

10-2 BOOKS

MATERIAL SUPPORTING THE AGENDA

Volume XIIb

December 1964 - February 1965

This volume contains the Material Supporting the Agenda furnished to each member of the Board of Regents prior to the meetings held on December 11-12, 1964, and January 29-30, 1965.

The material is divided according to the Standing Committees and the meetings that were held and is submitted on three different colors, namely:

- (1) white paper - for the documentation of all items that were presented before the deadline date
- (2) blue paper - all items submitted to the Executive Session of the Committee of the Whole and distributed only to the Regents, Chancellor, and Chancellor Emeritus
- (3) yellow paper - emergency items distributed at the meeting

Material distributed at the meeting as additional documentation is not included in the bound volume, because sometimes there is an unusual amount and other times maybe some people get copies and some do not get copies. If the Secretary were furnished a copy, then that material goes in the appropriate subject folder.



THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

Material Supporting the Agenda

Meeting No. 631

Name *Office* ~~EXTRA~~ COPY

Date JANUARY 29-30, 1965

CONTENTS

This volume of Material Supporting the Agenda consists of:

- I. Material mailed ten days in advance
(White Paper)
- II. Material mailed five days in advance
(Blue Paper)
- III. Doctor Ransom's orange book
(Letter Size)
- IV. Material distributed at meeting
(Canary Yellow or so indicated on first page)

Calendar was done
late and did not get
bound in this volume.

EXECUTIVE COMMITTEE

Date: January 29, 1965

Time: To be Indicated When Calendar is Distributed

Place: Regents' Room (Room 209)

Members:

Regent Brennan, Chairman
Regent Connally
Regent Madden
Regent McNeese
Chairman Heath, Ex Officio Member

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ITEM NO. 1

Executive Com.

SUBJECT: Budget Docket

RECOMMENDATION
(Suggested Minute Order by Secretary)

It is recommended

That the Budget Docket of Chancellor Ransom as distributed to each Regent in the supporting material be approved and that it be attached to and made a part of the minutes. (It is appended following Page _____.)

ITEM NO. 2

REPORT OF INTERIM ACTIONS OF EXECUTIVE COMMITTEE
Since December 12, 1964

Since the last meeting of the Board of Regents on December 12, 1964, the Executive Committee has approved the following and submits them to the full Board for approval and ratification:

- a. TRAVEL REQUEST. -- The Executive Committee reports its approval of the following request for permission to travel: Main University

<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
John W. F. Dulles, System Advisor of International Programs (2T-3)	February 28 - May 31, 1965	Washington, D. C., and Rio de Janeiro, Brazil

Purpose: To Washington to consult State Department Archives covering Brazil during the Vargas Regime for use in connection with a manuscript which has been in preparation for some time; to Rio de Janeiro to check manuscript against certain records and to confer with people important to project.

Expenses: Estimated to be \$810.60 for Transportation and \$1,389 for Per Diem (93 Days) payable part from general funds and part from grant funds.

- b. AMENDMENTS TO THE 1964-65 BUDGET.--The Executive Committee reports its approval of the amendments to the 1964-65 Budgets for Main University and Southwestern Medical School as set out below and on the following Page 3.

**MAIN UNIVERSITY
AMENDMENTS TO 1964-65 BUDGETS
Source of Funds - Departmental Appropriations
(Unless Otherwise Specified)**

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
103.	James E. Stockton Defense Research Laboratory Salary Rate Source of Funds: Government Contract	Research Engineer Associate II \$ 7,104	Research Engineer Associate IV \$ 9,600	12/1/64

104. The Executive Committee reports its approval of extra compensation to the following:

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Darrell K. Royal	Head Football Coach	\$ 1,920.00
William M. Campbell	Assistant Football Coach	936.00
Russell Coffee	Assistant Football Coach	744.00
John Patrick Culpepper	Assistant Football Coach	480.00
Billy M. Ellington	Assistant Football Coach	824.00
James N. Pittman	Assistant Football Coach	936.00
Robert C. Schulze	Assistant Football Coach	824.00
Charles N. Shira	Assistant Football Coach	936.00
Willie F. Zapalac	Assistant Football Coach	880.00
Frank E. Medina	Trainer	360.00
James V. Blaylock	Athletics Equipment Supervisor	215.40
John H. Simms	Team Physician	720.00
Jack Coleman Patterson	Assistant Athletics Director	600.00
Albert H. Lundstedt	Business Manager of Athletics	450.00
Alfred R. Rochs	Associate Business Mgr. of Athletics	408.00
Jones W. Ramsey	Sports News Director	450.00
Orland L. Sims	Assistant Sports News Director	263.40
Ruth Gold	Executive Assistant	355.20
Total		\$12,302.00

**SOUTHWESTERN MEDICAL SCHOOL
AMENDMENTS TO 1964-65 BUDGETS
Source of Funds - Departmental Appropriations
(Unless Otherwise Specified)**

<u>Item No.</u>	<u>Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
14.	Lucius Waites Pediatrics (p. 38) Salary Rate Source of Funds: Scottish Rite Hospital Fund	Associate Professor \$16,000	Associate Professor \$24,500	1/1/65
15.	John R. Lynn Surgery (p. 54) Salary Rate Source of Funds: Unallocated Salaries	Assistant Professor; Chairman of the Division of Ophthal- mology \$13,000	Assistant Professor; Chairman of the Division of Ophthal- mology \$14,000	1/1/65

c. MISCELLANEOUS ITEM 3-M-64: MAIN UNIVERSITY ARCHER M. HUNTINGTON MUSEUM FUND: RECOMMENDATION FOR EASEMENT TO GALVESTON COUNTY FOR TEXAS CITY STORM PROTECTION PROJECT. -- The Executive Committee reports approval of the right-of-entry in favor of Galveston County covering 136.09 acres of Huntington Land for construction of Texas City Storm Protection Levee and related facilities at an agreed price of \$204,135 for easement on said acreage. This item was referred to the Executive Committee by the Land and Investment Committee at its meeting on December 12, 1964. (See Page L-13.)

d. APPOINTMENT OF RAYMOND VOWELL, EXECUTIVE DIRECTOR, FEDERAL AND STATE AGENCY AFFAIRS. -- The Executive Committee reports its approval of the appointment of Raymond Vowell as Executive Director, Federal and State Agency Affairs (pursuant to letter written by Chancellor Ransom to Mr. Vowell under date of

January 4, 1965, as in the Secretary's Files, Volume XII, Page _____), effective on either February 1 or February 15, 1965, as Mr. Vowell may determine, with an annual salary rate of \$21,500; and the Executive Committee reports its request to the Administration to prepare an amendment to the Rules and Regulations relating to the offices of Central Administration to provide for this position and to list the duties thereof.

- e. CHANGE OF TITLE, GRAVES W. LANDRUM. -- The Executive Committee reports its approval of a change in the title of Graves W. Landrum to Assistant to the Chancellor and Director of Administrative Services.
- f. DEAN OF SOUTH TEXAS MEDICAL SCHOOL: DOCTOR F. CARTER PANNILL. -- At the meeting on November 7, 1964, in Waco, Doctor F. Carter Pannill was appointed as Dean of South Texas Medical School, effective January 1, 1965, and by unanimous agreement was to give a reply by Saturday, November 14. Doctor Pannill accepted the deanship on an interim basis as reported in the minutes of the meeting held on December 11-12, 1964. The Executive Committee reports for the record that Doctor Pannill has accepted the appointment as Dean of South Texas Medical School on a regular rather than on an interim or acting basis.
- g. APPOINTMENTS OF DIRECTOR AND CONSULTANT TO THE DIRECTOR OF THE DEFENSE RESEARCH LABORATORY. -- The Executive Committee reports its approval of the appointment of Chester M. McKinney as Director of the Defense Research Laboratory, effective February 1, 1965, at an annual salary rate of \$20,000, and the change of title of C. P. Boner to Consultant to the Director of the Defense Research Laboratory, effective February 1, 1965, at ~~the same salary rate and presently from the same source.~~

W. G. R. L. funds

W. G. R. L.

ITEM NO. 3Executive Com.SUBJECT: Amendment to 1964-65 Classified Personnel Pay Plan,
Main University (14-CL-63)RECOMMENDATION
(Suggested Minute Order by Secretary)

It is recommended

That effective February 1, 1965, the 1964-65 Classified Personnel Pay Plan (and thus the 1965-66 Plan) be amended by

(1) Adding the following classifications

<u>Code</u>	<u>Title</u>	<u>Monthly Range</u>	<u>Annual Range</u>	<u>Step No.</u>
6150	Catering Coordinator	\$439-565	\$5268-6780	27
6151	Assistant Catering Coordinator	319-419	3828-5028	20
6185	Chief Cook	400-539	4800-6468	25
6190	Chief Waiter	305-400	3660-4800	19

(2) Changing Code 6112 to read as follows

<u>Code</u>	<u>Title</u>	<u>Monthly Range</u>	<u>Annual Range</u>	<u>Step No.</u>
6112	Assistant Manager, University Commons	\$482-620	\$5784-7440	29

PROPOSAL
(As Submitted by Administration)MEMORANDUM

TO: Dr. Norman Hackerman, Vice-Chancellor for Academic Affairs

FROM: Joseph C. Kennedy

SUBJECT: Changes in the University Personnel Pay Plan

At the request of Business Manager, Colvin, this office has studied the food service functions of the University Commons, particularly that part related to the important and expanding catering services, including the Faculty-Staff Dining Room. It is recommended that the changes indicated below be approved, and that they be handled as emergency items for approval by the Executive Committee of the Board of Regents. It is recommended that these changes be effective February 1, 1965.

The catering services rendered by the University Commons has experienced considerable growth. Much of the growth has been centered in the services offered by the Faculty-Staff Dining Room, and considerable growth has been

centered in the other catering services rendered. These services include special parties, buffets, luncheons, and banquets, at different locations. The necessary services pertaining to special party foods, special waiters, and the unusual and special conditions involved make it clearly evident that it is important to make the following changes:

ADD:

<u>Code</u>	<u>Title</u>	<u>Monthly Range</u>	<u>Annual Range</u>	<u>Step No.</u>
6150	Catering Coordinator	\$439-565	\$5268-6780	27
6151	Assistant Catering Coordinator	319-419	3828-5028	20
6185	Chief Cook	400-539	4800-6468	25
6190	Chief Waiter	305-400	3660-4800	19

CHANGE:

<u>Code</u>	<u>Title</u>	<u>FROM:</u>		<u>TO:</u>		
		<u>Monthly Range</u>	<u>Annual Range</u>	<u>Monthly Range</u>	<u>Annual Range</u>	<u>Step No.</u>
6112	Assistant Manager, University Commons	\$460-565	\$5520-6780	\$482-620	\$5784-7440	29

The position of Chief Waiter (6190) is needed to supervise the special waiters hired for parties, banquets, etc., and to supervise the custodial workers in the Faculty-Staff Dining Room. The position of Chief Cook (6185) is needed to supervise the other cooks and to provide special assistance to the Catering Coordinator. The position of Assistant Catering Coordinator (6151) is needed to handle some of the supervisory duties in the Faculty-Staff Dining Room and to assist the Catering Coordinator in all other catering functions. The position of Catering Coordinator (6150) is needed for the purpose of providing overall supervision of the Faculty-Staff Dining Room, but the major responsibility will be to coordinate the complete catering services provided by the University Commons. The change in range for the Assistant Manager, University Commons (6112) is necessary in order to maintain the proper relationship between this position and the position of Catering Coordinator.

Should you desire any additional information concerning these recommendations, please let us know.

J. C. Kennedy
Joseph C. Kennedy
Director

fw

cc: Mr. James H. Colvin

Distribution of Approved Copies:

Office of the Chancellor
Mr. James H. Colvin
University Personnel Office

Approved -
James H. Colvin
1/8
Harry Ransom
1/8

**Academic and Developmental Affairs
Committee**

ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE

Date: Friday, January 29, 1965

Time: To be Indicated When Calendar is Distributed

Place: Main Building 209 (Regents' Room)

Members:

Regent McNeese, Chairman
Regent Connally
Regent (Mrs.) Johnson
Chairman Heath, Ex Officio Member

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SUBJECT: Docket (Attachment No. 2)RECOMMENDATION
(Suggested Minute Order by Secretary)

It is recommended

That the Docket of Chancellor Ransom (Attachment No. 2) be approved in the form as distributed and be attached to and made a part of the minutes. This docket was included in the bound volume Material Supporting the Agenda as the last section.

ITEM NO. 2SUBJECT: Vacancy, Board of Trustees, Southwest Texas Area Educational Television Council

PROPOSAL AS SUBMITTED BY CHANCELLOR'S OFFICE

VACANCY, BOARD OF TRUSTEES, SOUTHWEST TEXAS EDUCATIONAL TELEVISION COUNCIL.--Mrs. St. John Garwood, appointee of the Board of Regents to the Board of Trustees of the Southwest Texas Educational Television Council for a term expiring January, 1967 has submitted her resignation because of the press of other duties. To fill the unexpired term it is recommended that Mr. Dick Brown, Executive Vice-President of the Austin American Statesman be elected. Mr. Brown has indicated his willingness to serve.

Dr. J. C. Flowers, appointee of the Board of Regents for a term expiring January, 1966 has resigned due to retirement. To fill the unexpired term it is recommended that Dr. James H. McCrocklin, President of Southwest Texas State College, be elected. Dr. McCrocklin has indicated his willingness to serve.

ITEM NO. 3SUBJECT: Master of Arts Degree, Major in Government, Texas Western College

PROPOSAL AS SUBMITTED BY CHANCELLOR'S OFFICE

President Ray recommends approval of a request to the Texas Commission on Higher Education for permission to add Government to the departments at Texas Western College in which a major may be offered for the degree of Master of Arts. Chancellor Ransom concurs in this recommendation, which also bears the approval of the Graduate Council and Graduate Dean at Texas Western College and of Dr. Wilson Stone, Adviser to the Chancellor, and Vice-Chancellor Haskew. The Department of Government has seven faculty members of whom five hold Ph.D. degrees in the field. Two vacancies now exist which will be filled with persons holding the doctorate. Satisfactory student demand for the degree appears to exist, and a genuine need for master's degree work of this character in the El Paso area is well-demonstrated. Before the degree program is activated, at least one faculty member will have attained election to the Graduate Faculty of The University of Texas.

SUBJECT: Main University: Summer Employment for Robert E. Keeton,
Brother of Dean Page Keeton

PROPOSAL AS SUBMITTED BY CHANCELLOR'S OFFICE

Dr. Norman Hackerman
Vice Chancellor for Academic Affairs
Main Building 102

Dear Dr. Hackerman:

Some six or seven years ago we had my brother, Robert E. Keeton, professor of law at the Harvard Law School, on our summer faculty. The Budget Council of the law school has unanimously approved his employment for the second term of the summer session for the purpose of teaching Insurance.

I do not plan to be on the payroll at all during the second term in any way and this may not constitute a technical nepotism problem. However, I think it would be desirable not only for you to know, but perhaps also, if you think so, the Board of Regents.

Bob has a national reputation in the field of Insurance law and I think there is no question as to his competence.

Yours truly,

Page Keeton
Page Keeton
Dean

WPK/llg

APPROVED

Norman Hackerman
VICE-CHANCELLOR FOR
ACADEMIC AFFAIRS
THE UNIVERSITY OF TEXAS

Harry Ransom

Vice-Chancellor Hackerman and Chancellor Ransom concur with Dean Keeton's recommendation that Robert E. Keeton, brother of Page Keeton, be employed for the second term of the 1965 summer session for the purpose of teaching Insurance.

Dean Keeton will not be on the budget of the Main University for the second term of the summer session and, therefore, we do not have an actual nepotism violation under strictest interpretation of our nepotism rules and regulations. However, we wish to advise the members of the Board of Regents of this pending appointment and get the concurrence of the Board to proceed with the employment of Mr. Robert E. Keeton for the second term of summer school.

ITEM NO. 5A & D Com.SUBJECT: Southwestern Medical School: Proposed Catalogue Change

PROPOSAL AS SUBMITTED BY CHANCELLOR'S OFFICE

Dr. Harry Ransom, Chancellor
The University of Texas
Austin, Texas 78712

Dear Dr. Ransom:

Your approval is requested for inclusion of the following statement in the next edition of our catalogue:

"Dropped or Incomplete Course Work. No course may be dropped later than twenty-one calendar days prior to the date of the last regularly scheduled class in the course. A course dropped after this deadline will automatically receive a failing grade. A medical or medical art student desiring to drop course work prior to the deadline must receive written approval of the Assistant Dean for Student Affairs, and a graduate student the approval of the Associate Dean for Graduate Studies. A student permitted to drop a course under these conditions will receive a record notation of 'Q' as indication that the course was officially dropped.

"Subject to the approval of the Assistant Dean for Student Affairs (or the Associate Dean for Graduate Studies, in the case of graduate students), a student may receive an 'X' for a course not completed, if the instructor so recommends. The incomplete work must be completed within a time interval prescribed in each instance by the Promotions Committee. If course work is not satisfactorily completed within the time prescribed by the Promotions Committee, a failing grade will be recorded."

OK

HR

Sincerely yours,

A. J. Gill
A. J. Gill, M.D.
Dean

P.S. If this statement has your approval, should it be included in our next docket for approval of the Board of Regents?

Chancellor Ransom concurs in the recommendation of Dean Gill that the following statement be included in the next edition of the Southwestern Medical School catalogue. Chancellor Ransom requests Board approval.

"Dropped or Incomplete Course Work. No course may be dropped later than twenty-one calendar days prior to the date of the last regularly scheduled class in the course. A course dropped after this deadline will automatically receive a failing grade. A medical or medical art student desiring to drop course work prior to the deadline must receive written approval of the Assistant Dean for Student Affairs, and a graduate student the approval of the Associate Dean for Graduate Studies. A student permitted to drop a course under these conditions will receive a record notation of 'Q' as indication that the course was officially dropped.

"Subject to the approval of the Assistant Dean for Student Affairs (or the Associate Dean for Graduate Studies, in the case of graduate students), a student may receive an 'X' for a course not completed, if the instructor so recommends. The incomplete work must be completed within a time interval prescribed in each instance by the Promotions Committee. If course work is not satisfactorily completed within the time prescribed by the Promotions Committee, a failing grade will be recorded."

QWL?

ITEM NO. 6A & D Com.SUBJECT: Charles Tilford McCormick Professorship in Law

PROPOSAL AS SUBMITTED BY CHANCELLOR'S OFFICE

Dr. Harry Ransom, Chancellor
 Dr. Norman Hackerman, Vice-Chancellor
 Mr. Charles I. Francis, President, Law
 School Foundation

Gentlemen:

This is to advise you that Mrs. Charles T. McCormick has made a commitment to give over the next few years the sum of \$100,000 for the purpose of establishing the Charles Tilford McCormick Professor in Law. I am attaching hereto a copy of the document which she signed which is very similar to documents which were executed by Hines Baker and Rex Baker, although their gifts were made directly to the Board of Regents. It will be noted that her contributions are going to the Law School Foundation, but in the same manner as others have contributed, including Hugh Lamar Stone and Sylvan Lang.

Her initial contribution was 115 shares of Beneficial Finance Company stock and the date of the gift was December 1 and the value of the gift was \$6,253.12. Immediately after the first of the year, she will deliver additional stock making her initial contribution \$25,000. Pursuant to a conversation I had with Dr. Hackerman about this, the plan has already been approved.

The law faculty is recommending that Charles Alan Wright, who is presently visiting Professor at the Harvard Law School, be named the Charles Tilford McCormick Professor of Law, beginning with the 1965-66 school year. For your information, he received an offer the other day of \$20,000 from the University of Southern California. He has turned this down without negotiating. I will make an appropriate recommendation for his salary when the proposed Law School budget is transmitted later. The only recommendation here is that he be the holder of this professorship.

I think this constitutes a sacrificial contribution on the part of Mrs. McCormick. Charles McCormick probably left a substantial estate, but I would not assume an extremely large one. Since they had no children, I am sure that she feels one of the best possible uses for a substantial part of what she inherited would be to support the Law School.

Sincerely,

Page Keeton
 Page Keeton
 Dean

(Copy of Document signed by Mrs. McCormick is on the following two pages.)

STATE OF TEXAS

COUNTY OF TRAVIS

KNOW ALL MEN BY THESE PRESENTS that I, Mrs. Charles T. McCormick, of Travis County, Texas, subject to the further provisions hereof and to the approval of the Board of Regents of the University of Texas, do hereby create the Charles Tilford McCormick Professorship in Law.

I.

I hereby give, assign, and deliver to the University of Texas Law School Foundation 115 shares of Common Stock in Beneficial Finance Company represented by stock certificates C 118145 and C 0159662

having the present market value of \$ 6253.17 . I shall, from time to time in the future, as rapidly as I may deem expedient, give, assign, and deliver to the University of Texas Law School Foundation additional cash, securities, or other things of value until assets of the aggregate value of as much as One Hundred Thousand (\$100,000.00) Dollars shall have been contributed or donated, taking into consideration the market value of such contribution at the time it is made to the Foundation. As a matter of information, it is stated that I have inserted in my will, or a codicil thereof, a provision to the effect that, in the event I shall not have contributed to the Foundation the full sum of One Hundred Thousand (\$100,000.00) Dollars prior to my death, then and in that event there shall be given and bequeathed to the Foundation out of my estate the difference between the amount actually contributed to the Foundation by me up to that time and the full sum stated above. Others may make donations or contributions of money, securities or things of value to the Foundation to supplement this Professorship fund, but such gifts, if made, shall in no wise modify or vary the terms and conditions of my donations for this purpose.

II.

As stated heretofore, the donation presently made and all subsequent donations on my part to the Foundation as well as any fund or property

arising therefrom in whatever form it shall take, shall be called the Charles Tilford McCormick Professorship in Law Fund. It is my desire and intent that the Professorship herein provided for shall be filled at all times by a Law professor of recognized distinction. Since my husband, Charles Tilford McCormick, devoted the major part of his time and talents to teaching and writing about the law in three principal areas; namely, Evidence, Federal Procedure, and Jurisprudence and Damages, it is my desire that the Dean and the Law Faculty, in recommending to the Administration of the University and the Board of Regents the Law professor to be designated as the holder of the McCormick Professorship at any particular time, give some consideration in selecting the nominee to whether or not such person has achieved distinction in one or more of these three areas of the law.

I fully realize that the income to be derived from the gifts made pursuant to the plan herein will never be sufficient to pay more than a fraction of the entire salary of a Law Professor. I am, however, making these donations on the condition that the income derived from them will be used exclusively for the support and maintenance of the Professorship named above, and accordingly will be used for the purpose of supplementing the funds made available by Legislative appropriations or otherwise for the payment of the normal salary of the professor who, from time to time, fills the Professorship hereby created. It is my hope that in this way the Law School will, at all times, be enabled to obtain the services of a distinguished teacher to fill this Professorship.

By its acceptance hereof, the Board of Regents of the University of Texas hereby agrees to carry out the terms and provisions set forth herein.

WITNESS MY HANDS this the 2 day of December 1964.

Mrs. Melina D. McCormick
 (Mrs. Charles T. McCormick)

STATE OF TEXAS
 COUNTY OF TRAVIS

BEFORE ME, the undersigned authority, on this day personally appeared Mrs. Charles T. McCormick known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this 2 day of December 1964.

Lois L. Grant
 Notary Public in and for
 Travis County, Texas

Buildings & Grounds Committee

BUILDINGS AND GROUNDS COMMITTEE

Date: Friday, January 29, 1965

Time: To be indicated later when Calendar is distributed

Place: Main Building 210 (Office of the Secretary)

Members:

Regent Brennan
 Regent (Mrs.) Johnson
 Regent McNeese
 Chairman Heath, Ex Officio Member

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Comptroller Sparenberg has listed the following additional items:

Medical Branch - Discussion of Possible Revisions in
Five-Year Building Program

South Texas Medical School - Report on Execution of
Agreement with Associate Architects

Main University - Award of Contract for New Waste
Heat Steam Generating System (New Boiler) (Bids
to be Opened January 19, 1965)

Main University - Possible Approval of Final Plans and
and Specifications for Biological Sciences Building

Main University - Possible Additional Payment to
Associate Architect on Lila B. Etter Alumni House

THE UNIVERSITY OF TEXAS
OFFICE OF THE COMPTROLLER
AUSTIN 78712

RECOMMENDATIONS TO REGENTS'
BUILDINGS AND GROUNDS COMMITTEE

January 12, 1965

1. MEDICAL BRANCH - INCREASE IN APPROPRIATION FOR APPRAISAL FEES AND NEGOTIATION FEES FOR LAND ACQUISITION, CONSULTING ARCHITECT'S FEES, AND LAND ACQUISITION.--At December 31, 1964, there was a balance of approximately \$155,000.00 remaining in Account No. 85-9155-0099 - Medical Branch - Appraisal Fees and Negotiation Fees for Land Acquisition and Consulting Architect's Fees and Land Acquisition - Allotment Account. It is now believed that, in order to have sufficient money in this account to cover the balance of the land acquisition contemplated to be financed from this source and the Consulting Architect's Fees now due, since the approval of the preliminary plans on the Basic Sciences Building, Clinical Sciences Building, and Animal Quarters Building, it will be necessary to make an additional appropriation to this account. It is, therefore, recommended by Comptroller Sparenberg, Assistant to the Chancellor Landrum, and Chancellor Ransom that an additional appropriation of \$100,000.00 be made to this account from Permanent University Fund Bond proceeds. The original appropriation to this account, as a partial beginning on the five-year program, was \$300,000.00 from the same source.

2. MAIN UNIVERSITY - APPROVAL OF FINAL PLANS AND SPECIFICATIONS FOR EAST MALL DEVELOPMENT AND TRANSFER OF APPROPRIATION BALANCES TO COVER STORAGE TANKS.--At the Regents' Meeting held December 1, 1962, authorization was given for the preparation of working drawings and specifications for the East Mall Development at the Main University by C. H. Page and Son, Associate Architect on the project. These final plans and specifications have now been completed and have been approved by the Consulting Architect, Jessen, Jessen, Millhouse, and Greeven, the Main University Faculty Building and Space Allocation Committee, Vice-Chancellor Hackerman, Comptroller Sparenberg, and Chancellor Ransom. It is recommended that they be approved by the Board and that Comptroller Sparenberg be given authority to advertise for bids to be presented to the Board for consideration at a later meeting.

During the course of the preparation of the working drawings and specifications for the East Mall Development, at the request of Mr. Carl J. Eckhardt, Director of Physical Plant for Main University, and Mr. James H. Colvin, Business Manager of Main University, purchase and installation of eight underground fuel oil storage tanks were included in the working drawings and specifications prepared by the Associate Architect C. H. Page and Son, et al. It was agreed by all the Architects involved, the Comptroller's Office, and the Main University Faculty Building Committee that the purchase and installation of these storage tanks could be done more efficiently and more economically by the contractor for the East Mall. The estimated cost of these tanks is \$45,000.00 plus 6% for Architects' Fees, making a total of \$47,700.00. It is recommended that this estimated cost of \$47,700.00 be transferred to the Allotment Account for the East Mall Development from the unexpended balances in the accounts listed below:

Account Number	Account Title	Amount
36-0604-0070	Old Library Building - Replacement of Inadequate Lighting and Circuits	\$ 1,731.26
36-0604-0086	Women's Gymnasium - Replacement of Drapes, Rugs and Tile Floors	4,985.41
36-0604-0092	Repair of Eroded Creek Areas	9,283.33
36-0604-0160	Chemistry Building - Replacement of Inadequate Circuits and Panels	10,000.00
85-9038-0000	Major Repair and Rehabilitation Projects	21,700.00

3. MAIN UNIVERSITY - AUTHORIZATION OF PLANS FOR SECOND RECORDS STORAGE BUILDING ON BALCONES TRACT.--A Records Storage Building on the Balcones Tract has just been completed and accepted by the University. The original appropriation was \$250,000.00 from the Available University Fund, and there is a balance remaining in this appropriation of approximately \$143,000.00. It is now believed to be highly desirable to construct another such building on this tract, for storage of both records and books, part of which books are now stored in buildings at Little Campus and elsewhere, which are not fireproof. It is, therefore, recommended by Main University Business Manager Colvin, Comptroller Sparenberg, Vice-Chancellor Hackerman, and Chancellor Ransom that authorization be given to use this balance to construct another Records Storage Building on the Balcones Tract of the same type of construction as the one just completed, except that this building will contain approximately 5,000 square feet of air-conditioned space, as work space for book processing.

It is further recommended that the plans for this second building be handled in the same way as the completed building, that is, Consulting Architects Brooks and Barr be authorized to prepare the preliminary plans and outline specifications, with the Main University Physical Plant staff to prepare the working drawings and specifications. At the time the preliminary plans and outline specifications are presented to the Board for approval, the exact location of the building will also be presented for approval.

4. MAIN UNIVERSITY - APPROVAL OF CONTRACT WITH CORNING GLASS WORKS FOR PURCHASE OF MIRROR BLANK FOR TELESCOPE FOR W. J. McDONALD OBSERVATORY AND AMENDMENTS TO CONTRACT WITH NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.-- At the Regents' Meeting held September 19, 1964, approval was given for the execution of National Aeronautics and Space Administration Contract NASr-242 for design development, fabrication, and installation at W. J. McDonald Observatory of an 84-inch telescope suitable for lunar and planetary observations. After considerable correspondence and negotiations with NASA concerning the possibility of obtaining a 105-inch telescope rather than an 84-inch telescope and tentative approval of NASA thereof, requests for bids on a fused silica mirror blank for the larger telescope were sent out. Two proposals were received as follows:

General Electric Company, Lamp Glass Department, Cleveland, Ohio	\$310,335.00
Corning Glass Works, Corning, New York	310,000.00

It is recommended by Dr. Harlan J. Smith, Director of McDonald Observatory, Comptroller Sparenberg, Vice-Chancellor Hackerman, and Chancellor Ransom that a contract be entered into with Corning Glass Works on the basis of that company's low bid of \$310,000.00, and also that authority be given to approve and accept amendments to the contract with NASA to provide for the larger telescope and additional funds to cover the cost thereof, estimated to be \$500,000.00. It is understood that the contract between Corning Glass Works and The University of Texas will be approved as to content by Comptroller Sparenberg and as to legal form by Attorney Waldrep, and also is subject to approval by National Aeronautics and Space Administration.

5. MAIN UNIVERSITY - W. J. McDONALD OBSERVATORY NEW TELESCOPE, BUILDINGS, ETC. - PROCEDURES UNDER CONTRACT WITH NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AND RELATED MATTERS.--With further reference to the contract with National Aeronautics and Space Administration, NASr-242, to cover the new telescope, together with all its related accessories, accoutrements, etc., such as the fused quartz optical blanks, optical machinery and figuring, auxiliary cameras, auxiliary coudé and Cassegrain spectrographs, etc., it is recommended by Vice-Chancellor Hackerman and Chancellor Ransom:

1. That Comptroller Sparenberg be authorized to approve whatever requisitions, purchase orders, and contracts are necessary to acquire this new telescope and its related accessories, equipment, etc., with the understanding that competitive bids will be obtained whenever possible, that awards will be made after proper consultation with Dr. Harlan J. Smith, Chairman of the Astronomy Department and Director of McDonald Observatory, Dr. Hackerman, and University Attorney Waldrep, and that all contracts over \$50,000.00 will be executed by the Chairman of the Board, after the usual approvals as to content by Comptroller Sparenberg and as to legal form by Attorney Waldrep.
2. That the Comptroller be authorized to approve interim payments on the telescope and/or related accessories, equipment, etc., similar to those authorized in the contract with High Voltage Engineering Corporation on the three Van de Graaff Tandem Accelerators, if and when required by the manufacturers, with the understanding that at least 10%, and preferably 15%, will be withheld from all payments until final installation and final acceptance of the items covered by any such arrangements.
3. That Comptroller Sparenberg, Main University Business Manager Colvin, and Dr. Harlan J. Smith be authorized to negotiate and make contract and other arrangements with the manufacturers and suppliers in such a way as to provide that, in any given fiscal year, the University's obligations to them would not exceed the funds allocated to the University by the National Aeronautics and Space Administration and appropriated by Congress.

It should be understood that the three recommendations above listed apply only to the new telescope and its related accessories, etc., and not to the proposed new construction work for piers, foundations, dome, building, roads, etc. Authorization has already been given to the Consulting Architects for preparation of preliminary plans and outline specifications on the piers, foundations, dome, building, roads, etc. at the proper time, and recommendations for appointment of Associate Architects and other matters related to the actual construction work will be made at a later date.

6. MAIN UNIVERSITY - PROPOSED AMENDMENT TO CONTRACT WITH J. M. BOYER, MECHANICAL CONTRACTOR, ON NEW GEOLOGY BUILDING.--At the Regents' Meeting held December 12, 1964, a contract was awarded to J. M. Boyer, Mechanical Contractor, Austin, Texas, for the Heating, Ventilating, and Air Conditioning Contract on the New Geology Building at the Main University. Between the time of this award and the execution of the contract on the part of Mr. Boyer, arrangements were completed for incorporating Mr. Boyer's business. Mr. Boyer has now requested the consent of the Board of Regents of The University of Texas for the contract to be written in the name of J. M. Boyer, Inc. rather than J. M. Boyer, Mechanical Contractor, in which name the bid was made. Mr. Boyer has stated that J. M. Boyer as an individual will assume all financial responsibility for the corporation.

It is recommended by the University Attorney Burnell Waldrep and Comptroller Sparenberg that the contract be executed both by J. M. Boyer, as an individual, and by J. M. Boyer, Inc.

7. MAIN UNIVERSITY - APPOINTMENT OF COMMITTEE TO APPROVE PLANS AND SPECIFICATIONS FOR MODERNIZATION AND REMODELING (INCLUDING AIR CONDITIONING) OF SIX EXISTING BUILDINGS (R. O. T. C., R. O. T. C. RIFLE RANGE, SPEECH, SERVICE BUILDING, MAIN BUILDING TOWER, PETROLEUM ENGINEERING).--At the Regents' Meeting held June 27, 1964, authorization was given to Bovay Engineers, Inc. to prepare plans and specifications for Modernization and Remodeling of Petroleum Engineering Building, R. O. T. C. Building, R. O. T. C. Rifle Range.

Building, part of the Service Building, balance of the Main Building Tower not already air conditioned, and the Speech Building, all at the Main University. These plans and specifications are nearing completion, and it is believed that they will be complete shortly after this Board meeting, but not in time for approval at this meeting. In order not to delay this project, it is recommended by Comptroller Sparenberg, Vice-Chancellor Hackerman, and Chancellor Ransom that a Committee be appointed, consisting of Comptroller Sparenberg, Vice-Chancellor Hackerman, Chancellor Ransom, and Regent W. W. Heath to approve these plans and specifications when they are completed, with authority to Comptroller Sparenberg to advertise for bids after the Committee's approval, the bids to be presented to the Board for consideration at a later meeting.

8. SYSTEM-WIDE - AUTHORITY TO APPLY FOR GRANTS FROM FEDERAL GOVERNMENT AGENCIES, TO EXTENT OF ELIGIBILITY, ON APPROVED CONSTRUCTION PROJECTS, UNDER HIGHER EDUCATION FACILITIES ACT OF 1963, AND OTHER CONGRESSIONAL ENACTMENTS.-- It is contemplated that on buildings to be constructed throughout The University of Texas System, applications will be made to Federal Government agencies for aid in constructing these buildings, in all cases where the projects appear to be eligible for such grants. In order that these applications can be prepared and submitted without the delays involved in prior approval by the Board in each specific case, it is recommended by the Comptroller's Office and the Chancellor's Office that the proper administrative officials be granted authority to submit applications for grants from Federal Government agencies on all construction projects previously approved by the Board of Regents to the extent of eligibility of the projects.

OTHER MATTERS TO BE CONSIDERED BY THE
REGENTS' BUILDINGS AND GROUNDS COMMITTEE

Medical Branch - Discussion of Possible Revisions in Five-Year Building Program

South Texas Medical School - Report on Execution of Agreement with Associate Architects

Main University - Award of Contract for New Waste Heat Steam Generating System (New Boiler) (Bids to be Opened January 19, 1965)

Main University - Possible Approval of Final Plans and Specifications for Biological Sciences Building

Main University - Possible Additional Payment to Associate Architect on Lila B. Etter Alumni House

THE UNIVERSITY OF TEXAS
OFFICE OF THE COMPTROLLER
AUSTIN 78712

SUPPLEMENT TO
RECOMMENDATIONS TO REGENTS'
BUILDINGS AND GROUNDS COMMITTEE

January 19, 1965

9. SOUTHWESTERN MEDICAL SCHOOL - BASIC SCIENCES RESEARCH SPACE.--Upon request by Dean Gill and concurrence by Vice-Chancellor Haskew, Chancellor Ransom recommends that the Board of Regents affirm at this time that \$1,000,000 in Permanent University Fund Bond proceeds will be available within the Ten Year Plan for matching gifts and grants for construction of Basic Science Research Facilities at Southwestern Medical School.

Explanation. Dean Gill states that his efforts to recruit outstanding additions to his faculty in basic sciences are much hampered by lack of research space. He does not feel at the present time he has authority to state definitely that the Regents intend to provide matching funds for such space, and thinks that such authority would be a great aid in successful recruitment during the next few months. The Ten Year Plan as revised November 1963 carries two allocations of \$1,000,000 each in PUF bonds to Southwestern Medical School. Tentative commitments tie up some \$750,000 of this but there is good chance that an appreciable portion can be released by other gifts. The 59th Legislature is being requested to authorize construction of a Basic Sciences Research Building. The University cannot and should not authorize preparation of plans for such project until legislative authorization is secured, but the affirmation requested by Dean Gill seems to be justified.

OTHER MATTERS TO BE CONSIDERED BY THE
REGENTS' BUILDINGS AND GROUNDS COMMITTEE

Main University - Lila B. Etter Alumni House - Proposal of the Ex-Students' Association in Regard to the Possibility of Carrying Additional Fire and Extended Coverage Insurance to Protect the Ex-Students' Association, Considering the \$100,000.00 Deductible Clause of the University's System-Wide Fire and Extended Coverage Policy.

THE UNIVERSITY OF TEXAS
OFFICE OF THE COMPTROLLER
AUSTIN 78712

SUPPLEMENT TO
RECOMMENDATIONS TO REGENTS'
BUILDINGS AND GROUNDS COMMITTEE

January 29, 1965

10. MEDICAL BRANCH - ACQUISITION OF REAL PROPERTIES.--Pursuant to the policies and procedures for the acquisition of properties previously approved by the Board of Regents, all sales contracts are to be submitted to the Board of Regents before closing. Mr. Jack W. McKenzie, our negotiator for the acquisition of properties in Galveston, has submitted to Mr. Walker, Associate Director of the Medical Branch, a contract of sale executed by the sellers for the specific property and for the stated amount as listed below. The amount listed represents the appraisal price by Mr. T. A. Waterman, the University's appraiser, and includes the appraisal price plus necessary closing costs.

<u>Block</u>	<u>Lot</u>	<u>Seller</u>	<u>Purchase Price</u>
549	North 45 ft. of Lot 8	Frieda Myers Mueller, wife and Charles F. Mueller, husband	<u>\$11,106.00</u>
		Total	<u>\$11,106.00</u>

Mr. E. D. Walker and Assistant to the Chancellor Landrum recommend that the Board of Regents approve the purchase of the aforementioned property at the price indicated and they request that Mr. E. D. Walker be authorized to sign the contract of sale for the Board of Regents. This sale is to be consummated on or before March 1, 1965, and we request that authority be given for the voucher and check to be issued, and deliver said check in exchange for warranty deed and evidence of good title to the property. The source of funds for the payment for the acquisition of this property will be from funds received from the Sealy and Smith Foundation and/or the appropriations previously made by the Board of Regents for acquisition of properties in Galveston.

11. MAIN UNIVERSITY - AWARD OF CONTRACT FOR NEW WASTE HEAT STEAM GENERATING SYSTEM (NEW BOILER).--In accordance with authorization given by the Regents at the meeting held December 12, 1964, bids were called for and were opened and tabulated on January 19, 1965, as shown on the attached tabulation sheet. After careful consideration of the bids, it is recommended by the Director of the Main University Physical Plant, Mr. C. J. Eckhardt, Main University Business Manager J. H. Colvin, Comptroller Sparenberg, Vice-Chancellor Hackerman, and Chancellor Ransom that award of a contract in the amount of \$383,929.00 be made to the low bidder, Henry Vogt Machine Company, Louisville, Kentucky and Dallas, Texas, on the basis of that company's base bid. There is sufficient money remaining in the appropriation for this project to cover this award.

COMPLETE WASTE HEAT STEAM GENERATING SYSTEM
 (BOILER)
 THE UNIVERSITY OF TEXAS
 MAIN UNIVERSITY
 AUSTIN, TEXAS

Bids Opened: 2:30 P.M., Tuesday, January 19, 1965

Bidder	Base Bid	Deduction No. 1	Deduction No. 2	Completion of Erection - No. Calendar Days
Foster-Wheeler Corp., Livingston, New Jersey	\$444,700.00	\$27,700.00	\$2,875.00	360
A. M. Lockett & Co., Ltd., New Orleans, Louisiana	\$618,995.00	\$35,690.00	\$2,935.00	375
Henry Vogt Machine Co., Louisville, Kentucky and Dallas Texas	\$383,929.00	\$31,791.00	\$3,749.00	410

All bidders submitted with their bids a bidder's bond in the amount of 5% of the total bid.

Medical Affairs Committee

MEDICAL AFFAIRS COMMITTEE

Date: Friday, January 29, 1965

Time: To be Indicated When Calendar is Distributed

Place: Main Building 209 (Regents' Room)

Members:

Regent Connally, Chairman
Regent Erwin
Regent Madden
Regent Olan
Chairman Heath, Ex Officio Member

A. Joint Meeting of Medical Affairs and Buildings and Grounds Committees -- Room 210 -- See Buildings and Grounds Material.

1. Medical Branch - Increase in Appropriation for Appraisal Fees and Negotiation Fees for Land Acquisition, Consulting Architect's Fees, and Land Acquisition
2. Medical Branch - Discussion of Possible Revision of Five-Year Building Program (No Documentation)
3. South Texas Medical School - Report on Execution of Agreement with Associate Architect (No Documentation)
4. Southwestern Medical School - Basic Sciences Research Space (Page 7 of this Material)

B. Meeting of the Medical Affairs Committee (Immediately following Joint Meeting) -- No items have been submitted for this agenda.

Committee of the Whole

COMMITTEE OF THE WHOLE
Chairman Heath, presiding

Time: To be Indicated When Calendar is Distributed

Place: Room 209 (Regents' Room)

A. SPECIAL ITEMS

1. System-Wide: Group Long-term Disability Income Insurance for Faculty and Staff at The University of Texas
2. Authority to Request Legislation (1) to Accept Gift and (2) to Sell President's Home, Texas Western College
3. Report by Dean Paul A. Weiss on "Prospects of the Graduate School of Biomedical Sciences at Houston"
4. Necessary Legislative Authorizations Not Heretofore Authorized (Proposed Legislation)

B. EMERGENCY ITEMS REQUIRING ACTION

1. By Institutional Heads
2. By Chancellor
3. By Board of Regents
 - a. Chairman Heath
 - b. Vice-Chairman McNeese
 - c. Regent Brenan
 - d. Regent Connally
 - e. Regent Erwin
 - f. Regent (Mrs.) Johnson
 - g. Regent Madden
 - h. Regent Olan

SUBJECT: System-Wide: Group Long-term Disability Income Insurance
for Faculty and Staff at The University of Texas

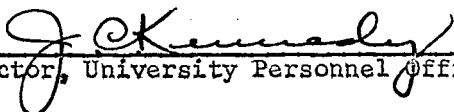
PROPOSAL AS SUBMITTED BY CHANCELLOR'S OFFICE

*Recommendation:

Attached is the "PROPOSAL" form and the "BID SPECIFICATIONS FOR LONG TERM DISABILITY BENEFITS". This insurance is proposed for faculty and staff members on a System-wide basis. It is requested that the proposal form and bid specifications be approved and that authority be granted to secure proposals from qualified insurance companies licensed to do business in Texas.

After proposals have been received, approval of the award for a group long term disability income insurance policy will be requested from the Regents.

This insurance is to be provided to eligible faculty and staff members on a voluntary basis, and will provide for premium payments by payroll deduction. These benefits will give assurance that a reasonable level of income will be maintained throughout a long and totally disabling sickness or injury.


Director, University Personnel Office

APPROVED BY VICE-CHANCELLOR FOR ACADEMIC AFFAIRS:

OK
HRC
to GWK

January 8, 1965

Chancellor Harry Ransom
The University of Texas
Main Building 101

Dear Chancellor Ransom:

Attached are thirty copies of a proposal with regard to group long term disability income insurance. I recommend that this be presented to the Board of Regents for their approval at the earliest possible time. If all are agreed, it would be well if this could go into effect September 1, 1965. There is also attached a copy of a letter from Mr. Kennedy which is pertinent to the proposal.

Sincerely yours,


Norman Hackerman

APPROVED BY CHANCELLOR

The Staff of the Central Administration and Chancellor Ransom recommend that the Board of Regents authorize the Administration to take bids for group long-term disability income insurance for faculty and staff members on a University System-wide basis in accordance with the "proposal" and "bid specifications" (on the following pages), effective October 1, 1965.

P R O P O S A L

Date _____

GROUP DISABILITY INSURANCE FOR
THE UNIVERSITY OF TEXAS SYSTEM

PROPOSAL OF: _____
(Name)

(Address)

TO: Chairman
The Board of Regents
The University of Texas

Dear Sir:

Having carefully examined SECTION I: Bid Instructions, and SECTION II: Policy Specifications, which hereby form a part of this proposal, the following base bid and alternate bids are made:

Base Bid

The payroll premium factor (expressed as a percentage of covered payroll) for a 90-day waiting period for the program described in Section II is as follows:

_____ %

Alternate Bids

1. The difference, if any, in the payroll premium factor for a policy with a maximum annual benefit not exceeding 65% of \$30,000 is as follows:

+ _____ % or - _____ %
(To be added or subtracted from the base bid)

2. The difference, if any, in the payroll premium factor for a policy with a 120-day waiting period for the faculty group only is as follows:

(\$20,000 max.) + _____ % or - _____ % (To be added or subtracted from the
(\$30,000 max.) + _____ % or - _____ % base bid)

3. Will you underwrite a benefit which replaces retirement benefits otherwise available at normal retirement date in accordance with The University of Texas' Teacher Retirement program which would have accrued during periods of prolonged disability? The benefits commence at age 65 and are payable only with respect to employees who, at age 65, are receiving Long Term Disability Benefits. The scheduled monthly benefits would be 1 1/2% of monthly earnings multiplied by the number of years the employee continues to be totally disabled prior to his age 65.

_____ Yes _____ No

If "Yes," what is the difference, if any, in the payroll premium factor?

+ _____ % or - _____ %
(To be added or subtracted from the base bid)

CONDITIONS

1. The Insurance Company will supply as many group enrollment personnel for each component institution as the University deems necessary for the establishment of this program.
2. The above quoted premium rates are acceptable by the University until September 1, 1965.
3. The above quotations are made with the expressed understanding that the premiums are guaranteed against an increase for a period of three years from October 1, 1965, and the rates will thereafter be determined by a direct experience rating of the plan.
4. Qualification of Bidder - All companies submitting bids shall meet the following qualifications and by signature below hereby certifies that these qualifications are met:
 - a. Be licensed by the State of Texas to do business in the State of Texas and to write the type of coverage involved.
 - b. Have a Policyholders' Surplus of \$5,000,000.00 or more.
 - c. Have written income protection insurance for at least 10 years and have written group income protection insurance for at least 5 years with coverage involving separate groups of at least 300 covered employees.

SUBMITTED BY:

INSURANCE COMPANY

HOME OFFICE ADDRESS

SIGNATURE OF PRESIDENT OR
OTHER AUTHORIZED OFFICER

TYPED NAME AND TITLE

DATE BID SUBMITTED

BROKER, IF ANY, AND ADDRESS

GENERAL AGENT, IF ANY, AND ADDRESS

LOCAL AGENT, IF ANY, AND ADDRESS

THE UNIVERSITY OF TEXAS

BID SPECIFICATIONS FOR LONG TERM DISABILITY BENEFITS

SECTION I: BID INSTRUCTIONS, INFORMATION, AND QUESTIONS

A. BID INSTRUCTIONS

1. The premium rates shown must be the net rates that would be used in billing. They must be expressed as a percentage of the covered payroll.
2. You are requested to be specific in answering questions in this section. If more space is required to answer a question, do not hesitate to elaborate.
3. The University of Texas reserves the right to reject all bids, waive formalities and to decide the award on whatever basis it chooses.

B. INFORMATION

1. Teacher Retirement - All regular employees of The University of Texas are members of the Teacher Retirement System of Texas. Retirement benefits in this system are based upon the average salary earned during the best ten years of creditable service. No more than \$8,400.00 in salary may be counted in any year in computing retirement benefits. 1% of this base is allowed for each year of creditable service prior to 1937-38 and 1 1/2% of this base is allowed for each year of creditable service after 1936-37 for teacher members.
2. All University employees are covered by Social Security.
3. The group life insurance program of The University of Texas has a total permanent disability clause which provides for payment of the full amount of life insurance if disability occurs before age 60. This group life insurance is voluntary for all full-time employees and is based upon the next higher \$1,000.00 above the annual salary with a maximum limit of \$20,000.
4. The University has a self-insured Workmen's Compensation Insurance program under which all persons employed in a hazardous type of occupation are considered eligible for coverage. An injured employee who is disabled from work is dropped from the payroll and, after a 7-day waiting period, is paid weekly compensation at the rate of 60% of his weekly wage not to exceed \$35.00 per week. Approximately 25% of all persons eligible for long term disability insurance are also covered by Workmen's Compensation Insurance.
5. For purposes of the bid, the following format will be used to furnish employee statistical information to the bidders for the faculty group and the nonteaching group. This information will be furnished separately as shown below. The information should be combined for the base bid but the faculty group only is considered for Alternate Bid No. 2.

a. FACULTY

<u>Age</u>	<u>No. Male</u>	<u>No. Female</u>	<u>Average Yearly Salary</u>
39 years and under			
40-44 years			
45-49 years			
50-54 years			
55-59 years			
60-64 years			

b. NONTEACHING (Classified and Other)

<u>Age</u>	<u>No. Male</u>	<u>No. Female</u>	<u>Average Yearly Salary</u>
39 years and under			
40-44 years			
45-49 years			
50-54 years			
55-59 years			
60-64 years			

c. QUESTIONS TO BE ANSWERED BY YOUR COMPANY

1. Where is the office located from which you will pay claims?

2. Does your company assist a disabled employee to rehabilitate himself?

_____ Yes _____ No

If "Yes," please comment on the assistance your company offers _____

THE UNIVERSITY OF TEXAS

GROUP LONG TERM DISABILITY INCOME INSURANCE

SECTION II: POLICY SPECIFICATIONS

I. PURPOSE

This group long-term disability income insurance is provided on a voluntary basis for employees of The University of Texas System in order to provide assurance that a reasonable level of income will be maintained throughout a long illness or effect of injury which disables the employee from performance of the duties required by his or her position with The University of Texas.

II. ELIGIBILITY

Under this group policy, all employees of the following component institutions of The University of Texas System under the age of 65 years are eligible provided they are faculty members with the rank of Instructor or higher or a full-time monthly salaried employee.

- A. Main University - Central Administration
- B. Medical Branch
- C. M. D. Anderson Hospital and Tumor Institute
- D. Dental Branch
- E. Graduate School of Biomedical Sciences
- F. Southwestern Medical School
- G. South Texas Medical School
- H. Texas Western College

Since the entire cost of the insurance will be paid by the covered employees by payroll deduction, the University cannot guarantee a fixed percentage of participation.

III. EFFECTIVE DATE OF COVERAGE

- A. Initial Coverage - This policy will become effective initially on October 1, 1965, for all eligible persons employed at that time who desire coverage.
- B. Subsequent Coverage - Following October 1, 1965, all eligible new employees desiring the insurance must elect to become insured under this plan within 60 days of the date of initial employment or else the Insurance Company may require that the employee furnish satisfactory evidence of insurability before the insurance may be obtained.
- C. Leave of Absence Without Pay - An eligible employee who enrolls under this policy who subsequently goes on leave of absence without pay may continue under the policy for the length of his leave if he desires by the direct payment of premiums to the Business Office of the component institution. The amount of insurance shall remain at the base salary rate the employee was earning at the beginning of his leave.
- D. Effective Date - To become insured for benefits under the plan as of the effective date, eligible employees must complete a request card so that it is received in the Business Office before September 6, 1965. The effective date of coverage for employees whose request for insurance is received in the Business Office September 6, 1965, or later, will be determined in accordance with the following rule. If the request is received in the Business Office the fifth day of the month, coverage will be effective on the first day of the next month. If the request is received in the Business Office after the fifth day of the month, coverage will be effective on the first day of the second month following the month the request card is received. If an employee is unable to work on his scheduled effective date of coverage as a result of a disease or injury, the effective date of coverage will be deferred until he again becomes available for active work on a full-time basis.

IV. BENEFITS

- A. Monthly benefits will consist of 65% of the "monthly earnings" less any disability benefits payable under any Federal, State of Texas, or University sponsored plan (i.e., under State Disability Plans, all Social Security disability payments including dependent's benefits, Workmen's Compensation, disability payments under Group Life Plans, Pension Plans, and any wages or other compensation paid by the University). "Monthly earnings" for the purpose of this plan are defined as 1/9 of the base rate for academic personnel paid on a nine-month basis and 1/12 of the base annual rate for a nonteaching employee or any other person paid on a twelve-month basis. In no case shall "monthly earnings" exceed \$1,666.66 per month.

The maximum annual benefit payable by the Insurance Company will not exceed 65% of \$20,000.00. The maximum monthly benefit payable, therefore, is \$1,083.33. The benefit is payable to age 65 in the event of total disability as defined herein due to accident or sickness, either occupational or nonoccupational.

- B. Benefits commence for all employees covered under this policy after a waiting period of 90 calendar days, and are payable on a continuing monthly basis for the entire disability period as specified under the terms of the policy.
- C. This plan provides coverage for all pre-existing conditions for employees insured on the effective date of the plan.
- D. Recurrence of total disability from the same or related cause or causes is deemed to be a continuation of the prior disability unless the employee has performed all his duties on a full-time basis for at least six consecutive months.
- E. No premium payments are required with respect to the Long Term Disability Insurance of an employee who is receiving benefits thereunder.
- F. A benefit payable for a period which is less than a full month shall be computed on a pro-rata basis.
- G. If the master policy is terminated, for whatever reason, prior to the time the disabled employee completes the waiting period and becomes eligible to receive benefit payments, the Insurance Company is liable for a claim as of the date the employee's illness or injury began or occurred.
- H. Termination of Insurance - When the employee's employment with The University of Texas terminates, the insurance will cease at the end of the last month for which a contribution was made.
- I. Premiums
1. Premiums are based upon "monthly earnings" as defined below.
 - a. For academic personnel the base rate shall be the nine-month or twelve-month academic rate, as applicable.
 - b. For nonteaching personnel the base rate shall be the twelve-month rate.
 2. "Monthly earnings" are defined as 1/9 of the base rate for academic personnel paid on a nine-month basis and 1/12 of the base annual rate for nonteaching employees or any other person paid on a twelve-month basis. In no case shall "monthly earnings" exceed \$1,666.66 per month.
 3. To determine the monthly premium, multiply the "monthly earnings" by the payroll premium factor. The monthly premium is payable for twelve months each year for all covered employees, whether teaching or nonteaching.
 4. When the amount of insurance for which a person is eligible changes due to an increase or decrease in his base annual rate, the amount of the insurance will be adjusted on the annual renewal date (October 1) following the date of the change, provided the person is available for work.

J. Total Disability

1. During the first two years of total disability, following the waiting period, benefits are payable if the employee is unable to perform all of the usual duties of his own occupation resulting from sickness or injury as determined by a physician.
2. Benefit payments continue after two years if the disability prevents the employee from engaging in any reasonable occupation. A reasonable occupation is considered to be one in which other individuals in good health having an educational background similar to that of the employee are actually engaged as their principal means of financial support.

V. PROCESSING OF CLAIMS

- A. The Company will provide forms for processing all claims as well as descriptive literature on the plan.
- B. All claims will be processed directly to the Company and claim checks will be mailed directly to the disabled employee.
- C. The Company will provide insurance certificates to each insured employee.
- D. The Company will provide a monthly listing to the University of all claims paid.
- E. The policy is to be issued in the State of Texas.
- F. Proof of Loss - A physician's written proof covering the occurrence, the character, and the extent of disability must be furnished to the Insurance Company, within ninety days after the expiration of the qualifying period. Subsequent written proof of the continuance of such disability must be furnished to the Insurance Company at such intervals as the Insurance Company may reasonably require. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity of the employee, later than one year from the time proof is otherwise required. No action at law or inequity shall be brought to recover on this policy after the expiration of three years after the time written proof of loss is required to be furnished.

The Insurance Company at its own expense shall have the right and opportunity to have a physician it designates examine the person of any individual whose injury or sickness is the basis of claim when and as often as it may reasonably require during the period for which such individual claims benefits under this policy.

VI. MISCELLANEOUS PROVISIONS

- A. Exclusions - No insurance is afforded under this plan as to:
 1. a disability which results from pregnancy, miscarriage, or abortion unless the period of disability begins after a period of two weeks or more throughout which the employee was actively at work following termination of such pregnancy; or
 2. a disability due to intentionally self-inflicted injuries; or
 3. a disability resulting from the commission of, or an attempt to commit, an assault, battery, or felony; or
 4. a disability due to war or any act of war (whether war is declared or not), insurrection, rebellion, or participation in a riot or civil commotion.
- B. Examination of Records - The Company shall be permitted to examine the University's records relating to the policy at any reasonable time, and from time to time until two years after the expiration of the policy or until final adjustment and settlement of all claims thereunder, whichever is the later.
- C. There will be no geographical limits on coverage.

ITEM NO. 2Committee of the Whole

SUBJECT: Authority for Legislation Requested (1) To Accept Gift and
(2) To Sell President's Home, Texas Western College

PROPOSAL AS SUBMITTED BY CHANCELLOR'S OFFICE

Dr. Harry H. Ransom
The University of Texas
P. O. Drawer 7878
University Station
Austin 12, Texas

Dear Dr. Ransom:

This letter concerns an item to be placed on the agenda of the Board of Regents at the January meeting.

You will doubtless recall conversations of a year or so ago concerning the possible donation to Texas Western College of the large house near the campus which belongs to the family of the late Mr. Robert Hoover. Mrs. Hoover's son-in-law, Mr. Richard Feuille, has indicated to me that the family is now ready to move toward accomplishing this donation.

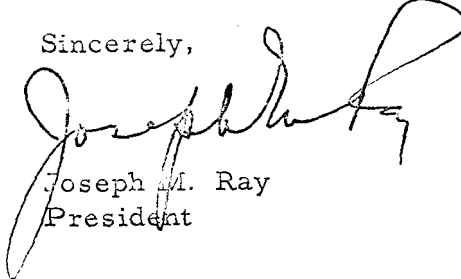
The property in question was built some forty years ago by a wealthy Mexican who I am told many years ago left the house and fled across the border when the United States Internal Revenue people began to show pronounced interest in his finances. The house was then purchased by Mr. Robert Hoover, now four years deceased.

The house was rendered for estate purposes once previously at a valuation of \$75,000. Mr. Feuille tells me that this valuation on the property is not at all out of line and that it is quite appropriate for us to use this figure in discussing the amount of the gift to the College. Mr. Feuille also indicates to me that there is no reason why we should not move forthwith to get legislation introduced to the Legislature authorizing us to accept the gift.

Mrs. Hoover's hope is that the Hoover home will be used as the residence of the President of the College, although she agrees that the legal instrument devised to accomplish the donation need not bind us to use it for that purpose in perpetuity. While I think the present Texas Western College President's home is a much more comfortable residence than the Hoover house could ever be, it is not at all well-adapted to the type of entertaining which the institutional head here must do. The Hoover house is almost ideal for this purpose. If the President were to move into the Hoover house as the President's home, it would then be appropriate to dispose of the present President's home. The present President's home cost in excess of \$50,000, but competent advisers indicate to me that it would probably bring no more than that amount on the market. I would hope that the Hoover house could be adapted as the official presidential residence for Texas Western College with the expenditure of \$15,000 to \$20,000. There would thus be available, once the present presidential residence is disposed of, some \$30,000 to return to Texas Western College's Constitutional Tax Fund, from which funds to purchase the present house were originally derived.

I would very much appreciate your putting this item on the agenda for the coming meeting of the Board of Regents for authorization. The question whether two bills need to be enacted, one to authorize the acceptance of the gift and the other to authorize the sale of the property presently owned, should be a matter of strategy about which the Board would be consulted.

Sincerely,



Joseph M. Ray
President

President Ray, in his letter to Dr. Ransom of January 8, 1965, sets out a proposal to accept as a gift the Robert Hoover home in El Paso which could be remodeled and used as a President's home with the understanding that the present President's home be sold and the funds received by the sale be used to remodel the Hoover home and the balance received from the sale returned to the Constitutional Tax Fund of Texas Western College.

Chancellor Ransom has recommended this item be placed on the agenda for discussion and evaluation by the Board of Regents with authorization to the Administration to proceed with the necessary Legislation for acceptance of the gift and the sale of the property presently owned.

ITEM NO. 3Committee of the Whole

SUBJECT: Report by Dean Paul Weiss: Prospects of the Graduate School of Biomedical Sciences at Houston

PROPOSAL AS SUBMITTED BY CHANCELLOR'S OFFICE

Chancellor Ransom presents the report and recommendations of Dr. Paul Weiss, Dean of the Graduate School of Biomedical Sciences, which proposes the development of the Graduate School of Biomedical Sciences. A copy of Dr. Weiss's report for the consideration of the Regents is attached.

Discussion of the Legislative authorization for the school, our Legislative budget requests that have been submitted for the 1965-1967 biennium, together with the program presented by Dr. Weiss are necessary in developing the program and making our presentation to state agencies and the Legislature. After discussion of the items to be considered, policy determination to be made.

Doctor Weiss' report is on the following pages.

THE GRADUATE SCHOOL OF BIOMEDICAL SCIENCES: A NEW VENTURE IN HIGHER EDUCATION

The Graduate School of Biomedical Sciences ("GSBS") at Houston, a component unit of The University of Texas system, was established by action of the 58th Legislature of the State of Texas in June, 1963.

It offers singularly favorable conditions for attracting and educating students preeminently qualified for a career in biomedical research and teaching, with emphasis on breadth of perspective, creativity, and excellence of performance. Each student is to be considered and treated individually as the apprentice of a master, but with full opportunity to develop his special talents to the best of his own inclinations and aptitudes. The following outline indicates the guide posts and guide lines of this new undertaking.

OBJECTIVES

GRADUATE EDUCATION

The aim of education is knowledge; more specifically, (1) the acquisition of knowledge, (2) its application, (3) its dissemination, (4) its critical evaluation, and (5) its augmentation. The hierarchy of educational systems deals with these five objectives in a progressive order, with (1) at the most general lowest level and (5) at the summit.

Graduate education converges on the upper end of this scale, beginning in the middle of (2). It leads from rote to judicious application, from the blind acceptance of rules to their critical reexamination and adaptive improvement, and from sheer productivity (of data) to creativity (of novel concepts and methods). It thus calls increasingly upon those powers which are the unique province of the critical and creative human mind.

Unquestionably, modern society needs ever more professionals thoroughly trained to apply and spread the available products of knowledge for the benefit of the people. But it also needs more of that scarce supply of truly creative minds through which knowledge is expanded so that deeper insight into nature may yield products more rationally, efficiently, and amply. It needs, much as in music, not just performers and conductors, but above all, composers— in science, individuals endowed with imagination, skill, resourcefulness, drive and perseverance. These traits, though latent in various degrees in many individuals, fail to develop to their full potential unless they are detected, cultivated, and exercised. And since their pattern

varies from individual to individual, each gifted student is a separate special case requiring careful individual attention. His study programs must be tailored to his special needs so as to bring his superior faculties to full fruition. To subject him to no more than routine mass training, would doom those faculties to the atrophy of disuse.

Accordingly, one of the prime concerns of the Graduate School of Biomedical Sciences will be to establish research and educational programs of sufficient breadth and versatility to meet the great diversity of potentially creative students by offering each a challenge matching his particular aspirations and powers.

RESEARCH

"Education" literally means "to bring out," and not "to pipe in." Since this places learning by experience from active practice above learning from passive memory, the principal teacher in graduate education is research. Research itself, however, has many facets and degrees of relevance: from sheer data compilation to invention and discovery; from wider application of the known to deeper penetration into the unknown. This scale reflects degrees of both visibility and vision — of what there is within view and what one actually sees. While vision is a personal trait, visibility is an external feature. The gifted student, endowed with a wide perimeter of vision, therefore, must not be made to face a program that artificially restricts the visibility of the vast areas of knowledge and ignorance through which he is to chart his course. Yet, many academic programs insist on building just such artificial blinders into their structure, purportedly for the sake of fostering concentration and mastery in given specialities. Instead of being provided with a map of the land of knowledge, with both its travelled lanes and its vast blanks, students are thus funneled into rigid channels, which they can broaden then and groove further, but hardly ever escape to make discoveries through novel explorations. This is a proven way to train practitioners, not to prepare explorers; to produce followers, not to encourage leadership; to satisfy the clamor for quantity, at the expense of excellence. It is a poor way to raise creative minds and to advance the life sciences broadly, harmoniously and fast.

The need for the perpetuation and deepening of existing trends of specialization is not to be disputed. However, unless the resulting fragmentation of the life sciences is offset in equal measure by efforts to preserve an integrated perspective of how the fragments fit into the total picture of the living system, chances for new advances in the life sciences of telling size are significantly reduced. Continued work along established older lines, done competently, but not necessarily from a broad perspective, unquestionably leads to jobs, which need to be filled; fresh work along new lines, or recombined old ones, however, carries the promise of major discovery and important progress. In general, graduate education must

provide students with a choice of either course. But there must also be some graduate schools that place a special premium on those students who possess the curiosity, talent, and courage of pioneers and who prefer the potentially more rewarding course of intellectual or technical adventure to the comfort of routine activity. Being blessed with superior native endowment implies a moral obligation to develop it fully for service to mankind as well as for personal satisfaction. Some graduate schools must make it their special goal to help the individuals thus endowed and motivated fulfill that mission.

The Graduate School of Biomedical Sciences intends to be one of these institutions. It intends to optimize the conditions for the development of the student who has the attitudes and aptitudes of the pioneer by exposing him to the broad spectrum of the phenomena and problems in the life sciences, with its wide stretches of ignorance waiting for exploration, instead of just blinding him with the bright highlights of fashionable current trends. The life sciences are not yet sufficiently mature to afford leaving their advancement to just the amplified and intensified continuation of existing lines of research. As always, new discoveries can be expected to come from the imaginative recombination of formerly separate lines of investigation, from striking out in new directions, and from the reorientation of older ones. To prepare the student explorer-in-training for such opportunities, he must not be given his direction solely by the inertial momentum of the past, but he must be led to reorienting himself with regard to, and in full view of, the vastness of the unsolved problems that lie ahead. Yet, at the same time, he must also be instructed in the expert use of the tools and procedures on which he must rely in whatever problem he aims to tackle.

The main objectives of the Graduate School of Biomedical Sciences will therefore be the following:

- (a) Well-rounded exposure of the student in breadth to the continua of problem areas that are at present fragmented in numerous separate, and often unconnected, channels of technical specialization.
- (b) Training in depth in one or several skills of potential bearing on a given problem area.
- (c) Selection of students who hold promise to profit maximally from the combination of (a) and (b).

(a) is a matter of overall design of programs; (b), a matter of individual instruction; (c), of individualized admission and screening standards of high caliber.

BIOMEDICAL SCIENCES

Research, on which graduate education centers, is traditionally of the variety called "basic" i. e. , not purposely and directly aimed at the solution of an immediate practical problem. This distinction is validly rooted in the historical fact that most solutions to practical problems have stemmed from unpredicted and unexpected basic discoveries. It does not validate, however, the purist attitude that it is debasing the pursuit of basic knowledge to keep eventual practical applications in mind and in view. There is already more knowledge amassed in the basic biological sciences than has been properly exploited for adaptation to use in medicine and public health; also, considerable "basic" research effort of purported bearing on medical problems has suffered from inadequate understanding by the "basic" investigator of the true nature of the medical problem; and conversely, the application of "basic" results to clinical practice has suffered from lack of intermediate processing of "basic" knowledge. The establishment of GSBS in a great medical center offers a favorable setting for bridging this gap by letting the "basic" scientist's orientation profit realistically from the contact with medical problems and, reciprocally, by providing the clinical research enterprise with a high-grade "basic" underpinning; above all, by raising a generation of "basic" investigators thoroughly steeped in the spirit and methodology of this mutual and continuous interaction between the "basic" and "applied" components of biomedicine.

In conclusion, the GSBS education and research program, while broadly dealing with the life sciences, aims to cultivate the habit of relating basic developments to their potential implications for problems of human health and disease.

PROGRAM

OUTLINE

To implement the objectives outlined in the preceding, GSBS will apply the following key precepts.

- (1) All teaching programs will be organized with major emphasis on continuity, consistency and inner coherence so that the student may learn to relate any particular thread of specialized work or view to the integrated fabric of the life sciences.
- (2) More specifically, all students will be offered a "core" program of lectures, demonstrations and exercises, giving them a critical synopsis of the present state of knowledge in the life sciences; of its historical, technical and conceptual development; of its

achievements as well as of its gaps, inconsistencies and incongruities; and of the promising avenues to its future progress. The selection of topics will be made with an eye to their relevance and balanced proportions, without undue bias toward fashions of the day.

- (3) The student will be made familiar with essential methods and techniques current in biomedical research; deficiencies in his preparation will be corrected by course attendance in neighboring institutions or by tutorials.
- (4) The student will have to acquire competence in a few technical or methodological specialities and learn to master at least one.
- (5) Doctoral research will be tailored to the individual interests and aptitudes of each student, preferably by encouraging him to combine a variety of approaches in the exploration of a given problem in novel ways. This will foster his chance of breaking in a new line of thought and work peculiarly his own for further development in his subsequent career.
- (6) The student will be given opportunity to develop appreciation for the non-scientific aspects of our culture, such as the arts, and conversely for the role of science in our civilization and of its obligations in serving society.
- (7) In general, deliberate efforts will be made to counteract the growing fragmentation of the life sciences by rearing a new generation of pioneers endowed with a broad perspective for critical self-orientation, but at the same time trained in the disciplined application of their talents to a chosen, preferably self-chosen, path in a given discipline.

The only bias to be admitted in this program will be its weighting, other things being equal, in the direction of potential benefits to human welfare through the promotion of health and the fight against disease, that is, to medicine in its broadest sense.

EXECUTION

In compliance with the program, outlined in the preceding points, Ph. D. degrees will be given in "Biomedical Sciences" without explicit reference to subdivisions. "Departmental," or other sharply compartmented designations will be omitted in the interest of flexibility and versatility. To counter the risk that the abolition of categorical distinctions might lead to an undesirably

amorphous scheme, the program will be structured, although not along the traditional disciplinary lines. It will be structured around key problems presented by living organisms as foci. The student will be made to sense that all phenomena of life are interrelated and interacting and that he must keep his eye on this integrated continuum even as he concentrates his work on no more than an infinitesimally small sector. Organizational emphasis will thus be shifted from disciplinary margins, which tend to hem the student in, to focal issues, from which his mind and work can radiate out.

For the beginning, these central foci will be chosen from the following four major problem areas: I. Cellular Biology. — II. Developmental Biology. — III. Environmental Biology. — IV. Regulatory, especially Neural, Biology. — (A more specific table of contents of these areas will be given below by way of example.) This pattern is broad and flexible enough to accommodate unpredictable future developments in the life sciences, including additions and regroupings, as new needs and opportunities arise.

The "core program" will present to all students well-rounded accounts of both the state of knowledge and the open problems in these four priority areas. A major part at least of their first year of graduate study will be allocated to this portion of the program. During this period, time and emphasis will gradually be shifted from lectures and seminars to practical exercises and research propaedeutics. These presentations will be rather strictly programmed as regards logical sequence and proportions and they will be amply supplemented by modern visual aids, laboratory demonstrations, library assignments, exhibits and discussion sessions. Experiences gained in this "core program" will give the student a broad outlook and firm basis from which to formulate his doctoral research, as well as the necessary critical perspective under which to pursue his research and evaluate that of others.

Concurrently, the student will be given specific introductions to the various technical and mental disciplines of general applicability to modern biomedical research, including, for instance, methods of biostatistics, enzymology, microbiology, ultra-structural analysis, electrophysiology, cell culture, surface chemistry, radiation genetics, chromatography, microsurgery, etc. Having obtained some general acquaintance with many of these disciplines, the student will then select one or several of them for further methodical specialization under the expert guidance of an appropriate staff member.

Each of the technical skills thus acquired is pertinent to several of the program areas listed above. By applying them in various combinations to the investigation of common problems (e. g., brain function; wound healing, parasitism; etc.), the student's thinking and working will gain that essential second dimension which cross-connects the single-tracked channels of the

established disciplines into topically unified programs. Each student will be expected to think and operate on a dual scale; he should learn to be no less concerned about consistency of subject matter than about clean methodology and technique. While he will be solidly trained in a given specialty, he will also be enabled to orient and rate his specialist endeavors with regard to their broader bearing on the clarification of life processes, normal and abnormal.

In order to succeed, this program requires a faculty of highest professional competence, breadth of knowledge, cooperative team spirit, and enthusiastic dedication to educational ideals. The growth of knowledge has made it practically impossible to assemble a resident faculty which in addition to those traits would have command of all the subject matter essential for a balanced presentation of the life sciences. It is contemplated, therefore, to supplement the resident faculty by a large contingent of visiting lecturers, specifically selected to fill in the gaps, on repetitive appointments of from one to several weeks.

From the "core program," the students will branch out into their individual doctoral programs (the master's program being considered chiefly a stepping stone). Prime attention will be given to superseding the lock-step training of the ordinary undergraduate curriculum by offering full opportunity for individual self-development. Originality and independence in the exploration of a problem area will have to score much higher than will sheer plodding along well-trodden paths. In the selection of doctoral projects, the heavily trafficked routes of greatest popularity, which are pursued superabundantly in many other institutions, will have to rank second to the more neglected problem areas of high significance and promise. This will call for considerable personal attention to each student by the faculty. Conversely, the student will have to make the most of the available aids in self-development, such as libraries, practice laboratories, and outside lectures.

To grow to leadership and, in turn, to raise leaders, a person must be more than informed; he must be broadly cultured. Therefore, it will be incumbent on the GSBS to give the student opportunities for furthering his cultural interest by participating in lectures, exhibits, field trips, and literary exercises of broad cultural scope; in this way, he will be made to experience intimately the fertile interaction between science and the humanities. Moreover, wherever practicable, the presentation of scientific subject matter will be interspersed with references to the philosophical and historic foundations of scientific methodology, as well as to the relation of biomedical sciences to human thought and welfare. In addition, seminars and discussion sessions will aim at developing not only the student's sense of factual accuracy and conceptual perspective, but also his facility at articulating and communicating his thoughts clearly and concisely.

EXAMPLES

Each of the four listed key educational programs will be carried out in conjunction with the research activities of a corresponding unit of The University of Texas Institute of Biomedical Sciences at Houston, of which the Dean of the Graduate School of Biomedical Sciences is also the Director.

The following tables of content of the four programs are samples; they are neither comprehensive nor sequentially ordered.

I. CELLULAR BIOLOGY

Submicroscopic organization of the cell
 Biosynthesis*
 Enzymology*
 Energetics*^o
 Metabolic pathways*
 Biochemical compartments; sites and mechanisms of macromolecular assembly
 Intracellular transport mechanisms*
 Properties of cell surfaces and intracellular membranes*
 Cell morphology, reproduction and regeneration in bacterial*, protozoan and protophyte cells
 Chromosomes and cell genetics^o
 Cell and nuclear division
 Nucleo-cytoplasmic interactions
 Cell shape
 Cell movements
 Cell interactions
 Cell variation^o, differentiation and modulation
 Cell growth and nutrition*
 Dynamics of cell populations^o
 Cell aggregations and tissue formation
 Cell secretions, cell products and intercellular systems*
 Cell degeneration* and cell death^o
 Life span and tolerances of cells^o
 Ageing*^o
 Drug reactions*^o
 Hormone response
 Immune reactions
 Radiosensitivity^o
 Cell-virus interactions
 Tissue mechanics
 Cell pathology*
 Malignancy*
 Replacement of damaged cells^o

Cell therapy

Specific cytogenesis: skin, muscle, blood and connective tissues

II. DEVELOPMENTAL BIOLOGY

Chemical and structural organization of egg and sperm

Mechanisms of fertilization

Fertility control^o

Parthenogenesis

Embryo formation*

Segregation of organ rudiments

Interactions ("inductions") among segregated tissues*

Morphogenetic movements

Nuclear differentiation

Gene reactions

Cytoplasmic specialization

Somatic cell variation^o

Tissue architectonics

Mechanics of organ formation, normal and abnormal

Growth rates*

Hormonal, mechanical, hemodynamic, neural and self-regulatory*
growth controls*^o and trophic interactions*

Teratology*^o; genetic, nutritional*, viral and traumatic bases of
congenital malformations and aberrations^o

Tumors and cancer*^o

Wound healing*

Tissue and organ regeneration

Metamorphosis*

Tissue and organ transplantation

Immunoembryology and tissue incompatibilities

Development and maturation of functional activity

Functional adaptation*

Involution and ageing*^o

Specific organogenesis: cardio-vascular, urogenital, nervous and
skeletal systems

III. ENVIRONMENTAL BIOLOGY

Relation of organisms to their environment

Elements of ecology^o

Soil-plant relations*

Biohydrology, bioclimatology and biometeorology*^o

Tropical ecology*

Aerobiology

Parasitology
 Epidemiology^o
 Natural resources^o, human nutrition* and conservation
 Physiology of vascular, neural and endocrine response to environmental factors and stresses
 Susceptibility and resistance to disease*^o
 Stress tolerance and adaptation*
 Biological rhythms^o
 Comparative ethnology and population dynamics*^o
 Artificial improvements and impairments of man's environment* (sanitation; detoxication; food preservation*; air conditioning; recreation; pest control*; etc. ; versus pollution; smoke; noise; radiation hazards^o; nutrient deficiencies*; industrialization; urbanization; etc.)
 Psychological, cultural, technological, social and esthetic variables in man's interrelation with his environment

IV. REGULATORY, ESPECIALLY NEURAL, BIOLOGY

The integrative systems of higher organisms: general humoral, endocrine and neural homoeostasis*
 Specificity and localization of endocrine response
 Sympathetic and parasympathetic sectors of the nervous system*
 The neuron: its structural, microstructural, biochemical, metabolic* and electrophysiological properties; its differentiation, growth*, degeneration*, regeneration, and ageing*^o
 Receptors and effectors (sense organs; muscles; glands)
 Transmitter mechanisms
 Neurons and glia
 Intracentral organization of nervous systems^o
 Origin, patterning, coordination, integration and maturation of neural functions
 Specificity of neurons, neuronal connections and neuronal responses
 Cybernetics of nerve nets^o
 Physiological psychology*
 Animal behavior*
 Instincts
 Conditioning*^o and learning
 Emotion
 Plasticity of nerve centers^o
 Genetics of behavioral traits^o
 Neuropharmacology* and neuroendocrinology*
 General neuropathology* and nerve repair
 Trophic influences of nerves on tissues
 Mental development, health, defects, and compensations

V. COMBINED PROGRAMS

Elements of the four itemized key programs can be freely recombined in various selected groupings for special subprograms of which the following two may serve as illustrative examples.

(a) Nutritional studies

This study program would receive pertinent contributions from the basic items of I to IV marked by asterisks. To these would have to be added special offerings, such as: physiology of taste, smell, food comminution, resorption, and digestion; food technology; psychology and ethnology of food habits; agricultural genetics; agricultural economics; demography; cultural factors; elements of medical dietetics.

(b) Biomathematical studies

Although mathematical tools are indispensable in almost any scientific study, there are areas in the biomedical sciences requiring the concerted application of more specialized mathematical techniques in order to achieve greater efficiency and reliability in the compilation and evaluation of data and conclusions. Biostatistics, systems analysis, and computer science, for instance, are such emerging specialties. To be of true benefit to biomedical sciences, they must be practiced by persons combining mathematical (and sometimes, engineering) competence and skills with thorough knowledge and understanding of the biological phenomena concerned. For the benefit of such individuals, appropriate items selected from I to IV (indicated by ringlets) would have to be supplemented by separate more specialized courses, both factual and methodical.

VI. DISCIPLINES CONCERNED

Experts from disciplines concerned in the four core programs and auxiliary programs will include: biochemists, biomathematicians, climatologists, cytologists, demographers, ecologists (or comparative physiologists), electro-physiologists, embryologists, endocrinologists, experimental pathologists, geneticists, histologists, immunologists, microbiologists, neuroanatomists, organ physiologists, parasitologists, pharmacologists, physical anthropologists (or ethnologists), physico-chemists, psychologists, radiobiologists.

FACILITIES

The concept of unification underlying the program of GSBS makes it advisable to maximize the sharing of universally useful technical facilities, such as, preparation of media, maintenance of animal colonies, cell strains, bacterial type cultures and viral strains; standard bioassays; routine techniques

of fractionation, electrophoresis, chromatography, isotopes, radioautography, electron microscopy, cytochemistry, cinemicrography, irradiation, electrophysiology, statistical analysis, etc.; glass blowing, instrument and electronics shop; and illustration services. By placing these services in charge of expert specialists and giving both students and faculty in any of the programs access to them according to demonstrable research and training needs, much duplication and amateurish use of routine facilities and standard instruments can be avoided, while at the same time, those investigators who need separate, even though duplicate, special equipment for their own research will be protected against the indiscriminate incursions upon their time and tools by the routine requests of colleagues and the training needs of students.

Library facilities are present in the Jesse Jones Library of the Texas Medical Center, the M. D. Anderson Tumor Institute Library and the efficient library exchange service with the Main University in Austin. The need for grounding students more firmly in the roots of the life sciences will make it necessary, however, to add to those sources a carefully assembled collection of handbooks, textbooks, and monographs, to be nearer at hand.

Special efforts will be made to supplement lectures, demonstrations, exercises and reading material by visual aids in the form of models, slides, and particularly motion pictures. This part of the program will involve the setting up of (1) a comprehensive registry of visual aids; (2) a slide and film "library" accessible to students and investigators; and (3) a film laboratory for the production of original motion pictures as research and teaching aids.

Given adequate facilities, many of these resources could then be used collaterally in an auxiliary program of public displays expounding the ways, means and attainments of biomedical sciences, including their social, esthetic and cultural aspects, in periodic exhibits, popular lectures and educational motion pictures.

SUMMARY

Of all the sciences, those closest to man's self-interest are the life sciences. They hold the key to the systematic improvement of his physical and mental health. Steady progress in medicine hinges on their achievements. Being still in their infancy, their prospects for vigorous development in the immediate future are uniquely favorable. The students of today are the developers of tomorrow. The best among them, therefore, must consider it their calling to build for the future — and not just to perpetuate the past. A forward-looking system of higher education must offer them full opportunity to do so, and in an age of expanding education, society can ill afford not to provide them with that opportunity.

The Graduate School of Biomedical Sciences of The University of Texas in Houston is one institution dedicated to this very ideal. It will provide the highly motivated, curious, imaginative, disciplined and skillful student with guidance and an environment in which to bring his creative urge to full fruition. This is the meaning of "education for excellence." It involves education both in breadth and in depth: in breadth, by widening his horizon so that he may encompass the wide perspective of the unfragmented total range of phenomena and problems in the life sciences, instead of being made to train his sights myopically on a few narrow sectors of temporary prominence; in depth, by teaching him thorough competence in special technical disciplines and their application to the solution of important problems. The former object will be served by a "core program," strictly designed for integration and overall balance of proportions, to be offered in a coordinated plan by resident and visiting faculty members; the latter object, by intensive individual guidance of each student in his research, taking into account his aptitudes and predilections.

All of these activities will stress student participation in research and critical research evaluation, and will, wherever appropriate, be cued to potential bearings on problems of medical concern. Attention will also be given to the enlargement of the student's cultural horizon by facilitating contacts with the humanities. In this endeavor, as well as in the scientific fields lying outside the scope of the Graduate School of Biomedical Sciences, reciprocal arrangements with other institutions of higher learning in the Houston area will round out the student's opportunities for versatility and completeness of self-development.

Traditional curricular constraints will be held to a minimum. Research will be fostered in areas where ignorance is great, not only in those of most conspicuous recent progress. Mature investigators will continue to choose their own research, whether wide or narrow, orthodox or inventive, according to their own judgement and sense of responsibility. Their gifted students, however, should be allowed to diversify, rather than just replicate and amplify, the course of their research preceptors.

Consistent adherence to the outlined policy is bound to bring about a new generation of Ph. D. s steeped in the spirit of striving for excellence through effort and destined to advance the life sciences in a broad front— for their own satisfaction and gain in doing it, for the growth of human knowledge and understanding that comes from it, and for the promotion of human health through medicine that benefits from it.

Meeting of the Board

VI. REPORTS AND/OR SPECIAL ITEMS BY REGENTS

A. Vice-Chairman McNeese

B. Regent Brennan

C. Regent Connally

D. Regent Erwin

E. Regent (Mrs.) Johnson

F. Regent Madden

G. Regent Olan

VII. REPORTS OF STANDING COMMITTEES

A. Executive Committee by Committee Chairman Brennan

B. Academic and Developmental Affairs Committee by
Committee Chairman McNeeseC. Buildings and Grounds Committee by Acting Com-
mittee ChairmanD. Land and Investment Committee by Committee
Chairman MaddenE. Medical Affairs Committee by Committee Chairman
Connally

VIII. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

IX. REPORT OF SPECIAL COMMITTEES, IF ANY

X. REPORT OF COMMITTEE OF THE WHOLE BY CHAIRMAN
HEATH

XI. SCHEDULED MEETINGS OF THE BOARD.

1965													
S M T W T F S							S M T W T F S						
JAN.							JULY						
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3	4	5	6	7	8	9	4	5	6	7	8	9	10
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17	18	19	20	21	22	23	18	19	20	21	22	23	24
24	25	26	27	28	29	30	25	26	27	28	29	30	31
31													
FEB.							AUG.						
	1	2	3	4	5	6	1	2	3	4	5	6	7
7	8	9	10	11	12	13	8	9	10	11	12	13	14
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21	22	23	24	25	26	27	22	23	24	25	26	27	28
28							29	30	31				
MAR.							SEP.						
	1	2	3	4	5	6				1	2	3	4
7	8	9	10	11	12	13	5	6	7	8	9	10	11
14	15	16	17	18	19	20	12	13	14	15	16	17	18
21	22	23	24	25	26	27	19	20	21	22	23	24	25
28	29	30	31				26	27	28	29	30		
APR.							OCT.						
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27	28	29	30				26	27	28	29	30	31	

XII. ITEM FOR THE RECORD: APPOINTMENT OF FOOTBALL COACH, TEXAS WESTERN COLLEGE. --The following action was taken at the meeting of the Board of Regents on December 12, 1964, and is reported for the record:

Upon the recommendation of Doctor Ray, Bobby Dobbs was appointed as football coach at Texas Western College, effective December 15, 1964, at an annual salary rate of \$16,000. Doctor Ray was authorized to announce this appointment at his discretion. (See Page W-b-2.)

Land & Investment Committee

LAND AND INVESTMENT COMMITTEE

Date: January 29, 1965

Time: To be indicated later when Calendar is distributed

Place: Main Building, Room 210 (Office of the Secretary)

Members:

Regent Madden, Chairman
Regent Brennan
Regent Erwin
Regent Olan
Chairman Heath, Ex Officio Member

- I. Recommendations of Administration (Attachment No. 1)
- II. Hogg Foundation - Town House Property: Supplementary Material, following Page L-16
- III. Trust and Special Funds Grouped for Investment (Item II. A. 3)

Recommendations re Additions (For action by committee only)
- IV. Discussion Matters
 - A. Permanent University Fund

Report on Proposed Legal Action on Boundary Dispute, Andrews and Gaines Counties, Blocks 4, 5, and 6
 - B. Trust and Special Funds
 1. Texas Western College: Stevens Estate - Proposed Lease to Walgreen Drug Store
 2. Brackenridge Tract, San Antonio: Restrictions in Deeds with Provisions for Reverter to the University
 3. Brackenridge Tract: Boat Town Lease - Request for Approval of Change in Improvements

There is a separate bound volume - 1963-64 Report of Trust and Special Funds Investments.

LAND AND INVESTMENT COMMITTEE

January 29, 1965

I. PERMANENT UNIVERSITY FUND

A. INVESTMENT MATTERS:

1. Report of Purchases and Calls of Securities.

B. LAND MATTERS:

1. Power Line Easement No. 1965, Community Public Service Company, Pecos County.
2. Power Line Easement No. 1966, Texas Electric Service Company, Ward County.
3. Pipe Line Easement No. 1967 (renewal of 676), Texaco, Inc., Ector County.
4. Surface Lease No. 1968 (cathodic protection), Phillips Petroleum Company, Pecos County.
5. Surface Lease No. 1969 (cathodic protection), El Paso Natural Gas Company, Crane County.
6. Pipe Line Easement No. 1970, Texas-New Mexico Pipe Line Company, Crane County.
7. Surface Lease No. 1971 (pump station site), Comanche Pipe Line Company, Pecos County.
8. Pipe Line Easement No. 1972, Pan American Petroleum Corporation, Andrews County.
9. Pipe Line Easement No. 1973 (renewal of 724), Humble Pipe Line Company, Andrews County.
10. Pipe Line Easement No. 1974, El Paso Natural Gas Company, Ward and Winkler Counties.
11. Pipe Line Easement No. 1975, El Paso Natural Gas Company, Andrews County.
12. Pipe Line Easement No. 1976, El Paso Natural Gas Company, Upton County.
13. Pipe Line Easement No. 1977, The Nueces Company, Pecos County.
14. Pipe Line Easement No. 1978 (renewal of 711), El Paso Natural Gas Company, Reagan County.
15. Pipe Line Easement No. 1979 (renewal of 712), El Paso Natural Gas Company, Hudspeth County.
16. Pipe Line Easement No. 1980, Northern Natural Gas Company, Ward County.
17. Pipe Line Easement No. 1981 (renewal of 696), Phillips Petroleum Company, Andrews County.
18. Surface Lease No. 1982 (plant site), Humble Oil & Refining Company, Ward County.
19. Pipe Line Easement No. 1983, Continental Oil Company, Crockett County.
20. Material Source Permit No. 282, Texas Highway Department, Crane County.
21. Material Source Permit No. 283, Carr & Howard Construction Company, Ward County.
22. Pipe Line Easement No. 1921, Phillips Petroleum Company, Reagan County, Correction of Description.
23. Highway Easement No. 859, Ward County, Extension of Easement.
24. Surface Leases Nos. 1418 and 1692, El Paso Products Pipeline Company, Hudspeth County - Assignment to Shell Pipe Line Corporation.
25. Water Contract No. 107, Jones Brothers Construction Company, Ward County.

C. DISCUSSION MATTERS:

1. Report on Proposed Legal Action on Boundary Dispute, Andrews and Gaines Counties, Blocks 4, 5 and 6.

II. TRUST AND SPECIAL FUNDS

A. INVESTMENT MATTERS:

1. Report of Sales and Call of Securities.
2. Report on Trust and Special Funds Investments for the Fiscal Year Ended August 31, 1964.
- *3. Funds Grouped for Investment - Recommendations re Additions.

B. GIFT, BEQUEST AND ESTATE MATTERS:

1. Main University - College of Arts and Sciences Foundation - Recommendation for Transfer of Accounts and Acceptance of Additional Gift.
2. Medical Branch - Frances Eastland Connally Lectureship in Obstetrics and Gynecology.
3. M. D. Anderson Hospital and Tumor Institute - Bequest of Mrs. Mabel Meier - Recommendation for Acceptance of Bequest.
4. Main University - Bequest Under the Will of L. W. Callender, Report on Bequest.
5. Ima Hogg Fund for Arts and Letters (Winedale, Fayette County) - Proposed Gift by Miss Ima Hogg of Winedale Stage Coach Inn Property and Endowment by Gift of Varner Plantation Acreage.

C. REAL ESTATE MATTERS:

1. Hogg Foundation: W. C. Hogg Memorial Fund - Proposed Oil and Gas Lease to R. L. Milam on Property in Union County, Arkansas.
2. Main University - Archer M. Huntington Museum Fund - Recommendation for Easement to Galveston County Covering 136.09 Acres of Huntington Lands for Texas City Storm Protection Project.
3. Hogg Foundation: Will C. Hogg Memorial Fund - Recommendation for Joinder in Suit Pertaining to Minerals under Tract in St. Mary Parish, Louisiana.
4. Main University - Roger Q. Mills Scholarship Fund - Oil, Gas and Mineral Lease to K. B. Foreman on Acreage in Navarro County, Texas.
5. Main University - Archer M. Huntington Museum Fund - Proposed Oil, Gas and Mineral Lease to Humble Oil & Refining Company on Approximately 835 acres, Samuel C. Bundick Survey, Galveston County.
6. Hogg Foundation: Will C. Hogg Memorial Fund - Proposal from W. Howard Lee et al, Lessees, for Purchase of Land Covered by Their Town House Lease in Houston or Extension of Term of Lease.

D. DISCUSSION MATTERS:

1. Texas Western College - Stevens Estate - Proposed Lease to Walgreen Drug Store.
2. Brackenridge Tract, San Antonio - Restrictions in Deeds with Provisions for Reverter to the University.
3. Brackenridge Tract - Boat Town Lease - Request for Approval of Change in Improvements.

*For action by the Land and Investment Committee only. For information of other members.

LAND AND INVESTMENT COMMITTEE

TRUST AND SPECIAL FUNDS - REAL ESTATE MATTERS.--

HOGG FOUNDATION - W. C. HOGG MEMORIAL FUND AND MIKE HOGG MEMORIAL FUND.--MEMORIAL PARK PROPERTY, HOUSTON, PROPOSED EASEMENTS AND RIGHTS-OF-WAY FOR DRAINAGE AND FLOOD CONTROL.-- The University has a reversionary interest in a portion of the Memorial Park Property in Houston under the Deed from Mike Hogg as Independent Executor of the W. C. Hogg Estate and under the Wills of Mike and Tom Hogg. From time to time the Board of Regents, as Trustee under the estates, has joined in consent for use of certain portions of the property for street and road purposes.

A request has been received for easements and rights-of-way for drainage and flood control from the Harris County Flood Control District of three parcels of land held under the reversionary interest, for a total of 15.031 acres. The Harris County Flood Control District intends to straighten the bayou to correct the serious erosion problem from west of River Oaks Country Club to Shepherd Drive, Houston, Texas. Miss Ima Hogg is granting the necessary area on the south bank, on which her home is situated, and the University, Miss Hogg, Mrs. Hanszen and Mrs. Hogg are asked to join in the easements to the necessary area on the north bank of the bayou.

All three of the ladies have already signed the easements which have been forwarded to the University. It is recommended that the Board of Regents approve the proposed easements and rights-of-way and that the Chairman be authorized to execute the easements when approved as to form by the University Attorney and as to content by the Endowment Officer.

HOGG FOUNDATION: W. C. HOGG FUND - RECOMMENDATION FOR EXCLUSIVE SALE LISTING OF McASHAN PROPERTY AT MAIN AND CLAY IN HOUSTON WITH K. E. ANTONE.-- One of the properties that came to the Board of Regents as Trustee from the Estate of Will C. Hogg in 1939 is vacant ground on the northeast corner of the Main Street and Clay Avenue intersection in Houston comprising approximately 19,700 square feet described as Lots 6, 7, 12, and the S/2 of Lot 8, Block 295, S.S.B.B. Book value is \$131,217.51. The property is now under a parking lot lease to Mr. Charles Guokas, Jr., for \$1,600 monthly, or \$19,200 annually. This lease runs to February 28, 1966, but is subject to cancellation in event of sale or long term lease. In addition to the rental from Mr. Guokas, the University receives around \$500 annually from poster sign space rental.

In cooperation with five other owners in the block, the Board of Regents gave, beginning in December, 1962, and extending by renewal and otherwise over most of the time from then until April, 1964, an exclusive listing for sale of this property at \$50 per square foot to Mr. John I. Hill, a Houston realtor, with commission of 5% to be paid by the University. Mr. Hill was in touch with the University frequently, furnishing the names of responsible people to whom the property had been submitted; and, after what appeared to be good efforts to sell the block, with the University property at \$50 per square foot, Mr. Hill in April, 1964, thought that he had a firm offer from Houston Lighting and Power Company, in the name of A. H. Fulbright, Trustee, for purchase of the block for their home office building, with the University property at \$45 per square foot. However, just before action by the Board of Regents on this proposal, Houston Lighting and Power Company chose another block in downtown Houston at a lower purchase price. The Board of Regents has not given any other exclusive listings on the property since last April, and there have been no definite purchase inquiries since that time until recent communication from Mr. K. E. Antone, a Houston realtor.

Mr. Antone has furnished evidence of exclusive listings from four of the other five owners in the block and expects a similar agreement with the owner of the remaining small piece shortly. He has asked for an exclusive listing on the University property at \$45 per square foot (app. \$890,415) to run until March 10, 1965, with commission of 5% to be paid by the University in the event of sale. His listing on the Sharp Estate property, handled by Houston Bank & Trust Company, which is the remainder of the Main Street frontage in the block, is at \$45 per square foot.

Mr. Neville Allison, MAI, of Houston, has appraised the property from time to time in recent years at \$50 per square foot. Due in part to unsuccessful efforts to sell the property at that price, Mr. Allison recommended last April and again this month that the University accept \$45 per square foot.

It is recommended that the Board of Regents authorize the Endowment Officer to notify Mr. Antone that the Board grants the exclusive listing to March 10, 1965, on the terms proposed, and that the Chairman of the Board of Regents be authorized to execute a contract of sale when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer if a firm proposal is submitted by March 10 under the terms of the sales listing.

HOGG FOUNDATION: W. C. HOGG MEMORIAL FUND

TOWN HOUSE PROPERTY, HOUSTON

Proposal from Lessees to Purchase University's Interest for \$640,000 or for 50 Years Additional on Lease Term

Proposal for Additional 50 Years on Lease Term

Though this would bring significant increase in income, immediately from \$7,500 annually to \$24,000 annually, proposal does not appear attractive. They say they have no particular preference as to purchase or extension of lease term, but rental of \$24,000 annually for first 11 years is less than 4% on their purchase offer. Probably should be at least 6% for it to be a "marketable" lease. Land is exempt from all ad valorem taxes, which now probably would be \$3,000 to \$4,000 annually and more later, and will continue so unless law is changed. Lessees, in effect, have this saving under their current lease, and they have shown no willingness to offset this in rental for addition of 50 years to their term. Though property is tied up for 32 more years under present lease at what has developed to be a low rental, Board of Regents probably should not commit it now for 82 years to 2046 without more favorable terms on escalation of rental such as provisions tied to price index or appraisals.

Proposal for Purchase of University's Interest for \$640,000 (or Counter Offer of \$700,000)

Against Acceptance:

Any reasonable confidence in the growth of Houston and in the national economy brings a strong belief that this ground will increase in value at a fairly rapid rate for the next 10-15 years and even longer, though long term rate is subject to local trends and ultimately might become static or even downward.

For Acceptance:

Investment Considerations - Is it prudent to get out of this location at \$640,000 to \$700,000 and put it in balanced securities portfolio?

Approximately, as of 8/31/64, without pricing all individual securities, W. C. Hogg Memorial Fund and Varner Properties (which should be considered together) had total book or carrying value of \$9,500,000, of which \$2,891,000 is in 5 pieces of Houston real estate (including Town House), and total market value of \$13,000,000 or above, of which \$3,962,000 is in the 5 pieces of Houston real estate. (All of the 5 pieces except the Town House property are downtown and have been rather static, or worse, in value for the past 5-10 years.) On book value, total fund is invested approximately 31% fixed income securities, 38% common stocks, and 31% Houston real estate. On market value, distribution is approximately 22% fixed income, 48% common stocks, and 30% Houston real estate.

By acceptance of the offer and investment in securities, as against standing steady and waiting for developments down the road, income would be increased immediately from \$7,500 to about \$24,000 annually, with expectation of reasonable growth in income as well as value.

Real Estate Policy - Though based largely on Land and Investment Committee discussions and of course not binding, general Board of Regents policy for past 10 or 12 years has been to sell real estate acquired by gift or devise whenever an attractive offer, or at least one in line with independent appraisals, is received. Reasons -

1. Such property in the hands of the Board of Regents is exempt from all ad valorem taxes. Perhaps some duty to return it to the tax rolls in reasonable time.
2. University is not set up to manage real estate throughout the State.
3. Usually brings better investment diversification.

1/12/65
JCD:WWS



HOGG FOUNDATION

WILL C. HOGG MEMORIAL FUND

Waine-Hall Property

Description : Southeast corner of Allen Parkway (formerly Buffalo Drive) and Waugh Drive with a frontage of approximately 447.83' on Allen Parkway and 525.02' on Waugh Drive. Total acreage - 5.81 acres, after sale of 24,698.71 square feet to City for street purposes.

Improvements : Town House Motor Hotel and Restaurant constructed by tenants. Improvements remain on the property at expiration of lease.

Book Value : 8/31/64 (land only) - \$50,642.95.

Net Annual Income : \$7,500.

Return on Book Value : 14.81%.

Return on Appraised Value : 1.47%.

Lessee : W. Howard Lee et al, - (Town House) 5/1/46 - 4/30/96. \$500 per month to 4/30/56; \$625 per month to 4/30/71; \$750 per month to 4/30/96. No option to renew. Taxes on land responsibility of Lessee but exempt due to University ownership.

Appraisals : N. F. Allison - \$510,000 (Land only, subject to current lease.)

Pending Offer from Lessee : Stating that they wish to plan more extensive improvements, probably along the line of high-rise apartments, the Lessees have offered to pay the Board of Regents \$640,000 cash for this property or, as an alternate proposal, amend the lease to add an additional 50 years (to expire 2046) at rental of \$24,000 annually for first 11 years, \$30,000 for next 10 years, \$36,000 for next 10 years, and \$48,000 for the last 50 years, with taxes on the land the responsibility of the Lessor. Probably will do better on further negotiation.

Endowment Office
November, 1964

to its anticipated value (discounted at a reasonably "standard" discount rate), or employing the current value estimate pertaining to the property and discounting this to indicate present worth by the employment of a somewhat safer (lower) rate.

In the subject instance I chose to estimate that the value of the subject land would probably amount to about \$10.00 per square foot at the end of 37-1/2 years. It is normal under such circumstances for appraisers to employ the current value estimate of the property at a generally "standard" discount rate because any prediction of the possible or probable value of a given parcel of real estate at the end of 37-1/2 years is extremely speculative at best - actually hazardous. Therefore, it is obvious that I took full account of the very favorable trend in which the subject property finds itself at this time by practically doubling the current value estimate as the basis of the reversionary value. It is even possible that the resulting estimate reflects an "oversold" position on my part since it is reasonably questionable whether anyone would accept such a speculation at an only 6% discount rate - even though I do believe the projection is sufficiently sound that a certain type of buyer probably could be attracted to purchase the reversion based upon this premise.

It thus seems rather obvious to me that the Lee Brothers were very likely guided by a more conservative estimate of the present worth of the reversion, but nevertheless offered the University a very substantial bonus in order to purchase same. In fact, if the current estimated value of the land were employed - rather than the projected increase which I employed - it seems very likely that this bonus amounted to approximately 50% of the more conservative and therefore more readily salable evaluation of the leased fee interest.

The nature of my life's work is such that I have been forced, from time to time, into more predictions than I cared to make, even though I actually have not made too many. Some of these predictions have luckily proven to have been substantially accurate, some are still pending, and there are a few - too many, however - which have proven my utter lack of clairvoyance. Just as I would never have predicted ten years ago that larger unit prices would ever be paid on Travis and Milam Streets than on Main Street along the same Avenue, so did not the University predict the very favorable trend in which the subject property now finds itself when they negotiated the subject lease in May 1946. Hence, anyone can be excused for an inaccurate speculation (a "gamble turned sour" is a more accurate expression) in dealing with long term "futures" because no one is obviously sufficiently gifted to foresee general economic conditions (continued creeping inflation?), nor new trends in real estate which may be caused - for instance - by the mere relocation of a principal thoroughfare.

The trend in the direction of the subject property is undeniably very favorable at this time. The current construction of the American General

building adjoining portions of subject no doubt stabilizes this trend - extends the strength of the trend for a longer period of time (thus, my prediction that it was "6% safe" that subject property's value would be \$2,500,000.00 in 37-1/2 years). However, there are many quite good locations in Houston's downtown district which can currently be purchased for \$10.00 per square foot, and a great many lesser such locations in the north end of the downtown district which can be purchased for substantially less than \$10.00 per square foot. The subject location is still quite some distance from Houston's downtown district, and thus it is as much the thought of probable continued inflation as it is a continuation of the current favorable trend which leads to the \$10.00 per square foot projection - a figure which can be compared with the current value of properties in Houston's gradually developing "uptown" district centering generally at Main and Holcombe and/or the Medical Center district.

It is probably well to note, then, that the \$640,000.00 offer which has been received represents, virtually, the estimated value of the remaining income under the terms of the lease plus a projected value of the subject land at the end of 37-1/2 years of approximately \$15.00 per square foot (discounted at 6%).

It thus seems rather obvious to me that \$640,000.00 is a very generous offer for this leased fee interest, and that no one could be subject to valid criticism for accepting it. This observation seems particularly pointed in considering the distinct possibility that investing this sum in a combination of "blue chip" growth and income stocks could well produce the same end results, and with substantially greater safety since stocks have a "buy and sell" versatility, as market conditions change, which the subject type of investment does not altogether possess - and particularly in the University's favorable Income Tax status. Such a premise is obviously open to some degree of pertinent and/or logical challenge because - for one reason - "land" is very popularly believed to represent the best hedge against continued inflation. However, although I am not familiar with the extent of the Hogg Foundation's investments in other securities, I do know of its three additional real estate holdings in Houston which should aid substantially in providing a quite balanced portfolio.

In summary, then, it is my opinion that \$640,000.00 represents \$100,000.00 to \$150,000.00 more than the price for which the subject property probably could be sold currently to any other purchaser, and that this additional "current net worth" could well provide the margin by which fully as acceptable end results might be insured with a greater degree of safety to the University.

Respectfully yours,



N. F. Allison, CRE

NFA:ls

L E A S E C O N T R A C T
between
THE BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS
and
W. HOWARD LEE, ET AL

THE STATE OF TEXAS |
 |
COUNTY OF TRAVIS |

THIS LEASE CONTRACT this day made and entered into by and between the Board of Regents of The University of Texas, acting herein by and through its Chairman, D. K. Woodward, Jr., thereunto duly authorized so to act by a resolution of said Board, of Austin, Travis County, Texas, hereinafter called "Lessor," and W. Howard Lee, Willard Shuart, Thomas P. Lee, Donald A. Lee, and Ronald E. Lee, all of whom are residents of Houston, Harris County, Texas, hereinafter called "Lessees,"

W I T N E S S E T H :

I.

The Lessor, in consideration of the rents hereinafter reserved and to be paid and of the covenants and agreements of the Lessees hereinafter contained, does hereby demise, lease, and let unto the Lessees all those certain tracts or parcels of land, with all improvements thereon, situated in the City of Houston, Harris County, Texas, known and described as follows:

(a) Walne Property: Five and two hundred fifty-one/one thousandths (5.251) acres of land, being parts of Lots Nos. Seventeen (17) and Eighteen (18) in Block No. Two (2) of the Hollingsworth Survey, a subdivision of the John Austin Two League Survey in the City of Houston, Harris County, Texas, conveyed by Margaret B. Walne, joined by her husband, Walter H. Walne, by deed of date January 22, 1926 of record in Vol. 642, page 292 of the Deed Records of Harris County, Texas, beginning at a pipe in a fence line, which said pipe is located Eight Hundred Six and Ninety-three/one-hundredths feet (806.93') north, and Fifty and three/one-hundredths feet (50.03') south, Eighty-eight degrees east from the City Monument, marking the intersection of the center line of West Dallas Avenue and the center line of Waugh Drive, said point being on the south line of Tract No. Three (3), as described in deed from H. E. Detering to M. Butler and M. K. Sachs, dated May 2, 1902, which said deed is recorded in Volume 143, page 38 of the Deed Records of Harris County, Texas;

Thence along said fence south Eight-eight (88) degrees, 00' east Two Hundred thirty-five and Ninety-seven/one-hundredths (235.97') feet to an iron pipe;

Thence north no degrees Fifty-seven (57) minutes east Three Hundred Fifty-eight and Seventy-nine/one-hundredths feet (358.79') to an iron pipe;

Thence south Eighty-nine (89) degrees Thirty-seven (37) minutes east along a fence line Two Hundred feet (200') to an iron pipe;

Thence north Four Hundred Forty-three and Seventy-six/one-hundredths feet (443.76') to an iron

pipe on the south line of Buffalo Drive, and said point being Fifty feet (50'), measured at right angles from the center line of said Buffalo Drive;

Thence along the south side of Buffalo Drive south Sixty-two (62) degrees, Thirty minutes (30'), west Four Hundred Sixty-seven and Sixty-eight/one-hundredths feet (467.68') to an iron pipe, said pipe being at the point of tangency of a curve having a radius of Fifty feet (50') and having an interior angle of Sixty-two (62) degrees Thirty (30) minutes;

Thence following said curve through an angle as stated of Sixty-two (62) degrees, Thirty (30') minutes to an iron pipe on the east side of Waugh Drive Fifty feet (50') from the center line of said Waugh Drive;

Thence south with the east line of said Waugh Drive Five Hundred Thirty-two and Sixty-three/one-hundredths feet (532.63') to the place of beginning;

Except that certain tract of land Thirty (30) feet in width out of and along the most southerly part of the above described tract running from Waugh Drive in an easterly direction to Link Road, conveyed to the City of Houston for street purposes only, by deed dated the 27th day of April, A. D. 1927, recorded in Vol. 708, page 215 of the Deed Records of Harris County, Texas.

(b) That certain tract of land containing Thirty-two/one-hundredths (.32) of an acre of land out of Lot No. 18 in Block No. 2 of the Hollingsworth Subdivision of a part of the John Austin Two League Grant on the south side of Buffalo Bayou in the City of Houston, Harris County, Texas;

Beginning at the intersection of the center line of Buffalo Drive where the same intersects the center line of Waugh Drive;

Thence south 56.37 feet to the southeast line of Buffalo Drive as fixed by the City of Houston;

Thence along the south line of Buffalo Drive north 62 degrees 30 minutes east 328-92/100 feet for the beginning of the tract herein sought to be described, said point being the northwest corner of said tract;

Thence south 498-58/100 feet to an iron rod in the west line of Link Road;

Thence south 89 degrees 37 minutes east 40 feet to an iron pipe marking the southwest corner of a tract of land sold by Jay L. Hall to Varner Realty Company;

Thence north 519.40 feet to the south line of Buffalo Drive;

Thence along the south line of Buffalo Drive south 62 degrees 30 minutes west 45.09 feet to the place of beginning, and being that portion of what is known as Link Road lying between the south line of the Jay L. Hall Tract extended westwardly across Link Road and the south line of said Buffalo Drive;

Being the same tract of land conveyed to Varner Realty Company by the City of Houston by deed of date the 9th day of February, 1928 of record in Vol. 741, page 383 of the Deed Records of Harris County, Texas.

(c) Hall Property: That certain tract or parcel of land in the City of Houston, Harris County,

Texas, on the south side of Buffalo Bayou and being out of and a part of Lot No. 17, Block No. 2 of the Hollingsworth Subdivision in the John Austin Two League Grant, and more particularly described as follows, to wit:

Beginning at the northwest corner of the Herman Rolke homestead tract as it existed on July 1, 1918 on the east side of Irvine Street (or Link Road), on the southwest corner of a tract of land sold by Herman Rolke and wife to M. Butler and M. K. Sachs, by deed dated February 26, 1902, and recorded in Vol. 137, page 253, Deed Records of Harris County;

Thence east along the dividing line between Rolke and Butler, 313 feet, more or less, to the northeast corner of the Rolke tract on the east line of said Lot 17;

Thence south along the east line of Lot 17, 160 feet for corner;

Thence west parallel with the dividing line between Rolke and Butler 313 feet, more or less, to the east side of Irvine Street (or Link Road);

Thence north along the east line of Irvine Street (or Link Road), 160 feet to the place of beginning, being a part of the land conveyed to Herman Rolke by Louis Tuffly by deed dated January 12, 1887 and recorded in Vol. 36, page 393 of the Deed Records of Harris County, Texas; and being the same property conveyed to Mrs. Annie E. Soule, wife of A. M. Soule, by Minnie Rolke, widow, by deed dated July 1, 1918 and recorded in Vol. 407, page 15, Harris County Deed Records;

And being the same land conveyed to Varner Realty Company by Jay L. Hall by deed of date September 6, 1927 of record in Vol. 714, page 523 of the Deed Records of Harris County, Texas.

Being the same land described in Item "Ninth" in that certain deed dated July 1, 1939, from Mike Hogg, et al, to the Board of Regents of The University of Texas, recorded in Volume 1127, pages 463 et seq., of the Deed Records of Harris County, Texas, to which reference is hereby made for all purposes.

TO HAVE AND TO HOLD the above-described premises and improvements, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto the Lessees for the term of fifty (50) years, beginning with the 1st day of May, 1946, and ending with the 30th day of April, 1996, unless said term shall be sooner terminated under the provisions hereof.

II.

In consideration of the leasing aforesaid, the Lessees covenant, agree, and obligate themselves to pay to the Lessor rent for and during said fifty (50) year period for the demised premises an annual fixed rental of Six Thousand (\$6,000.00) Dollars per year for the first ten (10) year period beginning May 1, 1946, and ending April 30, 1956; an annual fixed rental of Seven Thousand Five Hundred (\$7,500.00) Dollars per year for the next fifteen (15) year period beginning May 1, 1956, and ending April 30, 1971; and an annual fixed rental of Nine Thousand (\$9,000.00) Dollars per year for the succeeding twenty-five (25) year period beginning May 1, 1971, and ending April 30, 1996; and each year's rental shall

be due and payable in equal monthly installments in advance on the first day of each and every month during the term of this lease, without offset or deduction of any kind, except that, upon the execution and delivery hereof, the sum of Five Hundred (\$500.00) Dollars shall be paid by Lessees to Lessor as rent for the first month of May, 1946, the receipt of which is hereby acknowledged, and all said payments of rental shall be paid to the Houston Bank and Trust Company of Houston, Texas, for the use and benefit of, and to the credit of the Lessor, or to or at the place of business of any other bank or trust company in Houston, Texas, as the Lessor may hereafter designate by notice in writing.

All past due rent shall bear interest from the time it becomes due until it is paid at the rate of ten (10%) per cent per annum, and if there should be default in the payment of any rent or any money which, under the terms of this contract, the Lessees are or may become obligated to pay to the Lessor, and if it should become necessary for the Lessor to employ an attorney to collect the same, the Lessees shall pay and hereby bind and obligate themselves to pay ten (10%) per cent additional to the Lessor as attorney's fees.

III.

The Lessees covenant with the Lessor that they will pay, and hereby bind and obligate themselves to pay, in full, as they become due, all taxes and assessments, all water, gas, light, and fuel rents and all other impositions of every kind whatsoever which may be levied, charged, or imposed upon said premises, or improvements, or any part thereof, or which may be levied or imposed upon the leasehold estate hereby created, by City, County, State, Federal, or other governmental agencies, including such assessments as may be levied for improvements to the sidewalks, streets, or highways, upon which the said property abuts, for and during each and every year this contract continues in effect, beginning with the year 1946 and inclusive of the year 1996, and receipts showing such payments shall be exhibited to the Lessor upon demand therefor.

Lessees shall at all times have the right to contest in good faith and upon reasonable grounds in any proper proceedings in the name of Lessor, if necessary, the payment or satisfaction of any taxes, assessments, charges, liens, penalties, or claims, including liens or claims of materialmen, mechanics, or laborers, or any part thereof, so agreed to be paid by Lessees, if the amount thereof or the validity thereof or the right to assess or levy the same against or collect the same from or on account of said premises or this lease, or the estate created hereby, or the improvements on the demised premises, be disputed by Lessees, but the Lessees shall in any and all such proceedings protect and save harmless the Lessor from attorneys' fees, costs, loss, or damage resulting from any such proceedings, and from the failure of the Lessees to make such payments; provided, that Lessees shall in the event of such contest immediately upon the filing of any contest execute and deliver to Lessor a good and solvent bond in double the amount of such taxes, assessments, charges, or claims in dispute; conditioned, that Lessees shall pay immediately upon the termination of such litigation all such taxes, assessments, charges, penalties, claims, damages, costs, and expenses that may be adjudged to be a valid charge against the demised premises, against this lease, or the estate created thereby, against the improvements on the demised premises or against the Lessor, and to pay such attorneys' fees and other expenses as are incurred by reason of

such contest. During the time any such taxes, assessments, or other public charges and other claims or demands are being contested in good faith, the said Lessor shall have no right to pay the same, and the said Lessees shall not be considered in default in respect to said subject matter of such litigation until after the termination of such contest, including any and all appeals, whereupon the said Lessees shall immediately and before the issuance of process to enforce collection thereof, be bound to pay any amount so found due, and failing so to do, shall be considered in default; but upon full payment thereof with all costs incurred and other charges herein provided for, the bond so executed by said Lessees shall be returned by the Lessor.

IV.

Lessees further covenant, agree, and obligate themselves to construct, erect, and complete upon said demised premises, at their own cost and expense, as soon as it is possible for them to secure the necessary labor and materials for said purpose, new buildings and other improvements of a permanent and substantial type of construction appropriate for use in the operation of a modern tourist residential or apartment hotel and/or any other business complementary thereto and costing not less than the sum of One Hundred Fifty Thousand (\$150,000.00) Dollars. All construction shall be in full compliance with the requirements of the public laws of the State of Texas and the municipal ordinances, rules, and regulations of the City of Houston, Texas, governing the construction of such improvements. Said buildings or other permanent improvements erected on said premises shall become a part of the realty, and at the termination of this lease, to belong and to be delivered to the Lessor in good condition, ordinary wear and tear alone excepted.

To guarantee the erection by the Lessees of the buildings and other improvements in the manner and at the time specified, the Lessees have deposited with the depository hereinafter named money and/or United States Government securities in the aggregate principal amount of Fifty Thousand (\$50,000.00) Dollars to be held in escrow by said depository conditioned that the work shall be begun upon the construction of said new buildings and improvements within the time specified, and that same shall be expeditiously carried to a full completion within a reasonable time, in which event said money and/or securities shall be paid over to said Lessees; but it is further agreed that in the event Lessees shall fail to erect said buildings or improvements in the manner and at such time, then said money and/or securities shall be forfeited and paid over to the Lessor as its liquidated damages for the breach of the Lessees' covenant to erect said buildings and improvements on said premises. Any and all interest accruing on said deposit of Fifty Thousand (\$50,000.00) Dollars shall, the Lessees not being in default at the time, be paid over to the Lessees when and as the same are collected by the depository. It is further agreed and understood that after any securities have been so deposited by the Lessees in said depository, the same may be, with the consent of the depository, substituted by and with other United States Government securities of equal value.

The payment to Lessor of said Fifty Thousand (\$50,000.00) Dollars as liquidated damages shall not, however, impair or

injuriously affect in any way the Lessor's right to terminate this lease for failure of the Lessees to perform said building requirement.

The money and/or securities so deposited with the depository shall remain in the hands of the depository until the full amount of the improvements, as hereinabove defined, have been placed upon the demised premises, whereupon all such money and/or securities shall be returned to the Lessees.

Should the parties hereto not be able to agree upon the value of the improvements placed upon said premises under the provisions of this contract, then the value of such improvements shall be determined in the following manner:

The Lessor shall, by instrument in writing, appoint an appraiser, copy of which said appointment shall be mailed or delivered to the Lessees, and the Lessees shall thereupon, within five days thereafter, in writing appoint another appraiser, copy of which said appointment shall be mailed or delivered to the Lessor, and such two appraisers shall, within five days thereafter, appoint a third appraiser in writing, copy of which said appointment shall be mailed or delivered both to the Lessor and to the Lessees, and said three appraisers, or any two of them, shall, within thirty (30) days thereafter, make an appraisal of the value of such improvements as may be under inquiry and consideration, and deliver a written copy of said appraisal to both the Lessor and the Lessees and said depository and such appraisal so made shall be binding and conclusive upon the parties hereto as to the value of such improvements. In the event that any one or more of such appraisers hereinabove provided for under appointment shall fail or refuse to act, then successors thereto shall be appointed respectively in the manner hereinabove provided for the appointment of each of said appraisers. In the event either of the parties hereto refuses to appoint an appraiser for the purpose or purposes as aforesaid, then the Judge of any Civil District Court of Harris County, Texas, or of such court as may exist in such county having jurisdiction similar to that now enjoyed by such District Courts, shall, upon application by the other party or parties to this contract, appoint such appraiser in writing, giving notice thereof, as aforesaid, and such appraisal shall then proceed as above outlined.

V.

The Second National Bank of Houston, Texas, is named as depository to serve as such for all purposes designated in this lease, except for payment of rentals hereunder, and the Second National Bank shall continue to be depository hereunder until a substitute shall be appointed depository in its stead by writing duly signed and acknowledged by both Lessor and Lessees. Upon signing and delivery to the Second National Bank and the new depository each an executed original of such new designation, the Second National Bank will forthwith turn over to the new depository all funds and/or securities deposited with it under the terms of this lease contract. The parties at interest may from time to time throughout the life of this lease successively change such trustee and depository by signing and delivering to the then depository one of the executed copies of such new designation.

VI.

It is further covenanted and agreed that Lessees will, at their own expense and so long as this lease shall be in force, keep any and all buildings and improvements that shall at any time be upon said demised premises insured against loss or damage by fire or tornado, for their full insurable value in companies satisfactory to the Lessor, and to furnish the Lessor with a complete list of all of such insurance, to pay all the premiums necessary for the purposes immediately as they become due and payable, and to deliver to the Lessor receipts and policies of all insurance, and that the Lessees will cause the policies therefor at all times to be payable, in the event of loss, to Lessor, its successors or assigns; provided, however, that if the Lessees shall at any time fail to insure or keep insured as aforesaid, the Lessor may do all things necessary to effect or maintain such insurance and any moneys expended by it for that purpose shall be repayable by the Lessees, with interest at the rate of ten (10%) per cent per annum on demand. In the event of damage or destruction from time to time by fire or otherwise, Lessees shall, at their own cost and expense and without expense to Lessor, its successors or assigns, repair, restore, or rebuild the buildings and improvements on the demised premises with all reasonable dispatch so that the buildings or improvements shall be of equal or greater value than as before said fire or other casualty; or the buildings or other improvements may be restored or repaired upon some other general plan then mutually deemed by Lessor and Lessees to be reasonable and appropriate for the premises; provided, however, that in case of any such damage or destruction, the Lessor shall apply any insurance money paid to it to such repair, restoration, or rebuilding so far as same may prove sufficient for said purpose in order to restore said buildings or improvements to their previous condition, but Lessees to furnish any additional funds necessary for said purpose; and provided also that in case the Lessees shall not so repair, restore, or rebuild said buildings or improvements within a reasonable time, then such insurance money recovered by the Lessor may be retained by it as liquidated damages for the breach of the Lessees' covenant so to repair, restore, or rebuild. Should this lease be terminated before such repairs are made or said buildings restored, then the Lessor shall thereupon acquire absolute title to such insurance money whether collected or not, and Lessees shall be relieved from the performance of their obligation to repair or restore any such building or buildings.

In the event the buildings or improvements are damaged or destroyed by act of God or otherwise, Lessees shall not be entitled to any abatement of rent because thereof, but shall continue to pay all rents and charges on the demised premises as herein stipulated.

VII.

Lessees further covenant, agree, and obligate themselves to keep the said buildings so to be erected and all other buildings and improvements which may at any time during the term of this lease be erected upon the demised premises, and all appurtenances thereto, in good condition and repair, and shall not make any material changes or alterations in said buildings or improvements or injure or remove any of the materials or timbers thereof without the written consent of the Lessor.

VIII.

It is further understood and agreed that the Lessees shall not suffer the demised premises or any buildings or other improvements thereon at any time during the term of this lease to become subject to any lien, charge, or encumbrance whatsoever, other than a mortgage as hereinafter provided, and to indemnify and keep indemnified the Lessor against all such liens, charges, or encumbrances; it being hereby expressly agreed that the Lessees shall have no authority, express or implied, to create any lien, charge, or encumbrance upon the demised premises or the improvements thereon, other than a mortgage upon the leasehold estate of the Lessees in the same as hereinafter provided, and that, in the event of any lien attaching thereto, and Lessees not contesting same as provided in Paragraph III, Lessees shall pay and fully discharge the same within thirty (30) days after written notice to do so by the Lessor, Lessor having full and complete authority to discharge and pay off all liens, taxes, assessments, or other form of encumbrance against said premises or the improvements thereon, growing out of any default of payment by Lessees, and for such payment, if any, by Lessor, it shall be reimbursed on demand by the Lessees for such payments with interest at the rate of ten (10%) per cent from the time of such payment; provided, however, subject only to the terms and conditions of this contract, the Lessees shall have, and they are hereby given the right to mortgage or otherwise encumber their leasehold interest in the demised premises, provided nevertheless, that any and every such mortgage, deed of trust, lien, or other encumbrance shall be, and the same is hereby in all things subject to each and every one of the terms, conditions, covenants, and stipulations of this contract. It is further expressly understood and agreed that any such mortgage, deed of trust, lien, or other encumbrance shall always be subject, subordinate and secondary, to any and all liens and rights which Lessor may have at any time for rents, taxes, or other charges accruing under this lease as herein reserved, and which Lessor may have to secure the performance and observance of all and singular the covenants, conditions, and obligations assumed to be performed and observed by the Lessees.

IX.

The Lessees further covenant to and with the Lessor that during the full term of this lease they will keep, and conform to, the municipal and all other laws, rules, regulations, stipulations, provisions, and requirements affecting the demised premises, and every part thereof, including the improvements, sidewalks, highways, streets, sewers, electric wiring, gas pipes, and in every other way; that they will use said premises only in a proper and legitimate manner; and that they will not do or suffer any act calculated to injure the good name or reputation of the premises. And the Lessees hereby agree to save the Lessor forever harmless from any penalty, damage, charge, loss, or imposition, whether ascribable to the Lessees or otherwise occurring, and to indemnify, save and keep the Lessor harmless and fully protected against and from all loss, damage, costs, attorneys' fees, and expenses arising out of any accident, or other occurrence due directly or indirectly to the use or occupancy of the demised premises, or any part thereof, by the Lessees, or any person holding under them, or any contractor, laborer, or servant working upon or about said premises, or any other person whomsoever, or against any claim for any unlawful use of the premises.

X.

Lessees shall not sell or assign this lease or any part thereof until the buildings and improvements contemplated to be made on said demised premises, as hereinbefore set out, shall have been fully completed. Lessees may, however, when and after said new buildings and improvements have been erected upon the said premises and the same shall be free from all mechanics' liens, sell or assign their leasehold in said premises, provided, that all taxes, assessments, and other charges shall have been fully paid to the date of such sale or assignment; and provided, further, that all other covenants and agreements herein contained to be kept and performed by the Lessees shall have been fully complied with; and provided, further, that in the event of such sale or assignment, the same shall be evidenced in writing, properly executed and acknowledged by the parties thereto and duly recorded in the office of the County Clerk of Harris County, Texas, in which instrument the assignee or assignees shall expressly accept, assume, and agree to perform all the terms, conditions, and limitations thereafter to be kept and performed by the Lessees hereunder; and Lessees agree that they will not make any sale or assignment, except in this manner and upon the above conditions, it being understood that a sale or assignment in any other form shall be ineffective and void.

XI.

The statutory landlord's lien is hereby reserved by Lessor, and in addition thereto, Lessees hereby expressly give and grant to Lessor a special contract lien upon the leasehold herein created and upon all and any improvements which may at any time occupy the demised premises, and which may be constructed thereon under the terms hereof, to secure the payment of any and all rents, taxes, levies, charges, insurance premiums, and assessments which may hereafter become due upon the demised premises or any part thereof, and as well to secure the reimbursement to Lessor of all amounts which it may at any time pay out for the purpose of discharging any such lawful taxes, levies, charges, insurance premiums and/or assessments, which said lien may be enforced and foreclosed in any court of competent jurisdiction, and enforced from time to time as the payment by Lessor of any such sums may be required; and such lien is hereby declared to be a first and superior lien to any and all other liens which Lessees may in any manner create upon the improvements so situated upon the demised premises at any time or upon the leasehold created by this instrument.

XII.

The Lessor or its duly authorized agent shall have the right and privilege at all reasonable times to enter upon the demised premises for the purpose of inspecting and viewing the condition and use being made of said premises and buildings thereon.

XIII.

It is further covenanted, stipulated, and agreed by and between the parties hereto that if default shall be made by the Lessees in the payments of any monthly installments of rent herein provided for upon the day when the same shall become due and payable; or in the payment of any other amount herein stipulated to be paid by the Lessees or which

shall become due and payable hereunder; or in the event of any default in relation to liens as herein provided; or upon failure of the Lessees to erect on the demised premises the buildings and improvements, in the manner and at the time herein specified; or failure of the Lessees to repair or restore said buildings and improvements when and as required herein; or upon failure of the Lessees to pay any tax or assessment lawfully levied upon said premises or the improvements thereon; or failure of the Lessees to carry insurance on said improvements as required herein; or upon failure of the Lessees to perform any other obligation by this lease or by operation of law imposed upon them, if such default continues for thirty (30) days after written notice thereof from Lessor to Lessees, in all or either of such events occurring, shall, at the option of the Lessor, thereupon terminate this lease, and Lessor be entitled to immediate possession of the demised premises and all improvements thereof, free and clear of this lease and free and clear of any encumbrance, right, title, or interest of any other person whatever, and the Lessor may enter upon said premises, with or without process of law, and take possession thereof, with any and all buildings and other improvements thereon, the Lessees hereby waiving any demand for rent on the premises and any demand for possession thereof, and all such buildings and other improvements shall be and become the property of Lessor.

It is further mutually covenanted and agreed that the various rights, powers, options, elections, appointments, and remedies of the Lessor contained in this lease shall be construed as cumulative and no one or more of them as exclusive of the other or others, or exclusive of any rights or remedies allowed Lessor by law, and the exercise of any such right, power, or remedy by the Lessor shall not be considered a waiver or prejudice the right of the Lessor to exercise any other remedy.

XIV.

It is further covenanted and agreed that no waiver by Lessor of any breach of any of said covenants herein contained to be performed by Lessees shall be construed to be a waiver of any succeeding breach of the same covenant or agreement.

XV.

It is hereby covenanted and agreed that all the expressions, terms, conditions, covenants, stipulations, and provisions of this lease shall extend to and be binding upon and inure to the benefit of the successors and assigns of the Lessor and each and every one of the heirs, executors, administrators, and assigns of the Lessees; and all the conditions, covenants, and limitations of this agreement shall be and are hereby made covenants running with the land.

XVI.

At the expiration and termination of this lease, whether from lapse of time or from breach of any term, covenant, or condition herein imposed upon Lessees, all improvements of every kind and character then occupying the demised premises, shall be and become the property of the Lessor, and the Lessees shall have no claim for, or upon or against the same of any kind or character whatsoever; and the Lessees hereby covenant and agree that neither they, nor anyone holding

their estate, or claiming under them, or through them, shall in such event have, hold, make, or assert any claim of any kind or character whatsoever against said premises, or against the improvements thereupon at the time of such expiration of this lease.

XVII.

All notices required and permitted under the terms hereof shall be given in writing by registered mail, properly addressed to the party for whom such notice is intended, and a registered receipt from the postal authorities of the United States showing the mailing to such party by registered mail at the proper address, together with a copy of the notice sent in the hands of the sending party, shall conclusively establish the giving of such notice, and the date of mailing shall be considered the date of the giving of such notice. The present address of Lessor is The Board of Regents of The University of Texas, University Station, Austin 12, Texas; and the present address of the Lessees is W. Howard Lee, care Lee Brothers Oil Company, 1626 Commerce Building, Houston, Texas, to which addresses, until changed as hereinafter provided, all notices required or permitted hereunder shall be made.

In the event the address or addresses of any party hereto is or are changed or desired to be changed, it shall be the duty of the party making or desiring to make such change, to notify the other party hereto of such change, giving in such notice his or its new address, which notice shall likewise be given by registered mail.

XVIII.

In consideration of the rental payments made and to be made to the Lessor by the Lessees, the Lessor does hereby assign, transfer, deliver, and set over unto the Lessees, all tenancy contracts of every sort and nature now in existence relating to the demised premises, and all beneficial interest in said tenancy contracts, and all rentals to become due thereunder, and in the event the Lessor should under any said existing tenancy contracts acquire the right and privilege of removing or demolishing any improvements now on said premises, said right and privilege is hereby granted and assigned to the Lessees to be exercised by them.

XIX.

If any public authority for any public use shall, at any time during the term of this lease, acquire title to the whole, or any part, of the said demised premises or to the whole, or any part, of any buildings or other improvements thereon erected by the Lessees, in pursuance of any law, the Lessor shall be entitled to, and shall, receive any and all awards or payments that may be made therefor; and the Lessees hereby assign and transfer any and all such awards or payments to the Lessor, and the Lessor shall pay to the Lessees out of such award or payment any amount to which the Lessees shall be entitled by reason of their leasehold interest therein. If any such acquisition shall result in the taking of the entire demised premises, this lease and the term thereof shall absolutely terminate and come to an end; but if such acquisition shall result in the taking of only a part of the demised premises, this lease shall terminate only as to the portion so taken, and the rent to be thereafter paid by the Lessees, for the part of

the premises remaining for the balance of the term of this lease, shall be fixed, in the event of a disagreement of the parties hereto in regard thereto, by arbitration as hereinafter provided. If, however, only a part of the demised premises shall be taken, and any building thereon shall be only partially removed or taken as the result thereof, the Lessees shall, with all reasonable dispatch, repair the remaining portion of the building, so as to restore such remaining portion as a building complete within itself and so as to put the same into condition to be used by the Lessees as a complete building; but the Lessees shall not be obligated to expend thereon more than the sum allowed to the Lessees for damage to the said building; and it is further understood and agreed that if any assessments are levied against the premises by any public authority for any public improvements occasioned by any acquisition by public authority, then the cost thereof shall be borne proportionately by the parties as their interest may appear.

If in any such acquisition the whole of the demised premises shall be taken, the entire damages which may be awarded for such taking shall be apportioned between the Lessor and the Lessees, if they cannot agree upon such apportionment between themselves, by the arbitration of three persons, to whom such apportionment shall be referred, one of such persons to be nominated by the Lessor, and one to be nominated by the Lessees, and the third to be appointed in writing by the two so nominated, and the decision of any two of said arbitrators shall be final and binding upon the parties; and if either the Lessor or the Lessees shall refuse or neglect to appoint an arbitrator within thirty (30) days after the other shall have appointed an arbitrator and served written notice upon the other requiring it or them to appoint an arbitrator, then upon such failure the party making the request and having itself or themselves appointed an arbitrator may appoint another arbitrator to act on behalf of the party so failing to appoint, and the arbitrator so appointed may proceed and act in all respects as if appointed by the party so failing to make such appointment. And provided, further, that in case a part only of the demised premises shall be so taken for public use, the rights, duties, and obligations of the Lessor and the Lessees shall be determined, if they cannot agree in the premises, by the arbitration of three persons to be nominated and appointed as hereinbefore provided, to whom such determination shall be referred, and who shall have full power and authority to make any determination which they shall deem just and equitable, taking into consideration the quantity and value of the land and improvements so taken, the extent of the injuries thereby caused to the buildings or other improvements on said premises, the cost of restoring the buildings and the value of the same, if restored, the period of the unexpired term of this lease, and all the other facts and circumstances which the arbitrators shall deem material, including full power and authority to determine, among other things, as they shall deem just and equitable, any one or more of the following matters, viz.: That the whole or any part of the damages which may be awarded or paid by the public authorities for such taking shall be applied to the restoration of the buildings which may be upon the premises at the time of such taking; that such damages shall be apportioned between the Lessor and the Lessees or be paid to either one of them; that the whole or any part of the rent shall be abated from the time of the taking thenceforth or for any less time; that the lease shall be otherwise modified; or that the lease shall determine--and to award and direct specific performance of any one or more

of the same or any other matters which they shall determine, to the end that the rights, duties, and obligations of the parties shall be justly and equitably and finally determined upon all the facts and circumstances as they shall then exist. The costs of the reference of the arbitrators shall be paid by the parties thereto in equal moieties.

IN TESTIMONY WHEREOF, the parties hereto have executed this instrument in four copies, each having the force and effect of an original, on this the 21ST day of May, 1946.

THE BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS

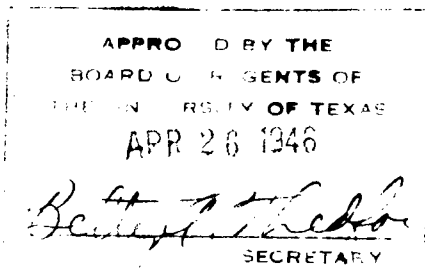
ATTEST:

Betty A. Hedger
Secretary

By W. Howard Lee
Chairman
LESSOR

W. Howard Lee
W. Howard Lee

Willard Shuart
Willard Shuart



Thomas P. Lee
Thomas P. Lee

Donald A. Lee
Donald A. Lee

Ronald E. Lee
Ronald E. Lee

LESSEES

APPROVED AS TO FORM

W. Howard Lee
ATTORNEY

THE STATE OF TEXAS |
COUNTY OF TRAVIS |

Before me, the undersigned authority, on this day personally appeared D. K. Woodward, Jr., as Chairman of the Board of Regents of The University of Texas, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act and deed of the Board of Regents of The University of Texas, and that he executed the same as the act and deed of such Board for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this the 27th day of May, 1946.

Virginia Ruth Allen
Virginia Ruth Allen
Notary Public in and for
Travis County, Texas

THE STATE OF TEXAS |
COUNTY OF HARRIS |

Before me, the undersigned authority, on this day personally appeared W. Howard Lee, Willard Shuart, Thomas P. Lee, Donald A. Lee, and Ronald E. Lee, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 21st day of May, 1946.

Bradley C. Travis
Notary Public in and for
Harris County, Texas

Filed with County Clerk of Harris County, Texas, on June 17, 1946.
Recorded May 2, 1947, in Volume 460, Page 13 of Contract Records
of Harris County, Texas.

January 29, 1965

To the Members of the Regents' Land and Investment Committee
The University of Texas

Subject: FUNDS GROUPEd FOR INVESTMENT

Gentlemen:

It is recommended that the following cash withdrawal from "Funds Grouped for Investment," made as of December 1, 1964, be ratified and approved, the withdrawal being made at the request of the donor to supplement fellowship stipends:

Carolyn G. and George M. Knebel Fund (Geology Foundation -
Main University)

\$6,501.70#

\$(2,922 Units withdrawn x \$2.225085839 - market unit value as of 11/30/64. Book value of units withdrawn - \$5,473.09 [2,922/14,131 x \$26,468.25], requiring that \$1,028.61 be taken from the "Reserve for Profit and Losses on Sales of Investments" in order to withdraw cash in the total required amount of \$6,501.70. A total of 11,209 units remained in Funds Grouped for Investment for the Knebel Fund, the book value remaining being \$20,995.16.)

It is also recommended that the following additions, representing cash and securities, funds transferred, and new funds added, made to the "Funds Grouped for Investment" as of December 1, 1964, be approved, pursuant to the policy adopted by the Land and Investment Committee on July 9, 1948:

E. Bagby Atwood Memorial Graduate Scholarship in English (\$6,060.13 already in Grouped)	\$ 49.68
Lillian Barkley Scholarship Fund (\$4,783.51 already in Grouped)	93.47
The Accounting Education Fund (College of Business Admin. Fdn.) (\$33,754.05 already in Grouped)	327.50
J. Anderson Fitzgerald Special Scholarship Fund (College of Business Administration Foundation) (\$3,914.03 already in Grouped)	509.47
Morgan and Hamah Smith Callaway Fund (\$16,432.64 already in Grouped)	158.84
Emma Dallenbach Clark Fellowship in Psychology (\$18,976.19 already in Grouped)	196.72
Dr. and Mrs. C. L. Cline - Professorship in English (\$1,017.10 already in Grouped)	8.50
D. A. R. Scholarship (\$9,184.97 already in Grouped)	27.00
John Wallace Dallenbach Fellowship in Psychology (\$44,187.58 already in Grouped)	534.06
Kate J. Dechard Bible Scholarships (\$4,868.87 already in Grouped)	131.13
Charles Robert Devall Journalism Award (New Fund)	1,000.00
J. C. Dolley Finance Education Fund (\$114.36 already in Grouped)	1.18
Frederick Eby Research Prize in Humanistic Studies in Education (\$1,643.07 already in Grouped)	1.95

FUNDS GROUPED FOR INVESTMENT
(Continued)

Advisory Council - Various Donors (College of Fine Arts Foundation) (\$3,783.19 already in Grouped)	\$ 34.02
Donna Dellinger Memorial Scholarship Fund (College of Fine Arts Foundation) (\$4,237.78 already in Grouped)	200.00
E. William Doty Scholarship Fund (College of Fine Arts Foundation) (\$1,946.57 already in Grouped)	16.22
Department of Drama Ex-Students Scholarship Fund (College of Fine Arts Foundation) (\$668.76 already in Grouped)	6.16
Mavis Alexander Fitzgerald Award (\$163.09 already in Grouped)	1.88
Mary E. Gearing Bequest for Child Welfare and Parent Education Foundation (\$26,720.08 already in Grouped)	244.00
Hal P. Bybee Memorial Fund (Geology Foundation) (\$84,140.12 already in Grouped)	100.00
Dr. F. L. Whitney Memorial Scholarship Fund (Geology Foundation) (\$12,578.75 already in Grouped)	100.00
The Gilbreth Award Fund (\$306.84 already in Grouped)	3.14
George Stuart Heyer Scholarship Fund (Government) (Fund Transferred)	26,081.43
Hinds-Webb Scholarship Fund (\$100.00 already in Grouped)	1.73
The Marion Burck Smith Junior Fellows Fund (Junior Fellows Program) (\$5,000.00 already in Grouped)	10,000.00
Bobby Layne Scholarship Fund (\$5,885.61 already in Grouped)	51.16
Lora Lee Pederson Scholarship Fund, Graduate School of Social Work (\$2,036.49 already in Grouped)	91.69
The Senior Class Endowment Fund (Pharmaceutical Foundation) (\$6,074.95 already in Grouped)	60.00
Alma Jacobs House Piner Fund (\$6,451.10 already in Grouped)	65.57
DeWitt Reddick Journalism Scholarship Fund (\$3,090.31 already in Grouped)	28.90
Charles Morton Share Trust Graduate Fellowship Fund (\$25,000.00 already in Grouped)	5,000.00
The Amanda Stoltzfus Memorial Trust Fund (\$2,389.68 already in Grouped)	32.32

Neville J. Allison, CRE

JACKSON 3-1641

3633 ALLEN PARKWAY

Houston 19, Texas

31 December 1964

ENDOWMENT OFFICE, U OF T

Approved.....

Answered..... File.....

REC'D JAN 4 1965

Refer to.....

Please Answer.....

Read and Return.....



University of Texas
Attn: Mr. Wm. W. Stewart
Endowment Officer
Austin, Texas

Dear Mr. Stewart:

You have asked that I discuss, in general terms, the feasibility of the University (Hogg Foundation) selling its "Town House" property located at the corner of Allen Parkway and Waugh Drive in Houston.

I have previously reported to you, by my letter of 9 November 1964, that my opinion of the current market value of the Foundation's leased fee interest in this property is approximately \$510,000.00. Therefore, the \$640,000.00 offer received would appear to be very favorable to the University.

I believe there is not too much doubt but that my estimate of the current value of the remaining income stream under the terms of the lease is rather substantially correct. In fact, although this obviously cannot be confirmed, I have every reason to suspect that the Lee Brothers were advised of the present worth of this income stream in very substantially similar terms.

The really sensitive element of my appraisal of this situation, then, is the value estimate pertaining to the reversion. This is a phase of land economy which most appraisers dislike heartily because (1) there are very few reversionary interests which are ever actually sold, and (2) if and when such sales do transpire it is seldom that the sold property or properties in question are located within the same general trends and/or reversionary dates as the subject property.

The evaluation of a reversion is inevitably based upon a forecast of probable future value, after primary consideration of current trends. If the reversionary date is only a relatively short time in the future, say one to five years, it is often possible to indulge in some reasonably acceptable predictions because there can be some logic in speculating with "the foreseeable future". Thus, when appreciation in property value may be considered to be reasonably certain by current trends, such a situation may be readily recognized by either increasing the current value of the property

MEMBER: AMERICAN SOCIETY OF REAL ESTATE COUNSELORS
AMERICAN INSTITUTE OF REAL ESTATE APPRAISERS
HOUSTON BOARD OF REALTORS
NATIONAL ASSOCIATION OF REAL ESTATE BOARDS

FUNDS GROUPED FOR INVESTMENT
(Continued)

The Robert Cantrell Feamster Foundation (Medical Branch) (\$2,457.08 already in Grouped)	\$ 25.16
Thompson-Singleton Congenital Facial Deformity Clinic Fund (Medical Branch) (\$1,617.23 already in Grouped) Common Stock on hand 11/30/64 transferred at market close 11/30/64 - last business day of quarter: 2 Shares International Business Machines Corporation Capital Stock transferred at 412-1/2	825.00
William L. Staley Fund (Texas Western College) (\$15,000.00 already in Grouped)	25,000.00
	<hr/>
Additional Total Added to Funds Grouped on December 1, 1964	<u>\$71,007.88*</u>

*The above total of \$71,007.88, herewith submitted for approval, supplements additions made to Funds Grouped on December 1, 1964, in the amount of \$28,183.95, previously approved by the Land and Investment Committee, making a total of \$99,191.83 (\$825.00 in securities and \$98,366.83 in cash) added to Funds Grouped on December 1, 1964. After the withdrawal shown on page 1 above, the net change in the Funds Grouped account on December 1, 1964, was a writeup in the amount of \$92,690.13, making a new book value for the account of \$2,464,371.32.

Respectfully submitted

STAFF INVESTMENT COMMITTEE
J. C. Dolley, Vice Chancellor (Fiscal Affairs)
Wm. W. Stewart, Endowment Officer
Mary E. Cook, Assistant to the Endowment Officer

→ 50-267
Distribute at the
meeting

January 22, 1965

LEGISLATIVE AUTHORIZATIONS TO ACQUIRE LAND, MAIN UNIVERSITY. Your administration was requested by the Executive Committee to present concrete recommendations on this matter.

Parcels to be included in requested authorizing legislation. On the basis of demonstrable need-to-acquire during the next ten years because of their utility to the Main University and their probable purchase price, from all the parcels considered we recommend the following. We list them in three groups, in terms of suggested order of acquisition.

GROUP I

	Gussed Cost
1. Parcel A. Two blocks, 19th to 21st, Speedway to Wichita Street	\$1,600,000
2. Site at head of East Mall for archives and public affairs edifices, consisting of Parcel D <u>and</u> two blocks from Parcel J (22nd to 23rd, Sabine to Oldham <u>and</u> 23rd to 23-1/2, Oldham to Red River)	<u>1,350,000</u>
Subtotal, Group I	\$2,950,000

GROUP II

3. North Archway, triangle from 26-1/2 Street to junction of Speedway and San Jacinto.	600,000
4. Parcel C. (26th to 27th, Speedway to alley west excluding fraternity houses at north end)	400,000
5. Parcel N (19th to 21st, Wichita to alley west)	
(a) This contemplates acquisition of Robert E. Lee Dormitory with PUF bonds.	
(b) Remainder of tract, to be acquired with Available University Fund, is gussed at	<u>500,000</u>
Subtotal, Group II	\$1,500,000

GROUP III

6. Parcel L, east one-half only, on Park Place near Red River	150,000
7. Remainder (4 blocks) of Parcel J	1,300,000
8. 100' immediately north of International House from Parcel E	50,000
9. Parcel F (adjoins Collections Deposit Library site, 18th to 19th Streets)	<u>140,000</u>
Subtotal, Group III	<u>\$1,640,000</u>
TOTAL	<u><u>\$6,090,000</u></u>

Financial outlook for accomplishing purchase. At the present time we can state with reasonable confidence that \$3,000,000 from Available Fund sources can be applied to the foregoing purchases in the next two bienniums without subtracting from the tentative allocations in the Ten Year Plan, and that we can recommend such expenditure in the light of all other potential utilizations of Available Fund income.

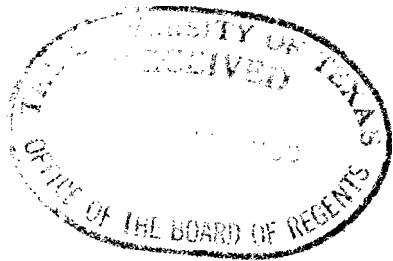
Beyond that, we can only indicate contingency. If the outlook for General Revenue appropriations 1965-66 through 1972-73 is \$10,000,000 higher than Ten Year Plan estimates, we would recommend application of approximately \$3,000,000 of such amount to land purchases. The form of our first recommendation indicates opinion that this contingency is sufficiently sound to warrant a request for legislative authorization on all the parcels listed. Opinions on this point differ, of course. If the Regents decide to limit authorization to the certain funds available, Group I may be the limit of authorizations to be sought in this biennium.

Type of Legislative Authorization. We recommend submission of all requested authorizations in a single bill incorporating a legislative finding of emergency and specific right to exercise eminent domain.

Separate introduction of a bill giving general authorization to the Board of Regents to exercise the power of eminent domain is also recommended.



OFFICE OF THE CHANCELLOR
THE UNIVERSITY OF TEXAS
AUSTIN, TEXAS 78712



January 24, 1965

MEMORANDUM FOR THE BOARD OF REGENTS

The specific calendar of committee meetings for January 29-30 has not been determined. For that reason--and because most of the general items proposed here are either matters of policy or subjects which should be discussed in executive session--I suggest that topics requiring action or the Board's instruction to the Administration for further study be taken up in the Committee of the Whole.

As usual, many of these topics were defined too late for earlier inclusion in the Agenda; some (such as Legislative prospects of the University, student housing, and prospects of major donation) are still in a state of uncertainty or are under preliminary negotiation.

I have included some topics in the latter categories because it seems to me that the Board as it is presently organized should discuss them, if only to gain the advantage of longer experience among present members.

The importance of continuing analysis of the University's ten-year plan(s) during the spring is obvious. Presumably the Governor's message and early Legislative committee plans will have a profound effect upon many of the proposals now under consideration.


Harry Ransom

1. MEETING WITH FORMER MEMBERS OF THE BOARD OF REGENTS

A date should be set for the first meeting of the Board with former members. At this meeting, identification cards and summaries of major University developments will be available to returning Regents. Apart from any social arrangements to be planned, one period should be designated for broad review of the position and prospects of U.T.

April 7, 1965

2. LEGISLATIVE SESSION, 1965

The University's activity during the current session of the Legislature is primary in the January deliberations of the Board. Major aspects of this program include

- A. Prospects in the light of the Governor's message and the LBB staff report
- B. Policy to be pursued in presentation of budget levels--especially the relevance of the TCHE recommendations made in 1964
- C. Assignment of Mr. Raymond Vowell after his assumption of his new duties February 15, 1965
- D. Specific points in the LBB Appropriation Bill Draft:
 - a. Chapter V, Section 26 (page V-37), which appears to require deposit of grants, donations, and bequests in the State Treasury
 - b. Chapter V, Section 5 (page V-27), prohibiting expenditure of appropriated funds for construction or maintenance of any building named for a living person. (Although not retroactive in such cases as the Barker History Center, this provision would seriously affect prospects for the establishment of a Presidential center, including expansion of the Institute of Public Affairs in that center.)

There are numerous suggestions--including the abandonment of the Development Board operation as now constituted (or its support exclusively by private funds)--which should be noted.

3. DEDICATION OF THE ETTER HOUSE, Round-Up, 1965

The Board will wish to note the scheduled dedication of the alumni house--perhaps with a view to setting a general meeting of the Board.

4. BOARD REPRESENTATIVE ON THE EX-STUDENTS EXECUTIVE COUNCIL

Mr. Redditt was representative of the Regents on the Council of the Ex-Students Association. In view of numerous parallel (or joint) programs with the University, the Association's program is increasingly important--especially in the fields of (a) "continuing education," (b) faculty support, (c) scholarships, and (d) development plans, including alumni records and their use.

he had been a representative

On the last of these points, I find the following arithmetic dismaying: The budget of the Records Center is \$70,000--of which the University has been paying \$40,000. University use of the Ex-Students' records and data-processing machines was assigned 28% of the time available; Ex-Students Association, 71%. The missing 1% can hardly take care of the University's development needs.

5. EX-STUDENTS ASSOCIATION BAND HALL COMMITTEE

For some time, the Development Board has proceeded--not very successfully--with a money-raising program authorized by the Regents to support a new Band Hall. The Ex-Students have now appointed a committee, chaired by Harald Byrd, for the same purpose.

6. OFFICE OF INSTITUTIONAL STUDIES

The office of institutional studies authorized by the Board was to report to Vice-Chancellor Cox. Reorganization of this office--specially important during a legislative year and a season of major foundation applications--will be reported to the Board at the next meeting. Meanwhile, facilities of the office are being shared with the (a) Main University surveys and (b) special studies conducted by Vice-Chancellor Haskeu.

7. AUSTIN SCHOOLS TO REPLACE UJH FACILITIES

The Austin Independent School District has plans for constructing two junior high school buildings to replace the University Junior High School before 1968.

8. REORGANIZATION OF THE OFFICE OF GOVERNMENT-SPONSORED RESEARCH

The administration recommends that the present Office of Government-Sponsored Research be renamed, as of June 1, 1965, the Office of Sponsored Projects. A memorandum explaining this change in detail is attached.

9. PROSPECTS OF THE GRADUATE SCHOOL OF BIO-MEDICAL SCIENCES AT HOUSTON

The Board has received a general report written by Dean Weiss concerning the graduate program at Houston planned to utilize present assets and attract future support. In general, Dean Weiss's discussion is approved by the administration. It should be considered in the light of (a) System-wide development of graduate work, (b) establishment of the academic staff of the Anderson Institute, (c) careful distinction and separation of the Continuing Education program--including cooperation with the Hermann trustees, and (d) cooperative arrangements with Rice and the University of Houston.

10. ESTABLISHMENT OF THE ACADEMIC STAFF, ANDERSON INSTITUTE

The Regents have authorized the administration to present a plan for faculty organization of academic personnel at the Anderson Institute. A memorandum, conforming in general to the procedures of the Main University "general faculty" (NOT GRADUATE FACULTY) is attached. Dr. Stone and the Chancellor concur in approval of this plan.

11. UNIVERSITY PROFESSORSHIPS: PROGRESS REPORT: RECOMMENDATION OF WILLIAM ARROWSMITH

Since the Regents' approval of a limited system of University Professorships, similar arrangements have been established at Columbia, Michigan State, and Penn State. Thus far, Dean Paul Weiss (Zoology, Main University) and Dr. Donald Weismann (Art, Main University) have been appointed to this position. Each serves in a specific institutional capacity; each is available to developing projects throughout the System.

The administration now recommends the appointment of Professor William Arrowsmith as Professor of Classics, Main University, and University Professor in Arts and Letters. Professor Arrowsmith is one of the most accomplished--and certainly the most active--classicist of his generation in the country. He has recently been offered the Regents Professorship in New York and chairmanship in the California system. He was largely responsible for the Ford Foundation's establishment of the national center for translation at Texas.

Salary adjustments for Professor Weismann (who has just refused chairmanship of Fine Arts at Rice) and Professor Arrowsmith will be recommended through the Executive Committee. No previous adjustment was made in either case.

12. RECOMMENDATIONS OF THE ATHLETICS COUNCIL: CALENDAR YEAR, 1965

The Board will recall that salaries for football coaches are established on annual rather than academic-year bases. The Athletics Council has recommended in the memorandum attached adjustments in salaries for five members of the staff, "to be paid from funds of the Department of Intercollegiate Athletics." The administration concurs in the Council's recommendation.

13. FACULTY COUNCIL AND COMMITTEE REPORTS: Professorship in the University and Faculty Participation in Selection of Administrative Officers.

The Board has received through general circulation reports of special committees of the faculty concerning the appointment of professors and faculty participation in selection of chairmen, deans, and other administrative officials. The Chancellor will comment on these reports. I recommend that at present they be received for information and continuing study. In their present form, they should not be incorporated in Rules and Regulations.

Perhaps the Chairman of the Board will choose to request the Academic and Developmental Affairs Committee to continue review of these faculty suggestions and accompanying recommendations of the administration at a later meeting. Both reports are lengthy and variously cumbersome. In practice, they would be so complicated as to be inoperable.

14. CONTINUING EDUCATION DIVISION AND HERMANN HOSPITAL

The prospects of affiliation with the Hermann Hospital in Houston are sound and tremendously promising. It is essential, however, that such affiliation not conflict either with (a) academic policy generally or (b) specific graduate education programs. I therefore recommend the attached resolution, which would authorize immediate negotiation of arrangements to be clearly defined and submitted to the full Board for final approval.

15. STUDENT AFFAIRS

Three matters concerning student affairs should be discussed at this meeting. The Chancellor will present oral reports of progress on each:

- a. The editorship of the Daily Texan
- b. University approval of non-University student housing
- c. Continuing study of University-owned student housing

16. DEVELOPMENT PROGRAM AND PROJECTS

The following development-program topics should be noted at this meeting:

- a. Analysis of "private" gifts to the University, in view of the widespread objection to fund-raising by state-supported institutions.
- b. Texas Medical Center lands
- c. Resolution of the Development Board concerning external foundations
- d. Proposal of the Texas Association of Osteopathic Physicians and Surgeons to participate in "post-graduate training."
- e. Renewed suggestion concerning the University's possible acquisition of Buescher State Park
- f. Proposal concerning acquisition of the Austin Post Office building
- g. Proposal of the Texas Institute of Letters to acquire the Dobie ranch for the University, without cost of purchase or maintenance
- h. Progress report on Miss Ima Hogg's proposal to give the Winedale Property and \$500,000 endowment for its upkeep
- i. Proposal for the establishment of the Lyndon B. Johnson library, state papers, and national archival material to be supported jointly by the University and the National Archives

17. INTERIM REPORT ON THE ARTS AND LETTERS PROGRAM

The Chancellor will discuss the proposal to establish an Institute of Arts and Letters designed to unify our present facilities and inter-departmental programs.

It should be emphasized that this program does not (a) establish a new degree or a separate curriculum or (b) envision new construction. It does propose the correlation of our present activities, including publication, and the emphasis upon inter-departmental instruction through the Tutorial Courses which have been conducted since 1935.

17. HEADS OF MEDICAL INSTITUTIONS: SPECIAL REPORTS

Among institutional reports to be heard either as background information or as emergency measures for action by the Board, the following have been scheduled:

SOUTH TEXAS MEDICAL SCHOOL

General report from Dean Pannill

SOUTHWESTERN MEDICAL SCHOOL

Dean Gill will introduce (a) prospective plans of an alumni-supported auditorium and (b) prospects for the establishment of a psychiatric hospital in Dallas and its possible affiliation with SWMS. On the second point, I suggested to Dean Gill that he consult Raymond Vowell before drawing up his comments for the Board.

MEDICAL BRANCH

Dean Blocker will report on (a) prospects for construction apart from the original plan of the campus in Galveston and (b) plans for re-routing of the avenue on the water-side of the Medical School site

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE

Dr. Clark wishes to suggest prospects of new facilities, especially in view of the necessity of Legislative approval of receipt of gifts.

GRADUATE SCHOOL OF BIO-MEDICAL SCIENCES

I have asked Dean Weiss to supplement his written report by oral comment.

DIVISION OF CONTINUING EDUCATION

I wish to comment on this program, with the help of Dean Taylor, in the context of (a) relationship to the graduate program, with which it is joined organizationally but to which it is not directly related academically, (b) programs of continuing education elsewhere in the state, and (c) emphasis upon continuing education in the "health sciences" now being announced in California and elsewhere.

OFFICE OF SPONSORED PROJECTS:

The administration recommends to the Board of Regents at the January 29-30 meeting that the Office of Government Sponsored Research be renamed the Office of Sponsored Projects and that the duties of the Office be the following:

- (1) Assistance to the University Administration in the formulation of policies governing research and comparable academic programs performed under sponsored contracts, grants, and agreements which in effect are contracts.
- (2) Supervision of the execution of these policies.
- (3) Maintenance of information concerning agencies which support research.
- (4) Review and approval of applications for sponsored programs and of contract and grant terms for conformity to University policies and procedures.
- (5) Periodic reports to the Administration on contracts and grants in effect and in prospect.
- (6) Such other assistance in the contract and grant programs as may be requested by the Chancellor and Vice Chancellor for Academic Affairs.

The Office of Sponsored Projects shall report to and be responsible to the Vice Chancellor for Academic Affairs.

JUSTIFICATION

In 1949, when there were 24 contracts in effect on the Main Campus, the Board of Regents established the Office of Government Sponsored Research with the following duties:

- (1) To assist the University Administration in the formulation of policies governing research under Government contracts.
- (2) To supervise the execution of these policies.
- (3) To serve as a nontechnical administrative and clerical agency, at the departmental level, for all research contracts not sufficiently large to justify separate handling.

It would be of very great assistance to the Office of the Vice Chancellor for Academic Affairs to have OGSR assume the same stewardship for non-federal programs as it currently has for administrative and nontechnical aspects of government sponsored contracts. The same separation of responsibilities as now exists with respect to the office of Development Board would be maintained.

The proposed reorganization would result in transfer of the daily business operations of the programs to direct cognizance of the Business Manager's Division. It is endorsed by the Business Manager and is in accordance with the recommendations of Ernst & Ernst in their survey of University business practices.

With the retirement of Dr. C. P. Boner from the position of Executive Director of the Office of Government Sponsored Research, Mr. Jens Jacobsen is recommended for the position of Executive Director of the reorganized Office of Sponsored Projects in the Main University.

1/25/65

np

THE UNIVERSITY OF TEXAS
M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE

January 14, 1965

Professional Personnel: Appointment, Promotion and Termination of Employment

1. General Provisions - The Board of Regents, upon recommendation of the Director and the Chancellor, shall select, employ and discharge all such personnel as shall be needful in the operation of this Institution, except as otherwise provided by the Rules and Regulations of the Board of Regents, hereinafter referred to as The Rules and Regulations. Their general duties, privileges, benefits and remunerations shall be subject to The Rules and Regulations and as otherwise determined by the Board of Regents upon recommendation of the Director and the Chancellor; the Director shall have immediate control and responsibility for the specific duties and assignments of all personnel in the employ of the Institution.

2. Appointments and Promotions - All initial professional appointments as defined below (Items 4 and 5) and promotions in rank shall be based upon recommendations by the Head of the Section or Service and the Department concerned and by the Basic Sciences Board (Director's Regulations, Article One, E. 7) or the Executive Committee of the Medical Staff (Director's Regulations, Article Four, C) through the Faculty Classification Committee (Item 7 below) and recommendation of the Director. All full-time professional appointments shall be annual for an initial period of two years unless otherwise stipulated by the specific recorded action of the Director, the Chancellor and the Board of Regents.

3. Appointment Renewal - Except as provided in Item 2 above, all full-time professional appointees with ranks of Associate or above shall be reappointed annually for the ensuing year unless notified in writing by the Director of intention to terminate the appointment as specified in Item 6 below, such notification to be made at least four months prior to termination date except under unusual circumstances.

4. Types of Professional Appointments - Professional appointments shall be of two types: (a) at an appropriate rank in a designated medical specialty or scientific discipline in the Staff of the M. D. Anderson Hospital and Tumor Institute, or (b) at an appropriate professorial rank in the General Faculty of The University of Texas at the M. D. Anderson Hospital and Tumor Institute. Prerequisite for membership in the General Faculty shall be participation in teaching to a significant degree in addition to research and/or service activities. Professional appointees may be transferred from either category to the other, depending upon actual performance of duties and personal desires, such requests for transfer to take the channels prescribed in Item 2.

5. Other Appointments - Except where especially stipulated in institutional policy, the general principles of faculty appointment, full-time and part-time, as approved for the Main University in Austin and the Medical Branches shall prevail.

6. Tenure and Continuing Appointments - Tenure shall be dependent upon the proper performance of duty and moral conduct. Full-time members of the General Faculty at the rank of Associate Professor and Professor shall

be eligible for tenure according to the policies of the Institution and The University of Texas. Generally, Associate Professors shall be appointed initially for a two-year period without tenure. This two-year period shall be renewable for two additional years. Professors shall be appointed for a two-year period without tenure. Professors to whom tenure is not to be granted shall be so notified early in the second year of the initial appointment. The probationary period for Associate Professors and Professors may be waived in exceptional cases on the basis of recommendation through the channels prescribed in Item 2. Members of the Staff of the M. D. Anderson Hospital and Tumor Institute shall enjoy continuing employment subject to the rules and regulations developed for such appointments by the Faculty Classification Committee. This shall not include the right to trial procedures.

7. Faculty Classification Committee - The Faculty Classification Committee shall be constituted of the Heads of the Departments of Medicine, Pathology, Radiology, Surgery, Biochemistry, Biology and Physics and of such other departments of similar rank as are later organized; membership of the Committee shall also include the Associate Director (Education), who shall serve as Chairman, the Associate Director (Research) and the Administrator who shall serve ex officio. It shall serve as an adjudicating advisory board in regard to initial professional appointments and promotions, making recommendations to the Director on proposals of the Executive Committee of the Medical Staff and the Basic Sciences Board concerning the appointment, re-appointment, promotion or other change in status of professional appointees above the level of Assistant. The Committee shall maintain a classification

system for professional appointments in the Institution, considering such factors of education, experience and contributions to the designated field as basic criteria for professional appointments and promotions. The Committee shall formulate and maintain on a current basis rules and regulations regarding tenure and shall delineate procedures necessary for the termination of employment of a professional appointee. The Committee, without the ex officio members or the Director present or participating, shall serve as, or shall appoint, as is appropriate, a Special Trial Committee when such committee is required pursuant to The Rules and Regulations, Part One, Chapter III, Section 6.33. It shall also serve as an advisory body on academic responsibility and freedom.



THE UNIVERSITY OF TEXAS

AUSTIN 12, TEXAS

DEPARTMENT OF
INTERCOLLEGIATE ATHLETICS

VICE-CHANCELLOR FOR
ACADEMIC AFFAIRS, U. OF

January 16, 1965

REC'D JAN 20 1965

PLEASE
PLEASE READ AND RETURN

Dr. Norman Hackerman
Vice-Chancellor for Academic Affairs
Main University

Dear Dr. Hackerman:

On the recommendation of Athletics Director and Head Football Coach Darrell K. Royal, the Athletics Council requests the reappointment of the same assistant football coaching staff members for the calendar year 1965 (January 1 through December 31, 1965) at the following recommended salaries:

1. James N. Pittman, Charles N. Shira, William M. Campbell at an annual salary of \$12,700 for each coach. This reflects a merit increase of \$1,000 for each man.

These three men are the life-blood of the football coaching staff. They have had opportunities to go elsewhere at higher salaries but have chosen to stay at the University. Their loyalty, their ability in coaching as reflected by the past successful seasons, and their effectiveness in recruiting are factors that prompt this recommendation.

2. Willie F. Zapalac at an annual salary of \$11,800. This reflects a merit increase of \$800.

The University Athletics Department was fortunate last July in procuring the services of Mr. Zapalac, who left a position which paid him more money. He is the type of coach which our head coach has been seeking for quite some time, for he has the qualities that will move him to more responsible assignments. This increase brings his salary in line with those coaches of the same professional caliber.

3. Billy M. Ellington and Robert Clayton Schulze at an annual salary of \$11,000 for each coach. This reflects a merit increase of \$700 for each man.

Mr. Ellington, in addition to doing a good job in all-round coaching, has been most effective in recruiting, and has been given the added assignment of coordinating the recruiting program.

Mr. Schulze has the responsibility of the freshman football program, and his teams over the years have had exceptional success. His effectiveness as a recruiter in the Houston-Galveston area is indicated by the large number of boys on the freshman squad from that area.

Dr. Norman Hackerman, January 16, 1965, page 2

- 4. Russell W. Coffee at an annual salary of \$9,800. This reflects a merit increase of \$500.

As offensive coach, Mr. Coffee has made excellent contributions in helping with the strategy and training of this important aspect of our successful seasons, and therefore he merits this recommended increase.

- 5. John Patrick Culpepper at an annual salary of \$7,000. This reflects a merit increase of \$1,000.

Mr. Culpepper joined the coaching staff on a part-time basis in September 1963 while completing the work for his degree. In February 1964 he accepted the full-time position at a minimum coaching salary. He has demonstrated during the past year his ability to do the caliber of coaching required in a university. He is effective in recruiting. He is much in demand as an after-dinner speaker. He merits the increase for which he is recommended.

If these reappointments and recommended salaries are approved, the salaries are to be paid from the funds of the Department of Intercollegiate Athletics.

Sincerely yours

J. Neils Thompson
 J. Neils Thompson, Chairman
 Athletics Council

Darrell Royal
 Darrell Royal, Athletics Director

rg

*Approved
 1/23/65*

Authorization is hereby given to Dr. Grant Taylor,
the Dean of the Division of Continuing Education of The
University of Texas Graduate School of Biomedical Sciences
at Houston to initiate with appropriate members of the Hermann
Hospital Estate discussions concerning a relationship leading to
contractual affiliation between the Division of Continuing Education
of The University of Texas Graduate School of Biomedical Sciences
at Houston and the Hermann Hospital for the purpose of establishing
a mutually acceptable educational program. The Board will look
forward to reports on the progress of the negotiations to achieve
a truly educational relationship with the Hermann Hospital and
to a suitable document for final action between this Board and the
Board of the Hermann Hospital.