REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENT TO CHAPTER VI, SECTION 5 (GROUP LIFE INSURANCE). --System Administration presented the following recommendation of Personnel Director Kennedy to amend Subsection 5.7, Chapter VI, Part Two of the Regents' Rules and Regulations with regard to Group Life Insurance with the narrative statement that "the proposed amendment will specify that employees retiring under the Optional Retirement Program may continue participation in the Group Life Insurance Program. This should clarify any misunderstanding which might result due to the absence of a specific statement to this effect to the present rule. The rule now mentions only Teacher Retirement and Employee Retirement systems. This practice of continuing participation has been in effect since the inception of the Optional Retirement Program with administrative approval, since Optional Retirement Program law is actually a part of, and is codified with, Teacher Retirement law."

Subsection 5.7 of Section 5 of Chapter VI of Part Two of the Regents' Rules and Regulations was amended to read as follows:

5.7 Participation in the Group Life Insurance Program automatically terminates when employment terminates unless (1) the policyholder retires under the provisions of the Teacher Retirement System, the Optional Retirement Program, or the Employees Retirement System with at least 10 years of coverage under the insurance; (2) the policyholder has attained 62 years of age with at least 10 years of coverage under the insurance; or (3) the policyholder converts the group policy into one for regular individual life insurance. When an employee retires, the amount of insurance will be reduced to $5,000 or the amount in force immediately prior to retirement, whichever is less, provided the employee has been insured continuously during the 10 years prior to retirement.
REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENT TO SECTION 6 OF CHAPTER III. --Subsection 6.11 of Section 6 of Chapter III of Part Two of the Regents' Rules and Regulations was deleted and the following substituted in lieu thereof:

6.11 The Chairman of the Board of Regents or his delegate or the Chief Administrative Officer or his delegate must approve all vouchers. One of these delegates shall be the Chief Business Officer who shall recommend the other delegates from his staff. Such approval is based upon satisfactory supporting documentation evidencing that goods or services were properly ordered, that the vendor has submitted invoice and certification, and that the goods or services have been received by the institution and are acceptable to the requisitioning department.

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REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENT TO CHAPTER I. --Section 6 of Chapter I of Part Two of the Regents' Rules and Regulations was amended as set out below:

Sec. 6 General Admission Policy. --The University of Texas System will make maximum use of its resources, subject to the limited enrollment policy of the Board of Regents, to admit and educate as many qualified students as possible, consistent with accreditation standards and consistent with maintaining a high quality of education. Neither the faculty nor students of any component institution will solicit or recruit for admission to that institution any person who cannot meet the usual academic requirements for admission to that institution. Other than for the exceptions set forth in the General Appropriation Act, no funds appropriated by the Legislature, including local institutional funds, may be expended for the recruitment of students, whether qualified or unqualified. However, this provision does not prohibit the distribution of informational literature about an institution or a particular program in appropriate schools or among economic or social groups which might have a special interest in a particular institution or educational program. Such information might focus upon, but need not be limited to, programs for which there is a state-wide need for graduates. Nor does it prohibit visits by students, faculty members, or administrators, upon request, with groups of high school or college students or other groups interested in information on higher education, a particular institution, or particular programs when such visits are supported by funds from gifts and bequests.
Chancellor LeMaistre presented the following narrative statement recommending amendment of the Regents' Rules and Regulations, Part Two, Chapter VI (Staff Benefits):

In 1970, Congress passed legislation which required that states cover employees of state hospitals and state institutions of higher education under the State Unemployment Compensation Acts.

In 1971, the Texas Legislature passed legislation to conform to the federal requirement, and, in addition covered all other state employees. This coverage will begin on January 1, 1972.

The State maintains an Unemployment Compensation Fund into which contributions are paid by all covered employers that are on a tax basis and from which claims are paid. Insofar as employees of The University of Texas System and other state agencies are concerned, the State will be on a reimbursable (self-insured) basis. For those employees paid from State General Revenue Funds, the state will require no contributions from the employing agencies to cover benefits paid, but will appropriate directly to pay these benefits. However, for employees paid from other than State General Revenue Funds, the Unemployment Compensation Fund must be reimbursed (through the State Comptroller) for any claims paid, and a method for funding such reimbursement must be provided.

Since all employees of The University of Texas System will be covered by the Unemployment Compensation Act effective January 1, 1972, a plan must be implemented to conform to the provisions of the Act and to provide a fund from which to pay those approved claims for former employees whose salaries were not paid from State General Revenue Funds.

The implementation and administration of an Unemployment Compensation Program is set forth in the proposed amendment. In summary, the amendment provides that the System Personnel Director, working in close cooperation with component institution officials and others concerned, will be responsible for administering the program. An essential provision of the program is the establishment of a centrally administered System Unemployment Compensation Insurance Fund with an initial System-wide assessment rate of 2.7% of the first $4200 of each employee's annual (calendar year) salary. The rate is subject to annual review and to approval by the Board of Regents as indicated in the plan.

The program is modeled very closely on the University's other self-insurance plan, the long-established Workmen's Compensation Insurance program. The provisions of the plan have been reviewed at length with officials of component institutions, as well as state and federal agencies. It has been approved by the Texas Employment Commission (the state agency charged with administering the acts), and by the cognizant federal agency in respect to its applicability to federal contracts and grants.
Chapter VI of the Regents' Rules and Regulations, Part Two, was amended by unanimous vote by adding Section 10 which reads as follows:

Sec. 10. **Unemployment Compensation Program**

10.1 The University of Texas System Unemployment Compensation Program, effective January 1, 1972, and thereafter, is administered on a System-wide basis. Under the program, certain weekly benefits are payable to former employees who were separated from employment with The University of Texas System under conditions specified in the Texas Unemployment Compensation Act and are unable to find suitable employment. Two methods of funding the cost of approved claims for such former employees will be in effect, as follows:

10.11 For former employees whose salaries were paid from State General Revenue Funds, the cost of approved claims chargebacks are paid by the State Comptroller as provided in the current State General Appropriation Act. Initially, the Texas Employment Commission (TEC) pays approved claims and, quarterly, notifies the State Comptroller's Office and the appropriate University of Texas System component institution of the claims amounts paid by individual. TEC bills the State Comptroller's Office, which makes payments to TEC from State General Revenue Funds appropriated for this purpose. Administration of claims, periodic reporting of salaries paid, and other aspects of administering the program for employees whose salaries are paid out of State General Revenue are the same as for those whose salaries are not paid out of State General Revenue, except that the assessments provided in Subsection 10.4 are not applied to salaries paid from State General Revenue Funds, or such other exceptions as are deemed by the System Personnel Director to be necessary for effective administration.

10.12 For former employees whose salaries were paid from funds other than State General Revenue, the cost of approved claims chargebacks is paid initially by the State Comptroller as specified under 10.11 above. Quarterly, or periodically as otherwise required by the State Comptroller, The University of Texas System, by check made payable to the State Comptroller, reimburses the State General Revenue Fund from The University of Texas System Unemployment Compensation Insurance Fund, a self-insurance fund described in Subsection 10.4.

10.2 The System Personnel Director, working in close cooperation with the System Comptroller and other appropriate officials of the System and its component institutions, is responsible for:

10.21 Administering the Unemployment Compensation Program for all employees of The University of Texas System, with the assistance of appropriate institutional officials.

10.22 Determining the University's official position regarding claims protests in questionable cases, and assisting component officials in protest hearings.
10.23 Representing the institutions in all cases where claims are appealed to Appeals Tribunal or Commission Review and assisting the State Attorney General as required in representing the System with institutional participation in all cases in court actions provided for in the law.

10.24 Establishing and maintaining such additional policies and procedures as are necessary for the effective administration of the program as provided under existing statutes and these Rules and Regulations, including requirements for employee separation and claims administration, informing affected personnel about the Unemployment Compensation Program, and analyzing statistical data as needed.

10.25 Administering the Unemployment Compensation Insurance Fund and all policies and procedures necessary to bring about effective fund management and loss control for the Unemployment Compensation Program.

10.26 Maintaining records of all claims filed and paid, all chargebacks, and other records necessary to separate approved claims information applicable to student employment and extending such record-keeping to any additional group(s) of employees for which such analysis may be deemed by the System Personnel Director to be necessary for effective administration, including records necessary to determine individual "benefit ratios" under Subsection 10.61 for each of the following categories of fund sources:

10.261 State General Revenue
10.262 Other than State General Revenue
   (a) Organized Research (including contract research and services)
   (b) Educational Service Agreements (including training grants)
   (c) Organized Activities Related to Educational Departments (including hospitals and clinics)
   (d) Auxiliary Enterprises
   (e) All Other

10.3 All services performed in the employ of The University of Texas System are deemed to constitute employment and are provided for under the Unemployment Compensation Program. However, benefits based on service in an instructional, research, or principal administrative capacity are not payable between two contractual periods of service, as specified in the Texas Unemployment Compensation Act.

10.4 The System-wide Unemployment Compensation Insurance Fund is established January 1, 1972, to accumulate necessary funds to pay reimbursements to the State Comptroller for claims of former employees whose salaries were not paid out of State General Revenue Funds. Sources of all salaries other than State General Revenue are charged an assessment beginning on the effective date and each month or payroll period thereafter. Checks covering these charges will be forwarded monthly to the System Personnel Director for deposit in the Unemployment Compensation Insurance Fund.
Following the close of each calendar quarter, or such other reporting period as may be deemed by the System Personnel Director to be necessary for effective administration, institutional chief business officers will prepare and send to the System Personnel Office reports itemizing by employees the salaries reported to the TEC and the amounts of such salaries subject to assessment. The reported assessable salaries will be reconciled to the checks submitted monthly in payment of the assessments. The reports will also contain such other information as may be required for effective reporting. In instances in which amounts may be due the Unemployment Compensation Insurance Fund from the State Comptroller for adjustments on claims paid, assessments, or as otherwise deemed necessary by the institutional chief business officers for effective and commensurate allocation of assessments or approved claims chargebacks, the State Comptroller is requested to issue a state warrant for the amount due.

10.5 Separate and apart from all other System monies or funds, an Unemployment Compensation Fund, administered under the same custodianship as other monies administered by the University, is established and maintained in one or more regular depositories of the University, secured by collateral in accordance with state statutory requirements. The fund consists of all assessments collected, all interest earned on deposits of any monies in the fund, and all other monies received for the fund from any other source. This fund is designated as a "revolving fund" under the "University of Texas Central Services Account" provision of the current General Appropriation Act. Expenditures from the Unemployment Compensation Insurance Fund are restricted to direct costs: payments and chargebacks of approved Unemployment Compensation claims, and System administrative costs not to exceed five percent per year of the balance in the fund at the beginning of each preceding year. Investments or time deposits of such funds are in accordance with regular University policies.

10.6 The University of Texas System Unemployment Compensation Insurance Fund operates under principles and methods generally consistent with those established by the Texas Unemployment Compensation Act for operation of the State Unemployment Compensation Fund.

10.61 After an initial development period (as provided in Subdivision 10.62) assessment rates will be computed based upon principles and methods consistent with provisions in the Texas Unemployment Compensation Act for determination of "Contribution" rates. In applying these principles, "benefit ratios" will be developed for determination of basic rates which will be adjusted (decreased or increased, respectively) by one-tenth of one percent for each $25,000 or fraction thereof by which the amount in the Unemployment Compensation Insurance Fund exceeds $1,755,000 or is less than $1,215,000. Such computation will be made at the beginning of each calendar year, and the assessment rate(s) so calculated, but in no event less than one-tenth of one percent, will be applicable to the fiscal year beginning within that calendar year.
Compensation experience and fund balances will be developed during the period January 1, 1972 through August 31, 1976. Assessment rates during this initial development period are as follows:

January 1, 1972 through August 31, 1973, the assessment rate is 2.7 percent applied to salaries and wages up to $4,200 per employee per calendar year.

September 1, 1973 through August 31, 1976, the assessment rates are subject to approval of the Board of Regents based upon determinations by System Administration after review of all available data on loss experience and levels of fund balances.

A single assessment rate is charged to all affected fund sources on a nondiscriminatory basis throughout The University of Texas System, unless differential rates are found to be desirable as between categories of funding sources and such differential rates are approved by the Board of Regents.

In the event that the amount in the Unemployment Compensation Insurance Fund is fully depleted and further reimbursement payments create a deficit in the fund, at the end of any month, such deficit will be recovered by additional emergency assessments which the component institutions will fund by distribution of the costs to all accounts based upon the covered wages which had been charged to the accounts during the month and paid from funds other than State General Revenue.

The System Personnel Office will issue an annual report to include separate reporting of income and disbursements by institution, fund categories, and such other information as may be deemed necessary for effective administration.
REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENT TO
CHAPTER III, SUBSECTION 12.3 (PAYMENT COMPUTATION FOR
SALARIED EMPLOYEES FOR LESS THAN A MONTH). --For clarifica-
tion, Subsection 12.3 of Section 12 of Chapter III of Part Two of the
Regents' Rules and Regulations was deleted, and the following substituted
in lieu thereof:

12.3 If payment for regular salaried employees is for less than a
month, the salary shall be figured proportionately on the
actual number of days in a given month, e.g., 28, 30, 31, or
on the actual number of hours worked during the month.
REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENTS TO CHAPTER X (AUXILIARY ENTERPRISES).--Chancellor LeMaistre presented the following narrative statement with the recommendation to amend the Regents' Rules and Regulations, Part Two, Chapter X, Subsections 9.5 and 9.11 of Section 9 and Subsections 10.1 and 10.2 of Section 10:

"At the July 30, 1971 meeting, the Board of Regents authorized (me) to submit revisions to the Rules and Regulations delegating to President Spurr the approval authority for the minutes and actions of the Texas Union Board and Athletics Council."

Thereafter, the proposed amendments of the Administration were amended, and Subsections 9.5 and 9.11 of Section 9 and Subsections 10.1 and 10.2 of Section 10 of Chapter X were deleted and the following substituted in lieu thereof:

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.

9.11 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.

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.