

EDUCATION CODE

SUBTITLE C. THE UNIVERSITY OF TEXAS SYSTEM

CHAPTER 65. ADMINISTRATION OF THE UNIVERSITY OF TEXAS SYSTEM

SUBCHAPTER A. GENERAL PROVISIONS

§ 65.01. DEFINITIONS. In this chapter:

- (1) "System" or "university system" means The University of Texas System.
- (2) "Board" means the board of regents of The University of Texas System.

Acts 1971, 62nd Leg., p. 3144, ch. 1024, art. 1, § 1, eff. Sept. 1, 1971.

§ 65.02. ORGANIZATION. (a) The University of Texas System is composed of the following institutions and entities:

- (1) The University of Texas at Arlington, including:
 - (A) The University of Texas Institute of Urban Studies at Arlington; and
 - (B) The University of Texas School of Nursing at Arlington;
- (2) The University of Texas at Austin, including:
 - (A) The University of Texas Marine Science Institute;
 - (B) The University of Texas McDonald Observatory at Mount Locke; and
 - (C) The University of Texas School of Nursing at Austin;
- (3) The University of Texas at Dallas;
- (4) The University of Texas at El Paso, including The University of Texas School of Nursing at El Paso;
- (5) The University of Texas of the Permian Basin;
- (6) The University of Texas at San Antonio, including the University of Texas Institute of Texan Cultures at San Antonio;
- (7) The University of Texas Southwestern Medical Center at Dallas, including:
 - (A) The University of Texas Southwestern Medical School at Dallas;
 - (B) The University of Texas Southwestern Graduate School of Biomedical Sciences at Dallas; and
 - (C) The University of Texas Southwestern Allied Health Sciences School at Dallas;
- (8) The University of Texas Medical Branch at Galveston, including:
 - (A) The University of Texas Medical School at Galveston;
 - (B) The University of Texas Graduate School of Biomedical Sciences at Galveston;
 - (C) The University of Texas School of Allied Health Sciences at Galveston;
 - (D) The University of Texas Marine Biomedical Institute at Galveston;
 - (E) The University of Texas Hospitals at Galveston; and
 - (F) The University of Texas School of Nursing at Galveston;
- (9) The University of Texas Health Science Center at Houston, including:
 - (A) The University of Texas Medical School at Houston;
 - (B) The University of Texas Dental Branch at

Houston;

(C) The University of Texas Graduate School of Biomedical Sciences at Houston;

(D) The University of Texas School of Health Information Sciences at Houston;

(E) The University of Texas School of Public Health at Houston;

(F) The University of Texas Speech and Hearing Institute at Houston; and

(G) The University of Texas School of Nursing at Houston;

(10) The University of Texas Health Science Center at San Antonio, including:

(A) The University of Texas Medical School at San Antonio;

(B) The University of Texas Dental School at San Antonio;

(C) The University of Texas Graduate School of Biomedical Sciences at San Antonio;

(D) The University of Texas School of Allied Health Sciences at San Antonio; and

(E) The University of Texas School of Nursing at San Antonio;

(11) The University of Texas M. D. Anderson Cancer Center, including:

(A) The University of Texas M. D. Anderson Hospital;

(B) The University of Texas M. D. Anderson Tumor Institute; and

(C) The University of Texas M. D. Anderson Science Park.

(b) The University of Texas System shall also be composed of such other institutions and entities as from time to time may be assigned by specific legislative act to the governance, control, jurisdiction, or management of The University of Texas System.

Added by Acts 1973, 63rd Leg., p. 1186, ch. 435, § 1, eff. Aug. 27, 1973. Amended by Acts 1989, 71st Leg., ch. 644, § 2, eff. June 14, 1989; Acts 2001, 77th Leg., ch. 325, § 1, eff. Sept. 1, 2001.

SUBCHAPTER B. ADMINISTRATIVE PROVISIONS

§ 65.11. BOARD OF REGENTS. The government of the university system is vested in a board of nine regents appointed by the governor with the advice and consent of the senate. The board may provide for the administration, organization, and names of the institutions and entities in The University of Texas System in such a way as will achieve the maximum operating efficiency of such institutions and entities, provided, however, that no institution or entity of The University of Texas System not authorized by specific legislative act to offer a four-year undergraduate program as of the effective date of this Act shall offer any such four-year undergraduate program without prior recommendation and approval by a two-thirds vote of the Texas Higher Education Coordinating Board and a specific act of the Legislature.

Acts 1971, 62nd Leg., p. 3144, ch. 1024, art. 1, § 1, eff. Sept. 1, 1971. Amended by Acts 1973, 63rd Leg., p. 1188, ch. 435, § 2, eff. Aug. 27, 1973; Acts 1989, 71st Leg., ch. 644, § 3, eff. June 14, 1989.

§ 65.12. QUALIFICATIONS; TERMS. Each member of the board shall be a qualified voter; and the members shall be selected from different portions of the state. The members hold office for staggered terms of six years, with the terms of three expiring February 1 of odd-numbered years.

Acts 1971, 62nd Leg., p. 3144, ch. 1024, art. 1, § 1, eff. Sept. 1, 1971. Amended by Acts 1983, 68th Leg., p. 2837, ch. 484, art. III, § 1, eff. June 19, 1983.

§ 65.13. BOARD OFFICERS. The board shall elect a chairman from its members to serve at the will of the board. The comptroller shall be the treasurer of the university system.

Acts 1971, 62nd Leg., p. 3144, ch. 1024, art. 1, § 1, eff. Sept. 1, 1971. Amended by Acts 1997, 75th Leg., ch. 1423, § 5.16, eff. Sept. 1, 1997.

§ 65.14. EXPENSES. The reasonable expenses incurred by members of the board in the discharge of their duties shall be paid from the available university fund.

Acts 1971, 62nd Leg., p. 3144, ch. 1024, art. 1, § 1, eff. Sept. 1, 1971.

§ 65.15. SEAL. The board may make and use a common seal and may alter it at will.

Acts 1971, 62nd Leg., p. 3145, ch. 1024, art. 1, § 1, eff. Sept. 1, 1971.

§ 65.16. SYSTEM CENTRAL ADMINISTRATION OFFICE; EXECUTIVE OFFICER. (a) The board shall establish a central administration of the university system to provide oversight and coordination of the activities of the system and each component institution within the system.

(b) The board shall appoint a chief executive officer and such other executive officers of the system central administration as the board considers appropriate. The board shall determine each officer's term of appointment, salary, and duties.

(c) Subject to the power and authority of the board, the chief executive officer is responsible for the general management of the university system within the policies of the board and for making recommendations to the board concerning the organization of the university system and the appointment of the chief administrative officer for each component institution within the system.

(d) In addition to other powers and duties provided by this code or other law, the central administration of the system shall recommend policies and rules to the governing board of the system to ensure conformity with all laws and rules and to provide uniformity in data collection and financial reporting procedures.

Added by Acts 1989, 71st Leg., ch. 464, § 1, eff. June 14, 1989.

SUBCHAPTER C. POWERS AND DUTIES OF BOARD

§ 65.31. GENERAL POWERS AND DUTIES. (a) The board is authorized and directed to govern, operate, support, and maintain each of the component institutions that are now or may hereafter be included in a part of The University of Texas System.

(b) The board is authorized to prescribe for each of the component institutions courses and programs leading to such degrees as are customarily offered in outstanding American universities, and to award all such degrees. It is the intent of the legislature that such degrees shall include baccalaureate, master's, and doctoral degrees, and their equivalents, but no new department, school, or degree-program shall be instituted without the prior approval of the Coordinating Board, Texas College and University System.

(c) The board has authority to promulgate and enforce such

other rules and regulations for the operation, control, and management of the university system and the component institutions thereof as the board may deem either necessary or desirable. The board is specifically authorized and empowered to determine and prescribe the number of students that shall be admitted to any course, department, school, college, degree-program, or institution under its governance.

(d) The board is specifically authorized to make joint appointments in the component institutions under its governance. The salary of any person who receives such joint appointment shall be apportioned to the appointing institutions on the basis of services rendered.

(e) The board is specifically authorized, upon terms and conditions acceptable to it, to accept, retain in depositories of its choosing, and administer gifts, grants, or donations of any kind, from any source, for use by the system or any of the component institutions of the system.

(f) No component institution which is not authorized to offer a four-year undergraduate program shall offer a four-year undergraduate program without the specific authorization of the legislature.

(g) The board by rule may delegate a power or duty of the board to a committee, officer, employee, or other agent of the board.

Acts 1971, 62nd Leg., p. 3145, ch. 1024, art. 1, § 1, eff. Sept. 1, 1971. Amended by Acts 1971, 62nd Leg., p. 3360, ch. 1024, art. 2, § 37, eff. Sept. 1, 1971; Acts 1983, 68th Leg., p. 5010, ch. 900, § 1, eff. Aug. 29, 1983; Acts 1995, 74th Leg., ch. 213, § 1, eff. May 23, 1995.

§ 65.32. REMOVAL OF OFFICERS, ETC.. The board may remove any officer, member of the faculty, or employee connected with the system when in its judgment the interest of the system requires the removal.

Acts 1971, 62nd Leg., p. 3145, ch. 1024, art. 1, § 1, eff. Sept. 1, 1971.

§ 65.33. EMINENT DOMAIN. (a) The board has the power of eminent domain to acquire for the use of the university system any land that may be necessary and proper for carrying out its purposes in the manner prescribed in Title 52, Revised Civil Statutes of Texas, 1925, as amended.

(b) Whenever the board has been made trustees by a will, instrument in writing, or otherwise of a trust for a scientific, educational, philanthropic, or charitable purpose, or other trust for a public purpose, it may act by a quorum of the board or a majority of all members. Unless otherwise directed by the terms of the will or instrument, as trustees the board may exercise for the purpose of the trust the power of eminent domain and may condemn land and other property as provided by Title 52, Revised Civil Statutes of Texas, 1925, as amended.

(c) In the event that the federal government awards the Super-conducting Super Collider Accelerator project to one or more institutions of higher education in the State of Texas, one of which is a component of The University of Texas System and/or The Texas A & M University System, and the governor with the advice of the Houston Area Research Center Board determines that the board of regents of The University of Texas System should select the site for the construction of this project on permanent university fund lands, the board shall use its best efforts to find a suitable site on permanent university fund lands. If the board determines that it is not feasible to locate the project wholly on permanent university fund lands and the legislature has appropriated funds for such purpose, the board may exercise the power of eminent domain to acquire, on behalf of the state, title and right-of-way easements in such land in addition to permanent university fund

lands as the board may determine is necessary and appropriate for the project. If a component of both The University of Texas System and The Texas A & M University System are members of the consortium that is awarded the Super-conducting Super Collider Accelerator project, the board of regents of The University of Texas System shall not proceed to select a site and to exercise the power of eminent domain without a resolution of concurrence from the board of regents of The Texas A & M University System.

(d) The taking of the property is declared to be for the use of the state. The board shall not be required to deposit a bond or the amount equal to the award of damages by the commissioners as provided in Paragraph 2, Article 3268, Revised Civil Statutes of Texas, 1925.

Acts 1971, 62nd Leg., p. 3145, ch. 1024, art. 1, § 1, eff. Sept. 1, 1971. Amended by Acts 1985, 69th Leg., ch. 922, § 1, eff. Aug. 26, 1985.

§ 65.34. CONTRACTS. A contract must be approved by the board or otherwise entered into in accordance with rules of the board relating to contracting authority.

Acts 1971, 62nd Leg., p. 3146, p. 1024, art. 1, § 1, eff. Sept. 1, 1971. Amended by Acts 1977, 65th Leg., p. 562, ch. 197, § 2, eff. May 20, 1977; Acts 1995, 74th Leg., ch. 213, § 2, eff. May 23, 1995.

§ 65.35. EXPENDITURES. All expenditures may be made by the order of the board and shall be paid on warrants from the comptroller based on vouchers approved by the chairman of the board or his delegate, or by the institutional head or his delegate of the component institution making the expenditures.

Acts 1971, 62nd Leg., p. 3146, ch. 1024, art. 1, § 1, eff. Sept. 1, 1971.

§ 65.36. DONATIONS FOR PROFESSORSHIPS AND SCHOLARSHIPS. (a) Donations of property may be made and accepted by the board for the purpose of establishing or assisting in the establishment of a professorship or scholarship in the university system or any of its component institutions, or for creating in the university system or any of its component institutions any trust for any lawful, educational, or charitable purpose, either temporarily or permanently, and the donations or trusts thereby created will be governed by the rules prescribed by this section.

(b) The legal title to the property shall be vested in the board acting as an entity, or the State of Texas, to be held in trust for the purpose under any directions, limitations, and provisions that may be declared in writing in the donation or trust agreement, not inconsistent with the objectives and proper management of the system or its component institutions.

(c) The donor may declare and direct the manner in which the title to the property shall thereafter be transmitted from the trustee in continued succession, to be held for and appropriated to the declared purposes.

(d) The donor may declare and direct the person or class of persons who shall receive the benefit of the donation and the manner of their selection.

(e) The declarations, directions, and limitations shall not be inconsistent with the objects and proper management of the system or its institutions.

(f) In case of failure to transmit the title to the property or to bestow its use in the manner declared and directed in the donation, or in case the uses, or either of them, become impracticable from the change of circumstances, the title to the property, unless otherwise expressly directed by the donor, shall vest in this state to be held in trust to carry into effect the

purposes of the donation as nearly as practicable by such agencies as may be provided therefor.

(g) The title to the property donated shall be received, and the trust conferred in the donation shall be assumed, subject to laws that may be passed and carried into effect from time to time which may be necessary to prevent the loss of, or damage to, the property donated, or an abuse or neglect of the trust so as to defeat, materially change, or prevent the objects of the donation.

(h) Copies of the donation shall be filed with the board or the branch to which the donation applies; and the board shall report the condition and management of the property and the manner in which the trust is being administered as part of the matters reported pertaining to the institution.

Acts 1971, 62nd Leg., p. 3146, ch. 1024, art. 1, § 1, eff. Sept. 1, 1971. Amended by Acts 1973, 63rd Leg., p. 1577, ch. 568, § 1, eff. Aug. 27, 1973.

§ 65.37. FUNDS RECEIVED FOR TRUST SERVICES. The board may deposit in an appropriate university account all funds received as administrative fees or charges for services rendered in the management and administration of any trust estate under the control of the university system or any institution of the system. The funds so received as administrative fees or charges may be expended by the board for any educational purpose of the university system.

Acts 1971, 62nd Leg., p. 3147, ch. 1024, art. 1, § 1, eff. Sept. 1, 1971.

§ 65.38. NONSECTARIAN. No religious qualification shall be required for admission to any office or privilege in the university system. No course of instruction of a sectarian character shall be taught in the system.

Acts 1971, 62nd Leg., p. 3147, ch. 1024, art. 1, § 1, eff. Sept. 1, 1971.

§ 65.39. MANAGEMENT OF LANDS OTHER THAN PERMANENT UNIVERSITY FUND LANDS. The board of regents of The University of Texas System has the sole and exclusive management and control of the lands set aside and appropriated to, or acquired by, The University of Texas System. The board may sell, lease, and otherwise manage, control, and use the lands in any manner and at prices and under terms and conditions the board deems best for the interest of The University of Texas System, not in conflict with the constitution. However, the land shall not be sold at a price less per acre than that at which the same class of other public land may be sold under the statutes. No grazing lease shall be made for a period of more than 10 years.

Acts 1971, 62nd Leg., p. 3147, ch. 1024, art. 1, § 1, eff. Sept. 1, 1971.

§ 65.40. M.D. ANDERSON SCIENCE PARK. (a) The board is hereby authorized to establish, maintain, and support an environmental science park in Bastrop County, Texas, on lands owned or controlled by it, the administration and business management of which shall be delegated to The University of Texas M. D. Anderson Cancer Center.

(b) The board shall have authority to cooperate with agencies, institutions, instrumentalities, and subdivisions of this state, other states, and the federal government; and with private institutes, institutions, foundations, and organizations, in the furtherance of this section, and the promotion of educational and environmental science programs.

(c) The board is specifically authorized upon terms and

conditions acceptable to it, to accept and administer, gifts, grants, or donations, of any kind, from any source, to aid in the establishment, operation, maintenance, or administration of the environmental science park.

Added by Acts 1971, 62nd Leg., p. 3336, ch. 1024, art. 2, § 2, eff. Sept. 1, 1971. Amended by Acts 1989, 71st Leg., ch. 644, § 4, eff. June 14, 1989.

§ 65.41. MEDICAL SCHOOL ADMISSION POLICIES. The Board of Regents shall promulgate appropriate rules and regulations pertaining to the admission of students to medical schools which will provide for admission of those students to its entering class each year who are equally or as well qualified as all other students and who have entered a contract with or received a commitment for a stipend, grant, loan or scholarship from the State Rural Medical Education Board. The State Rural Medical Education Board may contract with medical students providing for such students to engage in a general or family practice of medicine for not less than four years after licensing and a period of medical residency, as determined by the rules and regulations established by the State Rural Medical Education Board, in cities of Texas which have a population of less than 5,000 or in rural areas, as that term may be defined by the State Rural Medical Education Board, and said Board is hereby given the authority to define and from time to time redefine the term rural area, at the time the medical practice is commenced. This contract shall provide for a monthly stipend of at least \$100 to be granted by the State Rural Medical Education Board to each person under contract with the state while enrolled as a medical school student.

Added by Acts 1975, 64th Leg., p. 2408, ch. 740, § 3, eff. Sept. 1, 1975.

§ 65.42. DELINQUENT ACCOUNTS; VENUE. A suit by The University of Texas System on its own behalf or on behalf of a component institution of The University of Texas System to recover a delinquent loan, account, or debt owed to The University of Texas System or a component institution of The University of Texas System may be brought in Travis County.

Added by Acts 1987, 70th Leg., ch. 403, § 3, eff. Sept. 1, 1987.

§ 65.43. SALE OF OBSOLETE MEDICAL EQUIPMENT. The board shall have the authority to sell and transfer, after due notification by journal or mail, on fair and reasonable terms, to any hospital within the State of Texas operated by the state, a city, a county, a hospital district, a nonprofit corporation, or a tax-exempt charitable organization any medical equipment that has been in use at an institution or facility governed by the board and is obsolete with regard to the instructional objectives of The University of Texas System.

Added by Acts 1981, 67th Leg., p. 2068, ch. 459, § 1, eff. June 11, 1981.

§ 65.45. SCIENCE AND TECHNOLOGY DEVELOPMENT, MANAGEMENT, AND TRANSFER. (a) The legislature finds that it is essential to the economic growth of the state that the potential for the development and growth of high technology industry be promoted and expanded. As a means of accomplishing this purpose, the board may enter into agreements with individuals, corporations, partnerships, associations, and local, state, or federal agencies for funding the discovery, development, and commercialization of new products, technology, and scientific information, including an agreement to manage a national laboratory engaged in any of those

endeavors. At the discretion of the board, research facilities, funding, and personnel at the various component institutions of The University of Texas System may be utilized to achieve the purposes of this section.

(b) As a means of carrying out the purposes of this section, the board may, through one or more corporations incorporated by the board or under any other cooperative arrangement:

(1) own and license rights to products, technology, and scientific information;

(2) own shares in corporations engaged in the discovery, development, manufacture, management, or marketing of products, technology, or scientific information in this state or outside this state;

(3) participate, either directly or through a subsidiary corporation or other legal entity formed for that purpose, in the discovery, development, manufacture, management, or marketing of products, technology, or scientific information on behalf of the United States or a state or local governmental entity; and

(4) carry on and support such other activities as the board may deem appropriate for achieving the purposes of this section.

(c) The board may cooperate in any manner the board considers appropriate with similar programs operated by other state-supported institutions of higher education in this state or in other states.

(d) To the extent provided for in an agreement authorized by this section, a person employed by the entity with whom the system enters such an agreement, or the person's spouse or child, may pay the tuition and fees charged to residents of this state when enrolled in a system institution.

Added by Acts 1985, 69th Leg., ch. 818, § 1, eff. Aug. 26, 1985.
Amended by Acts 2003, 78th Leg., ch. 1266, § 4.04, eff. June 20, 2003; Acts 2005, 79th Leg., ch. 888, § 10, eff. Sept. 1, 2005.

§ 65.46. POWERS RELATED TO ISSUANCE OF BONDS AND

NOTES. (a) In this section:

(1) "Bond" or "note" means a bond or note that the board is authorized to issue according to law, including Article VII, Section 18, of the Texas Constitution, Chapter 55 or 66 of this code, or other applicable law.

(2) "Credit agreement" means a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitment to purchase bonds or notes, purchase or sale agreement, or another commitment, contract, or agreement authorized and approved by the board in connection with the authorization, issuance, security, exchange, payment, purchase, or redemption of bonds or notes or interest on bonds or notes.

(b) To enhance the security for, or provide for the purchase, payment, redemption, or remarketing of, bonds or notes and the interest on bonds or notes, or to reduce the cost of interest payable on bonds or notes, the board may enter into credit agreements in relation to bonds or notes, and may secure its obligations under the credit agreements by pledging, encumbering, or granting liens on or security interests in revenues, funds, or other property or security that may be pledged or encumbered or made subject to a lien or security interest to secure the bonds or notes that are secured by the credit agreement. The cost to the board of the credit agreement and the obligations of the board under the credit agreement may be paid from proceeds of the sale of bonds or notes to which the credit agreement relates or from any other source that is available for the purpose of paying the bonds or notes and the interest on the bonds or notes or that may otherwise be legally available to make those payments. The credit agreement shall be submitted, together with the bonds or notes, to the attorney general for review. If the attorney general finds that the credit agreement conforms to applicable law, the attorney general shall

approve the credit agreement with the bonds or notes. On approval and delivery, the credit agreement is incontestable for any cause.

(c) The board may authorize bonds or notes to bear interest at a rate or rates (either fixed, variable, floating, adjustable, or otherwise, all as determined in accordance with the resolution authorizing the issuance of the bonds or notes, which may provide a formula, index, or contractual arrangement for the periodic determination of interest rates without the requirement of specific approval, by the board, of each determination) not to exceed the maximum net effective interest rate allowed by law. The resolution under which the bonds or notes are issued may delegate to one or more designated officers, employees, or agents of the board the authority to act on behalf of the board, while the bonds or notes remain outstanding, in fixing dates, prices, interest rates, interest payment periods, and other procedures specified in the resolution so that, among other things, the interest on the bonds or notes may be adjusted from time to time by the officer, employee, or agent to permit the bonds or notes to be sold or resold at par in conjunction with secondary market transactions.

(d) The board may enter into financing programs under which the board may issue notes for any lawful purpose for which bonds or notes may be issued and may make provision for the notes initially issued under the programs to be refinanced, renewed, or refunded throughout the period of the programs by the issuance, sale, and delivery of additional notes. The notes may be secured in any manner provided by law for securing notes or bonds, and also may be secured by the proceeds of the sale of notes, the proceeds of the sale of bonds, or credit agreements, all as the board provides in the resolution authorizing the financing program and the issuance of notes under the program. The board may:

(1) provide in the resolution authorizing the financing program for the maximum principal amount of notes to be outstanding at any time under the financing program;

(2) provide for the authorization of one or more officers or employees of the board to act on behalf of the board in selling and delivering notes and fixing their dates, prices, interest rates, terms of payment, and other procedures relating to the notes as specified in the resolution;

(3) contract for the future sale of notes under which designated purchasers are committed to purchase notes from time to time on the terms and conditions stated in the contract, including a credit agreement executed in connection with the notes;

(4) provide for the payment of consideration that the board considers proper for the purchase commitments, and provide for the payment of the consideration out of proceeds from the sale of notes or from any other source that is available for the purpose of paying the notes or that may otherwise be legally available to make the payments; and

(5) exercise any other rights and powers that are granted to issuers of obligations under Chapter 1371, Government Code, which also governs the approval by the attorney general of the notes, related credit agreements, and other contracts or instruments and the registration of the notes by the comptroller.

(e) This section shall be construed liberally to effect the legislative intent and purposes of this section, and all powers granted by this section shall be broadly interpreted to effect that intent and those purposes and not as a limitation of powers.

Added by Acts 1985, 69th Leg., ch. 919, § 1, eff. June 15, 1985.
Amended by Acts 2001, 77th Leg., ch. 1420, § 8.223, eff. Sept. 1, 2001.