and the Associate Deputy Chancellor for Investments, Trusts and Lands, 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
MATTERS RELATING TO THE OFFICE OF INVESTMENTS, TRUSTS AND LANDS

Sec. 1. Certain Specific Authorizations to the Vice-Chancellor for Investments, Trusts and Lands and the Endowment Officer.

1.1 Authority to Sell, Assign, and Transfer Securities Held by the Permanent University Fund. --The Vice-Chancellor for Investments, Trusts and Lands (or the Endowment Officer) and the Treasurer of the State of Texas (or the Acting Treasurer of the State of Texas) are jointly authorized to sell, assign, and transfer any and all of the bonds, stocks, notes, and other evidences of indebtedness and ownership of any description whatsoever owned by the Permanent University Fund of The University of Texas System (formerly the University of Texas) and registered in the name of "The University of Texas", "The University of Texas System", "The University of Texas for Permanent University Fund, a State Endowment Fund, Austin, Texas", "The University of Texas System for Permanent University Fund, a State Endowment Fund, Austin, Texas", "Permanent University Fund of The University of Texas", "Permanent University Fund of The University of Texas System", or in any other form of registration of such securities held for the account of the Permanent University Fund of The University of Texas System.

1.2 Authority to Sell, Assign, and Transfer Securities Held by the Board of Regents of The University of Texas System. --The Vice-Chancellor for Investments, Trusts and Lands and/or the Endowment Officer are each authorized to sell, assign, and transfer any and all bonds, stocks, notes, and other evidences of indebtedness and ownership of any description whatsoever registered in the name of the Board of Regents of The University of Texas System (formerly the Board of Regents of The University of Texas) in whatever manner, including all fiduciary capacities, and including those registered in the names of trusts or foundations managed and controlled by said Board of Regents.

1.3 Authority to Execute Instruments Relating to Land and Mineral Interests. --The Chairman of the Board of Regents, the Vice-Chairman, and the Vice-Chancellor for Investments, Trusts and Lands, 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,
handUng, management, control, and disposition of any real estate or mineral interests held or controlled by the Board of Regents of The University of Texas System as a part of the Permanent University Fund or as a part of any trust or special fund.

1.4 Authority to Receive and Collect Money and/or Property.--The Associate Deputy Chancellor for Investments, Trusts and Lands and/or any Trust Officer 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 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.--The Associate Deputy Chancellor for Investments, Trusts and Lands and/or any Trust Officer are each authorized to execute proxies within the approved investment policies.

Sec. 2. Investment Policy for Permanent University Fund.

2.1 Investments Authorized for Purchase.
2.11 Bonds of the United States, the State of Texas or counties of said State, or in school bonds of municipalities, or in bonds of any city of said State, or in bonds issued under and by virtue of the Federal Farm Loan Act approved by the President of the United States, July 17, 1916, and amendments, thereto.
2.12 Bonds or other obligations issued, insured, or guaranteed in any manner by the United States Government or any of its agencies.
2.13 Bonds, debentures, or obligations, and preferred and common stocks issued by corporations, associations, or other institutions.
2.14 Convertible securities, of all kinds, issued by corporations on the approved list.

2.2 Standards as to Quality.
2.21 Corporate Stocks:
2.211 Stocks eligible for purchase shall be restricted to stocks of companies incorporated within the United States which have paid dividends for five (5) consecutive years or longer immediately prior to the date of purchase.
2.212 Except for bank and insurance shares, stock must be listed upon an exchange registered with the Securities and Exchange Commission or its successors.
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 interests held or controlled by the Board of Regents of The University of Texas System as a part of the Permanent University Fund or as a part of any trust or special fund.

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2.21 Corporate Stocks:
2.211 Stocks eligible for purchase shall be restricted to stocks of companies incorporated within the United States which have paid dividends for five (5) consecutive years or longer immediately prior to the date of purchase.
2.212 Except for bank and insurance shares, stock must be listed upon an exchange registered with the Securities and Exchange Commission or its successors.
2. 213 To be eligible for purchase, preferred and common stocks and convertible securities must be issued by corporations that have been formally approved by the Board of Regents.

2. 22 Corporate Bonds: Corporate Bonds must be rated "A" or better by a nationally recognized rating service. Bonds offered by private placement, or which for other reasons are not rated by such agencies, may be purchased if they bear a rating of equivalent quality by the University's Investment Counsel. Convertible debentures issued by companies on the approved list shall not be subject to this rating requirement.

2. 23 FHA Mortgage Loans:
2. 231 Loan Standards:
   2. 2311 The security for the loans shall be single family, owner occupied residences of good design and construction, in good condition, and comparable in value to other homes in the neighborhood.
   2. 2312 Borrower must have a good credit rating and have adequate income to support the loan.
   2. 2313 Loans shall be for $10,000 or more and shall be fully insured by the FHA to the maximum extent permitted under the law.
   2. 2314 Title and hazard insurance policies, written by companies acceptable to the Board of Regents, shall be furnished with respect to each loan purchased. Hazard insurance policies must be written by companies having a Best's rating of A-BBB or better.
   2. 2315 No loan shall be purchased from any Seller-servicer until a formal contract has been entered into with such Seller-servicer on a form approved by the Board of Regents.

2. 232 Minimum standards for Seller-servicers from which FHA loans are purchased:
   2. 2321 The Seller-servicer must be an approved FHA Mortgagor, and must have satisfactory credit rating, and an unimpaired capital and surplus of at least $250,000.
   2. 2322 It must have been actively engaged for at least five years in the mortgage loan business, and except for commercial banks, the mortgage loan business must be its principal business, and must have a capable and experienced organization, together with the necessary equipment to furnish timely accountings on a block basis.
2.2323 It must be servicing at least $25,000,000 of loans, and its clients (other than Federal National Mortgage Association) must include at least three institutional investors, and must have a capability of producing not less than $1,000,000 per year in FHA loans.

2.2324 It must carry a Mortgage Bankers Blanket Bond in an amount not less than $250,000.

2.233 Implementation of FHA Mortgage Loan Purchase program: The Associate Deputy Chancellor for Investments, Trusts and Lands and/or any Trust Officer, are each authorized

2.2331 To recommend the Seller-servicers with which Purchase and Servicing Agreements should be made, and after approval by the Board of Regents, to execute the Purchase and Servicing Agreements on the approved forms.

2.2332 To perform such acts and execute such documents as may be necessary from time to time in carrying out the provisions of any such Purchase and Servicing Agreement, including authority to accept or reject loans tendered under such agreements, to execute releases of the liens securing any loan or loans when paid in full, and to execute assignments of any notes and liens when appropriate to do so.

2.2333 To take any and all steps as may be considered necessary or advisable to protect the interest of the Permanent University Fund in event of default occurring with respect to any FHA Insured First Mortgage note held by such Fund. Not by way of limitation, but by way of illustration only, such authority shall include power to acquire title on behalf of the Board of Regents to the property securing any such note, by Trustees sale, foreclosure, or otherwise; to execute on behalf of the Board of Regents the necessary deed conveying the properties so acquired to the Federal Housing Administration; to handle any properties so acquired pending conveyance to the Federal Housing Administration; and to incur and pay such reasonable expenses as may be necessary in the acquisition and care of any such properties.

2.3 Diversification.

2.31 Not more than 5% of the voting stock of any one (1) corporation shall be owned at any given time by the Permanent University Fund.

2.32 Not more than 1% of the book value of the Permanent University
2.2323 It must be servicing at least $25,000,000 of loans, and its clients (other than Federal National Mortgage Association) must include at least three institutional investors, and must have a capability of producing not less than $1,000,000 per year in FHA loans.

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2.2331 To recommend the Seller-servicers with which Purchase and Servicing Agreements should be made, and after approval by the Board of Regents, to execute the Purchase and Servicing Agreements on the approved forms.

2.2332 To perform such acts and execute such documents as may be necessary from time to time in carrying out the provisions of any such Purchase and Servicing Agreement, including authority to accept or reject loans tendered under such agreements, to execute releases of the liens securing any loan or loans when paid in full, and to execute assignments of any notes and liens when appropriate to do so.

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2.32 Not more than 1% of the book value of the Permanent University
Fund shall be invested at any given time in securities issued by any one (1) corporation.

2.4 Standard of Care.
2.41 Prudent Man Rule: In making or retaining each and all investments for the Permanent University Fund, and in the management, purchase, and sale of such investments from time to time, there shall be exercised the judgment and care under the circumstances then prevailing that men of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital.

2.42 Consistent with the foregoing it is contemplated that:
2.421 Investment of funds in corporate securities shall be reasonably diversified among the various industries operating in our economy, and among the outstanding corporations operating within the respective industry groups.

2.422 Ours is a dynamic and ever-changing economy. Therefore, a proper observance of the Prudent Man Rule requires that changes be made in the diversification of the Fund from time to time as conditions change the earnings outlook or the relative market level for a particular company. Accordingly, in keeping with the duty to be prudent, purchases and sales of Fund assets shall be made from time to time when circumstances dictate the prudence of doing so.

2.5 Policies with Respect to Stock Rights, Fractional Shares, and Proxies.
2.51 As a general rule, stock rights received are to be exercised. In each instance, exercise or sale of the rights is to be made at the discretion of the Associate Deputy Chancellor for Investments, Trusts and Lands.

2.52 As a general rule, fractional shares received from stock dividends, etc., are to be sold. In each instance, the decision to round out fractional shares or to sell will be made by the Associate Deputy Chancellor for Investments, Trusts and Lands.

2.53 With few exceptions, voting stocks held are to be voted by returning proxies to present management. Exceptions require approval of the Board of Regents.

2.6 Implementation of Policies.
2.61 Approved List. A list of companies whose stocks are considered suitable for purchase or retention shall, after consultation with the Staff Investment Committee, the Investment Counsel, and the Investment Advisory Committee, be sub-
Fund shall be invested at any given time in securities issued by any one (1) corporation.

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mitted by the Associate Deputy Chancellor for Investments, Trusts and Lands for approval by the Board of Regents through the Regents' Land and Investment Committee. In similar manner, recommendations regarding additions to and deletions from such list shall be submitted for the Regents' approval.

2.62 Authority regarding purchase and sale of securities. Within the limitations of these Rules and Regulations, the Associate Deputy Chancellor for Investments, Trusts and Lands is authorized to buy, sell or exchange, from time to time, securities issued by the companies within the approved list, provided that sales in any one calendar month of stocks owned shall not exceed 2 1/2% of the book value of the Permanent University Fund. With the approval of the Chairman of the Land and Investment Committee, or the Chairman of the Board of Regents, the Associate Deputy Chancellor for Investments, Trusts and Lands may sell stocks in excess of 2 1/2%, but not in excess of 5%, of the value of the Permanent University Fund. Sales of stocks in any one month in excess of 5% of the value of the Permanent University Fund require prior approval of the Board of Regents.

2.63 Exchange of Bonds. The Associate Deputy Chancellor for Investments, Trusts and Lands is 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 adjustment 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.

2.64 Advice of Investment Advisory Committee. --The Associate Deputy Chancellor for Investments, Trusts and Lands shall seek the advice and counsel of the Investment Advisory Committee at its regular quarterly meetings on all of the major matters involving the Permanent University Fund.

2.65 Reports of purchases, sales, and exchanges of Investments. --All purchases, sales, and exchanges of Investments shall be reported for ratification by the Board of Regents through the Regents' Land and Investment Committee at each meeting of the Board.

Sec. 3. Investment Policy for Trust and Special Funds.

3.1 Investments authorized for purchase:
3.11 Unless otherwise limited by the terms of the instrument by which the fund was created, trust and special funds under the control of the Board of Regents shall be invested and reinvested in such securities and investments as are permitted by the Texas Trust Act as legal investments for funds held by trustees.
the Investment Advisory Committee, be submitted by the Vice-Chancellor for Investments, Trusts and Lands for approval by the Board of Regents through the Regents' Land and Investment Committee. In similar manner, recommendations regarding additions to and deletions from such list shall be submitted for the Regents' approval.

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3.12 Except as broadened by the foregoing Section 3.11, the general statement of policies outlined in Section 2 with respect to the Permanent University Fund shall likewise apply to the investment and management of any trust or special funds under the control of the Board of Regents.

3.2 Implementation of Policies. --The provisions of Section 2.6 with respect to the implementation of policies for the investment and management of the Permanent University Fund shall likewise apply to trust and special funds, provided that approval of the Board of Regents shall be required before any stock is purchased which is not on the approved list.

Sec. 4 Investment Policy for Common Trust Fund. --The policies for the investment and management of funds for The University of Texas System Common Trust Fund shall be the same as those outlined in Section 3 with respect to trust and special funds.

Sec. 5 Staff Investment Committee.

5.1 Membership. --The Staff Investment Committee shall consist of the Associate Deputy Chancellor for Investments, Trusts and Lands, the Trust Officers, the Investment Officer, the Mortgage and Real Estate Officer, and such other members as may be designated from time to time by the Associate Deputy Chancellor for Investments, Trusts and Lands.

5.2 Duties. --The Staff Investment Committee shall cooperate and advise with the Associate Deputy Chancellor for Investments, Trusts and Lands on matters relating to the management of investments for which he is responsible.

Sec. 6 Investment Advisory Committee. --To assist and advise with the Associate Deputy Chancellor for Investments, Trusts and Lands on matters relating to the management of investments for which he is responsible, the Investment Advisory Committee, heretofore established, shall be continued. The following rules shall apply to such Committee:

6.1 Membership. --The four members of the Committee shall be selected because of their particular qualifications and experience in the field of investments, with primary emphasis being placed on their experience in bond and corporate stock investments.

6.2 Selection Procedure. --Appointments to such Committee shall be made by the Board of Regents after recommendation by the Associate Deputy Chancellor for Investments, Trusts and Lands.

6.3 Term of Office and Compensation. --Each member shall serve a four year term on a rotating basis, with the term of one member expiring each August 31, and shall be compensated at the rate of $100 per meeting attended.
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6.4 Meetings. --Meetings shall be held quarterly and at such other dates as may be considered advisable by the Associate Deputy Chancellor for Investments, Trusts and Lands.

Sec. 7. Brokerage Firms.

7.1 Approved List. --Normal purchase and sale transactions shall be effected through firms that have been approved by the Board of Regents after recommendation by the Associate Deputy Chancellor for Investments, Trusts and Lands.

7.2 Unlisted Securities. --Purchases and sales will generally be effected through brokers on the approved list. Where the best interests of The University of Texas System seem to require it, such transactions may be effected through such broker or brokers as the Associate Deputy Chancellor for Investments, Trusts and Lands may select.

7.3 Block Transactions. --Block purchases and sales will generally be effected through brokers on the approved list. Where the best interests of The University of Texas System seem to require it, such transactions may be effected through such broker or brokers as the Associate Deputy Chancellor for Investments, Trusts and Lands may select.
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MATTERS RELATING TO THE OFFICE OF INVESTMENTS, TRUSTS AND LANDS

Sec. 1. Certain Specific Authorizations to the Executive Director of Investments, Trusts, and Lands and the Endowment Officer.

1.1 Authority to Sell, Assign, and Transfer Securities Held by the Permanent University Fund.--The Executive Director of Investments, Trusts and Lands (or the Endowment Officer) and the Treasurer of the State of Texas (or the Acting Treasurer of the State of Texas) are jointly authorized to sell, assign, and transfer any and all of the bonds, stocks, notes, and other evidences of indebtedness and ownership of any description whatsoever owned by the Permanent University Fund of The University of Texas System (formerly The University of Texas) and registered in the name of "The University of Texas", "The University of Texas System", "The University of Texas for Permanent University Fund, A State Endowment Fund, Austin, Texas", "The University of Texas System for Permanent University Fund, a State Endowment Fund, Austin, Texas", "Permanent University Fund of The University of Texas", "Permanent University Fund of The University of Texas System", or in any other form of registration of such securities held for the account of the Permanent University Fund of The University of Texas System.

1.2 Authority to Sell, Assign, and Transfer Securities Held by the Board of Regents of The University of Texas System.--The Executive Director of Investments, Trusts and Lands and/or the Endowment Officer are each authorized to sell, assign, and transfer any and all bonds, stocks, notes, and other evidences of indebtedness and ownership of any description whatsoever registered in the name of the Board of Regents of The University of Texas System (formerly Board of Regents of The University of Texas) in whatever manner, including all fiduciary capacities, and including those registered in the names of trusts or foundations managed and controlled by said Board of Regents.

1.3 Authority to Execute Instruments Relating to Land and Mineral Interests.--The Chairman of the Board of Regents, the Vice Chairman, and the Executive Director of Investments, Trusts and Lands, 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 interests under the control and management of the Board of Regents of The University of Texas System.

1.4 Authority to Receive and Collect Money and/or Property.-- The Executive Director of Investments, Trusts and Lands and/or the Endowment Officer 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 whatsoever due, payable or belonging, or which may become due, payable or belonging to any of the above funds, from any person or persons whatsoever, and to execute any and all necessary or proper receipts, releases, and discharges therefore.

1.5 Authority to Execute Proxies.--The Executive Director of Investments, Trusts and Lands and/or the Endowment Officer are each authorized to execute proxies within the approved investment policies.

Sec. 2. Investment Policy for Permanent University Fund.-- The following statement of policies was adopted by the Board of Regents of The University of Texas System on March 11, 1967, as the governing principles to be observed in the investment of funds and management of assets of the Permanent University Fund of The University of Texas System. This statement of policies was intended to, and did, replace all declarations of policy theretofore adopted by such Board. (Provisions designated * are required by the Sections 11 and 11a, Article VII of the Constitution of the State of Texas).

2.1 Investments Authorized for Purchase.

*2.11 Bonds of the United States, the State of Texas or counties of said State, or in school bonds of municipalities, or in bonds of any city of said State, or in bonds issued under and by virtue of the Federal Farm Loan Act approved by the President of the United States, July 17, 1916, and amendments, thereto.

*2.12 First lien real estate mortgage securities guaranteed in any manner in whole by the United States Government or any agency thereof.

*2.13 Corporation bonds, preferred stocks and common stocks.
2.14 Bonds issued by corporations operated as instrumentalities of the United States Government (which shall be considered as falling within the classification set out in paragraph 2.13 above.)

2.2 Standards as to Quality.

2.21 Corporate Stocks:
*2.211 Stocks eligible for purchase shall be restricted to stocks of companies incorporated within the United States which have paid dividends for ten (10) consecutive years or longer immediately prior to the date of purchase.
*2.212 Except for bank and insurance shares, stock must be listed upon an exchange registered with the Securities and Exchange Commission or its successors.
2.213 To be eligible for purchase, preferred and common stocks must be issued by corporations which have been formally approved by the Board of Regents.

2.22 Corporate Bonds: Corporate bonds must be rated "A" or better by Moody's or Standard & Poor's. Bonds offered by private placement, or which for other reasons are not rated by such agencies, may be purchased if they bear a rating of equivalent quality by the University's Investment Counsel.

2.3 Diversification.
*2.31 Not more than 50% of the Permanent University Fund shall be invested at any given time in corporation bonds, preferred stocks and common stocks (described in paragraphs 2.13 and 2.14 above).
*2.32 The balance of the Fund not invested as provided in paragraph 2.31 above shall be invested in those securities described in paragraphs 2.11 and 2.12.
*2.33 Not more than 5% of the voting stock of any one (1) corporation shall be owned at any given time by the Permanent University Fund.
*2.34 Not more than 1% of the Permanent University Fund shall be invested at any given time in securities issued by any one (1) corporation.
2.35 The percentage limitations set out in paragraphs 2.31 and 2.34 above relate to book values of the Permanent University Fund.
2.4 Standard of Care.

2.41 Prudent Man Rule: In making or retaining each and all investments for the Permanent University Fund, and in the management, purchase and sale of such investments from time to time, there shall be exercised the judgment and care under the circumstances then prevailing which men of ordinary prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital.

2.42 Consistent with the foregoing it is contemplated that:

2.421 Investment of funds in corporate securities shall be reasonably diversified among the various industries operating in our economy, and among the outstanding corporations operating within the respective industry groups.

2.422 Ours is a dynamic and ever-changing economy. Therefore, a proper observance of the Prudent Man Rule requires that changes be made in the diversification of the Fund from time to time as conditions change the earnings outlook or the relative market level for a particular company. Accordingly, in keeping with the duty to be prudent, purchases and sales of Fund assets shall be made from time to time when circumstances dictate the prudence of doing so.

2.423 With a monthly inflow of funds available for investment, an opportunity is afforded to purchase investments in each month of every year, thus providing the Permanent University Fund with a reasonable dollar cost averaging experience.

2.5 Policies with Respect to Stock Rights, Fractional Shares and Proxies.

2.51 As a general rule, stock rights received are to be exercised. In each instance, exercise or sale of the rights is to be made at the discretion of the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee.

2.52 As a general rule, fractional shares received from stock dividends, etc., are to be sold. In each instance, the decision to round out fractional shares or to sell will be made by the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee.
2.53 With few exceptions, voting stocks held are to be voted by returning proxies to present management. Exceptions require approval of the Board of Regents.

2.6 Implementation of Policies.
2.61 Two approved lists.--Two lists of companies whose stocks are considered suitable for purchase or retention shall, after consultation with the Staff Investment Committee, the Investment Counsel, and the Investment Advisory Committee, be submitted by the Executive Director of Investments, Trusts and Lands for approval by the Board of Regents through the Regents' Land and Investment Committee:
2.611 List "A" shall consist of those companies whose stocks are approved for purchase.
2.612 List "B" shall consist of those companies whose stocks are approved for retention only.

2.62 Recommendations re diversification.--Annually, and at such oftener intervals as may be considered advisable, the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee, the Investment Counsel, and the Investment Advisory Committee (where possible), shall recommend for approval by the Board of Regents through the Regents' Land and Investment Committee:
2.621 The percentage of new monies which shall, during the ensuing period, be invested in fixed income securities and in common stocks.
2.622 The percentage of new common stock monies to be invested in the various industry groups.
The basis approved by the Board of Regents shall be the guidelines for the Executive Director of Investments, Trusts and Lands to follow in the investment of funds until the guidelines are changed by subsequent action of the Board of Regents.

2.63 Authority re purchase of securities.--Within the revised policies and in conformance with paragraphs 2.61 and 2.62 above, it shall be the responsibility of the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee and Investment Counsel:
2.631 To determine the stocks to be purchased from time to time and the timing of the purchases made.
2.632 To determine the bonds to be purchased from time to time and the timing of the purchases made.

2.633 To execute all purchases of securities.

2.64 Authority re sale of securities. -- It is contemplated that from time to time the best interests of The University of Texas System and the Permanent University Fund may best be served by the sale of certain securities (stocks or bonds), and the reinvestment of the proceeds in other securities (whether similar or dissimilar). It is likewise contemplated that some such sales may be advisable even though they might result in some loss in book value of the Fund. In any such transaction, it is recognized that time is of importance. A requirement that such sale or exchange transactions be first approved at a meeting of the Board of Regents would be impractical because of the time involved in obtaining such approval. Accordingly, the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee and Investment Counsel and the approval of at least five members of the Board of Regents (whose vote may be obtained by telephone), is hereby authorized.

2.641 To sell stocks from time to time from List "B" and effect delivery thereto to the purchaser or purchasers.

2.642 With the proceeds of any such sale or sales, to purchase other securities (stocks or bonds authorized for purchase under the revised policies), even though the investment so made may represent some deviation from the general investment pattern authorized as set out in paragraph 2.62 above.

2.65 Advice of Investment Advisory Committee. -- The Executive Director of Investments, Trusts and Lands shall seek the advice and counsel of the Investment Advisory Committee at its regular quarterly meetings on all of the major matters involving the Permanent University Fund, and particularly on the matters set out in paragraphs 2.61 and 2.62 above.

2.66 Reports of purchases, sales and exchanges of investments. -- All purchases, sales and exchanges of investments shall
be reported by the Executive Director of Investments, Trusts and Lands for ratification by the Board of Regents through the Regents' Land and Investment Committee at each meeting of the Board.

Sec. 3. Investment Policy for Trust and Special Funds.
3.1 Investments authorized for purchase:

3.11 Unless otherwise limited by the terms of the instrument by which the fund was created, trust and special funds under the control of the Board of Regents shall be invested and reinvested in such securities and investments as are permitted by the Texas Trust Act as legal investments for funds held by trustees.

3.12 Except as broadened by the foregoing Section 3.11, the general statement of policies outlined in Section 2 with respect to the Permanent University Fund shall likewise apply to the investment and management of any trust or special funds under the control of the Board of Regents.

3.2 Implementation of Policies.--The provisions of Section 2.6 with respect to the implementation of policies for the investment and management of the Permanent University Fund shall likewise apply to trust and special funds, provided that approval of the Board of Regents shall be required before any stock is purchased which is not on approved list "A".

Sec. 4. Investment Policy for Common Trust Fund.—The policies for the investment and management of funds for The University of Texas System Common Trust Fund shall be the same as those outlined in Section 3 with respect to trust and special funds.

Sec. 5. Staff Investment Committee.
5.1 Membership.—The Staff Investment Committee shall consist of the Executive Director of Investments, Trusts and Lands, the Endowment Officer, the Assistant to the Endowment Officer, and such other members as may be designated from time to time by the Executive Director of Investments, Trusts and Lands.

5.2 Duties.—The Staff Investment Committee shall cooperate and advise with the Executive Director of Investments, Trusts and Lands on matters relating to the management of investments for which he is responsible.

Sec. 6. Investment Advisory Committee.—To assist and advise with the Executive Director of Investments, Trusts and Lands on matters relating to the management of investments for which he is responsible, the Investment
Advisory Committee, heretofore established, shall be continued. The following rules shall apply to such Committee:

6.1 Membership.--The four members of the Committee shall be selected because of their particular qualifications and experience in the field of investments, with primary emphasis being placed on their experience in bond and corporate stock investments.

6.2 Selection Procedure.--Appointments to such Committee shall be made by the Board of Regents after recommendation by the Executive Director of Investments, Trusts and Lands.

6.3 Term of Office and Compensation.--Each member shall serve a four year term on a rotating basis, with the term of one member expiring each August 31, and shall be compensated at the rate of $100 per meeting attended.

6.4 Meetings.--Meetings shall be held quarterly and at such other dates as may be considered advisable by the Executive Director of Investments, Trusts and Lands.

Sec. 7, Brokerage Firms.

7.1 Approved List.--Normal purchase and sale transactions shall be effected through firms which have been approved by the Board of Regents after recommendation by the Executive Director of Investments, Trusts and Lands.

7.2 Unlisted Securities.--Purchases and sales will generally be effected through brokers on the approved list. Where the best interests of The University of Texas System seem to require it, such transactions may be effected through such broker or brokers as the Executive Director of Investments, Trusts and Lands may select. Any such purchase or sale from a broker not on the approved list will be reported promptly in writing to the Board of Regents together with a statement of reasons therefor.

7.3 Block Transactions.--Block purchases and sales will generally be effected through brokers on the approved list. Where the best interests of The University of Texas System seem to require it, such transactions may be effected through such broker or brokers as the Executive Director of Investments, Trusts and Lands may select. Any such purchase or sale from a broker not on the approved list will be reported promptly in writing to the Board of Regents together with a statement of reasons therefor.
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 interests held or controlled by the Board of Regents of The University of Texas System as a part of the Permanent University Fund or as a part of any trust or special fund.

1.4 Authority to Receive and Collect Money and/or Property.--The Executive Director of Investments, Trusts and Lands and/or the Endowment Officer 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 whatsoever due, payable or belonging, or which may become due, payable or belonging to any of the above funds, from any person or persons whatsoever, and to execute any and all necessary or proper receipts, releases, and discharges therefore.

1.5 Authority to Execute Proxies.--The Executive Director of Investments, Trusts and Lands and/or the Endowment Officer are each authorized to execute proxies within the approved investment policies.

Sec. 2. Investment Policy for Permanent University Fund.--The following statement of policies was adopted by the Board of Regents of The University of Texas System on March 11, 1967, as the governing principles to be observed in the investment of funds and management of assets of the Permanent University Fund of The University of Texas System. This statement of policies was intended to, and did, replace all declarations of policy theretofore adopted by such Board. (Provisions designated * are required by the Sections 11 and 11a, Article VII of the Constitution of the State of Texas).

2.1 Investments Authorized for Purchase.

*2.11 Bonds of the United States, the State of Texas or counties of said State, or in school bonds of municipalities, or in bonds of any city of said State, or in bonds issued under and by virtue of the Federal Farm Loan Act approved by the President of the United States, July 17, 1916, and amendments, thereto.

*2.12 First lien real estate mortgage securities guaranteed in any manner in whole by the United States Government or any agency thereof.

*2.13 Corporation bonds, preferred stocks and common stocks.
2.14 Bonds issued by corporations operated as instrumentalities of the United States Government (which shall be considered as falling within the classification set out in paragraph 2.13 above.)

2.15 Convertible securities, of all kinds, issued by corporations on Approved List "A", provided advance approval is obtained from the Chairman of the Land and Investment Committee, or in the event of his unavailability, the Chairman of the Board, plus any two other members of the Board.

2.2 Standards as to Quality.

2.21 Corporate Stocks:

*2.211 Stocks eligible for purchase shall be restricted to stocks of companies incorporated within the United States which have paid dividends for ten (10) consecutive years or longer immediately prior to the date of purchase.

*2.212 Except for bank and insurance shares, stock must be listed upon an exchange registered with the Securities and Exchange Commission or its successors.

2.213 To be eligible for purchase, preferred and common stocks must be issued by corporations which have been formally approved by the Board of Regents.

2.22 Corporate Bonds: Corporate bonds must be rated "A" or better by Moody's or Standard & Poor's. Bonds offered by private placement, or which for other reasons are not rated by such agencies, may be purchased if they bear a rating of equivalent quality by the University's Investment Counsel.

2.23 FHA Mortgage Loans:

2.231 Loan Standards:

2.2311 The security for the loans shall be single family, owner occupied residences of good design and construction, in good condition, and comparable in value to other homes in the neighborhood.

2.2312 Borrower must have a good credit rating and have adequate income to support the loan.

2.2313 Loans shall be for $10,000 or more and shall be fully insured by the FHA to the maximum extent permitted under the law.

2.2314 Title and hazard insurance policies, written by companies acceptable to the Board of Regents, shall be furnished with respect to each loan purchased. Hazard insurance policies must be written by companies having a Best's rating of A- BBB or better.

2.2315 No loan shall be purchased from any Seller-servicer until a formal contract has been entered into with such Seller-servicer on a form approved by the Board of Regents.
2.232 Minimum standards for Seller-servicers from which FHA loans are purchased:

2.2321 The Seller-servicer must be an approved FHA Mortgagee, and must have satisfactory credit rating, and an unimpaired capital and surplus of at least $250,000.

2.2322 It must have been actively engaged for at least five years in the mortgage loan business, and, except for commercial banks, the mortgage loan business must be its principal business, and must have a capable and experienced organization, together with the necessary equipment to furnish timely accountings on a block basis.

2.2323 It must be servicing at least $25,000,000 of loans, and its clients (other than Federal National Mortgage Association) must include at least three institutional investors, and must have a capability of producing not less than $1,000,000 per year in FHA loans.

2.2324 It must carry a Mortgage Bankers Blanket Bond in an amount not less than $250,000.

2.233 Implementation of FHA Mortgage Loan purchase program: The Executive Director of Investments, Trusts and Lands and/or the Endowment Officer, are each authorized:

2.2331 To recommend the Seller-servicers with which Purchase and Servicing Agreements should be made, and, after approval by the Board of Regents, to execute the Purchase and Servicing Agreements on the approved forms.

2.2332 To perform such acts and execute such documents as may be necessary from time to time in carrying out the provisions of any such Purchase and Servicing Agreement, including authority to accept or reject loans tendered under such agreements, to execute releases of the liens securing any loan or loans when paid in full, and to execute assignments of any notes and liens when appropriate to do so.

2.2333 To take any and all steps as may be considered necessary or advisable to protect the interest of the Permanent University Fund in event of default occurring with respect to any FHA Insured First Mortgage note held by such Fund. Not by way of limitation, but by way of illustration only, such authority shall include power to acquire title on behalf of the Board of Regents to the property securing any such note, by Trustees sale, foreclosure, or otherwise; to execute on behalf
of the Board of Regents the necessary deeds conveying the properties so acquired to the Federal Housing Administration; to handle any properties so acquired pending conveyance to the Federal Housing Administration; and to incur and pay such reasonable expenses as may be necessary in the acquisition and care of any such properties.

2.3 Diversification.
*2.31 Not more than 50% of the Permanent University Fund shall be invested at any given time in corporation bonds, preferred stocks and common stocks (described in paragraphs 2.13 and 2.14 above).
*2.32 The balance of the Fund not invested as provided in paragraph 2.31 above shall be invested in those securities described in paragraphs 2.11 and 2.12.
*2.33 Not more than 5% of the voting stock of any one (1) corporation shall be owned at any given time by the Permanent University Fund.
*2.34 Not more than 1% of the Permanent University Fund shall be invested at any given time in securities issued by any one (1) corporation.

2.35 The percentage limitations set out in paragraphs 2.31 and 2.34 above relate to book values of the Permanent University Fund.

2.4 Standard of Care.
2.41 Prudent Man Rule: In making or retaining each and all investments for the Permanent University Fund, and in the management, purchase and sale of such investments from time to time, there shall be exercised the judgment and care under the circumstances then prevailing which men of ordinary prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital.

2.42 Consistent with the foregoing it is contemplated that:
2.421 Investment of funds in corporate securities shall be reasonably diversified among the various industries operating in our economy, and among the outstanding corporations operating within the respective industry groups.
2.422 Ours is a dynamic and ever-changing economy. Therefore, a proper observance of the Prudent Man Rule requires that changes be made in the diversification of the Fund from time to time as conditions change the earnings outlook or the relative market level for a particular company. Accordingly, in keeping with the duty to be
prudent, purchases and sales of Fund assets shall be made from time to time when circumstances dictate the prudence of doing so.

2.423 With a monthly inflow of funds available for investment, an opportunity is afforded to purchase investments in each month of every year, thus providing the Permanent University Fund with a reasonable dollar cost averaging experience.

2.5 Policies with Respect to Stock Rights, Fractional Shares and Proxies.

2.51 As a general rule, stock rights received are to be exercised. In each instance, exercise or sale of the rights is to be made at the discretion of the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee.

2.52 As a general rule, fractional shares received from stock dividends, etc., are to be sold. In each instance, the decision to round out fractional shares or to sell will be made by the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee.

2.53 With few exceptions, voting stocks held are to be voted by returning proxies to present management. Exceptions require approval of the Board of Regents.

2.6 Implementation of Policies.

2.61 Two approved lists.--Two lists of companies whose stocks are considered suitable for purchase or retention shall, after consultation with the Staff Investment Committee, the Investment Counsel, and the Investment Advisory Committee, be submitted by the Executive Director of Investments, Trusts and Lands for approval by the Board of Regents through the Regents' Land and Investment Committee:

2.611 List "A" shall consist of those companies whose stocks are approved for purchase.

2.612 List "B" shall consist of those companies whose stocks are approved for retention only.

2.62 Recommendations re diversification.--Annually, and at such oftener intervals as may be considered advisable, the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee, the Investment Counsel, and the Investment Advisory Committee (where possible), shall recommend for approval by the Board of Regents through the Regents' Land and Investment Committee:

2.621 The percentage of new monies which shall, during the ensuing period, be invested in fixed income securities and in common stocks.

2.622 The percentage of new common stock monies to be invested in the various industry groups.
The basis approved by the Board of Regents shall be the
guidelines for the Executive Director of Investments,
Trusts and Lands to follow in the investment of funds
until the guidelines are changed by subsequent action
of the Board of Regents.

2.63 Authority re purchase of securities.--Within the revised
policies and in conformance with paragraphs 2.61 and 2.62
above, it shall be the responsibility of the Executive Director
of Investments, Trusts and Lands, after consultation with
the Staff Investment Committee and Investment Counsel:
2.631 To determine the stocks to be purchased from
time to time and the timing of the purchases
made.
2.632 To determine the bonds to be purchased from
time to time and the timing of the purchases
made.
2.633 To execute all purchases of securities.

2.64 Authority re sale of securities.--After consulting with the Staff
Investment Committee and Investment Counsel, the Executive
Director of Investments, Trusts and Lands is authorized:
2.641 To sell stocks from time to time from List "B".
2.642 After obtaining the further approval of the Chairman of
the Land and Investment Committee, or in the event of
his unavailability, the Chairman of the Board, plus any
two other members of the Board, to sell any other secu-
rities and particularly to sell stocks from time to time
from List "A" for the purpose of reinvesting the proceeds
in convertible securities issued by the company whose
stock is sold; and to sell or convert any convertible secu-
rities hereafter acquired.

2.65 Advice of Investment Advisory Committee.--The Executive
Director of Investments, Trusts and Lands shall seek the
advice and counsel of the Investment Advisory Committee
at its regular quarterly meetings on all of the major matters
involving the Permanent University Fund, and particularly
on the matters set out in paragraphs 2.61 and 2.62 above.

2.66 Reports of purchases, sales and exchanges of investments.--
All purchases, sales and exchanges of investments shall
CHAPTER X

AUXILIARY ENTERPRISES

Sec. 1. Auxiliary Enterprises are those operated primarily for service to students and staff. Such enterprises are expected to be self-supporting. Examples of such enterprises are residence halls, dining halls, student hospitals, student unions, bookstores, and any activities supported from fees collected as Student Activities Fees, whether such fees are optional or mandatory.

Sec. 2. Annual budgets for these activities shall be prepared and submitted through regular administrative channels, and expenditures shall be within budgets approved by administrative officials and the Board of Regents. Income of Auxiliary Enterprises is not deposited with the State Treasurer, however, and any balances or deficits at the end of a fiscal year may be reapropriated for the succeeding year.

Sec. 3. With the exception of intercollegiate athletic departments, to which the general and special provisions of the Appropriation Bill do not apply, the same regulations and applicable laws shall govern as apply to the budgeting and expenditure of general funds unless otherwise specifically authorized. The Board of Regents, upon recommendation of appropriate administrative officials, approves the regulations for the management and operation of athletic departments.

Sec. 4. Rentals and related policies and rates for dormitories and housing facilities shall be approved in advance by the Chief Administrative Officer, the Deputy Chancellor, and the Board of Regents.

Sec. 5. Rules and regulations for the administration of dormitories, other housing facilities, dining halls, and other eating facilities, shall be promulgated by administrative officials and the Chief Administrative Officer at the institution concerned.

Sec. 6. The money values of meals, lodging, and other services the employees are authorized to receive in lieu of additional wages or salary, are recommended to the Chief Administrative Officer by the Chief Business Officer and approved by the Deputy Chancellor and the Board of Regents.

Sec. 7. Statutory Provisions Currently in Effect.—Auxiliary Budgets shall comply with statutory provisions and rider provisions of current Appropriation Bill.
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Sec. 5. Rules and regulations for the administration of dormitories, other housing facilities, dining halls, and other eating facilities, shall be promulgated by administrative officials and the institutional head at the institution concerned.

Sec. 6. The money values of meals, lodging, and other services the employees are authorized to receive in lieu of additional wages or salary, are recommended to the institutional head by the chief business officer and approved by the Chancellor and the Board of Regents.

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Sec. 4. Rentals and related policies and rates for dormitories and housing facilities shall be approved in advance by the institutional head, the Chancellor-Elect, the Chancellor, and the Board of Regents.

Sec. 5. Rules and regulations for the administration of dormitories, other housing facilities, dining halls, and other eating facilities, shall be promulgated by administrative officials and the institutional head at the institution concerned.

Sec. 6. The money values of meals, lodging, and other services the employees are authorized to receive in lieu of additional wages or salary, are recommended to the institutional head by the chief business officer and approved by the Chancellor-Elect, the Chancellor, and the Board of Regents.

Sec. 7. Statutory Provisions Currently in Effect. -- Auxiliary Budgets shall comply with statutory provisions and rider provisions of current Appropriation Bill.
CHAPTER X

AUXILIARY ENTERPRISES

Sec. 1. Auxiliary Enterprises are those operated primarily for service to students and staff which are expected to be self-supporting. Examples are residence halls, dining halls, students hospitals, student unions, and bookstores.

Sec. 2. Annual budgets for these activities shall be prepared and submitted through regular administrative channels, and expenditures shall be within budgets approved by administrative officials and the Board of Regents. Income of Auxiliary Enterprises is not deposited with the State Treasurer, however, and any balances or deficits at the end of a fiscal year may be reappropriated for the succeeding year.

Sec. 3. With the exception of intercollegiate athletic departments, to which the general and special provisions of the Appropriation Bill do not apply, the same regulations and applicable laws shall govern as apply to the budgeting and expenditure of general funds unless otherwise specifically authorized. The Board of Regents, upon recommendation of appropriate administrative officials, approves the regulations for the management and operation of athletic departments.

Sec. 4. Rentals and related policies and rates for dormitories and housing facilities shall be approved in advance by the institutional head, the Deputy Chancellor, the Chancellor, and the Board of Regents.

Sec. 5. Rules and regulations for the administration of dormitories, other housing facilities, dining halls, and other eating facilities, shall be promulgated by administrative officials and the institutional head at the institution concerned.

Sec. 6. The money values of meals, lodging, and other services that employees are authorized to receive in lieu of additional wages or salary, are recommended to the institutional head by the chief business officer and approved by the Deputy Chancellor, the Chancellor, and the Board of Regents.

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Sec. 6. The money values of meals, lodging, and other services which employees are authorized to receive in lieu of additional wages or salary, are recommended to the institutional head by the chief business officer and approved by the Chancellor and the Board of Regents.

Sec. 7. Statutory Provisions Currently in Effect. -- Auxiliary Budgets shall comply with statutory provisions and rider provisions of current Appropriation Bill.
Sec. 8. Student Publications, The University of Texas at Austin.

8.1 All assets of the former Texas Student Publications, Inc., now vested in the Board of Regents of The University of Texas System shall be delivered to, and recorded in the accounting records of, The University of Texas at Austin, to be used for the maintenance and support of student publications as an auxiliary enterprise of The University of Texas at Austin. The recording, budgeting and expenditure of these assets will be in accordance with the Rules and Regulations for the management of this type of funds and account.

8.2 The day-to-day operations of student publications on the campus of The University of Texas at Austin are under the control and jurisdiction of a Publishing Board, constituted as hereinafter set out. The Publishing Board shall transact all business connected with student publications on the campus of The University of Texas at Austin, pursuant to these Rules and Regulations.

8.3 The Publishing Board is responsible for the issuance, publication, and distribution of the student publications on the campus of The University of Texas at Austin. Such publications presently consist of The Daily Texan, The Summer Texan, The Texas Ranger Magazine, Cactus, Pereginus, Texas Engineering and Science Magazine, and Riata. The Publishing Board may authorize other publications.

8.4 The Publishing Board shall consist of eleven voting members, composed as follows:

1. Four undergraduate students out of the Journalism Department of The University of Texas at Austin elected (two to be elected in even-numbered years and two to be elected in odd-numbered years after the initial election; at the initial election under these rules all four shall be elected with provision for staggered terms as hereinafter set out) by those students certified by the chairman of such department as being journalism majors. Said election is to be held at least three weeks before the spring government election each year pursuant to the rules established by the Publishing Board. No student shall be eligible to be a candidate for a position on the Publishing Board unless he has completed or will have completed by the end of the spring semester in which the election is held twelve hours of journalism courses; is in good standing (not on scholastic probation); and has completed at least one semester in residence in the long term at The University of Texas at
Austin. The eligibility of a candidate must be certified to by the Chairman of the Department of Journalism prior to the time of said election.

(2) Two undergraduate students elected at large from the student body of The University of Texas at Austin (one to be elected in even-numbered years and one to be elected in odd-numbered years after the initial election; at the first election under these rules both shall be elected with provision for staggered terms as hereinafter set out) at the same time as the editor of The Daily Texan pursuant to Subsection 8.10 of this section. If the President of the Students' Association is not one of the students elected at the election, then the President of the Students' Association shall serve as an ex officio member of the Publishing Board without vote.

(3) Two members of the faculty out of the voting faculty of the Department of Journalism and one member of the faculty out of the voting faculty of the College of Business Administration, all three to be appointed directly by the President of The University of Texas at Austin.

(4) Two professional newspapermen appointed by the President of The University of Texas at Austin.

8.5 Voting members of the Publishing Board shall serve a term of two years beginning June 1 of each calendar year. However, in order to provide staggered terms, the following procedure shall be used concerning the first Publishing Board selected under this section, to take office June 1, 1972.

(1) The four journalism students elected from the Department of Journalism shall draw lots in the presence of a quorum of the Publishing Board to determine which two shall serve initial terms of one year and which two shall serve initial terms of two years.

(2) The two undergraduate students elected at large from the student body of The University of Texas at Austin shall draw lots in the presence of a quorum of the Publishing Board to determine which one shall serve an initial term of one year and which one shall serve an initial term of two years.

(3) The President of The University of Texas at Austin shall appoint one of the faculty out of the Department of Journalism for an initial term of one year, and he shall appoint the other journalism faculty member for an initial term of two years. The President of The University of Texas at Austin
shall appoint the remaining faculty member for an initial term of two years.

(4) The President of The University of Texas at Austin shall appoint one of the professional newspapermen for an initial term of one year, and shall appoint the other professional newspaperman for an initial term of two years.

8.6 Should any voting member or members of the Publishing Board resign, become ineligible, or for any other reason fail to serve, the President of The University of Texas at Austin shall, after consultation with the Publishing Board, select a successor or successors to fill the unexpired term.

8.7 In addition to the aforementioned voting members of the Publishing Board, the following persons shall serve as ex officio, nonvoting members: the Dean of Students or his representative; the Editorial Manager of The Daily Texan; the General Manager of the publications; the Editor and Managing Editor of The Daily Texan; and the student editors of all other publications published by the Publishing Board.

8.8 The number and method of selection of the Publishing Board may be changed only by amendment to these rules.

8.9 The officers of the Publishing Board shall be a President, a Vice President, and a Secretary and such other officers as the Publishing Board may from time to time find necessary to carry on the business of the publications. Officers shall be elected from among the voting members of the Publishing Board at the first meeting after June 1 of each year. Officers' terms shall be for one year, but a person is eligible to serve one additional one-year term.

8.10 At least three weeks prior to the spring student government elections there shall be a student publications election on the campus of The University of Texas at Austin. At such election there shall be elected the Editor of The Daily Texan by the students of The University of Texas at Austin, but voting members of the Board shall appoint the Editor of The Daily Texan in the case of a vacancy. The eligibility of a candidate for Editor of The Daily Texan must be certified to by the Publishing Board on standards set out in their Handbook prior to the time of said election. The Publishing Board shall set out in its Handbook the conditions under which said elections may be held, including length of the campaign. The Editor of The Daily Texan shall serve for a term of
one year beginning June 1. There shall also be elected at this election the two student members of the Publishing Board (one student to be elected each year after the first spring election) as provided in Subsection 8.4(2).

8.11 In the performance of all of its duties and in the exercise of all of its powers the Publishing Board shall be subject to the direction of the Regents' Rules and Regulations. The Publishing Board shall conduct its meetings in strict adherence to Roberts' Rules of Order.

8.12 There shall be an Executive Committee of the Publishing Board to be composed of three faculty members and two journalism students to be elected by the Publishing Board from its membership.

8.13 The Executive Committee shall appoint a General Manager who shall be selected annually during the month of May for the fiscal year beginning September 1. The Executive Committee shall determine the compensation of the General Manager. The duties of the General Manager shall be prescribed by the Executive Committee, subject to basic policies set forth by the Publishing Board. The Editorial Manager(s) will be appointed by the Executive Committee, subject to basic policies set forth by the Publishing Board. The Executive Committee shall determine compensation of the Editorial Manager(s). The Editorial Manager of The Daily Texan shall be authorized to coordinate the activities between The Daily Texan and the Department of Journalism so as to secure the most effective use of the journalism laboratories and classes in the preparation of material for The Daily Texan. The Executive Committee shall fix the compensation of all editorial workers on student publications, subject to the final approval of the Publishing Board. The Executive Committee shall appoint and fill all vacancies for Editor and Managing Editor of every publication, except The Daily Texan, and shall fix their compensation subject to final approval of the Publishing Board at its next regular meeting.

8.14 The Executive Committee is authorized to implement, and is responsible for implementation of, the policies of the Publishing Board between meetings of the Publishing Board.

8.15 A definitive relationship between the Department of Journalism of The University of Texas at Austin and The Daily Texan published by the Publishing Board must exist. Accordingly, the President of The University of Texas at Austin shall promulgate an operating procedure to establish this relationship. The operating procedure may be amended from time to time by mutual agreement between the Department of Journalism, through its chairman, and
the Publishing Board, with the concurrence of the President of The University of Texas at Austin. In the event the Chairman of the Department and the Board of Directors are unable to agree on amendments, the President of The University of Texas at Austin shall make the final decision.

8.16 There shall be established within the Publishing Board a Review Committee which shall be composed of one member of the journalism faculty, one journalism student, and one professional newspaperman. Such members are to be elected by the Publishing Board out of its membership. All appeals on material withheld from publication by the Editorial Manager, or respective publications supervisors, shall be considered by the Review Committee within 24 hours of the action. A decision of the Review Committee may be appealed to the Publishing Board, but seven affirmative votes of the Publishing Board are required to overrule said decision of the Review Committee. In all such matters, the actions of the Publishing Board shall be final and complete without review outside the Publishing Board.

8.17 It shall be the duty of the Publishing Board to furnish on request to the President of The University of Texas at Austin, the Deputy Chancellor of The University of Texas System, and the Board of Regents of The University of Texas System, within two weeks of such request, any special reports requested by such officials.

8.18 At least eighteen copies of the minutes of all meetings of the Publishing Board shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Deputy Chancellor, the Associate Deputy Chancellor for Academic Affairs, the members of the Board of Regents, the Secretary to the Board of Regents, and such members of The University of Texas at Austin administration as the President of The University of Texas at Austin may direct. No action of the Publishing Board shall have any force or effect unless included in the minutes and until it has been approved by the President of The University of Texas at Austin, except actions of the Publishing Board pertaining to decisions of the Review Committee, and except as to actions of the Publishing Board with respect to the appointment, discipline, or removal of editors, which actions need only be reported in the minutes for information, but are not reviewable outside the Publishing Board.

8.19 No budget or budget amendment adopted by the Publishing Board shall have any force or effect until such budget or budget amendment has been approved by the Board of Regents.
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editors, which actions need only be reported in the
minutes for information, but are not reviewable outside
the Publishing Board.

8.19 No budget or budget amendment adopted by the Publishing
Board shall have any force or effect until such budget
or budget amendment has been approved by the Board of
Regents.
8.20 No expenditure shall be made by the Publishing Board unless it is made in accordance with and pursuant to a budget item that has been previously adopted by the Publishing Board and approved by the Board of Regents.

8.21 Within 90 days following the close of each fiscal year, the President of The University of Texas at Austin shall be furnished for distribution to the Chancellor and to the members of the Board of Regents, the Secretary to the Board of Regents, and to such members of The University of Texas at Austin administration as the President of The University of Texas at Austin may direct, at least fifteen copies of a complete audit of the fiscal year.

8.22 All employees, editors, editorial workers, and staff members employed to work on student publications under the control and jurisdiction of the Publishing Board, including all employees of the former corporation known as Texas Student Publications, Inc., holding office or employed as of the effective date of this section of these rules and regulations shall continue in office or employment (unless disciplined or removed from office in accordance with this section) at the same wage rates and under the same terms of their current office or employment (unless changed by the Publishing Board in accordance with this section).

8.23 Subject to Subsection 8.22 of this section, the Publishing Board shall have the authority: (1) to appoint the Managing Editor of The Daily Texan, from among qualified students; (2) to take disciplinary action against the employees, editors, editorial workers, and staff members of student publications, including the removal from office after due notice, for a violation of the policies of the Publishing Board or for nonperformance of duties; such removal shall require a majority vote (action of the Publishing Board in the matter of the appointment, discipline, and removal of editors shall be final and complete); provided, however, that no action taken by the Publishing Board with respect to the employment, dismissal, salary, or duties and responsibilities of either the General Manager or the Editorial Manager(s) shall have any force or effect until it has been approved by the Board of Regents; and (3) to determine the character and policies of all student publications.

8.24 Since all funds utilized in the operations of student publications are under the direct control of an agency of the university, the Publishing Board, the Vice-President for Business Affairs of The University of
Texas at Austin, and the Director of The University of
Texas at Austin Personnel Office shall immediately make
arrangements for assuring that all appropriate personnel
are placed under the budgetary and personnel regulations
applicable to other University of Texas at Austin employees.

8.25 The Publishing Board shall promulgate and implement a
handbook which shall contain the operating policies of the
Publishing Board.

8.26 As an interim measure, to assure the uninterrupted opera­
tion of student publications on the campus of The Univer­
sity of Texas at Austin, the President of The University
of Texas at Austin shall appoint two journalism faculty
members, one college of business administration faculty
member, two professional newspapermen, and six students,
who shall serve only until June 1, 1972, when a Publish­
ing Board selected under procedures set out in this section
will take office. This interim board will arrange for the
election of the Editor of The Daily Texan and Publishing
Board members as required under Subsections 8.4 and 8.10
for the new year of offices beginning June 1, 1972.

Sec. 9. The Texas Union (The University of Texas at Austin)

9.1 It shall be the duty of the Board of Directors of the Texas Union to
administer, subject to all relevant University regulations the affairs
of the Texas Union which is a building provided for the coordination
of beneficial extracurricular activities of students and faculty mem­
bers, for recreational and cultural development, for the promotion
of genuine democracy, for the cultivation of a more responsible
state and national citizenship, and for a more intelligent interest in
and deeper affection for The University of Texas at Austin.

9.2 The Board of Directors of the Texas Union shall consist of nine
voting members: six students and three faculty members. The
Dean of Students, or his delegate, the Secretary to the Board of
Directors, and the Union Director shall be ex officio members
without vote.

9.21 The faculty members shall be appointed by the President for
three-year overlapping terms, one to be appointed each year.
The first appointment is to be made effective September 1, 1969.
Sec. 8. Texas Student Publications, Inc.

8.1 At least eighteen copies of the minutes of all meetings of the Board of Directors of Texas Student Publications, Inc., shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, the Vice-Chancellor for Academic Affairs, the members of the Board of Regents, the Secretary to the Board of Regents, and such members of the U. T. Austin administration as the President of The University of Texas at Austin may direct. No action of the Board of Directors of Texas Student Publications, Inc., shall have any force or effect until it has been approved by the Board of Regents.

8.2 No budget or budget amendment adopted by the Board of Directors of Texas Student Publications, Inc., shall have any force and effect until such budget or budget amendment has been approved by the Board of Regents.

8.3 No expenditure shall be made by Texas Student Publications, Inc., unless it is made in accordance with and pursuant to a budget item which has been previously adopted by the Board of Directors of Texas Student Publications, Inc., and approved by the Board of Regents.

8.4 Within ninety days following the close of each fiscal year of Texas Student Publications, Inc., there shall be furnished to the Chancellor for distribution to the members of the Board of Regents, the Secretary to the Board of Regents, and to such members of the administration as the Chancellor may direct, at least fifteen copies of a complete audit of the fiscal year, prepared by a certified public accountant selected by the Board of Directors of Texas Student Publications, Inc.

8.5 All persons employed on salary by Texas Student Publications, Inc., shall be subject to approval by the Board of Regents, both as to salary and as to qualification; provided, however, that the Executive Committee of the Board of Directors of Texas Student Publications, Inc., shall appoint and make awards to all members of the editorial staffs of the publications except the Editor and Managing Editor of The Daily Texan, the Editor of the Cactus, the Editor of the Ranger, the Editor of the Riata, and the Editor of Texas Engineering and Science Magazine, so long as such appointments and awards are made consistent with budgets previously approved by the Board of Regents and provided further that no action taken by the Board of Directors of Texas Student Publications,
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8.2 No budget or budget amendment adopted by the Board of Directors of Texas Student Publications, Inc., shall have any force and effect until such budget or budget amendment has been approved by the Board of Regents.

8.3 No expenditure shall be made by Texas Student Publications, Inc., unless it is made in accordance with and pursuant to a budget item which has been previously adopted by the Board of Directors of Texas Student Publications, Inc., and approved by the Board of Regents.

8.4 Within ninety days following the close of each fiscal year of Texas Student Publications, Inc., there shall be furnished to the Chancellor for distribution to the members of the Board of Regents, the Secretary to the Board of Regents, and to such members of the administration as the Chancellor-Elect or the Chancellor may direct, at least fifteen copies of a complete audit of the fiscal year, prepared by a certified public accountant selected by the Board of Directors of Texas Student Publications, Inc.

8.5 All persons employed on salary by Texas Student Publications, Inc., shall be subject to approval by the Board of Regents, both as to salary and as to qualification; provided, however, that the Executive Committee of the Board of Directors of Texas Student Publications, Inc., shall appoint and make awards to all members of the editorial staffs of the publications except the Editor and Managing Editor of The Daily Texan, the Editor of the Cactus, the Editor of the Ranger, the Editor of the Riata, and the Editor of Texas Engineering and Science Magazine, so long as such appointments and awards are made consistent with budgets previously approved by the Board of Regents and provided further that no action taken by the Board of Directors of Texas Student Publications,
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8.2 No budget or budget amendment adopted by the Board of Directors of Texas Student Publications, Inc., shall have any force and effect until such budget or budget amendment has been approved by the Board of Regents.

8.3 No expenditure shall be made by Texas Student Publications, Inc., unless it is made in accordance with and pursuant to a budget item which has been previously adopted by the Board of Directors of Texas Student Publications, Inc., and approved by the Board of Regents.

8.4 Within ninety days following the close of each fiscal year of Texas Student Publications, Inc., there shall be furnished to the Chancellor for distribution to the members of the Board of Regents, the Secretary to the Board of Regents, and to such members of the administration as the Deputy Chancellor or the Chancellor may direct, at least fifteen copies of a complete audit of the fiscal affairs of Texas Student Publications, Inc., during the preceding fiscal year, prepared by a certified public accountant selected by the Board of Directors of Texas Student Publications, Inc.

8.5 All persons employed on salary by Texas Student Publications, Inc., shall be subject to approval by the Board of Regents, both as to salary and as to qualification; provided, however, that the Executive Committee of the Board of Directors of Texas Student Publications, Inc., shall appoint and make awards to all members of the editorial staffs of the publications except the Editor and Managing Editor of The Daily Texan, the Editor of the Cactus, the Editor of the Ranger, the Editor of the Riata, and the Editor of Texas Engineering and Science Magazine, so long as such appointments and awards are made consistent with budgets previously approved by the Board of Regents and provided further that no action taken by the Board of Directors of Texas Student Publications,
Sec. 8. Texas Student Publications, Inc.

8.1 At least fifteen copies of the minutes of all meetings of the Board of Directors of Texas Student Publications, Inc., shall be delivered promptly to the Chancellor for distribution to the Members of the Board of Regents, to the Secretary of the Board of Regents, and to such members of the administration as the Chancellor may direct. No action of the Board of Directors of Texas Student Publications, Inc., shall have any force or effect until it has been approved by the Board of Regents.

8.2 No budget or budget amendment adopted by the Board of Directors of Texas Student Publications, Inc., shall have any force and effect until such budget or budget amendment has been approved by the Board of Regents.

8.3 No expenditure shall be made by Texas Student Publications, Inc., unless it is made in accordance with and pursuant to a budget item which has been previously adopted by the Board of Directors of Texas Student Publications, Inc., and approved by the Board of Regents.

8.4 Within ninety days following the close of each fiscal year of Texas Student Publications, Inc., there shall be furnished to the Chancellor for distribution to the Members of the Board of Regents, the Secretary of the Board of Regents, and to such members of the administration as the Chancellor may direct, at least fifteen copies of a complete audit of the fiscal affairs of Texas Student Publications, Inc., during the preceding fiscal year, prepared by a certified public accountant selected by the Board of Directors of Texas Student Publications, Inc.

8.5 All persons employed on salary by Texas Student Publications, Inc., shall be subject to approval by the Board of Regents, both as to salary and as to qualification; provided, however, that the Executive Committee of the Board of Directors of Texas Student Publications, Inc., shall appoint and make awards to all members of the editorial staffs of the publications except the Editor and Managing Editor of The Daily Texan, the Editor of the Cactus, the Editor of the Ranger, the Editor of the Riata, and the Editor of Texas Engineering and Science Magazine, so long as such appointments and awards are made consistent with budgets previously approved by the Board of Regents and provided further that no action taken by the Board of Directors of Texas Student Publications,
The Texas Union (The University of Texas at Austin)

9.1 Subject to all relevant provisions of the Rules and Regulations of the Board of Regents and the rules and regulations of The University of Texas at Austin, the Board of Directors of the Texas Union shall recommend to the President of The University of Texas at Austin rules, regulations, and procedures regarding the operation and use of the Texas Union, shall review the Texas Union Budget, shall advise the President in the appointment of the Union Director and shall be involved in the future development of the Texas Union. The Texas Union is designed to provide facilities, services and programs for the students, faculty and staff of The University of Texas at Austin, including the coordination of beneficial co-curricular activities of students and faculty members, programs for intellectual, social, cultural and recreational development, for the promotion of genuine democracy, for the cultivation of a more intelligent interest in and deeper affection for The University of Texas at Austin.

9.2 The Board of Directors of the Texas Union shall consist of nine voting members: Six students and three faculty members. The Dean of Students, or his/her delegate, the Secretary of the Board of Directors, and the Union Director shall be ex officio members without vote.

As Amended on July 25, 1975

Texas at Austin, and the Director of The University of Texas at Austin Personnel Office shall immediately make arrangements for assuring that all appropriate personnel are placed under the budgetary and personnel regulations applicable to other University of Texas at Austin employees.

8.25 The Publishing Board shall promulgate and implement a handbook which shall contain the operating policies of the Publishing Board.

8.26 As an interim measure, to assure the uninterrupted operation of student publications on the campus of The University of Texas at Austin, the President of The University of Texas at Austin shall appoint two journalism faculty members, one college of business administration faculty member, two professional newspapermen, and six students, who shall serve only until June 1, 1972, when a Publishing Board selected under procedures set out in this section will take office. This interim board will arrange for the election of the Editor of The Daily Texan and Publishing Board members as required under Subsections 8.4 and 8.10 for the new year of offices beginning June 1, 1972.
Inc. with respect to the employment, dismissal, salary, or duties and responsibilities of either the TSP General Manager or the Editorial Manager of The Daily Texan shall have any force or effect until it has been approved by the Board of Regents.

8.6 In order to minimize sharply rising publishing costs, outside the campus of The University of Texas at Austin no copy or copies of any issue of The Daily Texan shall be given, delivered, or in anywise made available to any person other than one copy for each paid subscription, no more than three copies to each advertiser in the issue in question, and one copy for each purchase price paid for an individual copy of the issue in question; provided, however, that The Summer Texan shall be permitted to furnish one edition free of charge to persons who indicate that they intend to enter The University of Texas at Austin as freshmen the following September. No individual copies shall be sold at less than the published price of such issue and in no event shall any individual copies be sold at a price less than five cents each.

8.7 Any amendment to the Handbook of Texas Student Publications, Inc., may be made by a majority vote of the Board of Directors of Texas Student Publications, Inc., subject to the laws of the Students' Association, the Charter of Texas Student Publications, Inc., and the approval of the Board of Regents.

Sec. 9. The Texas Union (The University of Texas at Austin)

9.1 It shall be the duty of the Board of Directors of the Texas Union to administer, subject to all relevant University regulations the affairs of the Texas Union which is a building provided for the coordination of beneficial extracurricular activities of students and faculty members, for recreational and cultural development, for the promotion of genuine democracy, for the cultivation of a more responsible state and national citizenship, and for a more intelligent interest in and deeper affection for The University of Texas at Austin.

9.2 The Board of Directors of the Texas Union shall consist of nine voting members: six students and three faculty members. The Dean of Students, or his delegate, the Secretary to the Board of Directors, and the Union Director shall be ex officio members without vote.

9.21 The faculty members shall be appointed by the President for three-year overlapping terms, one to be appointed each year. The first appointment is to be made effective September 1, 1969.
Inc. with respect to the employment, dismissal, salary, or duties and responsibilities of either the TSP General Manager or the Editorial Manager of The Daily Texan shall have any force or effect until it has been approved by the Board of Regents.

8.6 In order to minimize sharply rising publishing costs, outside the campus of The University of Texas at Austin no copy or copies of any issue of The Daily Texan shall be given, delivered, or in anywise made available to any person or persons other than one copy for each paid subscription, no more than three copies to each advertiser in the issue in question, and one copy for each purchase price paid for an individual copy of the issue in question; provided, however, that The Summer Texan shall be permitted to furnish one edition free of charge to persons who indicate that they intend to enter The University of Texas at Austin as freshmen the following September. No individual copies shall be sold at less than the published price of such issue and in no event shall any individual copies be sold at a price less than five cents each.

8.7 Any amendment to the Handbook of Texas Student Publications, Inc., may be made by a majority vote of the Board of Directors of Texas Student Publications, Inc., subject to the laws of the Students' Association, the Charter of Texas Student Publications, Inc., and the approval of the Board of Regents.

Sec. 9. The Texas Union (The University of Texas at Austin)

9.1 It shall be the duty of the Board of Directors of the Texas Union to administer, subject to all relevant University regulations the affairs of the Texas Union which is a building provided for the coordination of beneficial extracurricular activities of students and faculty members, for recreational and cultural development, for the promotion of genuine democracy, for the cultivation of a more responsible state and national citizenship, and for a more intelligent interest in and deeper affection for The University of Texas at Austin.

9.2 The Board of Directors of the Texas Union shall consist of five voting members: four students and one faculty member. The Vice-President for Student Affairs, or his delegate, the Secretary to the Board of Directors, and the Union Director, shall be ex officio members without vote.

9.21 The faculty member shall be a member of the general faculty who teaches at least two-thirds time and who is elected by the general faculty to serve for a period of two years beginning on June 1st after his election.
Sec. The Texas Union (The University of Texas at Austin)

9.1 It shall be the duty of the Board of Directors of the Texas Union to administer, subject to all relevant University regulations and to the jurisdiction of the General Faculty, the President, the Chancellor, and the Board of Regents, the affairs of the Texas Union, which is a building provided for the coordination of beneficial extracurricular activities of students and faculty members, for recreational and cultural development, for the promotion of genuine democracy, for the cultivation of a more responsible state and national citizen­ship, and for a more intelligent interest in and deeper affection for The University of Texas at Austin.

9.2 The Board of Directors of the Texas Union shall consist of five voting members: four students and one faculty member. The Vice-President for Student Affairs, or his delegate, the Secretary to the Board of Directors, and the Union Director, shall be ex officio members without vote.

9.21 The faculty member shall be a member of the general faculty who teaches at least two-thirds time and who is elected by the general faculty to serve for a period of two years beginning on June 1st after his election.

Inc. with respect to the employment, dismissal, salary, or duties and responsibilities of either the TSP General Manager or the Editorial Manager of The Daily Texan shall have any force or effect until it has been approved by the Board of Regents.

8.6 In order to minimize sharply rising publishing costs, outside the campus of The University of Texas at Austin no copy or copies of any issue of The Daily Texan shall be given, delivered, or in anywise made available to any person or persons other than one copy for each paid subscription, no more than three copies to each advertiser in the issue in question, and one copy for each purchase price paid for an individual copy of the issue in question; provided, however, that The Summer Texan shall be permitted to furnish one edition free of charge to persons who indicate that they intend to enter The University of Texas at Austin as freshmen the following September. No individual copies shall be sold at less than the published price of such issue and in no event shall any individual copies be sold at a price less than five cents each.

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9.21 The faculty members shall be appointed by the President for three-year overlapping terms, one to be appointed each year. New faculty member appointments shall become effective on May first of each year.

9.22 The six student members of the Board shall be as follows: The President of the Students' Association, the Coordinator of the Texas Union Program Council, and four other students to be appointed for two-year overlapping terms. The four non-ex officio student members shall be registered for at least six semester hours during each long session semester of service and shall be selected as follows: A public announcement of Union Board vacancies shall be published in THE DAILY TEXAN and an interview process shall be conducted by the Executive Officers of the Students' Association, or by the appropriate committee of the Students' Association. Appointments shall be ratified by a 2/3 vote of the Student Senate. New student appointments shall become effective on May first of each year.

9.3 The officers of the Board of Directors of the Texas Union shall be as follows: Chairman; Vice-Chairman; Secretary; and Union Director. The Chairman shall be elected each year from the student membership of the Board of Directors by the voting members of the Board. In order to qualify for election as Chairman, a student shall have at least one year's experience on either the Texas Union Program Council or the Board of Directors. The Vice-Chairman shall be the President of the Students' Association, and the Secretary and the Union Director shall be elected by the voting members of the Board of Directors. The officers of the Board of Directors shall perform the usual duties of their respective offices.

9.31 The Chairman shall be elected each year to serve a term to extend from the first official Board meeting of the Fall Semester until May 15th.

9.32 An Interim Chairman shall be elected each year to serve a term from May 15th until the first official Board meeting of the following Fall Semester. The Interim Chairman shall have the same qualifications as the Chairman.
9.22 The student members shall be as follows: President of the Students' Association, President of the Texas Union Council, and four others to be selected on a basis to be determined by the Student Assembly for two-year terms.

9.3 The officers of the Board of Directors of the Texas Union shall be as follows: Chairman; Vice-Chairman; Secretary; and Union Director. The Chairman shall be elected each year from the student membership of the Board of Directors by the voting members of the Board. In order to qualify for election as Chairman, a student shall have at least one year's experience on either the Texas Union Program Council or the Board of Directors. The Vice-Chairman shall be the President of the Students' Association, and the Secretary and the Union Director shall be elected by the voting members of the Board of Directors. The officers of the Board of Directors shall perform the usual duties of their respective offices.

9.4 The Board of Directors may, at its discretion, authorize any three voting members of the Board to serve as an executive committee acting for the Board of Directors between meetings, but only during the period from June 1st until the first day of registration for the fall semester. All actions taken by the Executive Committee are subject to later ratification by the Board of Directors.

9.5 At least eighteen copies of the minutes of all meetings of the Board of Directors and the Executive Committee shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, the Vice-Chancellor for Academic Affairs, the members of the Board of Regents, the Secretary to the Board of Regents, and such other members of the U. T. Austin administration as the President of The University of Texas at Austin may direct. No budget or budget amendment adopted by the Board of Directors of the Texas Union, or of any committee or subcommittee of such Board, shall have any force or effect until such budget or budget amendment has been approved by the Board of Regents.

9.6 No expenditure shall be made by the Board of Directors of the Texas Union, unless it is made in accordance with and pursuant to a budget item which has previously been adopted by the Board of Directors of the Texas Union and approved by the Board of Regents.
9.22 The student members shall be as follows: President of the Students' Association, President of the Texas Union Council, and four others to be selected on a basis to be determined by the Student Assembly for two-year terms.

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9.4 The Board of Directors may, at its discretion, authorize any three voting members of the Board to serve as an executive committee acting for the Board of Directors between meetings, but only during the period from June 1st until the first day of registration for the fall semester. All actions taken by the Executive Committee are subject to later ratification by the Board of Directors.

9.5 At least fifteen copies of the minutes of all meetings of the Board of Directors and the Executive Committee shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, to the members of the Board of Regents, to the Secretary to the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct. No budget or budget amendment adopted by the Board of Directors of the Texas Union, or of any committee or subcommittee of such Board, shall have any force or effect until such budget or budget amendment has been approved by the Board of Regents.

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9.4 The Board of Directors may, at its discretion, authorize any three voting members of the Board to serve as an executive committee acting for the Board of Directors between meetings, but only during the period from June 1st until the first day of registration for the fall semester. All actions taken by the Executive Committee are subject to later ratification by the Board of Directors.

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9.22 The student members shall be as follows: President of the Students' Association, ex officio; President of the Union Council, ex officio; and two students who shall be elected by the Student Assembly from its membership. These two students shall be elected to two year terms beginning with their election at the first meeting of the Student Assembly after the annual Fall general election. They shall serve staggered terms, with one such student being elected each year. If a student is elected during his term as an assemblyman, he shall be eligible to serve his full two year term as a director even though he ceases to be an assemblyman before his term as a director expires.

9.3 The officers of the Board of Directors of the Texas Union shall be as follows: Chairman: President of the Union Council; Vice-Chairman: President of the Students' Association; Secretary, and Union Director. The Secretary and the Union Director shall be elected by the voting members of the Board of Directors. The officers of the Board of Directors shall perform the usual duties of their respective offices.

9.4 The Board of Directors may, at its discretion, authorize any three voting members of the Board to serve as an executive committee acting for the Board of Directors between meetings, but only during the period from June 1st until the first day of registration for the fall semester. All actions taken by the Executive Committee are subject to later ratification by the Board of Directors.

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9.6 No expenditure shall be made by the Board of Directors of the Texas Union, unless it is made in accordance with and pursuant to a budget item which has previously been adopted by the Board of Directors of the Texas Union and approved by the Board of Regents.
9.22 The student members shall be as follows: President of the Students' Association, ex officio; President of the Union Council, ex officio; and two students who shall be elected by the Student Assembly from its membership. These two students shall serve for one year beginning with their election at the first meeting of the Student Assembly after the annual Fall general election. Insofar as practicable, the student members must have at least junior standing while serving as Directors.

9.3 The officers of the Board of Directors of the Texas Union shall be as follows: Chairman: President of the Union Council; Vice-Chairman: President of the Students' Association; Secretary, and Union Director. The Secretary and the Union Director shall be elected by the voting members of the Board of Directors. The officers of the Board of Directors shall perform the usual duties of their respective offices.

9.4 The Board of Directors may, at its discretion, authorize any three voting members of the Board to serve as an executive committee acting for the Board of Directors between meetings, but only during the period from June 1st until the first day of registration for the fall semester. All actions taken by the Executive Committee are subject to later ratification by the Board of Directors.

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9.5 At least two copies of the minutes of all meetings of the Board of Directors and the Executive Committee shall be delivered promptly to the President of The University of Texas at Austin. No budget or budget amendment adopted by the Board of Directors of the Texas Union, or of any committee or subcommittee of such Board, shall have any force or effect until such budget or budget amendment has been approved by the Board of Regents.

9.6 No expenditure shall be made by the Board of Directors of the Texas Union, unless it is made in accordance with and pursuant to a budget item which has previously been adopted by the Board of Directors of the Texas Union and approved by the Board of Regents.
9.4 The Board of Directors may, at its discretion, authorize any three voting members of the Board to serve as an executive committee acting for the Board of Directors between meetings, but only during the period from May 15th until the first day of registration for the fall semester, or during official UT semester break or holiday periods. All actions taken by the Executive Committee are subject to later ratification by the Board of Directors.

9.5 At least two copies of the minutes of all meetings of the Board of Directors and the Executive Committee shall be delivered promptly to the President of The University of Texas at Austin. No budget or budget amendment adopted by the Board of Directors of the Texas Union, or of any committee or subcommittee of such Board, shall have any force or effect until such budget or budget amendment has been approved by the Board of Regents.

9.6 No expenditure shall be made by the Board of Directors of the Texas Union, unless it is made in accordance with and pursuant to a budget item which has previously been adopted by the Board of Directors of the Texas Union and approved by the Board of Regents.

9.7 Within ninety days following the close of each fiscal year of the Texas Union, there shall be furnished to the President of The University of Texas at Austin for distribution to the Deputy Chancellor, to the members of the Board of Regents, to the Secretary to the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct, at least 15 copies of a complete audit of the fiscal affairs of the Texas Union during the preceding fiscal year.

9.8 The Board of Directors of the Texas Union shall meet at least once a month during each Long Session, setting its own date for meetings, formulating its own rules of procedure, setting up and appointing such committees as it may deem necessary and desirable for the proper use of the facilities of the Union Building, and exercising all powers not specifically assigned herein.
9.7 Within ninety days following the close of each fiscal year of the Texas Union, there shall be furnished to the President of The University of Texas at Austin for distribution to the Chancellor, to the members of the Board of Regents, to the Secretary to the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct, at least 15 copies of a complete audit of the fiscal affairs of the Texas Union during the preceding fiscal year.

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9.9 The Union Director shall serve as chief executive official in the Union Building. The Board of Directors of the Texas Union shall recommend annually on June 1 through the President of The University of Texas at Austin to the Chancellor and the Board of Regents the appointment of the Union Director. His term of service shall extend from September 1 through the following August 31. The Union Director shall have the responsibility for the day-to-day operation of the Union Building and its program of activities. He shall be charged with coordinating the various functions of the Building and the interests of the various groups served by the Building. The Union Director shall recommend for appointment, and with the approval of the Board of Directors of the Texas Union, shall employ all subordinate employees. He shall supervise and direct their work. The Union Director shall be a member of all committees without vote. On May 1 annually he shall make a complete report to the Board of Directors of the Texas Union covering the activities in the Union Building. The report shall be transmitted through the President of The University of Texas at Austin to the Chancellor, to the Board of Regents, to the Secretary to the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct. The Union Director shall perform such additional services as may be required by the Board of Directors and approved by the Board of Regents.

9.10 While various parts and facilities of the Union Building are reserved primarily for the general use of students and faculty, provision is made by extending the use of portions of the Building to special groups for their exclusive use when this can be done in such manner as not to interfere with the regular program of the Union, and in such cases a rental price may be charged. However, when persons,
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9.6 No expenditure shall be made by the Board of Directors of the Texas Union, unless it is made in accordance with and pursuant to a budget item which has previously been adopted by the Board of Directors of the Texas Union and approved by the Board of Regents.

9.7 Within ninety days following the close of each fiscal year of the Texas Union, there shall be furnished to the President of The University of Texas at Austin for distribution to the Chancellor, to the members of the Board of Regents, to the Secretary to the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct, at least 15 copies of a complete audit of the fiscal affairs of the Texas Union during the preceding fiscal year.

9.8 The Board of Directors of the Texas Union shall meet at least once a month during each Long Session, setting its own date for meetings, formulating its own rules of procedure, setting up and appointing such committees as it may deem necessary and desirable for the proper use of the facilities of the Union Building, and exercising all powers not specifically assigned herein, all subject to the approval of the Board of Regents.

9.9 The Union Director shall serve as chief executive official in the Union Building. The Board of Directors of the Texas Union shall recommend annually on June 1 through the President of The University of Texas at Austin to the Chancellor and the Board of Regents the appointment of the Union Director. His term of service shall extend from September 1 through the following August 31. The Union Director shall have responsibility for the day-to-day operation of the Union Building and its program of activities. He shall be charged with coordinating the various functions of the Building and the interests of the various groups served by the Building. The Union Director shall recommend for appointment and, with the approval of the Board of Directors of the Texas Union, shall employ all subordinate employees. He shall supervise and direct their work. The Union Director shall be a member of all committees without vote. On May 1 annually he shall make a complete report to the Board of Directors of the Texas Union covering the activities in the Union Building. The report shall be transmitted through the President of The University of Texas at Austin to the Chancellor, to the Board of Regents, to the Secretary to the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct. The Union Director shall perform such additional services as may be required by the Board of Directors and approved by the Board of Regents.
9.9 The Union Director shall serve as chief executive official in the Union Building. The Board of Directors of the Texas Union shall recommend annually on June 1 through the President of The University of Texas at Austin to the Deputy Chancellor and the Board of Regents the appointment of the Union Director. His term of service shall extend from September 1 through the following August 31. The Union Director shall have the responsibility for the day-to-day operation of the Union Building and its programs or activities. He shall be charged with coordinating the various functions of the Building and the interests of the various groups served by the Building. The Union Director shall consult with the Texas Union Board of Directors regarding the appointment of appropriate staff members. He shall employ, supervise, and direct the work of all subordinate employees. The Union Director shall be a member of all committees without vote. On May 1 annually he shall make a complete report to the Board of Directors of the Texas Union covering the activities in the Union Building. The report shall be transmitted through the President of The University of Texas at Austin to the Deputy Chancellor, to the Board of Regents, to the Secretary to the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct. The Union Director shall perform such additional services as may be required by the Board of Directors and approved by the Board of Regents.

9.10 While various parts and facilities of the Union Building are reserved primarily for the general use of students and faculty, provision is made by extending the use of portions of the Building to special groups for their exclusive use when this can be done in such manner as not to interfere with the regular program of the Union, and in such cases a rental price may be charged. However, when persons, groups, or organizations officially designated by the President of The University of Texas at Austin, by the Deputy Chancellor, or by the Board of Regents as guests of the University desire to use the facilities of the Union, such privilege shall be granted and shall be granted without cost to the guest group. It is understood, of course, that all requests for the use of the facilities of the Union shall be subject to the principle that prior reservations will be respected, and for that reason requests for the use of the Building or any part of it should be made as early as possible.
groups, or organizations officially designated by the President of The University of Texas at Austin, by the Deputy Chancellor, or by the Board of Regents as guests of the University desire to use the facilities of the Union, such privilege shall be granted and shall be granted without cost to the guest group. It is understood, of course, that all requests for the use of the facilities of the Union shall be subject to the principle that prior reservations will be respected, and for that reason requests for the use of the Building or any part of it should be made as early as possible.

9.11 Notwithstanding any other provision of this section, every action of the Board of Directors of the Texas Union, and every action of any committee or subcommittee of such board, shall be reviewed by the President of The University of Texas at Austin and the President of The University of Texas at Austin may approve, reverse, or modify each such action. After reviewing the minutes of the Board of Directors, the President of The University of Texas at Austin shall deliver to the Deputy Chancellor two copies of such minutes and a copy of the action, if any, taken by the President with regard to the approval, modification, or reversal of any action of the Board of Directors. Nothing in this section shall be deemed to limit or restrict the authority of the Board of Regents.

Sec. 10. Athletics Council (The University of Texas at Austin)

10.1 At least two copies of the minutes of all meetings of the Athletics Council at The University of Texas at Austin shall be delivered promptly to the President of The University of Texas at Austin. No budget or budget amendment adopted by the Athletics Council, or of any committee or subcommittee of such Council, shall have any force or effect until such budget or budget amendment has been approved by the Board of Regents.

10.2 The President of The University of Texas at Austin shall review the minutes of all meetings of the Athletics Council and may subsequently approve, reverse, or modify any action therein. After reviewing the minutes of a meeting of the Athletics Council, the President of The University of Texas at Austin shall deliver to the Chancellor two copies of such minutes and a copy of the action, if any, taken by the President with regard to the approval, modification, or reversal of any action of the Athletics Council. Nothing in this section shall be deemed to limit or restrict the authority of the Board of Regents.
groups, or organizations officially designated by the President of The University of Texas at Austin, by the Chancellor, or by the Board of Regents as guests of the University desire to use the facilities of the Union, such privilege shall be granted and shall be granted without cost to the guest group. It is understood, of course, that all requests for the use of the facilities of the Union shall be subject to the principle that prior reservations will be respected, and for that reason requests for the use of the Building or any part of it should be made as early as possible.

9.11 Notwithstanding any other provision of this section, every action of the Board of Directors of the Texas Union, and every action of any committee or subcommittee of such board, shall be reviewed by the President of The University of Texas at Austin and the President of The University of Texas at Austin may approve, reverse, or modify each such action. After reviewing the minutes of the Board of Directors, the President of The University of Texas at Austin shall deliver to the Chancellor two copies of such minutes and a copy of the action, if any, taken by the President with regard to the approval, modification, or reversal of any action of the Board of Directors. Nothing in this section shall be deemed to limit or restrict the authority of the Board of Regents.

Sec. 10. Athletics Council (The University of Texas at Austin)

10.1 At least two copies of the minutes of all meetings of the Athletics Council at The University of Texas at Austin shall be delivered promptly to the President of The University of Texas at Austin. No budget or budget amendment adopted by the Athletics Council, or of any committee or subcommittee of such Council, shall have any force or effect until such budget or budget amendment has been approved by the Board of Regents.

10.2 The President of The University of Texas at Austin shall review the minutes of all meetings of the Athletics Council and may subsequently approve, reverse, or modify any action therein. After reviewing the minutes of a meeting of the Athletics Council, the President of The University of Texas at Austin shall deliver to the Chancellor two copies of such minutes and a copy of the action, if any, taken by the President with regard to the approval, modification, or reversal of any action of the Athletics Council. Nothing in this section shall be deemed to limit or restrict the authority of the Board of Regents.
groups, or organizations officially designated by the President of The University of Texas at Austin, by the Chancellor, or by the Board of Regents as guests of the University desire to use the facilities of the Union, such privilege shall be granted and shall be granted without cost to the guest group. It is understood, of course, that all requests for the use of the facilities of the Union shall be subject to the principle that prior reservations will be respected, and for that reason requests for the use of the Building or any part of it should be made as early as possible.

9.11 Notwithstanding any other provision of this section, every action of the Board of Directors of the Texas Union, and every action of any committee or subcommittee of such board, shall be reviewed by the Board of Regents, and the Board of Regents may approve, reverse, or modify each such action.

Sec. 10. Athletics Council (The University of Texas at Austin)

10.1 At least eighteen copies of the minutes of all meetings of the Athletics Council at The University of Texas at Austin shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, the Vice-Chancellor for Academic Affairs, the members of the Board of Regents, the Secretary to the Board of Regents, and such other members of the U. T. Austin administration as the President of The University of Texas at Austin may direct.

10.2 The Board of Regents may subsequently approve, reverse, or modify any action therein. The minutes shall be submitted for this review and for the Board's consideration through the Executive Committee which shall refer all items relating to policy to the Committee of the Whole and all items relating to buildings to the Buildings and Grounds Committee.

Sec. 11. Employment of Attorney by Students' Association or other agency of Student Government

11.1 Any attorney retained in any manner by a Students' Association or other agency of student government at any component institution of The University of Texas System shall not act as counsel of record nor represent any student, faculty member, or staff member, or any group or combination of students, faculty members, or staff members, or System Administration or any component institution of The University of Texas System:
groups, or organizations officially designated by the President of The University of Texas at Austin, by the Chancellor, or by the Board of Regents as guests of the University desire to use the facilities of the Union, such privilege shall be granted and shall be granted without cost to the guest group. It is understood, of course, that all requests for the use of the facilities of the Union shall be subject to the principle that prior reservations will be respected, and for that reason requests for the use of the Building or any part of it should be made as early as possible.

9.11 Notwithstanding any other provision of this section, every action of the Board of Directors of the Texas Union, and every action of any committee or subcommittee of such board, shall be reviewed by the Board of Regents, and the Board of Regents may approve, reverse, or modify each such action.

Sec. 10. Athletics Council (The University of Texas at Austin)

10.1 At least eighteen copies of the minutes of all meetings of the Athletics Council at The University of Texas at Austin shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, the Vice-Chancellor for Academic Affairs, the members of the Board of Regents, the Secretary to the Board of Regents, and such other members of the U. T. Austin administration as the President of The University of Texas at Austin may direct.

10.2 The Board of Regents may subsequently approve, reverse, or modify any action therein. The minutes shall be submitted for this review and for the Board's consideration through the Executive Committee which shall refer all items relating to policy to the Committee of the Whole and all items relating to buildings to the Buildings and Grounds Committee.

Sec. 11. The Students' Association (The University of Texas at Austin)

11.1 Any attorney employed in whole or in part by the Students' Association of The University of Texas at Austin shall not act as counsel of record nor represent any student, faculty member, or staff member of the Central Administration or any component institution of The University of Texas System:

11.11 At any stage of any administrative proceeding, including any disciplinary proceeding, brought by or on behalf of the Board...
or organizations officially designated by the President of The University of Texas at Austin, by the Chancellor, by the Chancellor-Elect, or by the Board of Regents as guests of the University desire to use the facilities of the Union, such privilege shall be granted and shall be granted without cost to the guest group. It is understood, of course, that all requests for the use of the facilities of the Union shall be subject to the principle that prior reservations will be respected, and for that reason requests for the use of the Building or any part of it should be made as early as possible.

9.11 Notwithstanding any other provision of this section, every action of the Board of Directors of the Texas Union, and every action of any committee or subcommittee of such board, shall be reviewed by the Board of Regents, and the Board of Regents may approve, reverse, or modify each such action.

Sec. 10. Athletics Council (The University of Texas at Austin)

10.1 At least eighteen copies of the minutes of all meetings of the Athletics Council at The University of Texas at Austin shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, the Chancellor-Elect, the Vice-Chancellor for Academic Affairs, the members of the Board of Regents, the Secretary to the Board of Regents, and such other members of the U.T. Austin administration as the President of The University of Texas at Austin may direct.

10.2 The Board of Regents may subsequently approve, reverse, or modify any action therein. The minutes shall be submitted for this review and for the Board's consideration through the Executive Committee which shall refer all items relating to policy to the Committee of the Whole and all items relating to buildings to the Buildings and Grounds Committee.

Sec. 11. The Students' Association (The University of Texas at Austin)

11.1 Any attorney employed in whole or in part by the Students' Association of The University of Texas at Austin shall not act as counsel of record nor represent any student, faculty member, or staff member of the Central Administration or any component institution of The University of Texas System:

11.11 At any stage of any administrative proceeding, including any disciplinary proceeding, brought by or on behalf of the Board
organizations officially designated by the President of The University of Texas at Austin, by the Chancellor, by the Deputy Chancellor, or by the Board of Regents as guests of the University desire to use the facilities of the Union, such privilege shall be granted and shall be granted without cost to the guest group. It is understood, of course, that all requests for the use of the facilities of the Union shall be subject to the principle that prior reservations will be respected, and for that reason requests for the use of the Building or any part of it should be made as early as possible.

9.11 Notwithstanding any other provision of this section, every action of the Board of Directors of the Texas Union, and every action of any committee or subcommittee of such board, shall be reviewed by the Board of Regents, and the Board of Regents may approve, reverse, or modify each such action.

Sec. 10. Athletics Council (The University of Texas at Austin)

10.1 At least eighteen copies of the minutes of all meetings of the Athletics Council at The University of Texas at Austin shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, the Deputy Chancellor, the Executive Vice-Chancellor for Academic Affairs, the members of the Board of Regents, the Secretary to the Board of Regents, and such other members of the U. T. Austin administration as the President of The University of Texas at Austin may direct.

10.2 The Board of Regents may subsequently approve, reverse, or modify any action therein. The minutes shall be submitted for this review and for the Board's consideration through the Executive Committee which shall refer all items relating to policy to the Committee of the Whole and all items relating to buildings to the Buildings and Grounds Committee.

Sec. 11. The Students' Association (The University of Texas at Austin)

11.1 Any attorney employed in whole or in part by the Students' Association of The University of Texas at Austin shall not act as counsel of record nor represent any student, faculty member, or staff member of the Central Administration or any component institution of The University of Texas System:

11.11 At any stage of any administrative proceeding, including any disciplinary proceeding, brought by or on behalf of the Board
such cases a rental price may be charged. However, when persons, groups, or organizations officially designated by the President of The University of Texas at Austin, by the Chancellor, or by the Board of Regents as guests of the University desire to use the facilities of the Union, such privilege shall be granted and shall be granted without cost to the guest group. It is understood, of course, that all requests for the use of the facilities of the Union shall be subject to the principle that prior reservations will be respected, and for that reason requests for the use of the Building or any part of it should be made as early as possible.

9.11 Notwithstanding any other provision of this section, every action of the Board of Directors of the Texas Union, and every action of any committee or subcommittee of such board, shall be reviewed by the Board of Regents, and the Board of Regents may approve, reverse, or modify each such action.

Sec. 10. Athletics Council (The University of Texas at Austin)

10.1 At least fifteen copies of the minutes of all meetings of the Athletics Council at The University of Texas at Austin shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, to the members of the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct.

10.2 The Board of Regents may subsequently approve, reverse, or modify any action therein. The minutes shall be submitted for this review and for the Board's consideration through the Executive Committee which shall refer all items relating to policy to the Committee of the Whole and all items relating to buildings to the Buildings and Grounds Committee.

Sec. 11. The Students' Association (The University of Texas at Austin)

11.1 Any attorney employed in whole or in part by the Students' Association of The University of Texas at Austin shall not act as counsel of record nor represent any student, faculty member, or staff member of the Central Administration or any component institution of The University of Texas System:

11.11 At any stage of any administrative proceeding, including any disciplinary proceeding, brought by or on behalf of the Board
such cases a rental price may be charged. However, when persons, groups, or organizations officially designated by the President of The University of Texas at Austin, by the Chancellor, or by the Board of Regents as guests of the University desire to use the facilities of the Union, such privilege shall be granted and shall be granted without cost to the guest group. It is understood, of course, that all requests for the use of the facilities of the Union shall be subject to the principle that prior reservations will be respected, and for that reason requests for the use of the Building or any part of it should be made as early as possible.

9.11 Notwithstanding any other provision of this section, every action of the Board of Directors of the Texas Union, and every action of any committee or subcommittee of such board, shall be reviewed by the Board of Regents, and the Board of Regents may approve, reverse, or modify each such action.

Sec. 10. Athletics Council (The University of Texas at Austin)

10.1 At least fifteen copies of the minutes of all meetings of the Athletics Council at The University of Texas at Austin shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, to the members of the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct.

10.2 The Board of Regents may subsequently approve, reverse, or modify any action therein. The minutes shall be submitted for this review and for the Board's consideration through the Executive Committee which shall refer all items relating to policy to the Committee of the Whole and all items relating to buildings to the Buildings and Grounds Committee.
such cases a rental price may be charged. However, when persons, groups, or organizations officially designated by the President of The University of Texas at Austin, by the Chancellor, or by the Board of Regents as guests of the University desire to use the facilities of the Union, such privilege shall be granted and shall be granted without cost to the guest group. It is understood, of course, that all requests for the use of the facilities of the Union shall be subject to the principle that prior reservations will be respected, and for that reason requests for the use of the Building or any part of it should be made as early as possible.

9.11 Notwithstanding any other provision of this section, every action of the Board of Directors of the Texas Union, and every action of any committee or subcommittee of such board, is subject to review by the Board of Regents, and the Board of Regents may subsequently approve, reverse, or modify any such action.

Sec. 10. Athletics Council (The University of Texas at Austin)

10.1 At least fifteen copies of the minutes of all meetings of the Athletics Council at The University of Texas at Austin shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, to the members of the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct.

10.2 The Board of Regents may subsequently approve, reverse, or modify any action therein. The minutes shall be submitted for this review and for the Board's consideration through the Executive Committee which shall refer all items relating to policy to the Committee of the Whole and all items relating to buildings to the Buildings and Grounds Committee.
such cases a rental price may be charged. However, when persons, groups, or organizations officially designated by the President of The University of Texas at Austin, by the Chancellor, or by the Board of Regents as guests of the University desire to use the facilities of the Union, such privilege shall be granted and shall be granted without cost to the guest group. It is understood, of course, that all requests for the use of the facilities of the Union shall be subject to the principle that prior reservations will be respected, and for that reason requests for the use of the Building or any part of it should be made as early as possible.

9.11 Notwithstanding any other provision of this section, every action of the Board of Directors of the Texas Union, and every action of any committee or subcommittee of such board, is subject to review by the Board of Regents, and the Board of Regents may subsequently approve, reverse, or modify any such action.
9.10 While various parts and facilities of the Union Building are reserved primarily for the general use of students and faculty, provision is made for extending the use of portions of the Building to special groups for their exclusive use when this can be done in such manner as not to interfere with the regular program of the Union, and in such cases a rental price may be charged. However, when persons, groups, or organizations officially designated by the President of The University of Texas at Austin, by the Chancellor, or by the Board of Regents as guests of the University desire to use the facilities of the Union, such privilege shall be granted and shall be granted without cost to the guest group. It is understood, of course, that all requests for the use of the facilities of the Union shall be subject to the principle that prior reservations will be respected, and for that reason requests for the use of the Building or any part of it should be made as early as possible.

9.11 Notwithstanding any other provision of this Section, under unusual circumstances and when it is in the interest and benefit of the University to do so, the President of The University of Texas at Austin, or his delegate, may make immediately effective any action of the Board of Directors of the Texas Union, subject to such action being subsequently approved, disapproved or modified by the Board of Regents.
9.11 Notwithstanding any other provision of this section, every action of the Board of Directors of the Texas Union, and every action of any committee or subcommittee of such board, shall be reviewed by the President of The University of Texas at Austin and the President of The University of Texas at Austin may approve, reverse, or modify each such action. After reviewing the minutes of the Board of Directors, the President of The University of Texas at Austin shall deliver to the Deputy Chancellor two copies of such minutes and a copy of the action, if any, taken by the President with regard to the approval, modification, or reversal of any action of the Board of Directors. Nothing in this section shall be deemed to limit or restrict the authority of the Board of Regents.

Sec. 10. Athletics Council (The University of Texas at Austin)

10.1 At least two copies of the minutes of all meetings of the Athletics Council at The University of Texas at Austin shall be delivered promptly to the President of The University of Texas at Austin. No budget or budget amendment adopted by the Athletics Council, or of any committee or subcommittee of such Council, shall have any force or effect until such budget or budget amendment has been approved by the Board of Regents.

10.2 The President of The University of Texas at Austin shall review the minutes of all meetings of the Athletics Council and may subsequently approve, reverse, or modify any action therein. After reviewing the minutes of a meeting of the Athletics Council, the President of The University of Texas at Austin shall deliver to the Deputy Chancellor two copies of such minutes and a copy of the action, if any, taken by the President with regard to the approval, modification, or reversal of any action of the Athletics Council. Nothing in this section shall be deemed to limit or restrict the authority of the Board of Regents.
9.11 Notwithstanding any other provision of this section, every action of the Board of Directors of the Texas Union, and every action of any committee or subcommittee of such board, shall be reviewed by the President of The University of Texas at Austin and the President of The University of Texas at Austin may approve, reverse, or modify each such action. After reviewing the minutes of the Board of Directors, the President of The University of Texas at Austin shall deliver to the Deputy Chancellor two copies of such minutes and a copy of the action, if any, taken by the President with regard to the approval, modification, or reversal of any action of the Board of Directors. Nothing in this section shall be deemed to limit or restrict the authority of the Board of Regents.

Sec. 10. Athletics Council (The University of Texas at Austin)

10.1 At least two copies of the minutes of all meetings of the Athletics Council at The University of Texas at Austin shall be delivered promptly to the President of The University of Texas at Austin. No budget or budget amendment adopted by the Athletics Council, or of any committee or subcommittee of such Council, shall have any force or effect until such budget or budget amendment has been approved by the Board of Regents.

10.2 The President of The University of Texas at Austin shall review the minutes of all meetings of the Athletics Council and may subsequently approve, reverse, or modify any action therein. After reviewing the minutes of a meeting of the Athletics Council, the President of The University of Texas at Austin shall deliver to the Chancellor two copies of such minutes and a copy of the action, if any, taken by the President with regard to the approval, modification, or reversal of any action of the Athletics Council. Nothing in this section shall be deemed to limit or restrict the authority of the Board of Regents.
Sec. 11 Employment of a Students' Attorney

11.1 If an attorney is retained in any manner by a component institution or by a Students' Association or other agency of student government at any component institution of The University of Texas System to serve as a students' attorney, said attorney shall not act as counsel of record nor represent any student, faculty member, or staff member, or any group of combination of students, faculty members, or staff members, or System Administration or any component institution of The University of Texas System;

11.11 In any matter that required an administrative decision to be made by any officer, committee, board, or agency of a component institution of The University of Texas System, The University of Texas System, or the Board of Regents of The University of Texas System.

11.12 At any stage of any criminal proceeding in any federal, state, county, or local court.

11.13 At any stage of any civil proceeding in any federal, state, county, or local court where such proceeding is directly or indirectly against or antagonistic to the interest of The University of Texas System or any component institution thereof, or against or antagonistic to the interests of any person who is sued in his official capacity as an officer of the System or any component institution thereof.

11.2 Any contract or agreement for legal services entered into by a Students' Association or other agency of student government or other agency of a component institution with an attorney whose remuneration will be paid from funds under the control and management of the Board of Regents of The University of Texas System, including funds from student fees whether mandatory or optional, is expressly subject to the applicable provisions of the Regents' Rules and Regulations, including, but not limited to, the foregoing provisions of this Section 11 and the following:

Section 8.8 of Chapter I of Part One;
Section 1.1 of Chapter III of Part One;
Section 1.3 of Chapter III of Part One;
Section 11 of Chapter III of Part One;
Section 5.15 of Chapter VI of Part One; and
Section 5.21 of Chapter VI of Part One.
Sec. 11. Employment of Attorney by Students' Association or other agency of Student Government

11.1 Any attorney retained in any manner by a Students' Association or other agency of student government at any component institution of The University of Texas System shall not act as counsel of record nor represent any student, faculty member, or staff member, or any group or combination of students, faculty members, or staff members, or System Administration or any component institution of The University of Texas System:

11.11 In any matter that requires an administrative decision to be made by any officer, committee, board, or agency of a component institution of The University of Texas System, The University of Texas System, or the Board of Regents of The University of Texas System.

11.12 At any stage of any criminal proceeding in any federal, state, county, or local court.

11.13 At any stage of any civil proceeding in any federal, state, county, or local court where such proceeding is directly or indirectly against or antagonistic to the interest of The University of Texas System or any component institution thereof, or against or antagonistic to the interests of any person who is sued in his official capacity as an officer of the System or any component institution thereof.

11.2 Any contract or agreement for legal services entered into by a Students' Association or other agency of student government with an attorney whose remuneration will be paid from funds under the control and management of the Board of Regents of The University of Texas System, including funds from student fees, whether mandatory or permissive, is expressly subject to the applicable provisions of the Regents' Rules and Regulations, including, but are not limited to, the foregoing provisions of this Section 11 and the following:

Section 8.8 of Chapter I of Part One;
Section 1.1 of Chapter III of Part One;
Section 1.3 of Chapter III of Part One;
Section 11 of Chapter III of Part One;
Section 5.15 of Chapter VI of Part One; and
Section 5.21 of Chapter VI of Part One.
Sec. 11. Employment of Attorney by Students' Association or other agency of Student Government

11.1 Any attorney retained in any manner by a Students' Association or other agency of student government at any component institution of The University of Texas System shall not act as counsel of record nor represent any student, faculty member, or staff member, or any group or combination of students, faculty members, or staff members, or System Administration or any component institution of The University of Texas System:

11.11 In any matter that requires an administrative decision to be made by any officer, committee, board, or agency of a component institution of The University of Texas System, The University of Texas System, or the Board of Regents of The University of Texas System.

11.12 At any stage of any criminal proceeding in any federal, state, county, or local court.

11.13 At any stage of any civil proceeding in any federal, state, county, or local court where such proceeding is directly or indirectly against or antagonistic to the interest of The University of Texas System or any component institution thereof, or against or antagonistic to the interests of any person who is sued in his official capacity as an officer of the System or any component institution thereof.

11.2 Any contract or agreement for legal services entered into by a Students' Association or other agency of student government with an attorney whose remuneration will be paid from funds under the control and management of the Board of Regents of The University of Texas System, including funds from student fees, whether mandatory or permissive, is expressly subject to the applicable provisions of the Regents' Rules and Regulations, including, but are not limited to, the foregoing provisions of this Section 11 and the following:

Section 8.8 of Chapter I of Part One;
Section 1.1 of Chapter III of Part One;
Section 1.3 of Chapter III of Part One;
Section 11 of Chapter III of Part One;
Section 5.15 of Chapter VI of Part One; and
Section 5.21 of Chapter VI of Part One.
11.11 In any matter that requires an administrative decision to be made by any officer, committee, board, or agency of a component institution of The University of Texas System, The University of Texas System, or the Board of Regents of The University of Texas System.

11.12 At any stage of any criminal proceeding in any federal, state, county, or local court.

11.13 At any stage of any civil proceeding in any federal, state, county, or local court where such proceeding is directly or indirectly against or antagonistic to the interest of The University of Texas System or any component institution thereof, or against or antagonistic to the interests of any person who is sued in his official capacity as an officer of the System or any component institution thereof.

11.2 Any contract or agreement for legal services entered into by a Students' Association or other agency of student government with an attorney whose remuneration will be paid from funds under the control and management of the Board of Regents of The University of Texas System, including funds from student fees, whether mandatory or permissive, is expressly subject to the applicable provisions of the Regents' Rules and Regulations, including, but are not limited to, the foregoing provisions of this Section 11 and the following:

Section 8.8 of Chapter I of Part One;
Section 1.1 of Chapter III of Part One;
Section 1.3 of Chapter III of Part One;
Section 11 of Chapter III of Part One;
Section 5.15 of Chapter VI of Part One; and
Section 5.21 of Chapter VI of Part One.
of Regents or the Chancellor of The University of Texas System or by or on behalf of any component institution of the System or any institutional head of such institution, against any such student, faculty member, or staff member.

11.12 At any stage of any criminal proceeding in any federal, state, county, or local court.

11.13 At any stage of any civil proceeding in any federal, state, county, or local court where such proceeding is directly or indirectly against or antagonistic to the interests of The University of Texas System or any component institution thereof, or against or antagonistic to the interests of any person who is sued in his official capacity as an officer of the System or any component institution thereof.

11.2 Any contract for legal services entered into by the Students' Association shall be made expressly subject to and consistent with the applicable provisions of the Regents' Rules and Regulations, including, but not limited to, the foregoing provisions of this Section 11 and the following:

- Section 8.8 of Chapter I of Part One;
- Section 1.1 of Chapter III of Part One;
- Section 1.3 of Chapter III of Part One;
- Section 11 of Chapter III of Part One;
- Section 13.6 of Chapter III of Part One;
- Section 5.15 of Chapter VI of Part One; and
- Section 5.21 of Chapter VI of Part One.
CHAPTER XI

CONTRACTS AND GRANTS FOR RESEARCH, TRAINING, AND EDUCATIONAL SERVICES, INCLUDING INSTITUTIONAL SUPPORT GRANTS

Sec. 1. Contracts, grants, and agreements from or with outside agencies for research, training, and educational services, including institutional support grants, (except as provided in Subsection 1.1 below) shall be approved by the chief administrative officer and ratified by the Board of Regents via the institutional dockets.

1.1 Contracts or agreements with foreign governments, agencies thereof, and with institutions, enterprises or individuals subject to the jurisdiction of foreign governments, shall be submitted for approval by the Board of Regents, following review of such contracts or agreements by appropriate System Administration officers and recommendation by the Deputy Chancellor.

1.2 The Office of the Deputy Chancellor will issue special instructions for those contracts and grants requiring special approvals other than as provided in this section.

1.3 Funds shall not be encumbered or expended under any contract or grant prior to the approval of the contract or grant as indicated above.

1.4 Institutional support grants include NSF Institutional Grants for Science, NIH General Research Support Grants, Health Professions Education Improvement and/or Capitation Grant Programs, and other such grants awarded on a formula basis rather than a budgeted project basis.

Sec. 2. Proposals for such contracts, grants and agreements, whether with government agencies, industry, foundations, or other private granting agencies, shall be initiated by the faculty member (or other appropriate official who will direct the work) and shall be approved by designated administrative officials, including the chief administrative officer. These proposals will receive such System Administration review and approval as directed by the Deputy Chancellor. Proposals to private foundations for support should be forwarded via the Office of the System Comptroller to the Chancellor for further approval. The chief business officer at each component institution is responsible for the business aspects of the proposals.
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Sec. 3. Copies of contracts, grants, and agreements specified in Section 1 of this chapter shall be filed with the Office of the Secretary to the Board of Regents, together with a copy of the proposal or application, if any, that resulted in the contract, grant, or agreement.

Sec. 4. Detailed budgets are generally included in the proposals that result in a contract or grant for a specific research, training, or educational project, and expenditures should conform to such budgets, unless amended by authorized procedures. For those institutional or "formula" type grants identified in Subsection 1.3 of Section 1 of this chapter, a proposed budget must be submitted to the Office of the Deputy Chancellor for review, approval, and submission to the Board of Regents.
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Sec. 5 Proposals as to overhead rates and specialized rates for fringe benefits, computers, and other facilities chargeable to cost-reimbursement contracts and other government contracts and grants shall be worked out in preliminary form by the chief business officer concerned and shall be reviewed and approved by the System Comptroller before being submitted. Subject to approval of the Deputy Chancellor, the System Comptroller shall negotiate all such rates for the component institutions of The University of Texas System.

Sec. 6 Information as to overhead and specialized rates applicable to the type of contract, grant or agreement to be entered into shall be secured from the System Comptroller via the business officers and/or the appropriate research administration officer.

Sec. 7 To the extent that indirect cost recoveries from the application of overhead rates are derived from use charges for buildings, other improvements, or equipment, the funds so derived shall be designated for renewals and replacements of plant fund assets or for other purposes specified and approved in the budgetary processes as related to the indirect cost recoveries.
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CHAPTER XI

RESEARCH AND TRAINING CONTRACTS, GRANTS OR AGREEMENTS

Sec. 1. Research and Training contracts, grants, or agreements with outside agencies shall be approved by the institutional head and ratified via the institutional dockets by the Board of Regents. (The Chancellor may modify this requirement at his discretion for certain contracts and grants by issuing appropriate instructions for so doing.) Funds shall not be encumbered or expended under any such contract or grant prior to approval thereof.

Sec. 2. Proposals for research, development and training contracts and grants, whether with government agencies, or industry, or foundations or other private granting agencies, shall be initiated by the faculty member who will direct the work and approved by designated administrative officials, including the institutional head. The chief business officer at each institution is responsible for the business aspects of the proposals.

Sec. 3. Copies of research and training contracts, grants, and agreements specified in Section 1 of this chapter shall be filed with the Office of the Secretary to the Board of Regents, together with a copy of the proposal or application, if any, that resulted in the contract, grant, or agreement.

Sec. 4. If the work is to be financed by government agencies, the negotiations shall be handled with the advice and assistance of the Office of Sponsored Projects at The University of Texas at Austin and by the equivalent office at the other component institutions.

Sec. 5. Proposals as to overhead rates on cost-reimbursement contracts and other government contracts and grants shall be worked out in preliminary form by the chief business officer concerned and shall be reviewed and approved by the System Comptroller before being submitted. Subject to approval of the Deputy Chancellor for Administration, the System Comptroller shall negotiate all such overhead rates for the component institutions of The University of Texas System.
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Sec. 3. Under State law, a copy of all contracts between a component institution of The University of Texas System and the Federal Government shall be filed with the Secretary of State, except those contracts classified in the interest of national security, in which case only a statement of the research project shall be filed. These copies and statements shall be filed with the Secretary of State through the Office of the Secretary to the Board of Regents in the manner prescribed by that office.

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CHAPTER XII

RULES AND REGULATIONS FOR DETERMINING RESIDENCE STATUS
PURSUANT TO ARTICLE 2654c, VERNON'S TEXAS CIVIL STATUTES

Effective September 1, 1969

I. MINORS

Statute: Section 1(e)(1) An individual under twenty-one (21) years of age, living away from his family, and whose family resides in another state or has not resided in Texas for the 12-month period immediately preceding the date of registration shall be classified as a nonresident student;

Section 1(e)(2) An individual twenty-one (21) years of age or under whose family has not resided in Texas for the 12-month period immediately preceding the date of registration shall be classified as a nonresident student regardless of whether he has become the legal ward of residents of Texas or has been adopted by residents of Texas while he is attending an educational institution in Texas, or within a 12-month period before his attendance, or under circumstances indicating that the guardianship or adoption was for the purpose of obtaining status as a resident student;

Section 1(f) An individual twenty-one (21) years of age or under whose parents were formerly residents of Texas is entitled to pay the resident tuition fee for the 12-month period immediately following the parents' change of legal residence to another state.

A. Death or Divorce of Parents

The legal residence of a minor under 21 years of age is usually that of the father. Upon the death of the father, the legal residence of the minor is that of the mother. Upon divorce or legal separation of the parents, the residence of the minor is determined by the residence of the parent with whom the minor is making his home at the time of registration.

B. Custody by Court Order

If the custody of the minor has been granted by court order (e.g., divorce decree, child custody action, guardianship or adoption proceedings) to some other person than the parent, the residence of that person shall control; provided, however, that such grant of
custody was not ordered during or within a year prior to the minor's enrollment in an institution of higher education (defined as any public junior college, public senior college or university, medical or dental unit or other agency of higher education) and was granted under circumstances indicating that such guardianship was not for the purpose of obtaining status as a resident student.

If the minor is not making his home with either parent, and there is no court-appointed guardian, the residence of the parent with whom the minor last resided shall be presumed to control. If, however, the minor has made his home with, and has been dependent upon a grandparent for more than a year prior to enrollment in an institution of higher education, the residence of that natural guardian shall be regarded as his residence. The residence of a person other than a parent or a natural or legal guardian, who may furnish funds for payment of tuition, fees, or living expenses shall in no way affect the residence classification of a minor.

C. Abandoned Child

In the case of an abandoned child, the residence of a person who has stood in loco parentis for a period of time may determine the residence of such abandoned child. The fact of abandonment must be clearly established and must not have been for the purpose of affecting the residence of the minor, and the minor must have actually resided in the home of such person for two years immediately prior to registering in an institution of higher education in Texas and must have received substantially all of his support from such person. In the event that the in loco parentis relationship has not existed for the full two year period, a lesser period of time is acceptable in unusual hardship cases, such as death of both parents.

D. Orphan

An orphan who has lived for longer than a year in an established orphan's home in Texas operated by a fraternal, religious, or civic organization and has been graduated from the orphan's home shall be considered a resident of Texas provided he remains in Texas from the time of such graduation until he enters an institution of higher education.

E. Emancipated Child

Under certain circumstances, a minor may become emancipated or freed from parental control. If the minor has broken completely with his parents, is in fact residing apart from them, and has been entirely independent and wholly self-supporting, he may establish that he is "emancipated." If emancipation is clearly proved, the residence classification of the minor is determined by the residence of the minor rather than the residence of the parents, and after 12 months in Texas under such circumstances, the minor may be classified as a resident, if he otherwise satisfies the statutory requirements applicable to those over 21 (e.g., see presumption arising from residence while a student). Proof of his emancipation is the responsibility of the minor.
F. Married Minors

A minor male who is married shall have the power and capacity of a single person of full age with the exception of the right to vote and is entitled to select his own place of legal residence. After 12 months' residence in Texas under such circumstances the minor may be classified as a resident if he otherwise satisfies the statutory requirements applicable to those over 21 years of age. The legal residence of a minor female who is married is controlled by the legal residence of her husband. The residence classification for tuition purposes of either a nonresident male or female who marries a Texas resident shall be governed by the provisions of the tuition statute and of these rules and regulations as hereinafter set out.

G. Minors Whose Parents Moved to Another State or Foreign Country

If the parents of a minor who is enrolled as a resident student move their legal residence to another state or foreign country, the minor shall be classified as a nonresident at all subsequent registration periods. Under the provisions of Section 1(f) the minor will be entitled to pay the resident tuition fee for the 12-month period immediately following the parents change of legal residence to another state.

If the parents of a minor move to another state or foreign country, or reside outside the state or in a foreign country at the time of enrolling in an institution of higher education, but claim legal residence in Texas, conclusive evidence must be presented that the father is still claiming legal residence in the State of Texas and that he has the present intent to return to the state. A certificate from the employer of the parents that the move outside the state was temporary and that there are definite plans to return the parents to Texas by a determinable future date may be considered in this connection.

If a minor whose parents have moved their legal residence to another state or foreign country resides in Texas for 12 consecutive months following his 21st birthday and by his actions clearly indicates that his intention is to establish permanent residence in the state, he may be classified as a resident student effective with the beginning of the term or semester following his 22nd birthday despite the fact that his entire period of residence in Texas has been as a student.

When the parents of a minor who have established their legal residence in another state or foreign country return and reestablish their legal residence in Texas the minor must be classified as a nonresident until the first registration after the parents have resided in the state for a 12-month period following their return.
II. RESIDENCE OF INDIVIDUALS OVER TWENTY-ONE

Statute: Section 1(e)(3) An individual twenty-one (21) years of age or over who has come from outside Texas and who is gainfully employed in Texas for a 12-month period immediately preceding registration in an educational institution shall be classified as a resident student as long as he continues to maintain a legal residence in Texas; and

Section 1(e)(4) An individual twenty-one (21) years of age or over who resides out of the state or who has come from outside Texas and who registers in an educational institution before having resided in Texas for a 12-month period shall be classified as a nonresident student.

Section 1(h) A nonresident student classification is presumed to be correct as long as the residence of the individual in the state is primarily for the purpose of attending an educational institution. After residing in Texas for at least twelve (12) months, a nonresident student may be reclassified as a resident student as provided in the rules and regulations adopted by the Coordinating Board, Texas College and University System. Any individual reclassified as a resident student is entitled to pay the tuition fee for a resident of Texas at any subsequent registration as long as he continues to maintain his legal residence in Texas.

Establishment of Residence

Any individual 21 years of age or over who moves into the state and who is gainfully employed within the state for a period of 12 months prior to enrolling in an educational institution (defined as any institution of higher education, public or private, above the high school level), is entitled to classification as a resident. If such 12 months' residence, however, can be shown not to have been for the purpose of establishing legal residence in the state but to have been for some other purpose, the individual is not entitled to be classified as a resident. Any student registering in an educational institution prior to having resided in the state for 12 months shall be classified as a nonresident for tuition purposes.

A person classified as a nonresident student upon his first enrollment in an institution of higher education is presumed to be a nonresident for the period during which he continues as a student. If such nonresident student withdraws from school and resides in the state while gainfully employed for a period of 12 months, upon re-entry into an institution of higher education he will be entitled to be reclassified as a resident for tuition purposes. Accumulations of summer and other vacation periods do not satisfy this requirement. A student is not entitled to reclassification after a residence in the state for 12 months merely on the basis of his or his wife's
employment, registration to vote, registration of a motor vehicle and payment of personal property taxes thereon, or the securing of a Texas driver's license. The presumption of a "nonresident" is not a conclusive presumption, however, and other facts may be considered to determine if the presumption has been overcome. Material to this determination are business or personal facts or actions unequivocally indicative of a fixed intention to reside permanently in the state including, but not limited to, the length of residence and full-time employment prior to registering in the institution, the fact of full-time employment and the nature of such employment (regular industrial, business or professional employment as distinguished from student-type employment) while a student, purchase of a homestead with substantial down-payment, and marriage to a resident of Texas. All of these facts are weighed in the light of the fact that a student's residence while in school is primarily for the purpose of education and not to establish residence, and that decisions of an individual as to residence are generally made after the completion of an education and not before.

**III. MARRIED STUDENTS**

Statute: Section 1(i) A nonresident who marries and remains married to a resident of Texas, classified as such under this Act at the time of the marriage and at the time the nonresident registers, is entitled to pay the resident tuition fee regardless of the length of time he has lived in Texas, and any student who is a resident of Texas who marries a nonresident is entitled to pay the resident tuition fee as long as he does not adopt the legal residence of the spouse in another state.

Nonresident Who Marries a Resident of Texas

The nonresident male or female student who marries a resident of Texas is entitled to pay the resident tuition at the registration period next following the date of marriage upon submission of evidence of such marriage and of the spouse's legal residence in Texas. The legal residence of a wife, regardless of her age, follows that of her husband. Therefore, a woman who is a resident of Texas and who marries a nonresident shall be classified as a nonresident for all enrollment periods subsequent to her marriage; provided, however, that she shall be permitted to pay the resident tuition so long as she does not affirmatively by her actions adopt the legal residence of her husband (for example, registering to vote in another state).

In the event a nonresident male or female student who marries a resident of Texas, and subsequently, is divorced, such nonresident student shall be classified as a nonresident for all enrollment periods subsequent to the date of such divorce.

**IV. MILITARY PERSONNEL AND VETERANS**

Statute: Section 1(k) Military personnel are classified in the fol-
lowing manner:

(1) An officer, enlisted man or woman, selectee or draftee of the Army, Army Reserve, Army National Guard, Air National Guard, Texas State Guard, Air Force, Air Force Reserve, Navy, Navy Reserve, Marine Corps, Marine Corps Reserve, Coast Guard, or Coast Guard Reserve of the United States, who is assigned to duty in Texas is entitled to register himself, his spouse, and their children in a state institution of higher education by paying the tuition fee and other fees or charges required of Texas residents, without regard to the length of time he has been assigned to duty or resided within the state; provided, however, that out-of-state Army National Guard or Air National Guard members attending training with Texas Army or Air National Guard units under National Guard Bureau regulations shall not be exempted from nonresident tuition by virtue of such training status nor shall out-of-state Army, Air Force, Navy, Marine Corps, or Coast Guard Reserves training with units in Texas under similar regulations be exempted from nonresident tuition by virtue of such training status. It is the intent of the legislature that only those members of the Army or Air National Guard, Texas State Guard, or other reserve forces mentioned above, be exempted from the nonresident tuition fee and other fees and charges only when they become members of Texas units of the military organizations mentioned above;

(2) As long as they reside continuously in Texas, the spouse and children of a member of the Armed Forces of the United States who has been assigned to duty elsewhere immediately following assignment to duty in Texas are entitled to pay the tuition fees and other fees or charges provided for Texas residents;

(3) If nonresident military personnel are attending an institution of higher education under a contract between the institution and any branch of the Armed Forces of the United States, in which the tuition of the member of the military is paid in full by the United States Government, the student shall pay the nonresident tuition fee;

(4) A Texas institution of higher education may charge to the United States Government the nonresident tuition fee for a veteran enrolled under the provisions of a Federal law or regulation authorizing educational or training benefits for veterans;

(5) The spouse and children of a member of the Armed Forces of the United States who dies or is killed are entitled to pay the resident tuition fee, if the wife and children become residents of Texas within sixty (60) days of the date of death; and
(6) If a member of the Armed Forces of the United States is stationed outside Texas and his spouse and children establish residence in Texas by residing in Texas and by filing with the Texas institution of higher education at which they plan to register a letter of intent to establish residence in Texas, the institution of higher education shall permit the spouse and children to pay the tuition, fees, and other charges provided for Texas residents without regard to length of time that they have resided within the state.

A. Certification of Assignment to Duty in Texas

Subsection (k)(1) provides that military personnel assigned to duty within the State of Texas, their husband or wife as the case may be and their children, shall be entitled to pay the same tuition as a resident of Texas regardless of the length of their physical presence in the state. To be entitled to pay the resident tuition fees, such military personnel shall submit at the time of each registration a statement from his commanding officer or personnel officer certifying that he is then assigned to duty in Texas and that same will be in effect at the time of such registration in an institution of higher education. This subsection also provides that a nonresident member of an out-of-state National Guard unit who is temporarily training with a Texas National Guard unit will not be entitled to pay the resident tuition.

B. Spouse and Children of Member of Armed Services

Subsection (k)(2) provides that the spouse and children of a member of the armed forces assigned to duty outside the State of Texas immediately after assignment in Texas may be entitled to pay the resident tuition as long as they reside continuously in Texas.

Subsection (k)(6) provides that the spouse and children of a member of the armed forces who is assigned to duty outside the State of Texas and sends his family to the State of Texas may be entitled to pay the resident tuition if they file with the institution of higher education at which the student intends to register a letter of intent, an affidavit or other evidence satisfactory to the institution stating that they intend to become permanent residents of Texas.

Subsection (k)(5) provides that a member of the immediate family (which shall include spouse or children) of a member of the armed forces who dies or is killed in action while in military service may qualify to pay the resident tuition if they become residents of Texas within 60 days of the date of death. To qualify under this provision, the student shall submit to the institution of higher education satisfactory evidence establishing the date of death and residence in Texas.
The military personnel spouse and children enumerated in (k)(1), (2), (5), and (6) are classified as nonresidents but shall be entitled to pay the resident tuition regardless of their length of residence in Texas if they comply with the provisions of the statute and these rules and regulations.

C. Nonresident Military Personnel Attending College Under Contract

Subsection (k)(3) provides that nonresident military personnel attending an institution of higher education under a contract with any branch of the armed forces where the tuition is paid in full under the provisions of such contract shall be charged nonresident tuition even though such military personnel may be assigned to duty pursuant to military orders at an institution of higher education.

D. Nonresidents Attending College under Federal Benefits Programs for Veterans

Subsection (k)(4) provides that the institution of higher education may charge the nonresident tuition fee for a nonresident veteran to the United States Government under the provisions of any federal law or regulation authorizing educational or training benefits for veterans.

E. Legal Residence of Person in Military Service

A person in military service is presumed to maintain during his entire period of active service the same legal residence which was in effect at the time he entered military service. A person stationed in a state on military service is presumed not to establish a legal residence in that state because his presence is not voluntary but under military orders. It is possible for a member of the military service to abandon his domicile of original entry into the service and to select another, but to show establishment of a new domicile during the term of active service, there must be clear and unequivocal proof of such intent. An extended period of service alone is not sufficient. The purchase of residential property is not conclusive evidence unless coupled with other facts indicating an intent to put down roots in the community and to reside there after termination of military service. Evidence which will be considered in determining this requisite intent includes, but is not limited to a substantial investment in a residence and the claiming of a homestead exemption thereon, registration to vote, and voting in local elections, registration of an automobile in Texas and payment of personal property taxes thereon, obtaining a Texas driver's license, maintaining checking accounts, savings accounts and safety deposit boxes in Texas banks, existence of wills or other legal documents indicating residence in Texas, change of home-of-record and designation of Texas as the place of legal residence for income tax purposes on military personnel records, business transactions or activities not normally engaged in by military personnel, membership in professional or other state organizations, and marriage to a resident of
Texas. Purchase of property during terminal years of military service preceding retirement generally is given greater weight than a similar purchase made prior to such terminal period.

F. Residence Classification of Veterans Upon Separation from Military Service

A person who enrolls in an institution of higher education following his separation from military service must be classified as a nonresident student unless, (1) he was a legal resident of Texas at the time he entered military service and has not relinquished that residence, (2) he can prove that during his military service he has, in fact, established a bona fide, legal residence in Texas at a time at least 12 months prior to his registration, or (3) he has resided in Texas other than as a student for 12 months prior to his registration and subsequent to his discharge from service.

V. EMPLOYEES OF INSTITUTIONS OF HIGHER EDUCATION

Statute: Section 1(1) A teacher, professor, or other employees of a Texas institution of higher education is entitled to register himself, his spouse, and their children in a state institution of higher education by paying the tuition fee and other fees or charges required for Texas residents, without regard to the length of time he has resided in Texas. A teacher, professor, or other employee of a Texas institution of higher education is any person employed at least one-half time on a regular monthly salary basis by a state institution of higher education.

A person employed at least half-time on a regularly monthly salary basis (not an hourly employee) by any public institution of higher education, with an effective date of employment on or before the 12th class day of a regular semester or the 4th class day of a summer term, may pay the same tuition as a resident of Texas for himself, his husband or wife as the case may be and their children, regardless of the length of residence in the state. To be entitled to pay the resident tuition fees such employee must submit prior to the time of each registration a statement from the Director of Personnel or a designated representative of the institution of higher education for which he is employed certifying that such employment will be in effect at the time of registration.

VI. ALIENS

Statute: Section 1(j) An alien student is classified as a nonresident student; however, an alien who is living in this country under a visa permitting permanent residence or who has filed with the proper Federal immigration authorities a declaration of intention to become a citizen has the same
privilege of qualifying for resident status for fee purposes under this Act as has a citizen of the United States. A resident alien residing in a junior college district located immediately adjacent to Texas boundary lines shall be charged the resident tuition by that junior college.

Students who are aliens in this country on a student visa or a visa other than one entitling them to immigrant status are classified as nonresident students. An alien who is in this country on an immigrant visa can be classified as a resident student if he has resided in the state for a period of 12 months under circumstances indicating his intention to reside permanently in Texas and not merely to complete his education. To this extent an alien residing in Texas on an immigrant visa shall be in no different position than the citizen of the United States who has been a resident of another state.

VII. RECIPROCITY CLAUSE APPLICABLE TO JUNIOR COLLEGES

Statute: Section 1(d) The nonresident tuition fee prescribed in this Act does not apply to a nonresident student who is a resident of a state situated adjacent to Texas and who registers in any Texas public junior college situated immediately adjacent to the state in which the nonresident student resides. The nonresident student described in this Sub-section shall pay an amount equivalent to the amount charged a Texas student registered at a similar school in the state in which the nonresident student resides.

VIII. STUDENT RESPONSIBILITIES

A. Student Responsibility to Register Under Proper Classification

The responsibility of registering under the proper residence classification is that of the student, and if there is any question of his right to classification as a resident of Texas, it is his obligation, prior to or at the time of his registration, to raise the question with the administrative officials of the institution in which he is registering and have such officially determined.

B. Notification Upon Becoming a Nonresident

Every student who is classified as a resident student but who becomes a nonresident at any time by virtue of a change of legal residence by his own action or by the person controlling his domicile is required to notify the proper administrative officials of his institution at once.

IX. OFFICIAL CHANGE OF RESIDENCE STATUS

A. Application for Reclassification

Every student classified as a nonresident student shall be considered to retain that status until such time as he shall have
made written application for reclassification in the form prescribed
by the institution and shall have been officially reclassified in
writing as a resident of Texas by the proper administrative officers
of the institution.

B. Reclassification as a Nonresident

Every person who has been classified as a resident of Texas shall
be reclassified as a nonresident student whenever he shall report, or
there is found to exist, circumstances indicating a change in legal
residence to another state. If any student who has been classified
as a resident of Texas shall be found to have been erroneously so
classified, he shall be reclassified as a nonresident and shall be
required to pay the difference between the resident and nonresident
fees for such semesters in which he was so erroneously classified.
In addition, he shall be required to pay back all monies borrowed
from the Texas Opportunity Plan Fund.

C. Reclassification as a Resident

If any student has been erroneously classified as a nonresident
student and subsequently proves to the satisfaction of the appropriate
officials of an institution of higher education that he should have
been classified as a resident student, he shall be reclassified as
a resident of Texas and shall be entitled to a refund of the dif-
ference between the resident and nonresident fees for the semesters
in which he was so erroneously classified.
GUIDELINES FOR DETERMINING RESIDENCE STATUS

Pursuant to Article 2654c, Vernon's Civil Statutes

1. MINORS

Statute: "Section 1 (e)(1) A nonresident student is hereby defined to be a student of less than twenty-one (21) years of age, living away from his family and whose family resides in another state, or whose family has not resided in Texas for the twelve (12) months immediately preceding the date of registration;...

Section 1 (e)(4) Individuals of twenty-one (21) years of age or less whose families have not resided in Texas for the twelve (12) months immediately preceding the date of registration, shall be classified as 'nonresident students' regardless of whether such individuals have become the legal wards of residents of Texas or have been adopted by the residents of Texas while such individuals are attending educational institutions in Texas or within a year prior to such an attendance or under circumstances indicating that such a guardianship or adoption was for the purpose of obtaining status as a 'resident student'."

DEATH OR DIVORCE OF PARENTS
The legal residence of a minor under 21 years of age is usually that of the father. Upon the death of the father, the legal residence of the minor is that of the mother. Upon divorce or legal separation of the parents, the residence of the minor is determined by the residence of the parent with whom the minor is making his home at the time of registration.

CUSTODY BY COURT ORDER
If the custody of the minor has been granted by court order (e.g. divorce decree, child custody action, guardianship or adoption proceedings) to some person other than the parent, the residence of that person shall control; provided, however, that such grant of custody was not ordered during or within a year prior to the minor's enrollment in an institution of higher education (defined as any public junior college, public senior college or university, medical or dental unit or other agency of higher education) and was granted under circumstances indicating that such guardianship was not for the purpose of obtaining status as a resident student.
If the minor is not making his home with either parent, and there is no court-appointed guardian, the residence of the parent with whom the minor last resided shall be presumed to control. If, however, the minor has made his home with, and has been dependent upon a grandparent for more than a year prior to enrollment in an institution of higher education, the residence of that natural guardian shall be regarded as his residence. The residence of a person other than a parent or a natural or legal guardian, who may furnish funds for payment of tuition, fees, or living expenses shall in no way affect the residence classification of a minor.

ABANDONED CHILD
In the case of an abandoned child, the residence of a person who has stood in loco parentis for a period of time may determine the residence of such abandoned child. The fact of abandonment must be clearly established and must not have been for the purpose of affecting the residence of the minor, and the minor must have actually resided in the home of such person for at least two years immediately prior to registering in an institution of higher education in Texas and must have received substantially all of his support from such person.

ORPHAN
An orphan who has lived for longer than a year in an established orphan's home in Texas operated by a fraternal, religious, or civic organization and has been graduated from the orphan's home shall be considered a resident of Texas provided he remains in Texas from the time of such graduation until he enters an institution of higher education.

EMANCIPATED CHILD
Under certain circumstances, a minor may become emancipated or freed from parental control. If the minor has broken completely with his parents, is in fact residing apart from them, and has been entirely independent and wholly self-supporting, he may establish that he is "emancipated." If emancipation is clearly proved, the residence classification of the minor is determined by the residence of the minor rather than the residence of the parents, and after 12 months in Texas under such circumstances, the minor may be classified as a resident, if he otherwise satisfies the statutory requirements applicable to those over twenty-one (e.g., see presumption arising from residence while a student). Proof of his emancipation is the responsibility of the minor.
MARRIED MINORS
A minor male who is married shall have the power and capacity of a single person of full age and is entitled to select his own place of legal residence. After 12 months residence in Texas under such circumstances the minor may be classified as a resident if he otherwise satisfies the statutory requirements applicable to those over 21 years of age. The residence classification for tuition purposes of a minor female who is married shall be governed by the provisions of those Rules and Regulations pertaining to the residence of a wife as hereinafter set out.

MINORS WHOSE PARENTS MOVED TO ANOTHER STATE OR FOREIGN COUNTRY
If the parents of a minor who is enrolled as a resident student move their legal residence to another state or foreign country, the minor shall be classified as a nonresident at all subsequent registration periods. If the parents of a minor move to another state or foreign country, or reside outside the state or in a foreign country at the time of enrolling in an institution of higher education, but claim legal residence in Texas, conclusive evidence must be presented that the father is still claiming legal residence in the State of Texas and that he has the present intent to return to the state. A certificate from the employer of the parents that the move outside the state was temporary and that there are definite plans to return the parents to Texas by a determinable future date may be considered in this connection.

If a minor whose parents have moved their legal residence to another state or foreign country resides in Texas for 12 consecutive months following his twenty-first (21) birthday and by his actions clearly indicates that his intention is to establish permanent residence in the state, he may be classified as a resident student effective with the beginning of the term or semester following his twenty-second (22) birthday despite the fact that his entire period of residence in Texas has been as a student.

When the parents of a minor who have established their legal residence in another state or foreign country return and re-establish their legal residence in Texas the minor must be classified as a nonresident until the first registration after the parents have resided in the state for a 12 month period following their return.
II. RESIDENCE OF INDIVIDUALS OVER TWENTY-ONE

Statute: "Section 1 (e)(1) A nonresident student is hereby defined to be a student...of twenty-one (21) years of age or over who resides out of the state or who has not been a resident of the state twelve (12) months immediately preceding the date of registration.
Section 1 (e)(2) Individuals twenty-one (21) years of age or over who have come from without the state and who are gainfully employed within the state for a period of twelve (12) months prior to registering in an educational institution shall be classified as 'resident students' as long as they continue to maintain such legal residence in the state.
Section 1 (e)(3) Individuals twenty-one (21) years of age or over who have come from without the state and who register in an educational institution prior to having resided in the state for a period of twelve (12) months shall be classified as 'nonresident students', such 'nonresident student' classification shall be presumed to be correct as long as the residence of such individual in the state is primarily for the purpose of attendance at educational institutions; provided, however, that a 'nonresident student' may be reclassified as a 'resident student' upon representation of conclusive evidence that he has in fact been a legal resident of Texas for at least twelve (12) months immediately preceding such reclassification. Any such individual so reclassified as a 'resident student' shall be entitled to pay the tuition fee for a resident of Texas at any subsequent registration for as long as he continues to maintain his legal residence in Texas. It is further provided, that the provisions of this paragraph relating to nonresident student registration fees shall not apply to junior colleges located immediately adjacent to state boundary lines, which institutions shall collect from each nonresident student who registers for twelve (12) or more semester or term hours of work an amount equivalent to the amount charged students from Texas by similar schools in the state of which the said nonresident student shall be a resident."

Any individual 21 years of age or over who moves into the state and who is gainfully employed within the state for a period of 12 months prior to enrolling in an educational institution (defined as any institution of higher education, public or private, above the high school level), is entitled to classification as a resident. If such 12 months' residence, however, can be shown not to have been for the purpose of establishing legal residence in the state but to have been for some other purpose, the individual is not entitled to be classified as a resident. Any student registering in an educational institution prior to having resided in the state for 12 months shall be classified as a nonresident for tuition purposes.
ESTABLISHMENT OF RESIDENCE
A person classified as a nonresident student upon his first enrollment in an institution of higher education is presumed to be a nonresident for the period during which he continues as a student. If such nonresident student withdraws from school and resides in the state while gainfully employed for a period of 12 months, upon re-entry into an institution of higher education he will be entitled to be reclassified as a resident for tuition purposes. Accumulations of summer and other vacation periods do not satisfy this requirement. A student is not entitled to reclassification after a residence in the state for 12 months merely on the basis of his or his wife's employment, registration to vote, registration of a motor vehicle and payment of personal property taxes thereon, or the securing of a Texas driver's license. The presumption of a "nonresident" is not a conclusive presumption, however, and other facts may be considered to determine if the presumption has been overcome. Material to this determination are business or personal facts or actions unequivocally indicative of a fixed intention to reside permanently in the state including, but not limited to, the length of residence and full-time employment prior to registering in the institution, the fact of full-time employment and the nature of such employment (regular industrial, business or professional employment as distinguished from student-type employment) while a student, purchase of a homestead with substantial down-payment, and marriage to a resident of Texas. All of these facts are weighed in the light of the fact that a student's residence while in school is primarily for the purpose of education and not to establish residence, and that decisions of an individual as to residence are generally made after the completion of an education and not before.

RESIDENCE OF WIFE
The legal residence of a wife, regardless of her age, follows that of her husband. Therefore, a woman who is a resident of Texas and who marries a nonresident shall be classified as a nonresident for all enrollment periods subsequent to her marriage; provided, however, that she shall be permitted to pay the resident tuition so long as she does not affirmatively by her actions adopt the legal residence of her husband (for example, registering to vote in another state). A nonresident woman student who marries a resident of Texas is entitled at her next registration to reclassification as a resident of Texas upon submission of evidence of her marriage and of her husband's residence in Texas.
III. MILITARY PERSONNEL AND VETERANS

Statute: "Section (1)(h) Officers, enlisted men and women, selectees or draftees of the Army, Army Reserve, National Guard, Air Force, Air Force Reserve, Navy, Navy Reserve, or Marine Corps of the United States, who are stationed in Texas by assignment to duty within the borders of this State...shall be permitted to register themselves, their husband or wife as the case may be, and their children, in State institutions of higher learning by paying the regular tuition fees and other fees or charges provided for regular residents of the State of Texas without regard to the length of time such officers, enlisted men or women, selectees or draftees... have been stationed on active duty or resided within the State."

Military personnel assigned to duty within the State of Texas, their husband or wife as the case may be and their children, shall be entitled to pay the same tuition as a resident of Texas regardless of the length of their physical presence in the state. To be entitled to pay the resident tuition fees, such military personnel shall submit at the time of each registration a statement from his commanding officer or personnel officer certifying that he is then assigned to duty in Texas and that same will be in effect at the time of such registration in an institution of higher education. When a member of the military is transferred out of the state, his wife or husband as the case may be and their children must pay the nonresident fee at each subsequent registration period unless such individual is, in fact, a resident of Texas. A member of the military service who is a legal resident of another state and who sends his family to Texas to reside while he is stationed in a foreign country or another state does not acquire legal residence during such period.

A person on military service is presumed to maintain during his entire period of active service the same legal residence which was in effect at the time he entered military service. A person stationed on military service in a state is presumed not to establish a legal residence in that state because his presence is not voluntary but under military orders. It is possible for a member of the military service to abandon his domicile of original entry into the service and to select another, but to show establishment of a new domicile during the term of active service, there must be clear and unequivocal proof of such intent. An extended period of service alone is not sufficient. The purchase of residential property is not conclusive evidence unless coupled with other facts indicating an intent to put down roots in the community and to reside there after termination of military service. Evidence which will be considered in determining this requisite intent includes, but is not limited to a substantial investment in
a residence and the claiming of a homestead exemption thereon, registration to vote, and voting in local elections, registration of an automobile in Texas and payment of personal property taxes thereon, obtaining a Texas driver's license, maintaining checking accounts, saving accounts, and safety deposit boxes in Texas banks, existence of wills or other legal documents indicating residence in Texas, change of home-of-record and designation of Texas as the place of legal residence for income tax purposes on military personnel records, business transactions or activities not normally engaged in by military personnel, membership in professional or other state organizations, and marriage to a resident of Texas. Purchase of property during terminal years of military service preceding retirement generally is given greater weight than a similar purchase made prior to such terminal period.

A person who enrolls in an institution of higher education following his separation from military service must be classified as a non-resident student unless, (1) he was a legal resident of Texas at the time he entered military service and has not relinquished that residence, (2) he can prove that during his military service he has, in fact, established a bona fide, legal residence in Texas at a time at least 12 months prior to his registration, or (3) he has resided in Texas other than as a student for 12 months prior to his registration and subsequent to his discharge from service.

IV. EMPLOYEES OF INSTITUTIONS OF HIGHER EDUCATION

Statute: "Section 1(h)...teachers, professors, or other employees of Texas State institutions of higher education, shall be permitted to register themselves, their husband or wife as the case may be and their children, in State institutions of higher learning by paying the regular tuition fees and other fees or charges provided for regular residents of the State of Texas, without regard to the length of time such...teachers, professors, or other employees of Texas State institutions of higher learning have...resided within the state."

A person employed at least half-time on a regular monthly salary basis (not an hourly employee) by any institution of higher education, with an effective date of employment on or before the twelfth class day of a regular semester or the fourth class day of a summer term, may pay the same tuition as a resident of Texas for himself, her husband or wife as the case may be and their children, regardless of the length of residence in the state. To be entitled to pay the resident tuition fees such employee must submit prior to the time of each registration a statement from the Director of Personnel or a designated representative of the institution of higher education for which he is employed certifying that such employment will be in effect at the time of registration.
V. ALIENS

Statute: "Section 1(f) All aliens shall be classified as 'nonresident students'; provided, however, that an alien who is living in this country under a visa permitting permanent residence or who has filed a Declaration of Intention to become a citizen with the proper federal immigration authorities shall have the same privilege of qualifying for resident status for fee purposes under this Act as has a citizen of the United States. Provided, however, that a resident alien residing in a junior college district located immediately adjacent to state boundary lines shall be charged the resident tuition by such junior college."

Students who are aliens in this country on a student visa or a visa other than one entitling them to immigrant status are classified as nonresident students. An alien who is in this country on an immigrant visa can be classified as a resident student if he has resided in the state for a period of 12 months under circumstances indicating his intention to reside permanently in Texas and not merely to complete his education. To this extent an alien residing in Texas on an immigrant visa shall be in no different position than the citizen of the United States who has been a resident of another state.

VI. STUDENT RESPONSIBILITIES

The responsibility of registering under the proper residence classification is that of the student, and if there is any question of his right to classification as a resident of Texas, it is his obligation, prior to or at the time of his registration, to raise the question with the administrative officials of the institution in which he is registering and have such officially determined.

Every student who is classified as a resident student but who becomes a nonresident at any time by virtue of a change of legal residence by his own action or by the person controlling his domicile is required to notify the proper administrative officials of his institution at once.

VII. OFFICIAL CHANGE OF RESIDENCE STATUS

Every student classified as a nonresident student shall be considered to retain that status until such time as he shall have made written application for reclassification in the form prescribed by the institution and shall have been officially reclassified in writing as a resident of Texas by the proper administrative officials of the institution.
Every person who has been classified as a resident of Texas shall be reclassified as a nonresident student whenever he shall report, or there is found to exist, circumstances indicating a change in legal residence to another state. If any student who has been classified as a resident of Texas shall be found to have been erroneously so classified, he shall be reclassified as a nonresident and shall be required to pay the difference between the resident and nonresident fees for such semesters in which he was so erroneously classified. In addition, he shall be required to pay back all monies borrowed from the Texas Opportunity Plan Fund.

If any student has been erroneously classified as a nonresident student and subsequently proves to the satisfaction of the appropriate official of an institution of higher education that he should have been classified as a resident student he shall be reclassified as a resident of Texas and shall be entitled to a refund of the difference between the resident and nonresident fees for the semesters in which he was so erroneously classified.

VIII. PENALTIES

Statute: "Section 1 (g) The Governing Boards of the several state-supported institutions of higher learning are hereby authorized to assess and collect from each nonresident student failing to comply with the rules and regulations of the Governing Boards concerning nonresident fees, a penalty not to exceed Ten Dollars ($10.00) a semester."

Each institution has been authorized by statute to assess and collect from each nonresident student failing to comply with the provisions of the tuition statute and with the rules and regulations of the institution concerning nonresident fees a penalty not to exceed $10.00 a semester. In addition, if a student has obtained residence classification by virtue of deliberate concealment of facts, or misrepresentations of fact, he shall be subject to appropriate disciplinary action, in accordance with the Rules and Regulations that may be adopted by the governing boards of the respective institutions of higher education.