<table>
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<tr>
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<th>Approval for University's compliance with Governor Mark White's Executive Order No. 36 to fullest extent and direction of President to report to Board on subsequent meetings on savings achieved. 2</th>
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<tr>
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<td>Authorization to make advance payment for Honeywell mainframe computing system. 2</td>
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<td>Authorization to accept bids for the replacement of the cooling towers on Power Plant II. 2</td>
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<td>Authorization to make advance payoff on contract for copy machines and printing equipment. 2</td>
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<td>Authorization to sell a $17,525,000 Higher Education Assistance Fund Bond Issue and to contract with Rotan-Mosle Securities Corporation to serve as University's financial advisor for same. 2</td>
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<td>Board's commendation to Administration for preparation of budget reductions to meet Governor White's Executive Order No. 36. 3</td>
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<td>Budget Reduction Plan. 4</td>
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<td>---</td>
<td>Appropriations and Proposed Reductions. 7</td>
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</table>
The meeting was called to order by Mr. W. F. Garner, Jr., Chairman of the Board of Regents, at 1:00 p.m. March 10, 1986.

REGENTS -

PRESENT: Mr. Larry Jackson of Palestine
Mr. Phil Simpson of Dallas
Mr. Dan Haynes of Burnet
Mr. Richard C. Hile of Jasper
Mr. John O. Sutton of Nacogdoches
Mr. Lavoy Moore of Conroe
Mr. W. F. Garner, Jr., of Bridge City

STAFF -

PRESENT: Dr. William R. Johnson, President
Dr. William J. Brophy, Interim Vice President for Academic Affairs
Dr. Baker Pattillo, Vice President for University Affairs
Mr. Bob Provan, Legal Counsel
Mr. Don L. Henry, Vice President for Administrative and Fiscal Affairs

STUDENTS -

PRESENT: Mr. Terry Carter, Pine Log Reporter

VISITOR -

PRESENT: Ms. Donna McCollom, KTRE-TV
86-59
Upon motion of Regent Hile, seconded by Regent Moore, with all members voting aye, it was ordered that the President of the University be directed to comply with Governor Mark White's Executive Order, No. 36 to the fullest extent possible. The President was further directed to report to the Board at subsequent meetings on savings achieved.

86-60
Upon motion of Regent Simpson, seconded by Regent Sutton, with all members voting aye, it was ordered that the administration be authorized to make an advance payment for the Honeywell mainframe computing system at a cost of $327,612, and that the President be authorized to sign the early payment agreement.

Source of Funds: Higher Education Assistance Funds.

86-61
Upon motion of Regent Simpson, seconded by Regent Hile, with all members voting aye, it was ordered that the administration be authorized to accept bids for the replacement of the cooling towers on Power Plant II and that the President, with the approval of the Chairman of the Board of Regents, be authorized to sign a contract with the company that presents the lowest bid.

Source of Funds: Higher Education Assistance Funds

86-62
Upon motion of Regent Sutton, seconded by Regent Haynes, with all members voting aye, it was ordered that the administration be authorized to make an advance payoff on the contract for copy machines and printing equipment at a total cost of $101,608.81, and that the President be authorized to sign the early payment agreement.

Source of Funds: Higher Education Assistance Funds.

86-63
Upon motion of Regent Haynes, seconded by Regent Hile, with all members voting aye, it was ordered that the administration be authorized to sell a $17,525,000 Higher Education Assistance Fund Bond Issue and to contract with Rotan-Mosle Securities Corporation to serve as the University's financial advisor in the design and sale of the issue and that the Chairman of the Board be authorized to sign the contract with the financial advisor.
Upon motion of Regent Simpson, seconded by Regent Sutton, with all members voting aye, it was ordered that the Administration be commended for their work in preparing budget reductions to meet the intent of Governor White's Executive Order No. 36.

Meeting adjourned at 11:00 a.m.
STEPHEN F. AUSTIN STATE UNIVERSITY
BUDGET REDUCTION PLAN

(All figures are estimates.)

Level I Reductions

Fiscal Year 1986

1. Hiring Freeze.......................... $ 60,000
   (Assumes replacement of 30% of expected attrition)

2. Curtailment of travel..................... 75,000

3. Limitations on Operations and Maintenance.. 200,000

4. Utility Savings.......................... 200,000
   (Assumes a four-day work week during summer months)

Fiscal Year 1987

1. Hiring Freeze .......................... $ 570,000
   (Assumes replacement of 30% of expected attrition)

2. Curtailment of travel..................... 140,000

3. Limitations on Operation and Maintenance... 475,000

4. Utility savings .......................... 450,000
   (Assumes a four-day work week during summer months)

Level I subtotal $2,170,000
Level II Reductions

Fiscal Year 1986

1. Transfer of certain administrative salaries, in part, to auxiliary accounts........... $ 50,000

2. Miscellaneous................................. 50,000
   (Unused graduate assistant funds, cattle sales, reduction in summer school funds)

Fiscal Year 1987

1. Use of University employees on renovation funded with Proposition II funds........... $ 375,000

2. Administrative reorganization.............. 110,000
   A. Elimination of graduate dean's office
   B. Delay appointment of the Dean of Sciences and Mathematics. The Dean of the School of Liberal Arts will administer the School of Sciences and Mathematics during 1986-87.
   C. Eliminate position of associate vice president for Academic Affairs

3. Transfer certain administrative salaries, in part, to auxiliary accounts............... 100,000

4. Elimination of tennis for men and women.... 70,000
   (Funds to be used for coaches salaries presently being paid from faculty salaries)

5. Miscellaneous ..................................... 50,000

Level II subtotal $ 805,000
Level III Reductions

Fiscal Year 1987

1. Use of stipends rather than payment of 1/6 of nine-month rate for summer faculty salaries $ 455,000
(Assumes fixed stipends of $2250 per section for full professor, $2000 per section for associate professor, $1750 per section for assistant professor, and $1500 per section for instructor)

AND

2. Forced reduction of faculty and staff .... 2,306,564

OR

1. Elimination of second summer session, 1987. 1,000,000

AND

2. Forced reduction of faculty and staff .... 1,761,564

Level III subtotal $2,761,564

TOTAL $5,736,564
STEPHEN F. AUSTIN STATE UNIVERSITY
APPROPRIATIONS AND PROPOSED REDUCTIONS

Appropriations

<table>
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<tr>
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<th>FY 85</th>
<th>FY 86</th>
<th>FY 87</th>
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<tbody>
<tr>
<td>Other E&amp;G Income</td>
<td>$2,275,900</td>
<td>$6,779,199</td>
<td>$7,915,629</td>
</tr>
<tr>
<td>General Revenue</td>
<td>27,413,633</td>
<td>22,610,208</td>
<td>21,517,211</td>
</tr>
<tr>
<td>Total</td>
<td>29,689,533</td>
<td>29,389,407</td>
<td>29,432,840</td>
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Reduction of Appropriated Funds for the 1986-87 Biennium

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<tbody>
<tr>
<td>Shortfall in other E&amp;G Income</td>
<td>$3,252,580</td>
</tr>
<tr>
<td>Executive Order No. 36, General Revenue</td>
<td>5,736,564</td>
</tr>
<tr>
<td>Total</td>
<td>8,989,144</td>
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Total Appropriated, 1986-87 Biennium............$58,822,247

Appropriation Less Reduction...................$49,833,103

Appropriation, less reductions, for the FY 86-87 biennium is 15.36 per cent less than that appropriated for the FY 84-85 biennium.

Since the major cuts resulting from Executive Order No. 36 will occur in the second year of the biennium, the appropriation for FY 87, less reduction, will be 21.27 per cent less than that appropriated for FY 85.