

We, the undersigned Members of the Board of Regents of The University of Texas, hereby ratify and approve all actions taken at this meeting to be reflected in the Minutes.

Signed this the 3rd day of October, 1959, A. D.

Merton M. Minter
Merton M. Minter, M. D.
Chairman

J. Lee Johnson, III
J. Lee Johnson, III
Vice-Chairman

J. P. Bryan
J. P. Bryan, Member

Mrs. Charles Devall
(Mrs.) Charles Devall, Member

Thornton Hardie
Thornton Hardie, Member

W. W. Heath
W. W. Heath, Member

Wales H. Madden, Jr.
Wales H. Madden, Jr., Member

A. G. McNeese, Jr.
A. G. McNeese, Jr., Member

Joe C. Thompson
Joe C. Thompson, Member

MEETING NO. 584

OCTOBER 1, 1959. -- The Board of Regents of The University of Texas convened in regular session on Thursday, October 1, 1959, at 3:15 p. m., in the Cascade Room of the St. Anthony Hotel, San Antonio, Texas.

ATTENDANCE. --

<u>Present</u>	<u>Absent</u>
Chairman Minter, presiding	Regent Hardie--excused
Vice-Chairman Johnson	(See Page <u>11</u> .)
Regent Bryan	
Regent (Mrs.) Devall	
Regent Heath	
Regent Madden	
Regent McNeese	
Regent Thompson	
President Wilson	
Secretary Thedford	

Also present were:

Central Administration Officials

Mr. Lanier Cox, Vice-President for Administrative Services
Doctor J. C. Dolley, Vice-President for Fiscal Affairs
Mr. W. E. Keys, University News and Information Service
Doctor Harry H. Ransom, Vice-President and Provost
Mr. C. H. Sparenberg, Comptroller

Institutional Heads

Doctor A. J. Gill, Dean of Southwestern Medical School
Doctor J. V. Olson, Dean of the Dental Branch
Doctor John Truslow, Executive Director of the Medical Branch

Representatives of the Press and Television

Miss Virginia Clapp, representing the San Antonio Light
Mr. Jon Ford, representing the San Antonio Express
Mr. George McCall, representing WOAI-TV

Advisory Committee re The South Texas Medical School (The Third Medical School)

Doctor Joseph C. Hinsey, Chairman
Doctor Anthony J. J. Rourke
Doctor Stafford Warren

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OFFICIAL WELCOME; OUTLINE OF PROCEDURE. --Chairman Minter officially welcomed the members of the Board of Regents and the Administrative Officials of The University of Texas System to San Antonio.

(This is the first meeting the Board of Regents of The University of Texas System has ever held in San Antonio.)

Since the meeting was convened to receive the Report of the Advisory Committee re The South Texas Medical School, Chairman Minter suggested that President Wilson read the pertinent paragraphs of House Bill No. 9 creating the medical school, that Doctor Hinsey present the Report of the Advisory Committee, and that all present be given an opportunity to ask questions. This advisory committee was selected by the Board of Regents (Permanent Minutes, Volume VI, Page 1306) and was financed by The San Antonio Medical Foundation. However since the Board of Regents had not heard the report and thus had not had an opportunity to study it, it was requested that all questions be directed to Doctor Hinsey. Chairman Minter had hoped Doctor Hinsey could meet with the Press following the Board meeting, but he was scheduled to leave San Antonio on a 5:30 p. m. flight.

(On Thursday, October 1, from 8:30 a. m. to 3:00 p. m., Chairman Minter, Vice-Chairman Johnson, Regents Bryan, Devall, Heath, Madden, and Thompson, President Wilson, Vice-Presidents Cox and Dolley, Comptroller Sparenberg, Vice-President and Provost Ransom, Deans Gill and Olson, Doctor James P. Hollers /President of the San Antonio Medical Foundation/, Miss Virginia Clapp /representing the San Antonio Light /, Mr. Jon Ford /representing the San Antonio Express /, toured by bus the following medical installations and/or sites and received a briefing on the facilities of each:

Baptist Memorial Hospital
 Santa Rosa Hospital
 Robert B. Green Hospital
 Brooke Army Medical Center
 170 acre site in the Oak Hill Section /site of new Methodist Hospital/
 Southwest Research Institute
 Lackland Air Force Base
 The School of Aviation Medicine

All on the tour were luncheon guests of Southwest Research Institute.)

EXPRESSION OF APPRECIATION. --Mr. Thompson on behalf of the Regents expressed deep appreciation to Doctor Minter as Chairman of the Board, to Doctor James P. Hollers as President of the San Antonio Medical Foundation, and to others who arranged the interesting and impressive tour of the medical sites and facilities as parenthetically set out above. The other members of the Board joined Mr. Thompson in requesting Vice-Chairman Johnson to write a note of thanks and appreciation to all who helped to make the tour a success.

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THE SOUTH TEXAS MEDICAL SCHOOL

PROVISIONS, HOUSE BILL NO. 9, 56th LESISLATURE, R. S., 1959, AUTHORIZING THE SOUTH TEXAS MEDICAL SCHOOL. --At the request of Chairman Minter, President Wilson read Sections 1 and 3 of House Bill No. 9, 56th Legislature, R. S. 1959 as set out below.

Section 1. The Board of Regents of The University of Texas is hereby authorized and directed to establish a Medical Department or Branch of The University of Texas within the County of Bexar, State of Texas, to be known as The South Texas Medical School. Provided, however, that the Board of Regents shall take no action pursuant to the terms of this Act, excepting the planning hereinafter provided for, and the acceptance of gifts, grants or donations, until an appropriation has been made for the purpose of carrying out the provisions of this Act by the Legislature of the State of Texas; and furthermore provided that the Board of Regents shall take no action pursuant to the terms of this Act until the City or County in which it be located provides a teaching hospital deemed suitable and sufficient by the Board. Said teaching hospital to be located within one mile from the campus of said school and provided and maintained without any cost to the State of Texas.

Section 3. The Board of Regents of The University of Texas is hereby authorized to accept and administer, upon terms and conditions satisfactory to it, grants or gifts of property or money which may be tendered to it in aid of the planning necessary for the conduct and operation of said new Medical Branch or Department of The University of Texas; in aid of the establishment of said new Medical Branch or Department of The University of Texas; or in aid of research and teaching at said new Medical Branch or Department of The University of Texas. The Board of Regents is further authorized and empowered to accept from the Federal Government, any foundation, trust fund, corporation, or individual, donations, gifts and grants, including real estate, buildings, libraries, laboratories, apparatus, equipment, records, or money for the exclusive use and benefit of the said new Medical Branch or Department of The University of Texas. Before acceptance of any such gifts, grants or donations of real property, the Board of Regents shall secure the opinion of the Attorney General of the State of Texas as to the title of any such real property to be conveyed by the Board of Regents.

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REPORT OF THE ADVISORY COMMITTEE RE THE SOUTH TEXAS
MEDICAL SCHOOL. --Doctor Joseph C. Hinsey read the following
report of the Advisory Committee re The South Texas Medical
School:

San Antonio, Texas
October 1, 1959

President Logan Wilson
The University of Texas
Austin, Texas

Dear Dr. Wilson:

We respectfully submit herewith our findings and recommen-
dations regarding the site for a new medical school at San
Antonio, Texas.

The following is a copy of the "Memorandum on Advice
Needed Regarding the Establishment of a University of Texas
Medical School in San Antonio" which was furnished our
committee:

"MEMORANDUM ON ADVICE NEEDED
REGARDING THE ESTABLISHMENT OF A UNIVERSITY
OF TEXAS MEDICAL SCHOOL IN
SAN ANTONIO

"1. Background information. The 56th Legislature
authorized the establishment of a third University of
Texas medical school at San Antonio. It appropriated
no money for this purpose, set no time table, and did
not specify the size of the entering class. Our assump-
tion is that appropriations will be forthcoming and that
the Legislature will accept our recommendation that
the optimum class size will be 100. The Regents and
the Central Administration of The University of Texas
system have concluded that the advice of an outside
committee of distinguished experts would be highly
useful in making preliminary plans.

"2. Accordingly, appointment of the following com-
mittee has been approved:

Dr. Joseph C. Hinsey, Chairman
Director
New York Hospital--Cornell Medical Center
525 East 68th Street
New York 21, New York

Dr. Anthony J. J. Rourke
Hospital Consultant
26 Overlook Circle
New Rochelle, New York

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Dr. Stafford Warren, Dean
School of Medicine
University of California at Los Angeles
Los Angeles 24, California

It is felt that recommendations from a committee of this repute will be invaluable in any immediate and long-range plans.

"3. Some of the matters on which advice is needed are the following:

- a. The location of the school in Bexar County; currently two alternatives present themselves, with local elements supporting each location.
- b. The needs for teaching hospital beds, both in terms of the suitability of existing beds and of new construction.
- c. The approximate cost to the state, both in capital investment and in annual operating expenses.
- d. Feasible utilization of staff and facilities of the various military installations in the San Antonio area.

"4. The committee would not be expected to go into any detailed itemization of building needs, staff requirements, and so on; its recommendations should be general in scope and should relate primarily to considerations indicated above."

Each member of your committee has been closely related to medical education and medical care programs for over a quarter of a century. Each realizes that it has taken nearly a half century to carry out the early recommendations of the Flexner Report which urged the upgrading of Medical Schools and the discontinuance of sub-standard institutions.

In accepting your appointment, we have all realized the grave responsibilities we have assumed in advising your Regents. In our opinion it would be wiser not to start a medical school in San Antonio than to create a sub-standard institution which is not in keeping with the high standards of the educational principles to which The University of Texas subscribes.

There should be no concessions made to the fundamental requisites for high grade medical education. These requirements are basic:

1. Adequate capital funds to build medical school space

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2. Adequate operating budget to finance sufficient top flight full time faculty, and the necessary staff and expenses
3. Sufficient clinical material under the control and direction of the Medical School immediately adjacent in a City-County hospital and outpatient department
4. A realization that more clinical material than needed for undergraduate teaching dissipates faculty time while less clinical material than needed for undergraduate teaching results in insufficient experience for the medical student.
5. That while local hospitals meeting basic principles and part-time local physicians qualified to teach will provide invaluable contributions to medical education, they cannot substitute for a minimum number of basic teaching beds and of full time faculty.

While it has been the experience in the past that factors beyond the control of planners and administrators often compel the acceptance of concessions to continue an existing program, any new school starting on a basis of expediency is making a grievous error.

In our deliberations, we have developed the following ten points which have guided us in our final recommendations:

1. From the viewpoint of medical education and medical care of indigent patients, the location of a medical center would be satisfactory anywhere in San Antonio in any area within the loop or adjacent to it, because of the radial highways.
2. It is imperative that the medical school be located physically adjacent to its basic teaching hospital and outpatient clinics.
3. The present Santa Rosa, Baptist, State and military hospitals as well as the proposed Methodist Hospital should not be considered as basic teaching facilities for the undergraduate program at a medical school.
4. The facilities of the Santa Rosa, Baptist, Methodist, State, Army and Air Force hospitals should be considered as possible ancillary services for supplementary use in undergraduate medical education. Their use in postgraduate education for the intern and residency programs would be desirable.
5. To meet the criteria of an ancillary teaching hospital, the following conditions should be met:
 - a. All of the medical staff of the hospital should be recommended by the Medical School for appointment.
 - b. The hospital and each staff physician should agree that all patients will be available for undergraduate teaching.

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- c. The conduct of each clinical service in the hospital including the intern and residency programs should be the direct responsibility of the executive head of the corresponding department in the medical school who shall be the director of the same service in the hospital.
 - d. The hospital should conduct an out-patient department.
 - e. The hospital should conduct approved residencies on all of its major services (or be eligible to do so) and provide appropriate laboratories and educational facilities (library, conference and lecture rooms, etc.)
6. The maintenance of high standards of undergraduate medical education requires a reservoir of basic acute disease teaching beds and clinics, and a part-time clinical faculty to supplement the basic corps of full time faculty. The size of the class of medical students must be adjusted to these resources in the community. Present trends in existing schools indicate that approximately 500 acute disease basic teaching beds under the direct control of the medical school are needed for undergraduate medical education of a class of approximately 50 medical students.
7. In the long term future development of a medical center and looking forward to the future growth of Texas, consideration should be given to the land requirements of the following:
- a. Medical Science Building and Teaching Hospital
 - b. Residence facilities for students and medical center personnel
 - c. University School of Nursing
 - d. Dental School
 - e. School of Public Health
 - f. School of Pharmacy
 - g. Units for research in special fields, i. e., nuclear medicine
 - h. Institute of Rehabilitation
 - i. Special Graduate Units for research, diagnosis and treatment--cancer, heart, psychiatry, etc.
 - j. Medical Arts Building
 - k. Chronic Disease Hospital

It should be realized that the full potential of medical education, research and patient care will never be reached until the complete disciplines of a University are contiguous and readily available to the units in the medical center.

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8. Off street parking either in multi-level structures or surface lots should be provided. The following formula is an indication of what might be expected:
 - a. One parking space per hospital bed
 - b. One parking space per three persons residing at the center
 - c. One parking space for six average daily visits to the clinics
 - d. One parking space per three average daily private visits
 - e. One parking space per full-time faculty member
 - f. One parking space per three part-time faculty members and other medical school personnel
9. If a medical center is to be located in a downtown area, a minimum of 40 acres based on use of tall buildings would be needed. If the center is located at the periphery of a city in a less congested area, a minimum of 150 acres would be needed for parking and buildings not as tall as on a downtown site.
10. All land needed for a medical center should be secured by The University of Texas at once and not on the basis of periodic gifts and purchases.

RECOMMENDATIONS

1. Select as the desirable site for long range planning the 170 acres of Oak Hill property which has been offered by the San Antonio Medical Foundation, contingent upon the community's commitment and appropriation of capital funds to build the basic teaching hospital and clinics mentioned in Recommendation No. 2.
2. Build simultaneously a Medical Science Building and an acute short term care 500 bed basic Teaching Hospital and Outpatient Clinics as the initial step.
3. Secure City and County assurance of any re-routing and scheduling of surface transportation as may be necessary to meet the needs of a new Medical Center at the Oak Hill site.
4. Convert the present Robert Green Hospital to a Chronic Hospital, including a modern dynamic rehabilitation program, as soon as a new City-County (Robert Green) Hospital has been opened at the Oak Hill site.
5. Start the Medical classes with 50 entering students as the maximum number possible with available clinical material in the basic 500 bed Teaching Hospital and the probable present part-time faculty potential.
6. Increase the size of the entering Medical School Class from the original fifty if and when population increases

- have resulted in the provision of a greater number of basic teaching beds for the undergraduate program. In order to maintain high standards, the same ratio of basic teaching beds to medical students should be maintained as the classes increase.
7. Provide a full time Chairman of each Medical School Department and its major subdivisions.
 8. Utilize all available qualified part-time faculty.
 9. Plan on a \$13,000,000 to \$14,000,000 capital budget to build the first phase of the Medical Education facilities.
 10. Plan on a \$13,000,000 to \$14,000,000 capital budget to construct a new City-County (Robert Green) Hospital and Outpatient Clinics as the basic teaching 500 bed acute short term care hospital.
 11. Add to the above figures any costs entailed with land acquisition and any increases in building costs which will occur between the above 1959 estimates and the date contracts for construction are awarded.
 12. Plan on a minimum annual medical school educational operating budget of \$2,000,000 for four classes of 50 medical students each with an approximate increase of 25% as classes may be eventually doubled in size.
 13. Study carefully the physical relationship of the new City-County Hospital and Outpatient Clinics, the new University of Texas Medical School (San Antonio) and the new Methodist Hospital to insure maximum advantages for patient care, medical and nursing education and medical research.
 14. Develop in the near future a projected tentative plan of land usage for the 170 acre San Antonio medical center campus locating all possible additions to form a complete Medical Center Program including parking.

This report would not have been possible without the splendid cooperation of many who gave freely of their time and counsel. For this we are grateful.

With this report goes our sincere wish for success in the creation of another medical school in the State of Texas. May you and we be proud of what results from these deliberations.

Sincerely,

/S/Joseph C. Hinsey M. D.
Chairman

/S/Anthony J. J. Rourke M. D.

/S/Stafford Warren M. D.

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Following the report, members of the press, as well as others, were given an opportunity to ask questions. When there were no further questions, Chairman Minter expressed thanks to Miss Clapp and those who took the seven-hour tour of the medical sites and facilities.

EXPRESSION OF THANKS TO ADVISORY CONSULTANTS. -- President Wilson took the opportunity to join the Board in expressing thanks to Doctor Hinsey, Doctor Rourke, and Doctor Warren--the Advisory Committee. He stated that this committee was chosen on the best advice the University could get of who are the leading consultants in the country. These gentlemen were the first choice, and the University is extremely fortunate to have the advice of a committee of this objectivity. Their recommendations will prove helpful as a basis for future planning and will be of great value in the University's efforts to develop an institution of which San Antonio and the entire State of Texas can be proud.

RECESS. --The Board recessed the regular meeting at 4:15 p.m. until Saturday, October 3, 1959, at 8:30 a.m. and resolved itself into a Committee of the Whole.

(Following the meeting of the Committee of the Whole, Chairman Minter issued to the press a statement concerning the actions of the Committee of the Whole with reference to the report of the Advisory Committee. A copy of this news release is in the Secretary's Files, Volume VII, Page 1.)

COMMITTEE OF THE WHOLE. --The following is a report of the action taken in the meeting of the Committee of the Whole on the afternoon of October 1, 1959:

ACCEPTANCE OF REPORT OF ADVISORY COMMITTEE RE THE SOUTH TEXAS MEDICAL SCHOOL. --The Committee of the Whole accepted the report of the Advisory Committee regarding the establishment of The South Texas Medical School as authorized by the 56th Legislature and approved it in principle without endorsing all the specifications or reaching any conclusions concerning the dollar amounts necessary to achieve the objectives set forth. In accepting this report, the Regents:

1. Agreed with the Advisory Committee as to the choice of the site, namely, the Oak Hill location, with the proviso that a City-County hospital of suitable size be erected on the site, and sufficient provision be made for its continuing operation.
2. Requested the University Administration to notify the Methodist Hospital group in San Antonio of the Regents' desire to cooperate with them to the fullest extent in the expressed intention of the Methodist Hospital to make its new facilities available to the University for teaching purposes, with the mutual understanding

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that on the part of the University this would involve appointment of a hospital staff, as is common everywhere in such teaching institutions.

3. Expressed the desire to cooperate in the fullest measure possible with other hospitals in the San Antonio-Bexar County area in utilizing their facilities for ancillary teaching and research purposes.
4. Agreed to take the whole report under study and consider it carefully for further action at a subsequent meeting and for specific recommendations to the Legislature and to the proper groups in Bexar County.

REGULAR MEETING. -- The Board assembled on Saturday, October 3, 1959, at 8:30 a. m. in the Cascade Room in the St. Anthony Hotel.

ATTENDANCE. --

Present

Chairman Minter, presiding
 Vice-Chairman Johnson
 Regent Bryan
 Regent (Mrs.) Devall
 Regent Hardie *
 Regent Heath
 Regent Madden
 Regent McNeese
 Regent Thompson
 President Wilson
 Secretary Thedford

Absent

* Regent Hardie was present also for all committee meetings except the Committee of the Whole on October 1, 1959.

Also present were:

Mr. Lanier Cox, Vice-President for Administrative Services
 Doctor J. C. Dolley, Vice-President for Fiscal Affairs
 Doctor L. D. Haskew, Vice-President for Developmental Services

Mr. C. H. Sparenberg, Comptroller
 Mr. W. W. Stewart, Endowment Officer
 Mr. Burnell Waldrep, Land and Trust Attorney
 Mr. W. E. Keys, Director of the University News and Information Service

Doctor R. Lee Clark, Jr., Director of M. D. Anderson Hospital and Tumor Institute
 Doctor A. J. Gill, Dean of Southwestern Medical School
 Doctor Harry H. Ransom, Vice-President and Provost of the Main University

Mr. Carl Howard, Editor of The Daily Texan

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APPROVAL OF MINUTES (1) JULY 31 - AUGUST 1, 1959, (2) AUGUST 15, 1959. --It was moved by Mr. Madden, seconded by Mr. Hardie, and unanimously adopted that the Minutes of the regular meeting of the Board of Regents held in Austin on July 31-August 1, 1959, be approved in the form as circulated to each Regent by the Secretary.

It was moved by Mr. Thompson, seconded by Mr. McNeese, and unanimously adopted by the Board that the Minutes of the regular meeting of the Board of Regents of The University of Texas held in Austin on August 15, 1959, be approved in the form as circulated to each Regent by the Secretary.

COMMITTEE OF THE WHOLE

(In addition to the meeting of the Committee of the Whole on the afternoon of October 1, there was an additional meeting of the committee on October 2, as well as meetings of the Standing Committees.)

Chairman Minter presented the following report of the Committee of the Whole, noting that a previous report of the action regarding the Report of the Advisory Committee had been made. (Page 10)

REPORT AND RATIFICATION OF AWARD OF CONTRACT FOR FIRE AND EXTENDED COVERAGE INSURANCE FOR THE UNIVERSITY OF TEXAS SYSTEM. --Chairman Minter reported that the Committee of the Whole ratified the award of contract for fire and extended coverage insurance for The University of Texas System to the Continental Casualty Company of Chicago on the basis of their low bid of \$142,664.00 as set out in the following report prepared by Comptroller Sparenberg and approved by Vice-President Dolley:

In accordance with the instructions given by the Board of Regents at its meeting on August 1, 1959, invitations for bids on blanket system-wide fire and extended coverage insurance of The University of Texas System were distributed to a selected list of bidders on August 13, 1959; copies of the invitation for bids dated August 13, 1959, plus the attached specifications, summary of estimated replacement new values, and proposal forms, were distributed to members of the Board of Regents. Copies of this material were eventually distributed to a total of six insurance company offices, ten local agents, and one general agent.

In accordance with the invitation for bids, bids received were opened and tabulated at 10:00 A. M., September 10, 1959. Bids received covering the premium cost for the three-year period beginning September 24, 1959, are listed on the following page.

After considerable discussion with Regents Heath and Johnson, who attended the bid opening, and in accordance with the authority granted by the Board of Regents, Vice-President Dolley and Comptroller Sparenberg made the award to the Continental Casualty Company of Chicago on the basis of their low bid of \$142,664.00.

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This award covers blanket system-wide fire and extended coverage insurance for The University of Texas System, for the three-year period beginning September 24, 1959, on the replacement new basis, subject to a \$100,000 deductible for each and every loss occurrence, with total coverage on buildings and contents of \$155,407,400.00 on the basis of the 90% coinsurance clause.

It is recommended that the Board of Regents ratify the actions above reported at its meeting on October 1, 2, and 3, 1959.

Bids Received:

Insurance Company of North America, Philadelphia, Pa. Local Agent: Ellis-Smith and Company, Dallas	(40%)	
Federal Insurance Company, New York, N. Y. Local Agent: F. W. Offenhauser and Company, Texarkana	(35%)	
American Insurance Company, Newark, N. J. Local Agent: Ellis-Smith and Company, Dallas	(25%)	\$215,000.00
Continental Casualty Company, Chicago, Illinois Local Agent: Munger and Moore, Dallas		\$142,664.00

(A photostatic copy of the policy with Continental Casualty Company of Chicago has been filed in the Office of the Secretary of the Board of Regents.)

REPORTS OF STANDING COMMITTEES

Chairman Minter asked the committee chairmen to present reports of their respective committees.

REPORT OF EXECUTIVE COMMITTEE - INTERIM ACTIONS (July 17, 1959 to September 18, 1959). -- The following report of the interim actions of the Executive Committee was included in the Material Supporting the Agenda for ratification by the Board:

The Executive Committee during the period July 17-September 18, 1959, approved the following by mail vote:

1. Budgetary Items
 - a. Main University. -- Upon recommendation of Vice-President Ransom, concurred in by Vice-President Dolley, acting for President

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Wilson, the Executive Committee approved two budgetary items for the Main University. These are listed in the Main University portion of the docket for the October 1-3, 1959, meeting as Nos. 2 and 13, Pages M-7 and M-8, respectively.

- b. Southwestern Medical School. -- Upon recommendation of Doctor Gill concurred in by Vice-President Dolley, acting for President Wilson, the Executive Committee approved two budgetary items for the Southwestern Medical School. These are listed in the Southwestern Medical School portion of the docket for the October 1-3, 1959 meeting as Nos. 20 and 63, Pages S-4 and S-7, respectively.
2. Revision of Requirements, Degree of Master of Arts. -- The Executive Committee, upon the recommendation of President Wilson, approved a change in the Graduate Catalog as set out on Pages C-2 and C-3 of Attachment No. 2. This change had been recommended by the Graduate Legislative Council and approved by the Graduate Faculty.

Adoption of Report. -- It was moved by Mr. Thompson, duly seconded, and unanimously carried that the foregoing report of the Executive Committee be ratified.

REPORT OF ACADEMIC AND DEVELOPMENT AFFAIRS COMMITTEE. -- Committee Chairman Devall reported that the Academic and Developmental Affairs Committee had discussed at some length proposals of Vice-President Ransom to establish a (1) Nuclear Science Center at a cost of \$2,500,000 or (2) a broader Scientific Development Program to cover all of the sciences including a Nuclear Science Center.

It is recommended by the Academic and Developmental Affairs Committee that the University Administration be directed to prepare for the November 1959 meeting a detailed, specific recommendation to include the following:

1. The best possible estimates of construction and equipment costs
2. A time schedule indicating probable disbursements
3. Sources of funds for the project
4. A proposed site for the new building
5. The best estimate of the annual operating budget to make use of the facilities
6. An indication of the impact this project will have on the long range building program at the University

Adoption of Report. -- It was moved by Mrs. Devall, seconded by Mr. Heath, and unanimously adopted that the foregoing report of the Academic and Developmental Affairs Committee be approved.

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REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE; TEN-YEAR BUILDING PROJECTION; AUDIT COMMITTEE, UTILIZATION OF SPACE; NEW BUILDINGS AND MAJOR REPAIR PROJECTS.-- Committee Chairman Thompson presented the Report of the Buildings and Grounds Committee as set out below. This report included the recommendations of the Administration as presented in the Material Supporting the Agenda and the recommendations for the selection of (1) mechanical engineers to prepare plans and specifications for Central Water Chilling Station and Additions to Utility Distributions Systems, Medical Branch, Page 20 and (2) associate architect for the Classroom-Office Building, Texas Western College, Page 21, as approved at the meeting of the Committee: (See Page 24 for adoption.)

Main University--Authorization to Consulting Architect to Prepare Preliminary Plans for Computation Center. --The University Administration believes that top priority should be given to completing permanent quarters for the Computation Center at the Main University at the earliest possible moment. Considerable study has been made of possible locations for this building, bearing in mind that certain favorable sites should be preserved for larger buildings and that a central location is highly desirable for this facility. A possible plan has been suggested which would place the location of the Computation Center at the head of what will be the East Mall of the Campus. The present paved terrace on the East of the Main Building would be extended eastward for 82 feet on the same level, with the south edge 50 feet from the north line of Garrison Hall and the north edge 50 feet from the south line of Geology Building. At the east end of the terrace, steps similar to those now existent would be provided. Beneath this terrace, which would serve as the roof, a one-floor structure of 14,514 square feet would be constructed. The appearance of the terrace would remain practically the same, the only difference being that it would be extended approximately 82 feet eastward.

It should be pointed out, however, that this construction would affect the future development of the East Mall. An earlier master plan contemplated a northward wing on Garrison Hall and a southward wing on Geology Building, narrowing the head of the Mall at the Main Building. The suggested arrangement would leave the head of the Mall at its present width, and make possible the addition of two major structures, a very large classroom building on the present Printing Division site and a doubling of the size of Waggener Hall. Consulting Architects Jessen, Jessen, Millhouse and Greeven are strongly in favor of the new arrangement.

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It is recommended by the Main University Faculty Building Committee, the Consulting Architects, the Comptroller's Office, and the President's Office that the suggested location of the Computation Center be approved by the Board and that the Consulting Architects be authorized to prepare preliminary plans and outline specifications for this building not to exceed \$300,000.00 in total cost.

Main University--Appropriation for Air Conditioning Sutton Hall and Remodeling Attic of that Building. --For some time, there has been consideration of spaces in various buildings on the Main University Campus which were unusable because of being unfinished and without proper ventilation, lighting, etc., and possible ways to make these spaces usable have been studied. The attic space in Sutton Hall is one of these areas. To make this space available, an expenditure of approximately \$8.00 per square foot would need to be made in comparison with an expenditure of approximately \$20.00 per square foot for new construction. If this remodeling is done, it will provide approximately 9,400 square feet of additional space to be used for faculty offices. To make the attic space usable, it will be necessary to provide air conditioning, and in view of the desire to give a high priority to air conditioning of existing buildings, and further in view of the fact that this building is one of the most heavily used units during the summer, it is considered the best and most economical procedure to air condition the whole building at this time.

In line with procedure followed in other remodeling projects of this type, it is recommended that authorization be given to proceed with the preparation of plans and specifications for Air Conditioning Sutton Hall and Remodeling of the Attic of that Building with the total cost not to exceed \$200,000.00, this amount to be appropriated from the Available University Fund. It is further recommended that the plans and specifications, with the exception of the plans and specifications for the mechanical work, be prepared by the Main University Physical Plant staff, and that Comptroller Sparenberg be given authority to engage Zumwalt and Vinther, Consulting Engineers, for the preparation of plans and specifications for the mechanical portion.

Main University--Appropriation for Air Conditioning T. U. Taylor Hall (Main Engineering Building) and Remodeling Attic of that Building. --The attic of T. U. Taylor Hall is another of the unusable areas on the Main University Campus which might be remodeled at considerably less expense than would be involved in new construction. If this attic is remodeled, it will provide approximately 9,500 square feet of additional space to be

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used for faculty offices. It is true in this case also that air conditioning must be provided in order to make the space usable, and it is again considered the best procedure to air condition the office and classroom portions of the building at the same time.

It is, therefore, recommended that authorization be given to proceed with the preparation of plans and specifications for air conditioning T. U. Taylor Hall and remodeling the attic of that building, with the total cost of the project not to exceed \$200,000.00, this amount to be appropriated from the Available University Fund. It is further recommended that the plans and specifications, with the exception of the plans and specifications for the mechanical work, be prepared by the Main University Physical Plant staff, and that Comptroller Sparenberg be given authority to engage Zumwalt and Vinther, Consulting Engineers, for the preparation of plans and specifications for the mechanical portion.

Main University--Ratification of Approval of Preliminary Plans for New Printing Division Building. --At the Regents' Meeting held August 1, 1959, a Committee was appointed, consisting of Main University Business Manager Landrum, Vice-President Ransom, Comptroller Sparenberg, Vice-President Dolley, and President Wilson, to approve the preliminary plans for the Printing Division Building at the Main University. These preliminary plans by the Consulting Architect have now been completed and approved by the Committee as listed above and authorization given to the Associate Architect to proceed with the preparation of working drawings and specifications. It is recommended that the Board ratify the action taken by the Committee as reported above.

Main University--Ratification of Award of Contract and Appropriation for Demolition of Drama Building. --At the Regents' Meeting held March 14, 1959, Comptroller Sparenberg was given authority to approve plans and specifications, advertise for bids, and award a contract for the Demolition of the Drama Building at the Main University. In accordance with this authorization, the plans and specifications were approved, bids were called for, and the bids were opened and tabulated on September 1, 1959. This tabulation is on Page 41. All bids received were on the basis of payment by the University to the Contractor, and Comptroller Sparenberg awarded a contract in the amount of \$2,350.00 to the low bidder, Franks and Hobbs

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Demolition Company, Austin, Texas. Upon approval of the President's Office, an appropriation in this amount was set up out of Account No. 94020 - Drama Building - Insurance Proceeds from Fire Damage.

It is recommended that the actions taken as reported above be ratified by the Board.

Main University--Ratification of Award of Contract for Three New Parking Lots. --At the Regents' Meeting held August 1, 1959, authorization was given to Business Manager Landrum and Comptroller Sparenberg to approve plans and specifications for four new parking lots on the Campus of the Main University and to Comptroller Sparenberg to award whatever contracts were necessary to carry out this construction. The plans and specifications have been completed for three of these parking lots, and in accordance with the authorization given, these were approved and bids were called for, opened, and tabulated on August 18, 1959. This tabulation is on Page 41. Further in accordance with the authorization given, a contract was awarded to the low bidder, Giesen and Latson Construction Company, Austin, Texas, as follows:

Combination Proposal Covering all Three Parking Lots	\$19,126.25
Alternate No. 7	<u>No Change</u>
Total Contract Award	<u>\$19,126.25</u>

This contract covers the new parking lots at the following locations:

21st and Guadalupe Streets
Y Hall Site, South and West of
Physics Building
21st Street and Speedway, South
of Gregory Gymnasium

It is recommended that the actions taken as reported above be ratified by the Board.

Main University--Right-of-Way and Drainage Channel Easement, Texas Highway Department, Travis County, Texas. --This application for a right-of-way and drainage channel easement covers 2.92 acres and 0.34 acre, respectively, out of Tracts 14 and 15 of the J. O. Hamilton Estate

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Subdivision, University Lands (being a strip along the South edge of the Balcones Research Center property) situated in Travis County, Texas, and is to be used by the Highway Department for new construction on U. S. Highway 183. In accordance with established precedent, no consideration is involved in this easement. This easement does not adversely affect any contemplated use of the property. It is recommended that this right-of-way and drainage channel easement be granted and a proper instrument be executed by the Chairman upon approval as to content by the Business Manager, Main University, and as to form by the Land and Trust Attorney.

Medical Branch--Authorization to Employ Bernard Johnson and Associates in Connection with Preparation of Mechanical Plans and Specifications for Remodeling of Wards 5A and 5B in the New John Sealy Hospital. --At the Regents' Meeting held June 13, 1959, approval was given for the acceptance of a grant of \$130,000.00 for Remodeling of Wards 5A and 5B in the New John Sealy Hospital, with the plans and specifications for this work to be prepared by the Medical Branch Physical Plant staff. As the preparation of these plans progressed, it became evident that a satisfactory job probably would not be done unless an outside Mechanical Engineer was employed to prepare the mechanical plans and specifications. As it was thought desirable not to delay this project, permission was given by the Comptroller to the Medical Branch to employ the engineering firm of Bernard Johnson and Associates to prepare the mechanical plans and specifications only for the Remodeling of Wards 5A and 5B in the new John Sealy Hospital, such work to be paid for on the basis of salary cost plus 100%, salary cost to consist of direct salaries and wages for engineers, draftsmen, etc., for the time directly chargeable to the project, plus social security contribution, unemployment taxes, etc. Necessary travel, printing, and other out-of-pocket expenses will be billed at actual cost. It was understood that the maximum expenditure for these services would not exceed a total of \$3,000.00, with this mechanical work to be held to a minimum, and all commitments to have the advance approval of the Business Manager of the Medical Branch.

It is recommended that the action taken by the Comptroller and the Medical Branch as reported above be ratified by the Board.

Medical Branch--Appointment of Mechanical Engineers to Prepare Plans and Specifications for Central Water Chilling Station and Additions to Utility Distribution Systems. --The Appropriation Bill for the biennium 1959-61 granted authority for the construction of a Central Water Chilling Station and Additions to Utility Distribution Systems at the Medical Branch. It is contemplated that this work is to be financed from the proceeds of Permanent University Fund Bonds, one of the sources of funds authorized by the Legislature.

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In view of the fact that the two buildings on which a major remodeling contract has already been awarded, as well as others, will need to tie into this system, there is a certain amount of urgency in getting this project under way as soon as possible. It is believed that since the major part of the work involved in this project is of an engineering nature rather than architectural, it will be better to appoint a firm of Mechanical Engineers to prepare the plans and specifications, with that firm responsible for obtaining whatever architectural services are needed in this connection, with the understanding that whatever architects are employed must be approved by the University. It is, therefore, recommended that a firm of Mechanical Engineers be appointed to prepare the plans and specifications for a Central Water Chilling Station and Additions to Utility Distribution Systems at the Medical Branch, the total cost of the overall project not to exceed \$850,000.00. A recommendation of the Comptroller in regard to the selection of the Mechanical Engineers was submitted at the meeting of Buildings and Grounds Committee. It is recommended by the committee that the engineering firm of Bernard Johnson and Associates, of Houston, be selected.

Medical Branch--Appropriation for Repair and Remodeling of Keiller Building and Authorization to Consulting Architect to Prepare Preliminary Plans. --The Remodeling of the Keiller Building at the Medical Branch was recommended in the "immediate" master plan prepared by the Hamilton Associates and Page, Southerland, and Page and is considered to be of considerable urgency at this time. The 56th Legislature approved, for the current biennium, the appropriation of Available University Fund money for "major repairs and rehabilitation ONLY at the Medical Branch". Discussion of this project has been held before in connection with the modernization phase of the master plan, and it is now recommended that an appropriation of \$300,000.00 be made from the Available University Fund for the Repair and Remodeling of the Keiller Building, and that the Consulting Architect be authorized to proceed with the preparation of preliminary plans for the project.

Medical Branch--Authorization for Consulting Architect to Prepare Preliminary Plans for Addition to Out-Patient Building. --Action by the 56th Legislature permits the Board of Regents to accept grants and gifts from private and Federal sources for the Addition to the Out-Patient Building. It is believed that from The Sealy and Smith Foundation and Hill-Burton and/or other Federal funds sufficient money can be obtained to provide for the construction of this much needed facility. Since it is necessary to have certain drawings or plans and cost estimates to present with the application for Hill-Burton funds, etc., it is recommended that authorization be given for the Consulting Architect to proceed with preliminary plans and cost estimates for the Addition to the Out-Patient Building at the Medical Branch, contingent upon

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allocation by The Sealy and Smith Foundation now of sufficient money to cover the Consulting Architect's Fees for these plans.

It will be very difficult, if not impossible, to proceed with the working drawings and specifications for remodeling the old Out-patient building, with any degree of efficiency or intelligence, until it is rather definitely settled as to what the new addition will contain.

Preliminary estimates of the cost of this project run from \$1,830,000.00, per the Hamilton report, to \$2,500,000.00, the latest estimate by Dr. Truslow.

Texas Western College--Approval of Preliminary Plans for Classroom-Office Building and Appointment of Associate Architect. --At the Regents' Meeting held June 13, 1959, authorization was given to the Consulting Architect to prepare preliminary plans for a new Classroom-Office Building at Texas Western College, with a total cost of not more than \$1,500,000.00; at the Regents' Meeting held August 1, 1959, approval was given to raising the total cost of this building to \$1,650,000.00, and the Consulting Architect was instructed to proceed with the preparation of the preliminary plans on this new cost basis.

These plans have now been completed and approved by the Building Committee of Texas Western College, President Smiley, Comptroller Sparenberg, and Vice-President and Acting President Dolley, and it is recommended that they be approved by the Board and that an Associate Architect be appointed to prepare the working drawings and specifications. A joint recommendation of the Comptroller and the Consulting Architect in regard to the selection of an Associate Architect was submitted at the meeting of the Buildings and Grounds Committee. It is recommended by the committee that the firm of Carroll and Daeuble, of El Paso, be selected.

Texas Western College--Authorization for Consulting Architect to Prepare Preliminary Plans for Warehouse--Shops Building. --In connection with action taken by the Board at the meeting held August 1, 1959, relating to an increased allotment for the Classroom-Office Building at Texas Western College, it was contemplated that out of the allocation of \$2,500,000.00 from the Permanent University Fund Bond proceeds to Texas Western College for new construction projects, \$100,000.00 would be used to construct a Warehouse-Shops Building on that campus. It now appears that it will be desirable to increase this allotment to \$125,000.00 to make sure that sufficient funds are available to cover the very modest, concrete-block structure desired of approximately 15,000 square feet, although there is still some hope that it might be built for \$100,000.00. It is also considered desirable to begin preparation of plans for this building, as it is

badly needed now. It is, therefore, recommended by President Smiley, Comptroller Sparenberg, and Vice-President and Acting President Dolley that the allocation of Permanent University Fund Bond proceeds for the Warehouse-Shops Building at Texas Western College be increased to \$125,000.00 and that authorization be given to the Consulting Architect to proceed with the preparation of preliminary plans for that building on the basis of a total cost of \$125,000.00.

Southwestern Medical School--Approval of Removal of Certain Temporary Buildings from Former Campus. --Part of the land of the former campus of the Southwestern Medical School located on Oak Lawn Avenue is owned by the Dallas County Hospital District, with the temporary buildings only owned by the School. It was understood that, when the School moved to the new Campus on Harry Hines Boulevard and these buildings were vacated, they would eventually be removed from the land by the School. All but two of these buildings on Oak Lawn Avenue have already been removed, but these two (concrete block) buildings were not included in the authority requested from the Board earlier, since it was thought that it might be necessary to use them for a short period of time. Dean Gill reports that it now appears that no one wishes to use these buildings, and the Dallas County Hospital District agrees that we should remove them. It is, therefore, recommended that authorization be given for the Physical Plant staff of the Southwestern Medical School to remove these two buildings.

M. D. Anderson Hospital and Tumor Institute--Recommendations in Regard to Proposed Additions to Present Building. --A number of conferences in regard to the proposed additions to the M. D. Anderson Hospital and Tumor Institute Building, which are to be primarily for research purposes, have been held in recent months. One of the most important of these conferences was held in the President's Office on May 15, 1959, at which time certain tentative agreements were reached by representatives of M. D. Anderson Hospital and Tumor Institute, Consulting Architects Jessen, Jessen, Millhouse and Greeven, the Comptroller's Office and the President's Office. Other conferences devoted primarily to working out architectural arrangements, but also including other matters, were held at M. D. Anderson Hospital in Houston on September 8 and 9, 1959. These conferences included Messrs. Clark and Boyd of M. D. Anderson Hospital, Messrs. Kamrath and Borget of MacKie and Kamrath, Architects of Houston, Consulting Architect H. E. Jessen, and Messrs. Sparenberg and Moore of the Comptroller's Office. As a result of these various conferences, the recommendations listed below are now being made by Dr. R. Lee Clark, Jr., Director of M. D. Anderson Hospital and Tumor Institute, the Comptroller's Office, and the President's Office. Various documents giving historical and supporting data in regard to the need of this additional space for research, the necessity for the construction to be accomplished as one project, etc., are attached to Dr. Clark's

letter of September 14, 1959, addressed to President Logan Wilson; copies of this material were distributed to the Regents with the Recommendations to the Regents' Buildings and Grounds Committee. No additional hospital beds are proposed in these recommendations.

It is recommended that the following additions to the present building be authorized, such additions to be accomplished without cost to the State of Texas:

1. Approximately 4,050 square feet on each of five floors on the north end of the building over the present supervoltage area. This addition has been approved by the Legislature and the Governor through Senate Concurrent Resolution Number 15, on February 16, 1957, (Board of Regents' action December 3, 1955 and February 3, 1956). Preliminary plans covering this work have already been prepared by Architects MacKie and Kamrath, have been approved by the Board of Regents, and have been paid for.
2. Approximately 1,400 square feet on each of four floors over the loading dock area which was enclosed in the project of additions and alterations completed in 1958.
3. Approximately 22,000 square feet per floor on the sixth and seventh floors over the research wing and medical service area.

The approval of these recommendations will result in estimated additions of approximately 70,000 square feet, costing somewhere between \$2,500,000.00 and \$3,000,000.00, according to Architects MacKie and Kamrath and Messrs. Clark and Boyd.

It is further recommended that:

4. Consulting Architects Jessen, Jessen, Millhouse and Greeven be authorized to prepare the preliminary plans for the proposed additions listed under paragraphs 2 and 3 above, and that MacKie and Kamrath be appointed as Associate Architect to prepare the working drawings and specifications for all of the work above recommended in paragraphs 1, 2, and 3. It is contemplated that Jessen, Jessen, Millhouse and Greeven and MacKie and Kamrath will work very closely together, from the beginning, due to MacKie and Kamrath's previous experience on two major construction projects on this building, but it is to be distinctly understood that Consulting Architects Jessen, Jessen, Millhouse and Greeven are primarily responsible for the preliminary plans herein recommended. Preliminary plans are needed for submission to U. S. Public Health Service as a part of the grant application. It is further understood that Doctor Clark

will recommend later, for the approval of the President and the Board of Regents, the source of funds for payment of the Consulting Architects' fees for the preliminary plans, such funds to be from other than State sources.

5. Authorization be granted to apply for grant funds for construction and to proceed with the development of the necessary matching funds. It is planned to apply to the United States Public Health Service for one half the cost of construction, and to develop the matching funds from other outside sources. The opportunity to apply for this type of construction grant from the United States Public Health Service will terminate on June 30, 1961.

6. Permission be requested of the Legislature at its next regular session (1961) to make the additions contained in Recommendations Nos. 2 and 3.

(Chairman Minter reported that three weeks before the meeting, Dr. Clark, with the full consent and approval of Central Administration, had discussed with him in detail the proposed addition to the M. D. Anderson Hospital and Tumor Institute Building and the material relating to the Retirement Program (Approved on August 1, 1959) of the M. D. Anderson Augmentation Plan. After expressing his satisfaction at having had sufficient time to study this information, Chairman Minter stated his approval of both matters.)

System-Wide Items--Appropriation of Proceeds of Permanent University Fund Bonds, Available University Fund Income, and Other Funds to Building Projects Already Authorized and/or Recommended at This Meeting. --The President's Office and the Comptroller's Office recommend that the Board of Regents approve the appropriation of proceeds of Permanent University Fund Bonds, Available University Fund Income, and other funds, to specific building projects, in accordance with the allocations shown on the schedule on Page 25. Some of these projects have already been authorized, and some are being recommended for authorization at this meeting, but the specific appropriations for individual projects have not actually been approved by the Board, except for a few partial appropriations shown on the schedule on Page 25. It is being recommended that the total amount of each authorized project be set up on the books, even though the amount of bond money involved is considerably larger than the amount of Permanent University Fund Bonds actually sold and delivered at this time. It is difficult to account properly for contract awards, architects' fees, etc. unless the entire amount of each project is set up on the books. The recommended total appropriation for the Business Administration - Economics Building is \$600,000.00 less than originally contemplated.

Adoption of Report. --It was moved by Mr. Thompson, seconded by Mr. Heath, and unanimously approved that the foregoing report of the Buildings and Grounds Committee be adopted.

RECOMMENDED APPROPRIATIONS OF
PROCEEDS OF PERMANENT UNIVERSITY FUND BONDS AND
AVAILABLE UNIVERSITY FUND TO VARIOUS BUILDING PROJECTS
as of September 18, 1959

	Estimated Total Cost of Project	Already Appro- priated	Appropriations for 1959-60			
			Total	Available University Fund	Permanent University Fund Bonds	Archer M. Huntington Museum Fund
MAIN UNIVERSITY						
Bus. Ad. -Eco. Bldg.	\$ 4,195,500	\$2,795,500	\$ 1,400,000	\$ --	\$ 1,400,000	\$ --
Art Bldg. and Museum	1,500,000	26,500	1,473,500	--	900,000	573,500
Undergrad. Library and Academic Center	4,750,000	(22,750)*	4,750,000	--	4,750,000	--
New Printing Divi- sion Bldg.	240,000	--	240,000	--	240,000	--
New Bldgs. and Other Imp. at McDonald Obs. Research Facil. and Headquarters Bldg. at Inst. of Marine Sci.	260,000	--	260,000	--	260,000	--
West Mall Office Bldg.	250,000	--	250,000	--	250,000	--
New Drama Bldg.	750,000	--	750,000	--	750,000	--
Expansion of Utili- ties Dist. Systems	800,000	--	800,000	800,000	--	--
Air Cond. Sutton Hall and Rem. Attic**	800,000	--	800,000	800,000	--	--
Air Cond. T. U. Taylor Hall (Main Engineer. Bldg.) and Rem. Attic**	200,000	--	200,000	200,000	--	--
Computation Center **	200,000	--	200,000	200,000	--	--
	300,000	--	300,000	300,000	--	--
MEDICAL BRANCH						
Central Water Chill. Station and Add. to Utility Dist. Systems**	850,000	--	850,000	--	850,000	--
Repair and Rem. of Keiller Bldg. **	300,000	--	300,000	300,000	--	--
TEXAS WESTERN COLLEGE						
Classroom-Office Bldg.	1,650,000	--	1,650,000	--	1,650,000	--
Warehouse-Shops Bldg. **	125,000	--	125,000	--	125,000	--
Gymnasium-Field House	725,000	--	725,000	--	725,000	--
TOTALS	\$17,895,500	\$2,822,000	\$15,073,500	\$2,600,000	\$11,900,000	\$573,500

* To be reimbursed to Available University Fund.

** Projects on which recommendations are being made at this meeting for work to begin on preliminary plans or plans and specifications.

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Ten-Year Building Projection; Audit Committee, Utilization of Space. -- Following the report of the Buildings and Grounds Committee, Mr. Thompson reminded the Board of a system-wide policy adopted in Dallas at the April 1959 meeting that "a ten-year, carefully worked out projection for physical plant development to take care of essential building and equipment projects is to be completed by April, 1960." (Permanent Minutes, Volume VI, Page 892) Mr. Thompson outlined as indicated below analogous studies or projections year by year that should be made in connection with this physical plant development:

1. Enrollment
2. Square footage required
3. Income from Permanent University Fund
4. Bond sales required
5. Excellence Program allocations

He further suggested that an audit committee to study present utilization of buildings be appointed to report directly to the Board, President Wilson stated that the Administration is constantly checking on the utilization of space and pointed out that the remodeling of the attics as adopted in the Buildings and Grounds Report at this meeting is a result of a recent study. He, however, was in complete agreement with Mr. Thompson, as were the other Regents, that buildings should not be constructed if they are not going to be utilized fully. Mr. Thompson asked that the President present a method whereby the Board could be certain that the present buildings are in full use.

New Buildings and Major Repair Projects. -- A detailed discussion ensued as to new projects already authorized. Mr. McNeese moved that no other new building projects or major repair projects be approved in any manner until after the ten-year projection has been presented. Mr. Heath seconded this motion which carried.

REPORT OF THE LAND AND INVESTMENT COMMITTEE (See Page 27 for adoption.) -- Vice-Chairman Johnson reported that the Land and Investment Committee approved the recommendations of the Administration (Attachment No. 1) as distributed to each Regent in the Material Supporting the Agenda and approved the additional item set out below which had been finished to each Regent prior to the meeting:

Texas Western College--Lucille T. Stevens Estate--Recommendation for Joinder of the Board of Regents with Life Tenant in Lease Covering 803 North Piedras Street, El Paso, Texas. --

The University has received through Regent Hardie a request that the Board of Regents join Mr. James R. Tindall, life tenant of property on North Piedras Street in El Paso under the Will of his sister, Lucille T. Stevens, with remainder interest in the property upon the death of Mr. Tindall passing to the Board of Regents for the benefit of Texas Western College (see Minutes of November 3, 1956 and March 15, 1958 reporting the provisions of Mrs. Stevens' Will). The proposed lease is for two years, with option by the lessee

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to renew for another three years and thereafter for another five years, to Rogers Bros., Inc., who will assign to a partnership doing business as Texas State Optical, at rental of \$125 per month. The proposed lease carries a provision that the Board of Regents executes the lease solely to make it effective between the Board and the lessee in the event of Mr. Tindall's death during the lease term. In the event of the death of Mr. Tindall during the lease term or any extension of it under the option, the Board of Regents will have the right to terminate the lease upon six months notice. It is recommended that the Board of Regents authorize execution of the instrument by its Chairman when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

Adoption of Report. --It was moved by Vice-Chairman Johnson, duly seconded, and unanimously adopted that the report of the Land and Investment Committee as attached (Attachment No. 1, Pages L-1 through L-19) following Page 41 of the Minutes, and the foregoing item set out above be approved.

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS. --Vice-Chairman Johnson stated that there was no report at this meeting of the Board for Lease of University Lands.

REPORT OF THE MEDICAL AFFAIRS COMMITTEE. --It was moved by Mrs. Devall, seconded by Vice-Chairman Johnson, that the following report of the Medical Affairs Committee be adopted: (See Page 30.)

Change in Title of Executive Director, Medical Branch. -- At the request of Director Truslow and with the approval of Central Administration, it is recommended by the Medical Affairs Committee that the title of Executive Director of the Medical Branch be changed to Executive Dean and Director of the Medical Branch.

Request for Additional Grants from The Sealy and Smith Foundation. --The Medical Affairs Committee approved the Administration's recommendation that a formal request be made to The Sealy and Smith Foundation for the following support of the Medical Branch:

- | | |
|---|-----------|
| 1. Addition to Laundry | \$ 50,000 |
| 2. Furniture and Equipment for the Remodeled Galveston State Psychopathic Hospital Building, Edward Randall Pavilion, and Wards 5A and 5B of the John Sealy Hospital (See Page <u>28</u> .) | 197,803 |
| 3. Renovation (Including Air Conditioning) and Repair of Psycho #2 and #3 | 75,000 |
| 4. Remodeling of Pediatric Ward to conform to needs of hospital care for children (Children's Area, 9th Floor of John Sealy Hospital) | 50,000 |

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Report of Informal Meeting with The Sealy and Smith Foundation; Acceptance of \$197,803, Medical Branch. --Each Regent was furnished in the Material Supporting the Agenda the report of an informal meeting of Doctor Truslow, Mr. Walker, Doctor Troutman and the Directors of The Sealy and Smith Foundation on September 9 concerning funds that the Foundation is willing to make available for buildings, furnishings, and equipment at the Medical Branch. A copy of this report is in the Secretary's Files, Volume VII, Page 3.

On September 10, Mr. John W. McCullough, President of the Directors of The Sealy and Smith Foundation, reported that the Foundation had appropriated \$197,803 to cover the cost of equipment and furnishings for the remodeled Galveston State Psychopathic Hospital Building, Edward Randall Pavilion, and Units 5A and 5B of the John Sealy Hospital. It is recommended by the Medical Affairs Committee that this grant be accepted for the purposes designated and that the Secretary be instructed to express the Board's appreciation for the Foundation's support.

Utilization of the Old John Sealy Hospital, Medical Branch. -- Doctor Truslow reported for information the plan for the utilization of the Old John Sealy Hospital at the Medical Branch. A copy of this report had been furnished to each Regent in the Material Supporting the Agenda and a copy is in the Secretary's Files, Volume VII, Page 12.

Temporary Removal of 70 Psychiatric Patients to Faculty Housing Building, Medical Branch. --It is recommended by the Medical Affairs Committee that the proposal of Doctor Truslow to move 70 psychiatric patients from the Galveston State Psychopathic Hospital Building during the hospital remodeling program be approved. Each Regent was furnished with a copy of the proposal in the Material Supporting the Agenda, and a copy is in the Secretary's Files, Volume VII, Page 14.

Report on Part-Pay Psychiatric Teaching Service, Southwestern Medical School. --Doctor Gill presented to the Medical Affairs Committee a progress report of the Part-Pay Psychiatric Teaching Service established in 1957 at the Southwestern Medical School. This program has worked out exceedingly well during its two years of operation. A total of 219 patients have been interviewed one or more times and a number of patients have been seen for diagnosis only. The total amount received for these services as of June 30, 1959, was \$2,363. Though the idea of this service originated with the Dallas County Medical Society, Doctor Gill stated that he desired it to be continued and would give reports to the Board from time to time.

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Fraternity Housing and Other Types of Student Housing, Southwestern Medical School. -- The Medical Affairs Committee heard a presentation by Doctor Gill on Fraternity Housing and Residential Housing at Southwestern Medical School. Doctor Gill had furnished each member of the Board in the Material Supporting the Agenda a detailed discussion of this subject, stressing its importance and setting out in detail possible alternative actions. After this matter was thoroughly discussed, the Committee was in agreement that the tentative understanding reached in 1949 is not feasible now and that the University under a long established policy cannot provide spaces on the campus for private organizations. It is recommended by the Medical Affairs Committee that no spaces for private organizations be allowed on the campus of Southwestern Medical School.

Authorization to Explore with Southwestern Medical Foundation re Housing Arrangements, Southwestern Medical School. -- It is recommended by the Medical Affairs Committee that Doctor Gill be authorized to explore with the Southwestern Medical Foundation their interests in constructing, financing, and operating housing programs for students and others of the Medical Center in the area as designated in the Salmon Report.

Authorization to Purchase RCA (Model EMU-3) Electron Microscope, Southwestern Medical School. -- Doctor Gill reported to the Medical Affairs Committee that the Committee composed of President Wilson, Doctors Truslow, Gill, and Taylor, authorized to allocate the annual income of the Buchanan Foundation Grant, had approved the allocation of \$18,420 (\$9,670 available now and \$8,750 to be available in February of 1960) to apply on the purchase of a new electron microscope for Southwestern Medical School. It is recommended by the Medical Affairs Committee that Doctor Gill be authorized to purchase a new RCA (Model EMU-3) electron microscope at a cost of not more than \$30,000. The funds for this purchase are a trade-in allowance of not less than \$10,000 for the old, obsolete model and the \$18,420 from the Buchanan Foundation Grant with any small deficiency to come from other local grant funds. Written approval of the committee for this allocation of money from the Buchanan Foundation Grant is in the Secretary's Files, Volume VII, Page 21.

Policy Relating to Deposits Made by Applicants for Admissions to Medical Branch and Southwestern Medical School. -- It is recommended by the Medical Affairs Committee that the following policy as proposed by the Administration regarding deposits made by applicants for admission to the Medical Branch and Southwestern Medical School be adopted:

The \$30.00 registration deposit required by the Medical School at Galveston and the Southwestern Medical School from all applicants accepted for admission shall be refunded to any student withdrawing his application prior to July 1 preceding the September registration date for the purpose of enrolling in the other institution.

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This policy would increase the coordination of admissions to our two medical schools. The July 1 date is reasonable since it is highly desirable for each of the schools to stabilize their entering classes by that date.

Admission of Non-Resident Students to Medical and Dental Units; Legislation Requested for 1961. --It is recommended by the Medical Affairs Committee that the Board adopt the Administration's recommendations to

1. Restate the policy of the Board relating to the admission of non-resident students to the Medical and Dental schools (Permanent Minutes, Volume V, Page 345) to read as follows:

The medical and dental schools of The University of Texas are authorized to accept as members of their freshman classes a limited number of non-resident students whose qualifications would place them among the top 10% of the entering class. Not more than 5 such students at the Southwestern Medical School and at the Dental Branch and 8 such students at the Medical Branch shall be accepted in any freshman class.

2. Have introduced in the 56th Regular Session of the Legislature a bill amending the existing tuition statute to authorize the Board of Regents to fix a non-resident tuition fee for Medical and Dental students not less than \$800 a year. This minimum figure might well be fixed at \$1,000.

Under the existing tuition statute, the tuition is the same for both resident and non-resident students.

Adoption of Report. --The foregoing report of the Medical Affairs Committee was unanimously adopted upon motion of Mrs. Devall, seconded by Vice-Chairman Johnson.

CENTRAL ADMINISTRATION

AUTHORITY TO REQUEST ATTORNEY GENERAL RE LIBERALIZATION OF TERMS OF GEORGE W. BRACKENRIDGE LOAN FUND. --The Administration had called to the attention of the Regents in the Material Supporting the Agenda the rigid restrictions of the George W. Brackenridge Loan Fund. The maximum loan is \$200 per year to women students in law, medicine, and architecture.

Upon motion of Mrs. Devall, seconded by Mr. Thompson, the Board unanimously adopted the recommendation of the Administration that the President be authorized to request the Attorney General of the State of Texas to institute a lawsuit under the cy pres doctrine to

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modify the terms of the George W. Brackenridge Loan Fund trust indenture in order to make more women students eligible for loans from this Fund and to authorize larger annual amounts for individual loans.

TRAVEL: REIMBURSEMENT FROM CERTAIN FUNDS. --At the request of President Wilson, Vice-President Cox presented the Administration's recommendation relating to reimbursements for travel from certain funds as had been distributed to each Regent in the Material Supporting the Agenda. Vice-President Cox pointed out that the only change in the existing regulations is the change to an actual expense basis, but with a higher maximum per diem, for travel allowances paid from Trust Funds. He further noted that by this change it is intended also to establish a uniform system-wide policy.

It was moved by Mr. Madden, seconded by Mrs. Devall, and unanimously adopted that the following recommendation of the Administration be approved:

1. Travel allowances under research or other contracts, which are 100% reimbursable, will follow the terms of the contract, and in the absence of specifications the travel rules and regulations covering payments from Trust Funds will apply.
2. Travel allowances paid from Trust Funds, unless otherwise specified under the grant or gift, shall be on the basis of actual expenses incurred not to exceed a maximum of \$15.00 a calendar day.
3. Intercollegiate Athletics - Actual expenses will be paid at no per diem limit, provided such expenditures in the amount of \$2.00 or more are supported by signed receipts.

TRAVEL: AUTHORITY FOR AND APPROVAL OF REIMBURSEMENTS. --The recommendations of the Administration relating to authority for travel and approval of reimbursement therefor had been furnished each Regent in the Material Supporting the Agenda. Vice-President Cox pointed out that this would not change the present rule and regulation requiring monthly reports of travel to be filed in the Office of the Board of Regents.

The Board upon motion of Vice-Chairman Johnson, seconded by Mrs. Devall, approved the following recommendation of the Administration with reference to authority for travel and approval of reimbursements:

To conform to the authority granted in Section 35, Article V of House Bill 4, Third Called Session, 56th Legislature, it is recommended that the Board approve the following revision of its rules relating to travel to be effective for the fiscal year ending August 31, 1960.

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- a. Authorization to Travel. --Authorization to travel from the city or town where the University officer or employee is regularly stationed will be granted by the Board of Regents, or by the administrative officer to whom the Board may delegate authority to authorize travel, only under the following conditions:
- (1) When absence from usual duties is on state business, which shall include, among other purposes, the formal presentation of original researches by an employee, if before a national, regional, or State learned society and
 - (2) When appropriate provisions are made to carry on the duties of the person traveling without additional expense to the University.

No staff member whose usual duties do not require travel shall absent himself from his regular place of work and his usual duties except with advance permission obtained as follows:

- (1) At the Main University request for travel for one week or less for in-state or out-of-state without expense to the University shall be transmitted, with reasons therefor, through the departmental chairman or administrative superior to the appropriate dean or equivalent administrative officer for approval. At the other component institutions of the University such request for travel shall be approved by the executive head.
- (2) Request for travel not in excess of two weeks (a) for in-state or out-of-state travel without expense to the University (except as otherwise provided for Main University in the preceding subsection) or (b) for in-state travel with expense to the University, shall be transmitted through proper administrative channels to the executive head of the component institution for approval.
- (3) Request for out-of-state travel not in excess of two weeks with expense to the University shall be transmitted through proper administrative channels to the President of The University of Texas for prior approval.
- (4) All travel by the administrative officers and staff of Central Administration shall be approved by the President.

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- (5) Request for travel for a period in excess of two weeks, with or without expense to the University, shall be transmitted through proper administrative channels to the President of The University of Texas and to the Board of Regents for prior approval of the President and either the Executive Committee of the Board or the Board.
- (6) Any travel which contemplates reimbursement from funds appropriated by the Legislature for travel expenses incurred outside the continental limits of the United States must have the written approval of the Governor prior to the travel, in addition to the authorizations required in the appropriate preceding subdivision.
- (7) In lieu of any of the delegations of authority to approve travel specified in the above subdivision, the President of The University of Texas may exercise such authority.
- b. Approval of Travel Reimbursements. -- Travel vouchers for reimbursement of all official travel authorized pursuant to the foregoing provisions shall be approved and signed as follows:
- (1) Central Administration
Reimbursement for all travel shall be approved either by the President of The University of Texas or by the Auditor or Assistant Auditor of the Main University.
- (2) Component Institutions
Reimbursement for all travel by employees of the component institutions shall be approved either by the President of The University of Texas or by the administrative officers designated below.
- Main University--the Vice-President and Provost, Auditor, or Assistant Auditor
Texas Western College--the President of Texas Western College or the Business Manager
Medical Branch, Galveston--Executive Dean and Director or the Business Manager
Southwestern Medical School--the Dean or Business Manager
Dental Branch--the Dean or the Business Manager
M. D. Anderson Hospital and Tumor Institute-- Director or the Administrator
Postgraduate School of Medicine--Dean or the Business Manager

10-01-59

PARKING: RATIFICATION OF SUPPLEMENT TO 1959-60 BUDGET FOR AUXILIARY ENTERPRISES AND REGULATIONS. --In accordance with authorization at the meeting of the Board on August 1, 1959 (Permanent Minutes, Volume VI, Page 1355), the Administration submitted for ratification a Supplement to Budget for 1959-60 for Auxiliary Enterprises-Parking, indicating fees to be charged and expenses to be covered together with Parking and/or Traffic Regulations.

It was moved by Mrs. Devall, seconded by Mr. Thompson, and unanimously adopted that the following Supplement to the 1959-60 Budget for Auxiliary Enterprises, parking be ratified:

THE UNIVERSITY OF TEXAS
MAIN UNIVERSITY

Supplement to Auxiliary Enterprises Budget 1959-60
PARKING

<u>Income:</u>	
Permits:	<u>1959-60</u>
RO - 13 @ \$36	\$ 468
R - 617 @ \$24	14,808
A - 400 @ \$12	4,800
B - 300 @ \$6	1,800
D - 200 @ \$5	1,000
C - (Students) 4,000 @ \$5	<u>20,000</u>
Sub-Total	\$42,876
Reinstatement Fees	2,274
Parking Meters - 57 @ \$50	<u>2,850</u>
Total	<u>\$ 48,000</u>
<u>Expenditures:</u>	
Staff for Parking and Traffic Division:	
Administrative Clerk	\$ 4,020
Clerk-Typist	2,700
Staff for Traffic and Security Department:	
Sergeant (Transfer from General Budget)	3,504
Traffic Officers:	
	3,072
	3,072
	3,072
	3,072

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<u>Expenditures (continued)</u>	<u>1959-60</u>
Maintenance Man	<u>2,820</u>
Operating Materials and Supplies	5,000
Maintenance and Repairs to Parking Areas and Lots	7,500
Reserve for Construction of Parking Areas and Lots	7,500
Payment on Parking Meters	1,425
Unallotted Balance	<u>1,243</u>
Total	<u>\$48,000</u>

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TEXAS WESTERN COLLEGE
OF
THE UNIVERSITY OF TEXAS

Supplement to Auxiliary Enterprises Budget 1959-60

PARKING

<u>Income:</u>		<u>1959-60</u>
Permits:		
10 Reserved	@ \$12.00	\$ 120
160 Faculty	@ \$ 3.00	480
100 Staff	@ \$ 1.50	150
2,500 Students	@ \$ 3.00	7,500
200 Additional Students (Spring)	@ \$ 2.00	400
600 Additional Students (Summer)	@ \$ 1.00	600
Service Charges and Miscellaneous Permits		<u>140</u>
Total Income		<u>\$9,390</u>
<u>Expenditures:</u>		
A. Administration		
1. Salaries and Wages	\$4,500	
2. Office Supplies, etc.	2,000	\$6,500
B. Maintenance and Facilities		
1. Labor and Materials (Routine)	1,350	
2. Repairs	<u>500</u>	1,850
C. Equipment (Pro-rated annually)		300
D. Reserve for Major Improvements		<u>740</u>
Total Expenditures		<u>\$9,390</u>

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TEXAS WESTERN COLLEGE OF THE UNIVERSITY OF TEXAS
PARKING REGULATIONS
1959-60

1. A uniform fee of \$3.00 per fiscal year will be charged to all faculty and students.
 2. Administrative Officers and Assistants will be offered reserved spaces at an annual fee of \$12.00.
 3. All employees below the rank of Administrative Assistants will be charged a fee of \$1.50 per fiscal year.
 4. Permits issued for the first time in the second semester will cost \$2.00 and in the summer session \$1.00. Employees below the rank of Administrative Assistants will be charged one-half of these amounts.
 5. For accumulated violations, driving and parking permits for faculty, staff, and students may be revoked. In this case, the holder of the permit may elect to pay a service charge of \$3.00 to obtain another permit. However, only two such permits will be issued beyond the original. If a third revocation becomes necessary, the holder will be prohibited from driving or parking on the campus for a period of twelve months.
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THE UNIVERSITY OF TEXAS
SOUTHWESTERN MEDICAL SCHOOL

Supplement to Auxiliary Enterprises Budget 1959-60

PARKING

<u>Income:</u>	<u>1959-60</u>
Student Permit and Decal Fees - 300 @ \$3	\$ 900
Faculty Permit and Decal Fees - 100 @ \$4	400
Staff Permit and Decal Fees - 150 @ \$3	450
Reinstatement and Miscellaneous Permits -	150
Total Income	<u>\$1,900</u>
 <u>Expenditures:</u>	
Security Officer _____ (1/2 time)	\$1,470
Maintenance and Operation	430
Total Expenditures	<u>\$1,900</u>
Estimated Balance, August 31, 1960 (Page 4)	<u>\$ -0-</u>

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL SCHOOL
PARKING AND TRAFFIC REGULATIONS

1959-60

1. Registration Fee and Parking Permit

- a. All cars (except visitors and for delivery of merchandise) to be parked on the campus shall bear a registration decal. These decals are furnished at a cost of \$1.00 each. If more than one car is to be parked on the campus, a decal must be purchased for each car. In emergency situations when a car not bearing a decal must be driven, a special parking permit should be secured from the Physical Plant office and displayed on the windshield of the car.
- b. The driver of any vehicle which parks on the campus shall have a parking permit in addition to the registration decal. This permit will be furnished for a charge as follows:
- | | |
|---|-------------------------------|
| (1) Reserved "name" parking places | \$3.00 per year |
| (2) Authorization to use available unreserved parking areas | \$2.00 per year |
| (3) Special permits, such as for postgraduate registrants | Assessment of appropriate fee |

2. Designation of Parking Areas

Full-time Faculty of the rank of Instructor or higher will have "named" parking spaces in the Faculty Parking Lot between Parkland Memorial Hospital and the Clinical Science Building. Freshman and Sophomore students will be required to park in the lot in front of the Basic Science Building. Staff, Junior and Senior students, and the balance of the Faculty members shall park on the lot in front of the Basic Science Building or the lot west of the Clinical Science Building, or wherever space is available.

3. Reinstatement and Miscellaneous Fees

- a. Upon violation of any parking regulation, the parking permit will be automatically revoked and will be reinstated only upon the payment of a service fee not to exceed the cost of the original permit.
- b. In the case of cars obstructing traffic, and those parked without decals in other than specified visitor parking areas, the Physical Plant shall have the authority to impound vehicles and to collect a fee for tow-in service of \$5.00 in addition to any fine levied.

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DENTAL BRANCH AND M. D. ANDERSON HOSPITAL AND TUMOR
INSTITUTE (Houston)

These institutions are located at the Medical Center immediately adjacent to other hospitals, schools, and medical facilities. The practical impossibility and the undesirability of operating in these circumstances under different control regulations and varying fee policies necessitate the working out of uniform or correlated policies. The institutions in the Medical Center, including the Dental Branch and the M. D. Anderson Hospital and Tumor Institute, are now negotiating such policies. Parking budgets in conformity with such agreements and with Legislative restrictions will be presented for Board approval at the November meeting.

MEDICAL BRANCH, GALVESTON

There are no expenditures of state funds at the Medical Branch for the construction, maintenance, or operation of parking lots or facilities.

The Medical Branch does not own or operate any parking lots. The streets adjacent to the state property are owned by the city of Galveston. Limited access to a small street area is maintained for security reasons only on a twenty-four hour basis. Parking lots near the Medical Branch are owned and operated without charge by the Sealy-Smith Foundation as a service to the John Sealy Hospital and to medical staff and students.

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APPROVAL OF DOCKET (INCLUDING TRAVEL SUPPLEMENT FOR MAIN UNIVERSITY). --On September 23, 1959, each Regent was mailed a Docket for Central Administration to which President Wilson had attached and incorporated the dockets from each of the component units of The University of Texas. At the meeting, a Travel Supplement for Main University was distributed.

It was moved by Mr. Madden, seconded by Mr. Hardie, and unanimously adopted by the Board that the Docket in the form as attached including the Travel Supplement for Main University be approved. The approved Docket followed by the Travel Supplement for Main University is labeled Attachment No. 2 and is attached following Page L-19 of Attachment No. 1.

SCHEDULED MEETINGS OF THE BOARD (NOVEMBER 13-14, 1959 AND JANUARY 22-23, 1960). --The Board scheduled the following meetings:

November 13-14, 1959, in Austin
January 22-23, 1960, in Austin

10-01-59

COMMENDATION RE PREPARATION OF MATERIAL FOR BOARD MEETING. --Chairman Minter commended the Administration and Miss Thedford on the material prepared in advance of the meeting and commented that such organization and preparation helped to facilitate the handling of items for consideration.

EXPRESSION OF APPRECIATION. --The Board reiterated its expression of appreciation to Chairman Minter for all courtesies during its meeting in San Antonio.

REVISION OF RULES AND REGULATIONS, BOARD OF REGENTS, REFERRED TO SPECIAL COMMITTEE ON BOARD PROCEDURES. -- It is reported for the record that a draft copy of the revised Rules and Regulations of the Board of Regents which is system-wide in effect was mailed to each Regent on September 19, 1959. This item was referred to the Special Committee on Board Procedures with the request that each Regent send to Committee Chairman Hardie any suggested changes in the proposed revision and that an effort be made to have the final revision submitted for approval at the January 1960 meeting.

In addition to these Rules and Regulations for the Government of The University of Texas, there is to be an institutional supplement for each of the component institutions of the system. The supplement for the Main University will be mailed to each Regent at an early date.

There will also be mailed at an early date the Fiscal Rules and Regulations (System-Wide) which should be adopted by the Board at the November 1959 meeting in order to comply with the current Appropriation Bill, Section 18, Article IV, requiring such regulations to be revised at least biennially within 90 days after the beginning of the fiscal year.

REPORT OF JOINT COMMITTEE OF BOARD OF REGENTS AND UNIVERSITY DEVELOPMENT BOARD. --It is reported for the record that Regent Thompson mailed to each Regent between the Board meetings the Minutes of the meeting of the Joint Committee and the University Development Board held in Houston on August 20, 1959. A copy of the Minutes is on file in the Secretary's Files, Volume VII, Page 26.

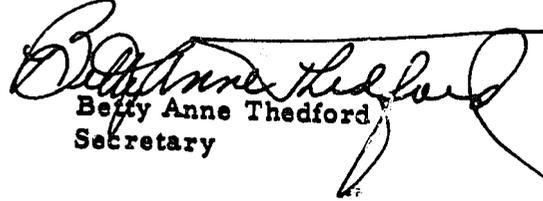
SUCCESSOR TO DOCTOR MELVIN A. CASBERG, BOARD OF GOVERNORS, SOUTHWESTERN MEDICAL CENTER COUNCIL. -- President Wilson reported for the record that Doctor L. D. Haskew, Vice-President for Developmental Services, had been named as successor to Doctor Melvin A. Casberg, resigned, as a Member of the Board of Governors of the Southwestern Medical Center Council. This selection had been made after the request of Mr. Karl Hoblitzelle for an early appointment of a successor and after President Wilson had conferred with both Doctor Merton M. Minter, Chairman of the Board of Regents, and Regent Joe C. Thompson, Member of the Board of Governors of the Southwestern Medical Center Council.

10-01-59

MEDICAL AFFAIRS COUNCIL RECONSTITUTED; EFFORT TO PREVENT WASTE OF TIME FOR THOSE TO APPEAR BEFORE BOARD. --It is reported for the record that following the appearances of the Institutional Heads before the Board, Chairman Minter reported that the Medical Affairs Council (Permanent Minutes, Volume IV, Page 282) had been reconstituted. Instead of having one person as chairman that the Chairmanship will be rotated among the Institutional Heads of the Medical and Dental Units. The Council will meet during the meeting of the Board and iron out problems common to all the schools working toward uniform regulations as much as possible.

Chairman Minter suggested that the Board should formalize its meetings in a manner to prevent the time waste of those waiting to appear before the Board.

ADJOURNMENT. --The Board adjourned at 10:00 a.m.


Betty Anne Thedford
Secretary

TABULATION OF BIDS

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DEMOLITION OF DRAMA BUILDING, Main University, Austin, Texas

10-01-59

Bids Received - 10:00 a.m. - September 1, 1959
Austin, Texas

<u>Contractor</u>	<u>Check or Bond</u>	<u>Bid No. 1 Pay the Owner</u>	<u>Bid No. 2 Pay the Contr.</u>	<u>Calendar Days</u>
1. Franks & Hobbs Austin, Texas	\$1,000 Bond	-	\$ 2,350.00	170
2. Franks Wrecking, Inc. Austin, Texas	\$1,000 Check	-	8,499.00	182
3. Interstate Demolition Corp. Arlington, Virginia	\$1,000 Bond	-	17,669.00	60
4. H. E. Stanley Redi- bilt Homes Del Valle, Texas	\$1,000 Cash.Ck.	-	19,866.00	
5. Marvin E. Bell Austin, Texas	\$1,000 Bond	-	46,000.00	120

B THREE NEW PARKING AREAS, Main University, Austin, Texas

Bids Received - 10:30 a.m. - August 18, 1959
Austin, Texas

<u>Contractor *</u>	<u>Check or Bond</u>	<u>Proposal No. 1</u>	<u>Alt. No. 1</u>	<u>Proposal No. 2</u>	<u>Alt. No. 2</u>
1. Raymond Canion Company	5% Bond	\$4,750.50	\$-280.00	\$5,781.00	\$-750.00
2. Collins Constr. Company of Texas	5% Bond	5,111.50	-186.00	6,872.00	-360.00
3. Giesen & Latson Construction Com- pany	5% Bond	4,091.60	-152.80	5,171.00	-591.20

<u>Contractor</u>	<u>Alt. No. 3</u>	<u>Proposal No. 3</u>	<u>Alt. No. 4</u>	<u>Alt. No. 5</u>
1. Raymond Canion Company	\$ -50.00	\$10,550.00	\$-1,260	\$ -50.00
2. Collins Constr. Company of Texas	545.00	10,242.64	-- 612.50	509.00
3. Giesen and Latson Construction Com- pany	N. C.	9,863.65	- 953.40	N. C.

<u>Contractor</u>	<u>Comb. Proposal</u>	<u>Alt. No. 6.</u>	<u>Alt. No. 7</u>	<u>Working Days</u>
1. Raymond Canion Company	\$21,081.50	\$-2,465.00	\$ -75.00	26
2. Collins Constr. Company of Texas	22,226.14	-1,158.50	1,054.00	45
3. Giesen and Latson Construction Com- pany	19,126.25	-1,697.40	N. C.	45

* All Contractors from Austin, Texas.

ATTACHMENT NO. 1

PERMANENT UNIVERSITY FUND--INVESTMENT MATTERS.--

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REPORT OF PURCHASES, SALES AND EXCHANGES OF SECURITIES.--The following purchases, and exchanges of securities have been made for the Permanent University Fund since the of July 31, 1959. We ask that the Board ratify and approve these transactions:

PURCHASE OF SECURITIES

CORPORATE BONDS

Security	Par Value of Bonds Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
C. I. T. Financial Corporation 4-7/8% Promissory Notes, dated 9/15/59, due 9/15/79	\$ 500,000	98.43 Net	\$ 492,150.00	5.00%
Houston Lighting & Power Co. 4-7/8% 1st Mtge. Bonds, dated 8/1/59, due 8/1/89	250,000	101.185 Net	252,962.50	4.80
Pacific Gas & Electric Co. 5% 1st & Rfdg. Mtge. Bonds, Series EE, dated 6/1/59, due 6/1/91	500,000	100.00 Net	500,000.00	5.00
Consumers Power Co. 4-5/8% 1st Mtge. Bonds, dated 8/1/59, due 8/1/89	250,000	96.46 Net	241,150.00	4.85
Total Corporate Bonds Purchased	1,500,000		1,486,262.50	4.94

COMMON STOCKS

Security	No. of Shares Purchased	Market Price	Total Principal Cost*	Indicated Current Yield on Cost**
Utah Power & Light Company Common Stock	1,500	32-7/8(500) 33-3/8(500) 34-1/2(500)	50,911.90	3.89
Inland Steel Company Capital Stock	900	53-1/2(200) 53 (600) 52-3/4(100)	48,173.78	2.99
The Firestone Tire & Rubber Company Common Stock	300	148	44,561.40	1.75
Corning Glass Works Common Stock	400	139-1/2(100) 139 (300)	55,861.65	1.07
International Business Machines Corporation Capital Stock	100	441	44,175.00	0.45
Standard Oil Company of Cali- fornia Capital Stock	900	51-1/2(500) 51-3/8(100) 51-1/4(300)	46,659.78	3.86
Texaco Inc., Capital Stock	600	80-3/8(400) 80-1/4(200)	48,482.22	2.97
Cleveland Electric Illuminating Company Common Stock	1,100	49 (600) 49-1/4(500)	54,504.15	3.63
The Borden Company Common Stock	600	79-1/2	47,981.70	3.50
Bendix Aviation Corporation Common Stock	600	80-3/4(100) 80-1/2(500)	48,607.33	2.96

*Includes brokerage commissions paid.

**Yield to maturity for bonds; yield at present indicated dividend rate for stocks.

COMMON STOCKS (Continued)

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Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
Chas Pfizer & Company, Inc., Common Stock	1,200	38-7/8(900) 38-3/4(100) 38-1/2(200)	\$ 47,023.34	1.91%
Philadelphia Electric Company Common Stock	1,500	51-7/8(700) 51-3/4(200) 51-5/8(600)	78,300.15	4.29
Union Carbide Corporation Capital Stock	300	146-1/8	43,998.33	2.45
Armstrong-Cork Company Common Stock	1,100	44-1/4(400) 44-1/8(500) 44 (200)	49,014.32	3.14
Commercial Credit Company Common Stock	700	61-1/4(300) 61 (300) 60-7/8(100)	43,078.28	4.55
Union Bag-Camp Paper Corporation Capital Stock	1,000	48-1/2	48,932.50	3.07
Federated Department Stores, Inc., Common Stock	700	68-3/4(100) 68-5/8(100) 68-1/2(100) 69 (100) 69-1/4(300)	48,583.78	2.88
Public Service Company of Colo- rado Common Stock	1,000	50 (700) 49-7/8(100) 49-3/4(200)	50,377.20	3.77
Texas Utilities Company Common Stock	700	72 (100) 71-1/4(100) 73 (400) 72-1/2(100)	51,098.78	2.41
The Chase Manhattan Bank Capital Stock	300	64-1/8 Net	19,237.50	3.74
The First National City Bank of New York Capital Stock	200	87-1/2 Net	17,500.00	3.43
Republic National Bank of Dallas Common Capital Stock	200	93 Net	18,600.00	2.06
Federal Insurance Company Capital Stock	400	65-3/8 Net	26,150.00	1.53
National Life & Accident Insurance Company Capital Stock	200	111 Net	22,200.00	0.54
Central & South West Corporation Common Stock	800	63-1/2	51,162.80	2.81
Shell Oil Company Common Stock	600	81 (100) 80-3/4(400) 80-1/2(100)	48,732.47	2.46
Aluminum Company of America Common Stock	500	106-5/8(100) 106-1/2(200) 106-1/8(100) 105-5/8(100)	53,385.63	1.12

*Includes brokerage commissions paid.
**Based at present indicated dividend rate.

COMMON STOCKS (Continued)

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10-01-59

Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
Standard Oil Company (New Jersey) Capital Stock	900	53 (400) 52-3/4(200) 52-5/8(100) 52-1/2(200)	\$ 47,911.02	4.23%
Scott Paper Company Common Stock	600	85-7/8(300) 85-1/2(300)	51,697.92	2.32
General American Transportation Corporation Common Stock	800	60-3/8(100) 59-7/8(100) 59-3/4(600)	48,234.91	3.15
Owens-Illinois Glass Company Common Stock	400	99-1/4(200) 99 (200)	39,845.66	2.51
United Gas Corporation Common Stock	1,300	36-3/4(300) 36-5/8(300) 36-1/2(100) 36 (600)	47,745.82	4.08
E. I. du Pont de Nemours & Company Common Stock	200	270-1/2(100) 270 (100)	54,182.05	2.21
First City National Bank of Houston Capital Stock	500	81 Net	40,500.00	2.47
Gulf States Utilities Company Common Stock	1,500	30-1/2(500) 30-1/4(500) 30 (500)	45,886.90	3.27
Caterpillar Tractor Company Common Stock	500	104 (200) 103 (300)	51,946.70	2.89
Florida Power & Light Company Common Stock	900	51 (400) 50-1/4(500)	45,921.55	1.72
United States Steel Corporation Common Capital Stock	500	102-7/8	51,683.95	2.90
Virginia Electric & Power Company Common Stock	1,200	37	44,850.00	2.94
National Dairy Products Corporation Common Stock	900	53-1/4(200) 53-1/2(700)	48,499.11	3.71
Ford Motor Company Common Stock	600	77-7/8(200) 77-3/4(200) 78-1/4(200)	47,055.80	3.06
Eastman Kodak Company Common Stock	600	92-1/4(300) 92 (200) 91-3/4(100)	55,539.27	1.60
Otis Elevator Company Common Stock	900	81 (800) 80-3/8(100)	73,261.34	2.95
Continental Casualty Insurance Company Common Stock	200	133-1/2 Net	26,700.00	1.80
Continental Illinois National Bank & Trust Company Common Capital Stock	100	127-3/4 Net	12,775.00	3.13

*Includes brokerage commissions paid.
**at present indicated dividend rate.

COMMON STOCKS (Continued)

45
10-01-59

Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
Mellon National Bank and Trust Company Common Capital Stock	100	167-1/2 Net	\$ 16,750.00	2.39%
Total Common Stock Purchased	<u>31,100</u>		<u>2,058,280.99</u>	<u>2.81</u>
Total Corporate Securities Purchased			<u>\$3,544,543.49</u>	<u>3.70%</u>

*Includes brokerage commissions paid.
**Based at present indicated dividend rate.

SALES AND EXCHANGES OF SECURITIES

U. S. TREASURY SECURITIES

Description	Book Value
7/16/59 \$2,000,000 par value U. S. 2-3/4% Treasury Bonds, due 4/1/80-75, switched into 1-1/2% Treasury Notes, due 4/1/64, which were sold and the proceeds used to purchase \$2,000,000 par value U. S. 3-1/4% Treasury Bonds, due 5/15/85, with necessary principal adjustment of \$8,750.00 paid by University	\$1,973,054.20
8/1/59 \$4,000,000 par value U. S. 2-3/4% Treasury Bonds, due 4/1/80-75, switched into 1-1/2% Treasury Notes, due 4/1/64, which were sold and the proceeds used to purchase \$4,000,000 par value U. S. 3-1/4% Treasury Bonds, due 5/15/85, with necessary principal adjustment of \$11,875.00 paid by University	3,960,720.68
9/1/59 \$1,000,000 par value U. S. 2-3/4% Treasury Bonds, due 4/1/80-75, switched into 1-1/2% Treasury Notes, due 4/1/64, which were sold and the proceeds used to purchase \$1,000,000 par value U. S. 3-1/4% Treasury Bonds, due 5/15/85, with necessary adjustment of \$5,000.00 paid to the University	1,000,489.84
9/10/59 \$1,000,000 par value U. S. 2-3/4% Treasury Bonds, due 4/1/80-75, switched into 1-1/2% Treasury Notes, due 4/1/64, which were sold and the proceeds used to purchase \$1,000,000 par value U. S. 3-1/4% Treasury Bonds, due 5/15/85, no principal adjustment	1,005,489.84

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - REPORT ON SWITCHING PROGRAM FOR EXCHANGES OF NONMARKETABLE TREASURY SECURITIES AUTHORIZED JUNE 13, 1959, AND RECOMMENDATION FOR CONTINUATION OF THE PROGRAM.--At the June 13, 1959, meeting of the Board of Regents, the Investment Officer was authorized to exchange up to \$30,000,000 par value of the nonmarketable 2-3/4% Treasury Bonds, Investment Series B, due 4/1/80-75, into Treasury 1-1/2% Notes, due 4/1/64, and to sell the notes and to use the net proceeds for reinvestment in either Treasury 3-1/4s of 5/15/85 or the 3-1/2s of 2/15/90, the timing of such exchanges and the reinvestment securities to be determined by the Staff Investment Committee. Under market conditions, exchange and sale has been limited to a total of \$8,000,000 par value (through September 14) of the \$30,000,000 authorized. Accordingly, it is recommended that the Board authorize continuation of the program as approved June 13 and further authorization of the Treasury 2-3/4s into 1-1/2% Treasury Notes, due 10/1/64, to be issued on 10/1/59, and which will replace the 1-1/2s due 4/1/64 into which the 2-3/4s may be exchanged.

10-01-59

LEASES AND EASEMENTS.--The Land and Investment Committee has given consideration to the following applications for various leases and easements on University Lands. All are at the standard rate unless otherwise stated, are on the University's standard forms, and have been approved as to form by the University Land and Trust Attorney and as to content by the University Endowment Officer. The Land and Investment Committee asks that the Board approve these applications and authorize the Chairman of the Board to execute the instruments involved:

AMENDMENT OF PIPE LINE EASEMENT NO. 1172, APPROVED DECEMBER 12, 1958, EL PASO NATURAL GAS COMPANY, WARD COUNTY, TEXAS.--This easement is to be amended at the request of El Paso Natural Gas Company in order to show a slight resurvey of the pipe line in place, whereby a revision of the center line description has been necessary. Hereafter, the total number of rods of 4 1/2 - inch line covered by this easement shall be 171.758 instead of 167.636, at \$0.50 per rod, for the 10-year period beginning December 1, 1958 and ending November 30, 1968. Consideration of \$2.06 covering the additional 4.122 rods of right of way has been received in addition to consideration of \$83.82 previously received to cover the original 167.636 rods.

PIPE LINE EASEMENT NO. 1395, HUMBLE OIL & REFINING COMPANY, WARD COUNTY, TEXAS.--This application for a pipe line easement to Humble Oil & Refining Company covers 80.5 rods of 2-3/8 - inch line and 80.5 rods of 3-3/4 - inch line at \$0.25 per rod, and 80.5 rods of 4-1/2 - inch line at \$0.50 per rod, for a 10-year period beginning July 1, 1959 and ending June 30, 1969, located in Section 1, Block 16, University Lands, Ward County. Consideration of \$80.50 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1396, PHILLIPS PETROLEUM COMPANY, ANDREWS, CRANE AND ECTOR COUNTIES, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 493.9 rods of 8-5/8 - inch line at \$1.00 per rod, 346.4 rods of 6-5/8 - inch line at \$0.75 per rod, and 146.5 rods of 4-1/2 - inch line at \$0.50 per rod, for the 10-year period beginning August 1, 1959 and ending July 31, 1969, located in Section 13, Block 11, and Section 49, Block 6, University Lands, Andrews County, and Sections 8, 12, 14, Block 35, University Lands, Crane and Ector Counties. Consideration of \$826.96 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1397, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers two lines, 1.212 rods of 2-5/8 - inch line at \$0.25 per rod, and 70.303 rods of 4-1/2 - inch line at \$0.50 per rod, for the 10-year period beginning September 1, 1959 and ending August 31, 1969, located in Sections 26 and 27, Block 1, University Lands, Andrews County. Minimum consideration of \$50.00 for the 10-year period has been received.

BUSINESS SITE EASEMENT NO. 1398, VIOLET MURRAY AND T.J. MURRAY, ANDREWS COUNTY, TEXAS.--This application for a business site easement to Violet Murray and T. J. Murray covers a site 200 feet by 200 feet in the SE/4 of Section 29, Block 13, University Lands, Andrews County, for a period of one year beginning August 1, 1959 and ending July 31, 1960, with option to extend and renew from year to year, but not to exceed a period of ten years from August 1, 1959, upon payment in advance of annual rental of \$250.00. This site will be used for a cafe and filling station. Consideration of \$250.00 for the first year's rental has been received.

BUSINESS SITE EASEMENT NO. 1399, OZONA TELEVISION SYSTEM, CROCKETT COUNTY, TEXAS.--This application for a business site easement to Ozona Television Company covers a site for a television tower in Section 18, Block 47, University Lands, Crockett County, for a period of one year beginning August 1, 1959, and ending July 31, 1960, with option to extend and renew from year to year, but not to exceed a period of ten years from August 1, 1959, upon payment in advance of annual rental of \$100.00. Consideration of \$100.00 for the first year's rental has been received.

POWER LINE EASEMENT NO. 1400, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS, MARTIN AND CRANE COUNTIES.--This application for a power line easement to Texas Electric Service Company covers seventeen (17) distribution lines containing a total of 1,155.50 rods at \$0.50 per rod for the 10-year period beginning August 1, 1959 and ending July 31, 1969. These lines are to be located in Sections 13 and 27, Block 1; Section 9, Block 2; Sections 30, 34, 36, 39, 40 and 46, Block 9; Section 8, Block 10; Sections 1, 2, 22 and 25, Block 13, University Lands, Andrews County; Sections 12, 15, 17 and 29, Block 7, University Lands, Martin County; and Section 6, Block 31, University Lands, Crane County. Consideration of \$577.75 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1401, TEXAS-NEW MEXICO PIPE LINE COMPANY, CRANE COUNTY, TEXAS.--This application for a pipe line easement to Texas-New Mexico Pipe Line Company covers 168 rods of 4-1/2 - inch line at \$0.50 per rod for the 10-year period beginning September 1, 1959 and ending August 31, 1969, located in Sections 29 and 32, Block 30, University Lands, Crane County. Consideration of \$84.00 for the 10-year period has been received.

SALT WATER DISPOSAL EASEMENT NO. 1402, TEXACO, INC., MARTIN COUNTY, TEXAS.--This application for a salt water disposal site easement to Texaco, Inc., covers a site of 5 acres in Section 16, Block 7, University Lands, Martin County, Texas, for a period of 10 years, beginning September 1, 1959 and ending August 31, 1969. The premises are to be used for the purpose of operating the Texaco-State of Texas Well No. A-1 in Section 16, Block 7, University Lands, Martin County, as a disposal or injection well for disposal and injection into the San Andrews formation of salt water and other waste products produced from oil and gas wells operated by lessee on University Lands. Consideration of \$500.00 for the 10-year period has been received.

BUSINESS SITE EASEMENT NO. 1403, H. H. CALLEY, REAGAN COUNTY, TEXAS.--This application for a business site easement to H. H. Calley covers a site 200 feet by 250 feet in Section 7, Block 11, University Lands, Reagan County, for a period of one year beginning September 1, 1959 and ending August 31, 1960, with option to extend and renew from year to year, but not to exceed a period of ten years from September 1, 1959. This easement covers the site now under Easement No. 540, also held by H. H. Calley, expired September 1, 1959 under its own terms. Consideration of \$200.00 for the first year's rental has been received.

TANK FARM SITE EASEMENT NO. 1404, HUMBLE PIPE LINE COMPANY, REAGAN COUNTY, TEXAS.--This application for a tank farm site easement to Humble Pipe Line Company covers two tracts containing a total of 7.690 acres in Section 14, Block 11, University Lands, Reagan County, for a 10-year period beginning July 7, 1959 and ending June 6, 1969. The premises are to be used as the location of tanks and other containers for storage of oil production, and equipment and facilities necessary for the operation of this storage of oil production. Consideration of \$769.00 for the 10-year period has been received.

BOOSTER STATION SITE EASEMENT NO. 1405, PHILLIPS PETROLEUM COMPANY, CRANE COUNTY, TEXAS.--This application for a booster station site easement to Phillips Petroleum Company covers a tract of 4.95 acres in the E/2 of SW/4, Section 11, Block 35, University Lands, Crane County, for a period of one year beginning August 1, 1959 and ending July 31, 1960, with option to extend and renew from year to year, but not to exceed a period of ten years from August 1, 1959. The booster station on this site will be used in connection with the operation of lessee's pipe lines transporting oil and gas products and other purposes incidental thereto. The minimum annual rental of \$50.00 has been received.

PIPE LINE EASEMENT NO. 1406, GULF REFINING COMPANY, CRANE COUNTY, TEXAS.--This application for a pipe line easement to Gulf Refining Company covers 38 rods of 2-inch line at \$0.25 per rod and 92 rods of 4-1/2 - inch line at \$0.50 per rod for the 10-year period beginning August 1, 1959 and ending July 31, 1969, located in Sections 6 and 33, Block 30, University Lands, Crane County. Consideration of \$55.50 for the 10-year period has been received.

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PIPE LINE EASEMENT NO. 1407, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 291.497 rods of 6-5/8 - inch line at \$0.75 per rod for the 10-year period beginning October 1, 1959 and ending September 30, 1969, located in Sections 40, 45 and 46, Block 9, University Lands, Andrews County. Consideration of \$218.62 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1408, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 175.8 rods of 2-3/8 - inch line and 23.1 rods of 3 1/2 - inch line at \$0.25 per rod, and 87.2 rods of 10-3/4 - inch line at \$1.00 per rod, for the 10-year period beginning September 1, 1959 and ending August 31, 1969, located in Section 30, Block 5, Section 31, Block 10, and Section 44, Block 9, University Lands, Andrews County. Consideration of \$136.93 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1409, SHELL PIPE LINE CORPORATION, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Shell Pipe Line Corporation covers 147 rods of 3 1/2 - inch line at \$0.25 per rod and 126 rods of 4 1/2 - inch line at \$0.50 per rod for the 10-year period beginning November 1, 1958 and ending October 31, 1968, located in Section 27, Block 1, and Section 36, Block 9, University Lands, Andrews County. Consideration of \$99.75 for the 10-year period has been received.

POWER LINE EASEMENT NO. 1410, SHELL PIPE LINE CORPORATION, ANDREWS COUNTY, TEXAS.--This application for a power line easement to Shell Pipe Line Corporation covers 61 rods of power line for a 10-year period beginning November 1, 1958 and ending October 31, 1968, located in Section 36, Block 9, University Lands, Andrews County. Minimum consideration of \$50.00 for the 10-year period has been received.

POWER LINE EASEMENT NO. 1166, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS COUNTY, TEXAS.--At the October 25, 1958 meeting of the Board of Regents, the application of Texas Electric Service Company was submitted for a power line easement covering 2,881 rods at \$0.50 per rod for the 10-year period beginning July 1, 1958 and ending June 30, 1968 to be located in Sections 1, 2, 3, 5, 8, 9, 10, 11, 12, 15, 16, 22, 32 and 35, Block 10, and Sections 2, 11, 14, 16, 21, 23, 28, 29, 31, 32 and 41, Block 13, University Lands, Andrews County, Texas. Included in the power line were 519 rods in the highway rights-of-way and it was the contention of the Texas Electric Service Company that payment for that portion was not due and owing on the basis that it was in a public highway. It was recommended to and approved by the Board of Regents that the easement be granted when the additional \$292.50 for the 519 rods was received.

After further consideration of this matter, the University Attorney is of the opinion that the Texas Electric Service Company would have the statutory right to construct its lines in the highway right-of-way pursuant to Article 1436a, Vernon's Civil Statutes of Texas, the pertinent part of which reads as follows:

"Corporations organized under the Electric Cooperative Corporation Act of this State, and all other corporations (including River Authorities created by the Legislature of this State) engaged in the generation, transmission and/or the distribution of electric energy in Texas and whose operations are subject to the Judicial and legislative processes of this State, shall have the right to erect, construct, maintain and operate lines over, under, across and along any State highway or county road in this State, except within the limits of an incorporated city or town;"

It is therefore recommended that this easement be approved for 2,881 rods at \$0.50 per rod for the 10-year period beginning July 1, 1958 and ending June 30, 1968, at a total consideration of \$1,440.50 which has been received.

GRAZING LEASE NO. 775, FRED H. BOGGS - ASSIGNMENT OF 357 ACRES OUT OF GRAZING LEASE NO. 753 FROM LACY D. WAY, REAGAN COUNTY, TEXAS.--This assignment from Lacy D. Way to Fred H. Boggs covers 357 acres in Sections 1 and 2, Block 8, University Lands, Reagan County, out of 6,644.1 acres contained in Grazing Lease No. 753, which was issued for the 5-year period beginning July 1, 1958 and ending June 30, 1963 at the rate of \$0.40 per acre per year for the first 6 months and \$0.50 per acre per year for the following 4 1/2 years. Provisions of Grazing Lease No. 775 shall be the same as those under Grazing Lease No. 753, rental being at the rate of \$0.50 per acre per year, payable in semiannual installments of \$89.25

January 1, 1960 and on the first day of January and July of each succeeding year until and including January 1, 1963. No consideration is involved in this assignment. The standard assignment fee of \$25.00 and the \$1.00 General Land Office filing fee have been received.

GRAZING LEASE NO. 776, MRS. LILLIAN KATHLEEN ST. CLAIR, JOINED BY HER HUSBAND, EUGENE C. ST. CLAIR, CROCKETT COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 638).--This application for renewal of a grazing lease to Mrs. Lillian Kathleen St. Clair, joined by her husband, Eugene C. St. Clair, covers 8,129.3 acres in Blocks 38 and 39, University Lands, Crockett County, for a period of 5 years beginning January 1, 1960 and ending December 31, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.42 per acre annually, the aggregate sum of which is \$17,071.50, to be paid in semiannual installments of \$1,707.15, due on the first day of January and July during the term of the lease. Grazing Lease No. 638, of which this is a renewal, carried a rental of \$0.35 per acre annually during the 10-year term of the lease.

GRAZING LEASE NO. 777, L. D. BROOKS, CLIFTON B. BROOKS, LARRY C. BROOKS, PARTNERSHIP, CROCKETT COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 643).--This application for renewal of a grazing lease to L. D. Brooks, Clifton B. Brooks, and Larry C. Brooks, a Partnership, covers 23,098.8 acres in Blocks 46 and 51, University Lands, Crockett County, for a period of 5 years beginning January 1, 1960 and ending December 31, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.42 per acre annually, the aggregate sum of which is \$48,507.50, to be paid in semiannual installments of \$4,850.75, due on the first day of January and July during the term of the lease. Grazing Lease No. 643, of which this is a renewal, carried a rental of \$0.35 per acre annually during the 10-year term of the lease.

GRAZING LEASE NO. 778, MRS. JEAN SCHEUBER, JOINED BY HER HUSBAND, SAM SCHEUBER, CROCKETT COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 688).--This application for renewal of a grazing lease to Mrs. Jean Scheuber, joined by her husband, Sam Scheuber, covers 2,941.3 acres in Block 33, University Lands, Crockett County, for a period of 5 years beginning January 1, 1960 and ending December 31, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.50 per acre annually, the aggregate sum of which is \$7,353.30, to be paid in semiannual installments of \$735.33, due on the first day of January and July during the term of the lease. Grazing Lease No. 688, of which this is a renewal, carried a rental of \$0.40 per acre annually the first four years of the lease and \$0.50 per acre annually the last or fifth year of the lease.

GRAZING LEASE NO. 779, FLOYD R. HENDERSON, CROCKETT COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 682).--This application for renewal of a grazing lease to Floyd R. Henderson covers 8,355.4 acres in Block 31, University Lands, Crockett County, for a period of 5 years beginning January 1, 1960 and ending December 31, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.50 per acre annually, the aggregate sum of which is \$20,888.50, to be paid in semiannual installments of \$2,088.85, due on the first day of January and July during the term of the lease. Grazing Lease No. 682, of which this is a renewal, carried a rental of \$0.40 per acre annually the first four years of the lease and \$0.50 per acre annually the last or fifth year of the lease.

GRAZING LEASE NO. 780, P. L. CHILDRESS, JR., CROCKETT COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 683).--This application for renewal of a grazing lease to P. L. Childress, Jr., covers 8,888 acres in Blocks 30 and 31, University Lands, Crockett County, for a period of 5 years beginning January 1, 1960 and ending December 31, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.50 per acre annually, the aggregate sum of which is \$22,220.00, to be paid in semiannual installments of \$2,222.00 on the first day of January and July during the term of the lease. Grazing Lease No. 683, of which this is a renewal, carried a rental of \$0.40 per acre annually the first four years of the lease and \$0.50 per acre annually the last or fifth year of the lease.

GRAZING LEASE NO. 781, MRS. ADDIE CLAYTON, CROCKETT COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 684).--This application for renewal of a grazing lease to Mrs. Addie Clayton covers 8,980 acres in Blocks 31 and 32, University

lands, Crockett County, for a period of 5 years beginning January 1, 1960 and ending December 31, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.50 per acre annually, the aggregate sum of which is \$22,450.00, to be paid in semiannual installments of \$2,245.00 on the first day of January and July during the term of the lease. Grazing Lease No. 684, of which this is a renewal, carried a rental of \$0.40 per acre annually the first four years of the lease and \$0.50 per acre annually the last or fifth year of the lease.

GRAZING LEASE NO. 782, ROY HENDERSON, CROCKETT COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 686).--This application for renewal of a grazing lease to Roy Henderson covers 8,843.4 acres in Block 31, University Lands, Crockett County, for a period of 5 years beginning January 1, 1960 and ending December 31, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.50 per acre annually, the aggregate sum of which is \$22,108.85, to be paid in semiannual installments of \$2,210.85, due on the first day of January and July during the term of the lease. Grazing Lease No. 686, of which this is a renewal, carried a rental of \$0.40 per acre annually the first four years of the lease and \$0.50 per acre annually the last or fifth year of the lease.

GRAZING LEASE NO. 783, JOHN LEE HENDERSON, JR., AND MRS. LUCILLE RUSSELL JOINED PRO FORMA BY HER HUSBAND, CLAUDE RUSSELL), GUARDIAN AND TRUSTEE FOR USE AND BENEFIT OF HELEN HENDERSON, CROCKETT COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 689).--This application for renewal of a grazing lease to John Lee Henderson and Mrs. Lucille Russell (joined pro forma by her husband, Claude Russell), guardian and trustee for use and benefit of Helen Henderson, covers 2,455.8 acres in Block 33, University Lands, Crockett County, for a period of 5 years beginning January 1, 1960 and ending December 31, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.50 per acre annually, the aggregate sum of which is \$6,139.50, to be paid in semiannual installments of \$613.95, due on the first day of January and July during the term of the lease. Grazing Lease No. 689, of which this is a renewal, carried a rental of \$0.40 per acre annually the first four years of the lease and \$0.50 per acre annually the last or fifth year of the lease.

GRAZING LEASE NO. 784, MRS. ALICE McMULLAN, CROCKETT COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 690).--This application for renewal of a grazing lease to Mrs. Alice McMullan covers 2,402.6 acres in Block 33, University Lands, Crockett County, for a period of 5 years beginning January 1, 1960 and ending December 31, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.50 per acre annually, the aggregate sum of which is \$6,006.50, to be paid in semiannual installments of \$600.65, due on the first day of January and July during the term of the lease. Grazing Lease No. 690, of which this is a renewal, carried a rental of \$0.40 per acre annually the first four years of the lease and \$0.50 per acre annually the last or fifth year of the lease.

GRAZING LEASE NO. 785, MRS. HELEN WILKINS, JOINED BY HER HUSBAND, JACK WILKINS, CROCKETT COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 691).--This application for renewal of a grazing lease to Mrs. Helen Wilkins, joined by her husband, Jack Wilkins, covers 2,783.7 acres in Block 33, University Lands, Crockett County, for a period of 5 years beginning January 1, 1960 and ending December 31, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.50 per acre annually, the aggregate sum of which is \$6,959.30, to be paid in semiannual installments of \$695.93 due on the first day of January and July during the term of the lease. Grazing Lease No. 691, of which this is a renewal, carried a rental of \$0.40 per acre annually the first four years of the lease and \$0.50 per acre annually the last or fifth year of the lease.

CANCELLATION OF IMPROVED PASTURE (GRAZING) LEASE NO. 709, W. E. WEATHERSBEE, EL PASO COUNTY, TEXAS.--At the April 5, 1956 meeting of the Board of Regents, approval was given for an improved pasture (grazing) lease, beginning May 1, 1956, to Mr. W. E. Weathersbee for a five year period at an annual rental of \$1.00 per acre on 100 acres out of Block L, University Lands in El Paso County, with no crops to be harvested but with the right to improve the land for pasture purposes.

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Rental for the period May 1, 1958 through April 30, 1959 was finally received after many letters to Mr. Weathersbee from the University Land Agent, Endowment Officer, and University Attorney. In the course of the correspondence, Mr. Weathersbee, who is elderly and who has done nothing with the lease for the past year or so, indicated to the University Land Agent, Mr. Compton, that it was his desire to give up the lease on its anniversary date. It is therefore recommended that Improved Pasture (Grazing) Lease No. 709 be cancelled effective May 1, 1959.

GRAZING LEASE NO. 786, J. W. HENDERSON, JR., CROCKETT COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 685).--This application for renewal of a grazing lease to J. W. Henderson, Jr., covers 7,040 acres in Blocks 31, 32, 33, University Lands, Crockett County, for a period of 5 years beginning January 1, 1960 and ending December 31, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.50 per acre annually, the aggregate sum of which is \$17,600.00, to be paid in semiannual installments of \$1,760.00 due on the first day of January and July during the term of the lease. Grazing Lease No. 685, of which this is a renewal, carried a rental of \$0.40 per acre annually the first four years of the lease and \$0.50 per acre annually the last or fifth year of the lease.

GRAZING LEASE NO. 787, HUGH RATLIFF, ANDREWS COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 639).--This application for renewal of a grazing lease to Hugh Ratliff covers 23,137.9 acres in Block 12, University Lands, Andrews County, for a period of 5 years beginning January 1, 1960 and ending December 31, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.18 per acre annually, the aggregate sum of which is \$20,824.10, to be paid in semiannual installments of \$2,082.41 due on the first day of January and July during the term of the lease. Grazing Lease No. 639, of which this is a renewal carried a rental of \$0.13 per acre annually during the 10-year term of the lease.

CALICHE PERMIT NO. 150, PARKER & PARKER, INC., ANDREWS COUNTY, TEXAS.--This application for a caliche permit to Parker & Parker, Inc., provides for the removal of 258 cubic yards of caliche from Section 46, Block 9, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$64.50 has been received.

CALICHE PERMIT NO. 151, GENTRY CONSTRUCTION COMPANY, INC., ANDREWS COUNTY, TEXAS.--This application for a caliche permit to Gentry Construction Company provides for the removal of 1,212 cubic yards of caliche from Section 46, Block 1, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$303.00 has been received.

CALICHE PERMIT NO. 152, TOM RANSELL GRAVEL COMPANY, REAGAN COUNTY, TEXAS.--This application for a caliche permit to Tom Ransdell Gravel Company provides for the removal of 2,528 cubic yards of gravel from Section 20, Block 11, University Lands, Reagan County, at the rate of \$0.25 per cubic yard. The full consideration of \$632.00 has been received.

CALICHE PERMIT NO. 153, PARKER & PARKER, INC., ANDREWS COUNTY, TEXAS (RENEWAL OF CALICHE PERMIT NO. 69).--This application for a caliche permit to Parker & Parker, Inc., provides for the removal of caliche during a period of five years beginning March 1, 1959 and ending February 28, 1964 from a 10-acre tract in the NE/4 of Section 9, Block 11, University Lands, Andrews County. All caliche removed shall be at the rate of \$0.25 per cubic yard, but in no event shall consideration be less than \$500.00 for the term of the permit. This is a renewal of Caliche Permit No. 69, which expired October 30, 1958.

CALICHE PERMIT NO. 154, FRANK MONTGOMERY, ANDREWS COUNTY, TEXAS.--This application for a caliche permit to Frank Montgomery provides for the removal of 492 cubic yards of caliche from Block 11, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$123.00 has been received.

CALICHE PERMIT NO. 155, FRANK MONTGOMERY, ANDREWS COUNTY, TEXAS.--This application for a caliche permit to Frank Montgomery provides for the removal of 966 cubic yards of caliche from Block 9, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$241.50 has been received.

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CALICHE PERMIT NO. 156, FRANK MONTGOMERY, ANDREWS COUNTY, TEXAS.--This application for a caliche permit to Frank Montgomery provides for the removal of 304 cubic yards of caliche from Block 11, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$201.00 has been received.

CALICHE PERMIT NO. 157, HUGH McMILLAN, INCL, HUDSPETH COUNTY, TEXAS.--This application for a caliche permit to Hugh McMillan, Inc., provides for the removal of 1,922 cubic yards of caliche from Block D, University Lands, Hudspeth County, at the rate of \$0.25 per cubic yard. The full consideration of \$480.50 has been received.

CALICHE PERMIT NO. 158, GENTRY CONSTRUCTION COMPANY, ANDREWS COUNTY, TEXAS.--This application for a caliche permit to Gentry Construction Company provides for the removal of 184 cubic yards of caliche from Section 33, Block 11, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The minimum consideration of \$50.00 has been received.

WATER CONTRACT NO. 82, PAN-AMERICAN PETROLEUM CORPORATION, PECOS COUNTY, TEXAS.--Water Contract No. 82 is the identification assigned to a permit granted by the Board of Regents June 13, 1959 on behalf of Pan American Petroleum Corporation, providing for drilling of a water well in the SE/4 of Section 12, Block 18, Pecos County from which water will be used for operation of a pilot water flood project in a small area of the Taylor Link Field, all of which area is on University Lands.

RATIFICATION OF WATER CONTRACT NO. 84, LOFFLAND BROTHERS, ANDREWS COUNTY, TEXAS.--This water contract to Loffland Brothers grants the right and privilege of producing water from Section 44, Block 9, University Lands, Andrews County, for the purpose of drilling one oil and/or gas well, Phillips-Holt H-1, located off University Lands in Section 101, W. W. Cowden Survey, Andrews County. The full consideration of \$500.00 has been received.

PROPOSAL FROM ECTOR WATER COMPANY FOR WATER EXPLORATION PERMIT COVERING BLOCK 10, UNIVERSITY LANDS, ANDREWS COUNTY, TEXAS.--The Ector Water Company of Midland, engaged in selling water to natural gasoline plants and oil well drilling rigs in the Ector County area, requests a water exploration permit covering Block 10, University Lands, Andrews County, comprising 23,682.2 acres. They request that the permit be for 1 year and include a provision to permit negotiation of a production lease within the 1-year period. Block 10 adjoins the area covered by Water Exploration Permit and Lease Option Agreement (Water Contract No. 71) with the City of Andrews.

The policy of the Board of Regents regarding ground-water on University Lands adopted May 4, 1957, provides that after reasonable reserves for its mineral lessees and grazing lessees, the University will give first consideration to the present and prospective needs of municipalities in the area. No indication of municipal interest in Block 10 has been received.

It is recommended that the Board of Regents grant the Ector Water Company the 1-year exploration permit without charge, with complete information on wells and testing on the land to be furnished to the University, and the right to negotiate for a production lease during the 1-year period to be a right of negotiation only and in no way an option to the exclusion of any municipality. It is recommended that the Company be notified before it undertakes the exploration that the royalty under any production lease that may be negotiated will be not less than 10 cents per 1,000 gallons of water. It is further recommended that the Chairman of the Board of Regents be authorized to execute the exploration permit on behalf of the Board when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

REQUEST BY PAN AMERICAN PETROLEUM CORPORATION FOR PERMISSION TO DEVELOP AND TRANSPORT WATER FOR PILOT WATER FLOOD PROJECT IN McFARLAND QUEEN FIELD, ANDREWS COUNTY, TEXAS.--Pan American Petroleum Corporation requests of the Board of Regents permission to recomplete its University "BV" Well No. 1 in the McFarland Queen Field, Andrews County, as a water well in the Santa Rosa formation at approximately 1100 feet, and to use the non-potable water to be produced in that field. The University is the only royalty owner under leases to be included in the water-flood project, and Pan American is submitting to the Board for Lease of University Lands a proposed consolidation of the leases for purposes of the project. (This is Water Permit No. 85.)

The well in question is a dry hole in the N/2 of Section 8, Block 4, University Lands, which area is covered by Water Exploration Permit and Lease Option Agreement (Water Contract No. 71) between the Board of Regents and Andrews Independent School District, the School District having assigned with the permission of the Board of Regents to the City of Andrews. Under this contract, the City of Andrews has exploration rights and a lease option for all of the potable water or water capable of being made potable, with certain reservations by the University as to water for oil and gas lessees and surface lessees. The reservation as to oil and gas lessees excludes water for pressure maintenance or water flooding projects. In other words, the University does not have the right to give Pan American the permission requested unless the water to be produced from the well is neither potable nor capable of being made potable. Pan American is exploring the matter with the City of Andrews and hopes to have at an early date the City's permission, so far as the City's contract with the University is concerned, to use the water from the depth indicated. The City's exploration and prospective water development in the area is at depths of around 200 feet.

It is recommended that Pan American Petroleum Corporation be furnished appropriate evidence of the permission of the Board of Regents to produce and use water from the well designated above for the pilot waterflood project, provided Pan American obtains from the City of Andrews a release of any claim to such water produced at the depths indicated by Pan American.

ASSIGNMENT OF PIPE LINE EASEMENT NO. 1191 (APPROVED DECEMBER 12, 1958) TO THE ATLANTIC REFINING COMPANY FROM EL PASO NATURAL GAS COMPANY, CRANE COUNTY, TEXAS.-- This assignment of Pipe Line Easement No. 1191 to The Atlantic Refining Company from El Paso Natural Gas Company covers a total of 536.206 rods of 8-5/8 - inch line at \$1.00 per rod in Section 33, 34, 38 and 39, Block 31, University Lands, Crane County, Texas. Easement No. 1191 was issued to El Paso Natural Gas Company for a total consideration of \$536.21 for the 10-year period beginning December 1, 1958 and ending November 30, 1968. The standard assignment fee of \$25.00 and the \$1.00 General Land Office filing fee are being paid by The Atlantic Refining Company.

TRUST AND SPECIAL FUNDS -- INVESTMENT MATTERS.--

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REPORT OF PURCHASES AND SALES OF SECURITIES.--The following purchases and sales of securities have been made for the Trust and Special Funds since the report of July 31, 1959. We ask that the Board ratify and approve these transactions:

PURCHASES		
<u>Date</u>	<u>Security</u>	<u>Principal Cost</u>
6/7/59	\$100,000 maturity value U. S. 182-Day Treasury Bills, dated 7/30/59, due 1/28/60, purchased at 98.31939 to yield 3.58% to maturity	\$ 98,319.39
	200,000 par value U. S. 3-3/4% Treasury Certificates of Indebtedness of Series A-1960, dated 2/15/59, due 2/15/60, purchased at 99.9375 to yield 3.87% to maturity	199,875.00
	300,000 maturity value U. S. Treasury Bills, Tax Anticipation Series, dated 7/8/59, due 3/22/60, purchased at 97.55939 to yield 3.94% to maturity	292,678.17
	300,000 maturity value 340-Day Special Series, Treasury Bills, dated 5/11/59, due 4/15/60, purchased at 97.2967233 to yield 3.94% to maturity	291,890.17
	900,000 par value U. S. 3-1/2% Treasury Notes of Series A-1960, dated 2/15/57, due 5/15/60, purchased at 99.59375 to yield 4.05% to maturity	896,343.75
	800,000 maturity value U. S. Treasury Bills, 1-Year, dated 7/15/59, due 7/15/60, purchased at 96.0942225 to yield 4.16% to maturity	768,753.78
	1,000,000 par value U. S. 4-3/4% Treasury Notes of Series C-1960, dated 8/1/59, due 8/15/60, purchased at 100.5625 to yield 4.17% to maturity	1,005,625.00
	400,000 par value U. S. 4-3/4% Treasury Notes of Series C-1960, dated 8/1/59, due 8/15/60, purchased at 100.546875 to yield 4.18% to maturity	402,187.50
	(Temporary Investments - Proceeds from Sale of Permanent University Fund Bonds) (For Special Construction accounts)	
8/18/59	\$28,000 par value U. S. 4-3/4% Treasury Notes of Series C-1960, dated 8/1/59, due 8/15/60, purchased at 100.53125 to yield 4.20% to maturity (Archer M. Huntington Museum Fund)	28,148.75
	100 Shares American Telephone & Telegraph Company Capital Stock, purchased at 80-1/8	8,059.51
	100 Shares Pacific Gas & Electric Company Common Stock, purchased at 62-5/8	6,307.76
	40 Shares R. J. Reynolds Tobacco Company 3.60% Cumulative Preferred Stock, purchased at 81-1/2 (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	3,293.30
8/16/59	\$13,000 par value Pacific Gas & Electric Company First & Refunding Mortgage Bonds, Series EE, 5%, due 6/1/91, purchased at 100.00 to yield 5.00% to maturity (E. D. Farmer International Scholarship Fund)	13,000.00
	\$5,000 par value Ditto (Will C. Hogg Memorial Scholarships Fund)	5,000.00
	\$4,000 par value Ditto (Wilbur S. Davidson Educational Fund)	4,000.00
	\$5,000 par value Ditto (The William Heuermann Fund for Cancer Research)	5,000.00
SALES		
<u>Date</u>	<u>Security</u>	<u>Net Proceeds</u>
7/18/59	36 Shares Chrysler Corporation Common Stock, sold at 64-1/2 (Wilbur S. Davidson Educational Fund)	\$2,291.37

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HUMAN GENETICS FUND - RATIFICATION OF SALE OF ADDRESSOGRAPH-MULTIGRAPH CORPORATION COMMON STOCK TO PROVIDE CASH FOR 1959-60 BUDGET.--Upon application of the University, Mr. Richard Arens has agreed to furnish the funds required to carry on a three-year program of genetics studies under the immediate supervision of Dr. Clarence P. Oliver, the funds required for the first year being in the total approximate amount of \$25,000. To furnish the cash required for the first year's budget, Mr. Arens forwarded through the Morgan Guaranty Trust Company a check in the amount of \$1,024.00 and 222 shares of Addressograph-Multigraph Corporation Common Stock. The stock has been sold by the Endowment Officer upon the request of Dr. Oliver in order to provide the balance of the cash required to meet budget commitments on October 1 for the genetics studies project. It is recommended that the Board ratify and approve the sale of the stock.

J. ANDERSON FITZGERALD SPECIAL SCHOLARSHIP FUND (BUSINESS ADMINISTRATION FOUNDATION) - RECOMMENDATION RE SALE OF BOOK-OF-THE-MONTH CLUB, INC., CAPITAL STOCK AND PLACING OF NET PROCEEDS IN FUNDS GROUPE FOR INVESTMENT.--To establish the J. Anderson Fitzgerald Special Scholarship Fund under the Business Administration Foundation, Mr. Frank M. Holloway forwarded 100 shares of the Book-of-the-Month Club, Inc., Capital Stock, which was placed on the University's books at a value of \$2,225.00 (market close as of 7/28/59, date of gift). It is recommended that the Endowment Officer be authorized to sell the stock and to place the net proceeds in the Funds Grouped for Investment account for the fund involved, the timing of the sale and price of the stock to be subject to the approval of the Staff Investment Committee.

TRUST AND SPECIAL FUNDS--GIFT, BEQUEST AND ESTATE MATTERS.-- 10-01-59

ALBERT SIDNEY BURLESON LOAN-SCHOLARSHIP FUND - PROPOSED GIFT FROM MR. AND MRS. BRYANT (SIDNEY BURLESON) SMITH WITH INCOME RESERVED.--At the March, 1959 meeting of the Land and Investment Committee, a proposed gift by Mr. and Mrs. Bryant (Sidney Burleson) Smith of La Mesa, California, was discussed. Mr. Smith was for several years a member of the Law School Faculty. The proposal includes the payment of income from the fund to Mrs. Smith during her lifetime and had been submitted to the Vice President and Provost of the Main University through the Dean of the Law School. The sum of \$25,000 was sent pending the completion of the agreement between the parties, and on advice of the Dean of the Law School was invested in U. S. Treasury Bills due May 21, 1959.

At the time the gift was first proposed it was to be a part of the John Charles Townes Foundation, but in later correspondence between Mrs. Smith and Dean Keeton, and between Dean Keeton and Dr. Ransom, it has been decided that the fund should be separated from the Townes Foundation and given the title as indicated above. Mrs. Smith has also indicated that it is her hope to augment the fund to \$50,000, retaining the income for life, and Dean Keeton has indicated to her that one annual payment of income would be made by the University, probably around September 15. Upon the death of Mrs. Smith, the entire income from the fund will be available for loans, scholarships, and fellowships for Law School students.

Before the June, 1959 meeting of the Board of Regents, a letter regarding gifts to the University with income reserved for life was sent by the Endowment Officer to the Land and Investment Committee, as well as to all other members of the Board of Regents, in which the proposed gift was mentioned, this being in effect a new area in which no formal policy has been adopted by the Board of Regents.

Obviously, the reason for acceptance of this and similar gifts where income is reserved is that endowment funds of the University will be increased, and the University can better compete in the acquisition of funds with private schools, foundations, and the like.

Some reasons for declining gifts with income reserved are the following:

1. Possible legal challenge as to the right of the Board of Regents to serve as trustee of such funds and render services to life beneficiaries, even though benefits of the gift ultimately will come to the University.
2. Required filing of Federal Fiduciary Income Tax Returns on each account, showing the amount of income payable to beneficiary, with at least occasional examination of the University's records in connection with such returns.
3. Questions of ad valorem tax exemptions where real estate is involved in such gifts.
4. The Board of Regents will be trustee of funds which ultimately will benefit the University but first of all will be expected to yield a reasonable income to the life beneficiary, perhaps complicating administrative questions such as type of investments, accounting between principal and income, and the like.
5. Aspects of competition with private enterprise in rendering trust services to individuals.

Because of circumstances and events which have already transpired, it is recommended that this gift be accepted and that the trust agreement be signed by the Chairman of the Board of Regents after final approval by the University Attorney as to form, by the Endowment Officer as to content, and after signature by Mr. and Mrs. Smith. It is further recommended that the fund be added to Funds Grouped for Investment as of September 1, 1959, with the income paid annually in September to Mrs. Smith during her lifetime.

It should be pointed out that this is the first formal trust agreement with income reserved for life which the Board will have entered into, although somewhat similar arrangements exist in a few instances such as the McLaughlin bequest. It is recommended that approval of this formal trust agreement not be regarded or intended as a precedent, but that before embarking on an organized plan for

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encouraging such gifts, both the Land and Investment Committee and the full Board give further consideration to the possible complications for a state institution as well as to the obvious advantages of this type of agreement in fund raising.

HOGG FOUNDATION: VARNER PROPERTIES - AUTHORITY TO FILE SUPPLEMENT U FEDERAL INCOME TAX RETURN FOR FISCAL YEAR ENDED JULY 31, 1959.--It is recommended that the Comptroller and Endowment Officer be authorized to sign and file Supplement U Federal Income Tax Return for the fiscal year ended July 31, 1959 on the Varner Properties. This is Form 990-T, Exempt Organization Business Income Tax Return. The return due to be filed by October 15, is being prepared by the Branch College Auditor, and the tax will be approximately \$27,000.00. These taxes have been paid for each year, beginning with 1953, since acquisition of the Varner Properties, and the basis for payment and other legal matters have been worked out with Mr. Benjamin L. Bird of the firm of Weeks, Bird, Cannon & Appleman of Fort Worth, which firm has served as tax counsel on these matters by authority of the Board of Regents.

TRUST AND SPECIAL FUNDS - REAL ESTATE MATTERS.--

HOGG FOUNDATION: W. C. HOGG FUND - REPORT OF EXCHANGE OF MASSEY PROPERTY ON RUSK AVENUE WITH MR. T. K. DIXON, JR. FOR PROPERTY ON CAPITOL AVENUE AND SALE OF THAT PROPERTY TO HOUSTON FIRST FEDERAL SAVINGS & LOAN ASSOCIATION, HOUSTON, TEXAS.--At the meeting of the Board of Regents on August 1, 1959, two resolutions were adopted concerning the sale and exchange of this property. Inadvertently the description of one of the properties was incorrectly given in the first Resolution. It is therefore recommended that the Board adopt the following Resolution which includes the correct description:

RESOLUTION

WHEREAS, by deed dated July 1, 1939, Mike Hogg, as Independent Executor of the Estate of W. C. Hogg, deceased, et al, granted and conveyed to the Board of Regents of The University of Texas certain properties more specifically described in a certain deed which was executed under the authority granted by the will of W. C. Hogg, deceased, with full power in the Board of Regents of The University of Texas to sell, dispose of, and convey the property, the deed being recorded in Volume 1127, page 463 et seq., of the Deed Records of Harris County, Texas, to which deed reference is made for all purposes; and

WHEREAS, the Board of Regents pursuant to resolution dated January 10, 1959 authorized the exchange of the properties described herein; and

WHEREAS, by deed dated June 10, 1959, the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation--W. C. Hogg Memorial Fund, conveyed to T. K. Dixon, Jr., of Houston, Harris County, Texas, the property described as

All that certain tract or parcel of land in Block 94, South Side of Buffalo Bayou, an Addition to the City of Houston, Harris County, Texas, more particularly described as follows;

BEGINNING at the northwest corner of a one-story masonry building in the south line of Rusk Avenue, said corner being also on the east side of a masonry building called the Gieseke Building, said beginning point being also located north 35 degrees east 296.1 ft. and north 55 degrees west 229.7 ft. from City Engineering Department reference rod No. 168, at the intersection of Walker Avenue and San Jacinto Street;

THENCE south 55 degrees east 49.83 feet along the south line of Rusk Avenue to an iron pipe;

THENCE south 35 degrees west 100 feet to an iron pipe;

THENCE north 55 degrees west 49.83 feet to an X cut in concrete located north 35 degrees east 25.7 feet and south 55 degrees east 64.3 feet from an iron rod at the southwest corner of the Gieseke Building;

THENCE north 35 degrees east 100 feet along a line parallel with Fannin Street to the place of beginning.

In exchange for the property belonging to T. K. Dixon, Jr., which is described as follows:

4125 square feet of land, being portions of Lots 7 and 8, Block 79, South Side of Buffalo Bayou, and a part of Capitol Avenue adjoining said portions, City of Houston, Harris County, Texas;

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BEGINNING at a point on building line as fixed by City Council, April 15, 1926, on the South Side of Capitol Avenue, said point being located 166.73 feet North 55 degrees 00 minutes West of and 36.72 feet South 35 degrees 00 minutes West of City of Houston Engineering Department reference rod No. 18 at Capitol Avenue and San Jacinto Street;

THENCE South 35 degrees 04 minutes 40 seconds West; at 0.03 feet pass northwest corner of a two-story brick building and the northeast corner of a one-story brick building and continuing along line between two said brick buildings; at 3.28 feet cross theoretical south line of Capitol Avenue; at 90.03 feet pass southeast corner of one-story brick building and in all 103.28 feet to a point on the division line between Lots 8 and 12 of said Block 79, South Side of Buffalo Bayou, said point being located 0.03 feet North 35 degrees 04 minutes 40 seconds East of the southwest corner of the aforementioned two-story brick building;

THENCE North 55 degrees 00 minutes West along a portion of the north line of Lot 12 and portions of the south lines of Lots 7 and 8, Block 79; at 24.33 feet pass southwest corner of said Lot 8 and southeast corner of said Lot 7, and in all 39.87 feet to a point for corner, said point being located 85.26 feet South 55 degrees 00 minutes East of the theoretical east line of Fannin Street and on line by agreement between Varner Company and T. K. Dixon, et ux, dated April 5, 1929, and recorded in Vol. 711, page 404, Harris County Deed Records;

THENCE North 35 degrees 00 minutes East parallel with the theoretical east line of Fannin Street and along said agreed line; at 13.25 feet pass southwest corner of above mentioned one-story brick building and continuing along said building; at 100.00 feet cross theoretical south line of Capitol Avenue, and in all 103.28 feet to point for corner on building line as above mentioned;

THENCE South 55 degrees 00 minutes East along said building line 40.01 feet to the place of beginning.

NOW THEREFORE, BE IT RESOLVED that all of the acts of the Chairman on behalf of the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation--W. C. Hogg Memorial Fund, in the execution of a certain exchange deed dated June 10, 1959, and the conveyance of the above-described property belonging to the Board of Regents to T. K. Dixon, Jr., be and the same are in all things hereby ratified.

MEDICAL BRANCH - EDITH FLY HILDEBRAND ESTATE - REPORT ON CLOSING OF SALE OF PROPERTY IN GONZALES COUNTY, TEXAS, TO MALCOLM GESCHEIDLE.-- Approval was given by the Board of Regents at its meeting of September 20, 1958, and resolution at its meeting of June 13, 1959, to Malcolm Gescheidle of the sale of approximately 300 acres (determined by survey to be 305.84) in Gonzales County, received by the University under the Will of Mrs. Edith Fly Hildebrand as part of her estate left for the establishment of the Dr. Walter Junius Hildebrand Scholarship Fund for the benefit of the Medical Branch. The tract had been under farming lease to Mr. Gescheidle for several years. The sale was for \$60 per acre cash with the University retaining one-half of the minerals, fully participating.

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After some delays in title matters and the like, the deed, dated July 9, 1959, was executed by all members of the Board of Regents in accordance with resolution adopted June 13, 1959. The deed was delivered to the purchaser on July 30, 1959 and full purchase price of \$18,350 received by the University.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE - BEQUEST OF MRS. MARY ADLINE GILLESPIE NIXON, ALPINE, TEXAS.--The devise of her residue estate by Mrs. Mary Adline Gillespie Nixon who died in Alpine on April 16, 1959, to "M. D. Anderson Hospital for Cancer Research" for use in research was reported to the Board of Regents at the August 1 meeting. Mrs. Nixon's home in Alpine located in a less desirable section near the railroad and now in need of repairs is the principal part of the estate. The Inventory and Appraisal filed by the appraisers appointed by the court and now approved by the court shows a value of \$3,500.00 for this property.

Mr. Don C. Littleton, Independent Executor of the estate, who is the Alpine manager of West Texas Utilities Company, and Mr. Alfred E. Creigh, Jr. of Alpine, attorney for the estate, recommend sale of the property and hope to get around \$7,000 for it. In view of the provisions of the Will, Mr. Creigh believes that joinder by the Board of Regents in the deed will be necessary for conveyance of good title. Therefore, so that an opportunity to liquidate the property will not be lost while awaiting a meeting of the Board of Regents after a purchaser at a satisfactory price can be found, it is recommended that the Board of Regents authorize such joinder and adopt the following Resolution:

R E S O L U T I O N

WHEREAS, under the will of Mary Adline Gillespie Nixon, the remainder and residue of her estate was bequeathed and devised to M. D. Anderson Hospital for Cancer Research to be used by its Trustee for research; and

WHEREAS, Don C. Littleton of Alpine, Texas, is the duly qualified and acting Independent Executor under the will of Mary Adline Gillespie Nixon; and

WHEREAS, the name of the M. D. Anderson Hospital for Cancer Research has been changed to The University of Texas M. D. Anderson Hospital and Tumor Institute and the governing body is the Board of Regents of The University of Texas; and

WHEREAS, the Independent Executor contemplates the sale of the following described tract or parcel of land in Brewster County, Texas:

Being the North one-half ($N\frac{1}{2}$) of Block 8 Means Addition of the City of Alpine being a tract of land from and out of Section 43, Abstract 4816, Block 9, GH&SA; and

WHEREAS, the joinder of the Board of Regents as Trustee under the will is necessary to convey good and sufficient title to the tract of land above described, such sale being advantageous and in the best interest of the University.

NOW THEREFORE, BE IT RESOLVED that the Chairman of the Board of Regents of The University of Texas as Trustee under the will of Mary Adline Gillespie Nixon, be and is hereby authorized for and on behalf of the Board of Regents of The University of Texas to join with the Independent Executor of the estate in the execution of a warranty deed conveying title to the said tract of land and to do all things necessary to complete this transaction.