Regent Clark, "Mr. Chairman, I move that our new Chancellor be directed to revise the Regents' Rules without delay so that System Administration titles and duties be brought into conformity with our action today. I further move that the revised Rules be presented to the Board of Regents at its December 1 meeting for approval."

The motion was duly seconded and prevailed by unanimous vote.
1. Subsection 10.26 and all of its subsections were amended to read as follows:

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" consistent with provisions in the Texas Unemployment Compensation Act under Subsection 10.6 for each of the following categories of fund sources:
   10.261 State General Revenue
   10.262 Other than State General Revenue

2. A new Subsection 10.27 was added to read as follows:

10.27 Assuring that upon adequate notice, sufficient fiscal information will be available to determine a benefit ratio for each of the following categories of funding sources:
   (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

3. Subsection 10.5 was amended to read as follows:

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 System, is established and maintained in one or more regular depositories of the System, 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. Investments or time deposits of such funds will be in accordance with regular System policies. 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. The administrative costs will be identified and charged as direct cost to the Unemployment Compensation Program consistent with procedures for other similar benefits programs.
operated by The University of Texas System. Such direct cost charges will be supported by a payroll distribution system in accordance with Federal Management Circular 73-8, Section J. 7. A financial report will be prepared and submitted annually to the Board of Regents summarizing the transactions and balances of the Unemployment Compensation Insurance Fund for the fiscal year.

4. Subsection 10.6 and its Subsections 10.61, 10.62, 10.621 and 10.622 were deleted, and a new Subsection 10.6 and its Subsections 10.61, 10.62, 10.621(a), (b) and (c), and 10.622 were added and Subsection 10.63 was amended, all to read as follows:

10.6 The System Unemployment Compensation Insurance Fund operates under principles agreed upon between The University of Texas System and the Department of Health, Education and Welfare, and includes the following procedures:

10.61 Assessment rates determined in accordance with 10.621 below will be applied to salaries and wages up to the maximum salary base which conforms to provisions of Federal and State Unemployment Insurance legislation.

10.62 The University will review all available data on loss experience and levels of funds within six months after the end of the year. Based upon such review and projections of anticipated future activities and costs, a calculation of the rate to be charged in the following fiscal year will be submitted to the Department of Health, Education and Welfare.

10.621 Rates will be calculated to fulfill the following objectives:
(a) To maintain the fund balances within a range of $1,215,000 to $1,755,000,
(b) To provide minimal fluctuations in Fund balances from year to year, and
(c) To provide maximum rate stability consistent with the first two objectives.

10.622 The above objectives are expected to permit considerable flexibility in rate determination by the University. However, formal rate negotiations may be required upon determination by DHEW that a prospective rate is inconsistent with such objectives.

10.63 A single assessment rate is charged to all affected fund sources on a nondiscriminatory basis throughout the System.
BOARD OF REGENTS - REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENT TO SECTION 8.6 OF CHAPTER VII (SALE OF SURPLUS EQUIPMENT OR ABANDONED PROPERTY TO SYSTEM EMPLOYEES). --Upon recommendation of System Administration, Section 8.6 of Chapter VII (Sale of Surplus Equipment or Abandoned Property to System Employees) of Part Two of the Regents' Rules and Regulations was amended and a new subsection, Subsection 8.61, was added as set out below:

8.6 Sales to U. T. Employees--Sealed bid sales of surplus equipment or abandoned property may be made to employees of the System or of any of its component institutions only after authorization by the chief administrative officer and approval of the President of the System. Such sales shall be reported in the institutional docket.

8.61 The authorization and reporting requirements in Section 8.6 are not required for public auction sales of surplus equipment or abandoned property to employees of the System.
Chairman Shivers filed the following report of the Committee of the Whole; all action of which had been taken in open session. This report was adopted without objection:

BOARD OF REGENTS - REGENTS' RULES AND REGULATIONS, PART TWO, CHAPTER VII: SECTION 10 ADDED (DISPOSITION OF ABANDONED AND UNCLAIMED PERSONAL PROPERTY). -- Upon motion of Regent Law, seconded by Vice-Chairman Williams, and upon the recommendation of System Administration, Chapter VII of Part Two of the Regents' Rules and Regulations was amended to comply with H.B. No. 1994, 65th Leg., R.S. by adding a new section, Section 10, with respect to Disposition of Abandoned and Unclaimed Personal Property as set out below. This amendment had been approved by the Office of General Counsel:

Sec. 10 Disposition of Abandoned and Unclaimed Personal Property. -- Abandoned and unclaimed personal property of every kind, except vehicles and drugs, which is not being held as evidence to be used in a pending criminal case which shall remain in the custody of any component institution department for a period of ninety (90) days without being claimed or reclaimed by the owner, whether known or not, will be transferred to the component institution's designated Property Manager to be disposed of in the following manner:

10.1 The designated Property Manager shall mail a notice to the last known address of the owner of such property by certified mail, if the owner is known, if the owner is unknown, then the Property Manager shall cause to be published once in the student newspaper, then in a paper of general circulation in the county in which the institution is located, such notice shall contain the description of the property held, the name of the owner if known, the name and address of the officer holding the property a statement that if the owner does not claim such property within ninety (90) days from the date of publication, such property will be sold, and the date and place of such sale.

10.2 All personal property which remains unclaimed at the expiration of ninety (90) days from the date of publication of the notice required by Section 10.1, or from the date of service by certified mail, if the owner was known, shall be deemed to be abandoned and may be sold.

10.3 The designated Property Manager shall sell the property which has been abandoned to the highest bidder at public sale; the Property Manager may decline the highest bid and reoffer such property for sale, if he considers such bid insufficient; he need not offer any property for sale, if, in his opinion, the probable cost of sale is in excess of the value of the property; the designated Property Manager shall deposit all proceeds of the sale into a fund which shall be designated for this purpose.

10.4 Any person claiming an interest in any property delivered to the designated Property Manager, which has been presumed abandoned and sold under the provisions of this section, shall be allowed to file a claim to such property with the designated Property Manager on forms and through procedures prescribed by the Property Manager; upon approval of such claim by the designated Property Manager, the owner may recover the proceeds of such sale after deducting the reasonable expense of keeping such property and the cost of the sale.
10.5 Proceeds of the sale, which remain unclaimed, may be used by the institution for student scholarships.

10.6 Vehicles, which are abandoned and unclaimed, will be disposed of in accordance with Article 6687-9 of Vernon's Texas Civil Statutes as hereafter amended.

10.7 Drugs in the possession of any component institutional police department will be disposed of in the manner prescribed by Article 4476-14, Section 8, of the Texas Dangerous Drugs Act and by Article 4476-15, Section 5.08, of the Texas Controlled Substances Act, or as hereafter amended.