

I+II

MATERIAL SUPPORTING MINUTES

1954-55

Vol. I

September, 1954 - February, 1955

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THE UNIVERSITY OF TEXAS
OFFICE OF THE PRESIDENT
AUSTIN 12

258

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REGENT'S OFFICE, Vol. I

Ackno _____

Rec'd ped _____

Refer to 16 1954

Please answer _____

Please read & return _____

November 12, 1954

FOR ACTION OF
REGENTS
SEE MINUTES OF
DEC 11 1954

- Mr. Claude Voyles
- Mr. Leroy Jeffers
- Mr. D. K. Woodward

Gentlemen:

Recently I had a request from Jerry Wilson, President of the Students' Association here at the Main University, for his organization to be placed on the mailing list for the Minutes of the Board of Regents' meeting. He stated his feeling that "this information would help us in our efforts to better understand the University and its problems." A check has been made of the Rules and Regulations of the Regents concerning distribution of the Minutes, and I find no policy except to the effect that six copies of each set of Minutes are placed in the Library. By custom or what not, Minutes are now distributed to the following:

*Presented
in letter
changes made
found in
Secretary's
Vol. II*

Board members
President Wilson
Vice-President Boner
Vice-President Haskew
Mr. Cox
Miss Lockwood
Mr. McCown
Mr. Landrum
Library (six copies)
Comptroller
Land and Endowment Officer
State Auditor
Mr. Hulon Black
Judge Scott Gaines

Mr. C. T. Clark
Dean Ransom (Arts and Sciences)
Dean Brogan (Graduate School)
Mr. Carl Eckhardt
Mr. F. C. McConnell
Mr. William Keys
Mr. McCurdy (Ex-Students' Assn.)
Miss Lorraine Barnes (Austin Statesman),
Secretary, Faculty Council
Dean E. J. Mathews
Head and Business Manager of
each of the branches
Dr. G. A. W. Currie
Dr. Bailey Calvin

Please check below and return to me the procedure you think we should follow with reference to the request from the President of our Students' Association:

- (1) Add the name of the Students' Association to our regular mailing list _____
- (2) Advise the Association that its offices and others can make use of one of the six copies in the Library _____
- (3) Hold the whole matter for policy discussion at the next regular meeting of the Board _____

Executive Committee

Page 2

November 12, 1954

In my opinion we have a rather extensive list at the present time with some obvious inconsistencies which perhaps ought to be corrected.

Although the Regents' Minutes must of necessity, in some instances at least, be matters of public information, it perhaps would be inadvisable to make salary data and other items of this sort too freely available to mere curiosity seekers or others who may have no real interest in, or understanding of, most questions acted upon by our Board of Regents.

Sincerely yours,

LW

Logan Wilson

LW:vt

Copy: Mr. Tom Sealy

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FOR ACTION OF
Regents
SEE MINUTES OF
DEC 11 1954

December 3, 1954

Dr. Wilson
Suggest thanks come from Secy of
Board.

CPB
Agree
LW

Dr. C. P. Boner
Vice President
Main Building 101

Dear Dr. Boner:

The County Commissioners of Midland County, Honorable Clifford Keith, Chairman and County Judge, have very generously aided in excavating for fossil and pre-history materials in the vicinity of Midland, Texas. They made available certain of the road machines owned and operated by the County to remove earth and rock. Likewise, after the deposits had been examined, they refilled the excavations as required by the ranch owner.

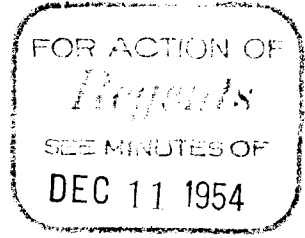
I recommend that, with the approval of the President and Regents of the University, thanks be extended to the Commissioners through the County Judge for the generous aid given in this scientific work.

very sincerely,

E-H

E. H. SELLARDS
Director

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AUGMENTATION PLAN

A plan for the augmentation of income of the staff of
 The University of Texas
 M. D. Anderson Hospital and Tumor Institute

- I. Principles of the Augmentation Plan
- II. The Association of Physicians
- III. The University Cancer Foundation
- IV. Supervision of the Plan by the University Administration



PRINCIPLES OF THE AUGMENTATION PLAN

Plans for providing adequate income for physician employees of universities and teaching and research institutions have been in effect for many years throughout the nation. They are diverse in form, varying as needed to meet the governing rules of a particular institution and to adjust to conditions of an individual situation.

Ideally, such organizations should provide sufficient income and security for their medical staffs without the necessity of supplemental earnings, but this has been achieved in only a few of the leading institutions. The alternative is for the physician to earn additional income as part of his daily activities. This is quite practicable since he can conduct teaching and clinical investigational assignments with pay patients just as readily as with the indigent.

Actually, it is desirable that there be established some avenue of access to the skills of the specially trained institutional man. He should be available to the public, whose servant he is. He, in turn, benefits by the opportunity to preserve his initiative, have a bond of sympathy and understanding with his colleagues in private practice, and have an added sense of security along with the satisfaction of providing additionally and directly, for his livelihood.

The proposals incorporated in this report have been evolved after seven years of study, during which time some phases of the program have been under actual trial.

The provision of adequate income for the staff of The University of Texas M. D. Anderson Hospital and Tumor Institute.

The full-time medical staff of The University of Texas M. D. Anderson Hospital and Tumor Institute must have unusual qualifications and abilities. In most instances they will have superimposed a period of training in cancer and allied diseases upon an already extensive medical specialty training. There is marked competition for their services throughout the research and teaching centers of the country. The present state salary is not commensurate with the training and ability required of the staff and the retirement plan is inadequate.

Augmentation of income is essential for the maintenance of a professional staff of the first class with any degree of permanence. Starting an augmentation plan in a new institution affords a challenge toward establishing a more ideal arrangement than that which has grown by circumstances and custom.

Any plan used must conform with:

- a. The ethics of medical practice.
- b. The rules and regulations of The University of Texas.
- c. The provisions of the appropriation bills as enacted by the Texas State Legislature.
- d. The constitution of the State of Texas.
- e. The various federal laws pertaining to taxation.

Principles Involved -- Insofar as the actual plan is con-

cerned, whatever arrangement is provided must assure:

- a. An equitable distribution of funds among the component members.
- b. That the work of the institution is accomplished without interference.
- c. That the institution directly benefit from the arrangement, preferably by some financial relief or returns.
- d. That all patients are seen on a referral basis.

The medical ethics involved prohibit the employment of a physician by an institution and its collection of his fees.¹ Fortunately, this question need not arise as The University of Texas does not have the constitutional authority to collect professional fees for the care of pay patients,² and thus cannot engage in the practice of medicine.

Also, it is important, but not mandatory, that the facilities used for the care of pay patients be provided from other than state funds and be operated without expense to the state.³

1 Principles of Medical Ethics of the American Medical Association, Ch. III, Art. VI, Sec. 6.

2 Letter, Judge Gaines to Judge Woodward, Chairman, Board of Regents, January 7, 1947.

3 Letter, M. D. Anderson Foundation to Board of Regents, July 11, 1950.

In this regard, approximately forty per cent of the funds required for construction, furnishings and equipping The University of Texas M. D. Anderson Hospital and Tumor Institute were provided from private philanthropic sources. The pay pavilion should be operated from other than tax money.

The amount of augmentation allowed should be determined by the worth of the individual to the institution and the period of his service.

While the policy should be set by the Board of Regents, the exact amount should be determined by the appropriate staff committee and the administration, taking cognizance of all facts in the individual case. The form of the augmentation plan may vary from individual consultation⁴ to the actual group practice of medicine. The staff of The University of Texas M. D. Anderson Hospital and Tumor Institute has been practicing as a group since the hospital's activation,⁵ and has been conducting the financial aspects of this activity as an agency fund with approximately equal distribution to all full-time participants since 1950. No surplus has been accumulated as private referrals were kept at a minimum in the temporary

4 Statement of policy regarding clinical appointments in The University of Texas Medical Branch, Galveston, Texas.

5 Minutes of Board of Regents' meeting, "Policies for full-time clinical men at the School of Dentistry and M. D. Anderson Hospital for Cancer Research," January 8-10, 1947.

quarters. Now, after moving to the new building, the augmentation program is being completely activated with the increase in full-time staff and the increasing operation of the pay pavilion.

Group Practice -- The group care of the cancer patient insures his access to the various diagnostic and therapeutic disciplines and is even more necessary for appropriate treatment than for any other kind of patient care. Economics should not play a part in the decision.

The Mayo Clinic has become famous by the introduction of the group method of patient care⁶. This method of practice has been emulated throughout the world and has resulted in the highest type of medical care. Essentially, group practice provides consultation and treatment of the patient by numerous specialists with one fee for the patient - more and better medical care for less money. Its effectiveness goes even further by placing the entire financial structure on a tax-exempt basis, as a non-profit foundation, and assigning the benefits for medical education and research -- in other words, returning the benefits through medical education and research to the people from whom they were derived.⁷

6 Book, "The Doctors Mayo" by Helen Clapesattle, University of Minnesota Press (1941).

7 Discussions with Mr. H. J. Harwick, Executive Director, and Mr. A. J. Lobb, Attorney, Mayo Clinic.

Many famous medical institutions and clinics have followed this example⁸, and more recently many medical schools have created similar organizations. These include the Universities of Minnesota, Pennsylvania, Virginia, Iowa, Duke University, Bowman Gray, Tufts, etc.⁹ The situation at the Anderson Hospital and Tumor Institute is ideally suited for just such an arrangement, as there is no ethical or constitutional deterrent to its consummation.

The Augmentation Plan will comprise:

1. An Association of Physicians formed from the staff of The University of Texas M. D. Anderson Hospital and Tumor Institute to do referred practice in that institution.
2. A financial organization to bill patients, pay expenses of the Association from income for professional services, arrange and manage a security plan.
3. A non-profit foundation for educational and research purposes, the income of which shall be derived from the net profit from the operations of The Association of Physicians. In addition, the foundation shall receive gifts, grants, bequests, and other emoluments that can be utilized in carrying out its function.

8 Articles of Organization of the Lovelace Foundation for Medical Education and Research and the Lovelace Clinic, Albuquerque, New Mexico; The Scott, Brindley and Sherwood Foundation for Medical Education and Research and the Scott-White Clinic, Temple, Texas.

9 Conferences, letters and opinions of representatives of the various institutions, including business managers, deans, presidents, and department heads.



THE ASSOCIATION OF PHYSICIANS

The General Concept of the Salary Supplementation Plan

and Staff Functions -- To more effectively carry out the purposes of The University of Texas M. D. Anderson Hospital and Tumor Institute and the consultation service performed by the medical staff, a formalized plan of organization has been drafted. This plan calls for a group practice of the staff of The University of Texas M. D. Anderson Hospital and Tumor Institute and shall be termed The M. D. Anderson Association of Physicians.

Rules regarding admission of new members, their duties, privileges and remuneration have been recorded and approved by the present members. The Board of Regents of The University of Texas, upon the recommendation of the Director of The University of Texas M. D. Anderson Hospital and Tumor Institute, will annually review the policy and maximum remuneration to be allowed participating members, financial reports and audits of activities. In general, the remuneration shall be based upon the Harvard Plan with certain modifications to better suit the specific needs of The University of Texas.

This supplementation of remuneration shall be as follows:

1. State salary based on rank (at present, \$6,000.00 to \$12,000.00 per annum). There shall be four grades:

Junior Assistant Physician (specialty)
Assistant Physician (specialty)
Associate Physician (specialty)
Physician (specialty)

- 2. The augmentation of income from private fees of fifty per cent above base pay is allowed a member after election to the Association of Physicians.

- 3. An additional fifty per cent augmentation of income may be added as a possible maximum earning, depending upon:
 - a. time in service 20%
 - b. earnings 30%
 - c. research 10%
 - d. education 10%
 - e. administrative responsibility 20%
 - f. general value to institution 10%

This plan will give the fluidity demanded for certain tax exemptions, will encourage and reward initiative and attention to duty, and make the longevity of service of accruing benefit. It will also provide automatically for the increase in salary commensurate with promotion in rank and the variable induced by the salary levels approved by the Board of Regents.

The M. D. Anderson Association of Physicians will be created as a non-profit association whose purpose shall be:

- 1. To conduct the group practice of medicine in The University of Texas M. D. Anderson Hospital and Tumor Institute.

- 2. To organize and pursue educational functions in order to create and disseminate knowledge of health, especially as it pertains to neoplastic and allied diseases to lay, professional, scientific, and ancillary professional persons of our own and other pertinent populations.

3. To promote, organize, conduct, support, and otherwise encourage medical and scientific investigation that may result in health benefits to mankind. Especial emphasis is placed on research that may relieve humanity of the burden of neoplastic and chronic diseases.

Specifically, in addition, the Association of Physicians will collect the professional fees for the care of patients in The University of Texas M. D. Anderson Hospital and Tumor Institute. After paying for administrative and professional expenses, the Association will augment salaries and provide social security and retirement plans. In lieu of other payment for the privilege extended to the Association in the use of the physical facilities, name of the University and Hospital and the limiting of operation to members, the Association will return all net earnings to a non-profit foundation (trust fund) for the benefit of the University.

Organization - The Association of Physicians shall be composed of those members of the staff of The University of Texas M. D. Anderson Hospital and Tumor Institute duly elected, generally after a period of probation of one year. The organization shall have as its governing body a Board formed by the heads of each department or section represented on the clinical staff and active in patient care. There shall be an Executive Council of the Board composed of not more than nine members and shall include the Chiefs of the four main clinical departments, plus the Director of The University of Texas M. D. Anderson Hospital and Tumor Institute, and the Chief of the Head and Neck Surgical Section.

Amended

Duties of Board of Directors of Association of Physicians.

It shall be the duty of the Board of Directors of the Association of Physicians to meet at least once a year to:

1. Receive financial report of activities.
2. Receive and make recommendations for membership to the Executive Council.
3. Receive and make recommendations of policy to the Executive Council.
4. Review the actions of the Executive Council.

Duties of Executive Council of Association of Physicians.

It shall be the duty of the Executive Council to:

1. Manage the finance office, including detailed examination of business activities each month.
2. Approve the yearly financial report for the Board of Directors.
3. Approve new members, including the examination of their complete qualifications.
4. Approve the procedures and policy of the Association.
5. Manage the retirement and social security arrangements.
6. Prepare the annual budget and recommend bonuses.
7. Examine grant requests and recommend those suitable to the Foundation.
8. Elect successors at age of 65 or upon resignation of member.

Membership of the Association -- There shall be two classes of membership of the Association: Associate Membership and Affiliate Membership.

An Associate Member shall be a full-time member of the staff of the M. D. Anderson Hospital. He is elected to membership in the Association upon the nomination of the Executive Council and by a majority vote of the Board of Directors. All income from the professional practice of medicine by an Associate Member shall be collected by the Association. In return, the member shall participate in the Augmentation of Income Plan and its benefits.

An Affiliate Member shall be a part-time member of the staff of the M. D. Anderson Hospital or shall be a provisional member of the staff who is serving an initial one-year appointment. He is elected to membership in the Association upon the nomination of the Executive Council and by a majority vote of the Board of Directors. He may or may not be receiving any income from the Augmentation Plan.

With the part-time staff member, as with the full-time member all income from professional services rendered in the hospital or Tumor Institute goes to the Association. After deduction of expenses of the Association for the management of these fees for professional services, including a just proportion for the retirement fund and the Foundation, he shall receive the remainder of his earnings not to exceed the maximum allowed for augmentation.

Membership of either type is automatically terminated by resignation from the staff of The University of Texas M. D. Anderson Hospital and Tumor Institute, ~~or by two-thirds majority vote of the Board of Directors on recommendation of the Executive Council.~~



THE UNIVERSITY CANCER FOUNDATION

The University Cancer Foundation may be either a University Trust Foundation or an Associated Foundation such as Southwestern Medical Foundation depending on the wishes of the Board of Regents and the legal interpretation of the University Attorney. It shall be a non-profit organization which shall have a Board of Visitors, composed of laymen especially interested in the activities of The University of Texas M. D. Anderson Hospital and Tumor Institute, and a Medical Board made up of the Executive Council of the Board of Directors of the M. D. Anderson Association of Physicians.

The Board of Visitors shall have duties pertaining to public relations, securing gifts, grants, bequests and donations and shall assist in furthering the purposes of the Association and Foundation in regard to research, education and patient care. The members of the Board of Visitors shall be appointed by the Board of Regents of The University of Texas upon recommendation of the Medical Board. This appointment shall be for three years and may be renewed. There will be five members appointed each year.

Bd of Regents

or

no motion

The Medical Board shall have duties pertaining to the internal disposition of monies to The University of Texas M. D. Anderson Hospital and Tumor Institute ~~as delineated in the charter of the Foundation.~~ It will also approve and recommend for the consideration of the Board of Visitors any grants or gifts for outside agencies or individuals.



SUPERVISION OF THE PLAN BY THE UNIVERSITY ADMINISTRATION

Proper control of the activities of the Association and Foundation by The University of Texas Board of Regents is assured by:

1. Appointment of the members of the Association to the staff of The University of Texas M. D. Anderson Hospital and Tumor Institute prior to their consideration for memberships in the Association. Also, their continued membership is contingent upon re-appointment yearly to this staff.
2. Appointment of the Board of Visitors.
3. Approval of all policies for the referred practice of medicine by the staff of The University of Texas M. D. Anderson Hospital and Tumor Institute.
4. Annual review and establishment of policy of maximum augmentation of income of the staff.
5. Annual report and audit of financial activities.
6. The Director of The University of Texas M. D. Anderson Hospital and Tumor Institute is a member of the Executive Council of the Association and the Medical Board of the Foundation.

R E S O L U T I O N

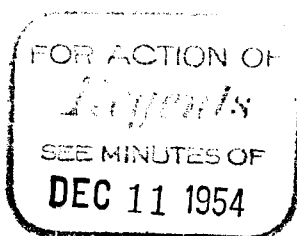
On motion by Mr. Sorell, seconded by Mr. Warren, and approved by a majority vote of the Board, ~~and~~ the request from the Commanding General of the Fourth Army for a bond of \$10,000.00, to insure the safekeeping of Military property incident to R. O. T. C. training, was approved.

Logan Wilson, President of The University of Texas, was authorized and directed to sign Bond for Safekeeping of Arms, Tentage and Equipment Issued to Educational Institutions Under Section 47, National Defense Act of June 3, 1916, as Amended by Act of June 4, 1920, as Amended by Public Law 688, 83d Congress, approved 28 August 1954, in the amount of \$10,000.00 and to furnish the necessary certified copies of this Minute Order to Fourth Army Headquarters.

C E R T I F I C A T E

I, Betty Anne Thedford, certify that the foregoing is an exact copy of Minutes No. _____, passed at the meeting of the Board of Regents of The University of Texas held at Austin, Texas, on December 10, 1954.

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal of the said institution this _____ day of December, 1954.



Betty Anne Thedford
Secretary of the Board of
Regents of The University
of Texas

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THE UNIVERSITY OF TEXAS
Office of the Comptroller
Austin 12

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RECOMMENDATIONS TO REGENTS'
BUILDINGS AND GROUNDS COMMITTEE

FOR ACTION OF
Regents
SEE MINUTES OF

DEC 11 1954

December 10, 1954

1. AWARD OF CONTRACTS FOR AIR CONDITIONING IN HOGG AUDITORIUM AND MODIFICATIONS TO THE UTILITY SYSTEMS, MAIN UNIVERSITY.--Pursuant to authorization given by the Board of Regents at the meeting held October 29, 1954, bids on Air Conditioning in Hogg Auditorium and Modifications to the Utility Systems at the Main University were received, opened, and tabulated on December 7, 1954, as shown on the tabulation sheet. These bids have been considered by Zumwalt and Vinther and Comptroller Sparenberg, and it is their recommendation that the contract award be made to the bidder as listed below, with authorization to the Chairman of the Board to sign the contract involved:

Natkin and Company, Houston, Texas Combined Bid for Air Conditioning in Hogg Auditorium and Modifica- tions to the Utility Systems	\$436,300.00.
---	---------------

The award recommended above is considered by all concerned to be the lowest and best bid received, considering all the information available to the Comptroller's office.

It is further recommended that the funds needed to cover the total cost of these combined projects, \$436,300.00, be taken from the following appropriation accounts in the amounts as listed:

Account No. 9295 - Air Conditioning Hogg Auditorium	\$150,000.00
Account No. 9306 - For Air Conditioning Work - Revision of Utility Lines and Addition of Chilled Water Lines between Central Water Chilling Station in Experimental Science Building and Hogg Auditorium	100,384.52
Account No. 9340 - Replacing Brick Tunnel West from Old Press Building to Main Building	121,054.00
Account No. 9667 - Revision of Utility Lines in Connection with Construction of English Building	64,861.48
	<u>\$436,300.00</u>

The engineer's fees on these projects will come from these same accounts.

The total of the appropriations already made by the Board of Regents to cover these projects, including Engineer's Fees, is \$515,252.70. In order to have sufficient funds in Account No. 9340 to cover the amount listed above, it will be necessary to make a transfer to that account. It is, therefore, recommended that a transfer of \$70,000.00 be made from Account No. 9667 to Account No. 9340, this amount to be payable from the Available University Fund, the source of funds for part of Account No. 9667.

2. AUTHORIZATION TO ADVERTISE FOR BIDS AND AWARD CONTRACTS FOR MOVABLE FURNITURE AND EQUIPMENT FOR THREE DORMITORIES AND CAFETERIA UNDER CONSTRUCTION AT THE MAIN UNIVERSITY.--In order to place in operation the three new dormitories and cafeteria now under construction at the Main University, it will be necessary to purchase certain movable furniture and equipment. It has been estimated that a total amount of approximately \$195,000.00 will be needed for this purpose, and there is more than a sufficient amount in the Auxiliary Enterprises (Residence and Dining Halls) accounts to cover this estimate. No recommendation is being made at this time as to the exact account or accounts from which to take the funds for this furniture and equipment, since it is believed best to wait until the actual amount needed is known before making transfers from the accounts involved.

It is recommended that Comptroller Sparenberg be authorized to advertise for bids and to award contracts in a total amount not to exceed \$195,000.00 for movable furniture and equipment for the three dormitories and cafeteria under construction at the Main University, with the amounts needed to come from accounts in the Auxiliary Enterprises Section in which funds are available, the exact accounts and amounts to be designated later by Comptroller Sparenberg, after conferring with the proper Main University officials, and approved by President Wilson. It is further recommended that Chairman Sealy be authorized to sign the contracts.

3. AUTHORIZATION TO AWARD CONTRACTS FOR FURNITURE FOR DENTAL BRANCH BUILDING.--At the Regents' meeting held April 10, 1954, authorization was given to Comptroller Sparenberg to advertise for bids for furniture and furnishings for the Dental Branch Building. These advertisements have now been placed, and bids have been called for to be received and opened on January 6, 1955. In order that there will be no delay in securing and installing this furniture, it is recommended that Comptroller Sparenberg be authorized to award contracts for the furniture, with the concurrence of Dean Olson, and that the Chairman of the Board be authorized to sign the contracts.

4. APPROVAL OF PAYMENT TO KIEFFER PLUMBING AND HEATING COMPANY OF 95% OF COMPLETED ITEMS ON BASIC SCIENCE BUILDING CONTRACT, SOUTHWESTERN MEDICAL SCHOOL.--At the last Regents' meeting, approval was given to payment to J. E. Morgan and Sons of 95% of that company's contract on the Basic Science Building, although the building was only 98% complete. This approval was given because the company was not able to proceed further until work by others had been completed. This same situation has arisen in connection with Kieffer Plumbing and Heating Company, the Plumbing, Heating, and Air Conditioning contractor for this building. Mr. Lemmon, Architect for this project, has approved the request of Kieffer Plumbing and Heating Company for payment of part of the retainage on this contract.

It is, therefore, recommended that approval be given to payment to Kieffer Plumbing and Heating Company of 95% of completed work on the company's contract for the Plumbing, Heating, and Air Conditioning work on the Basic Science Building at Southwestern Medical School.

5. EASEMENTS TO COUNTY OF DALLAS.--Southwestern Medical School has received requests from the County of Dallas for a right-of-way easement and a channel easement across and adjacent to the northern end of certain land owned by the State of Texas for the Southwestern Medical School. After consideration of these requests, easement forms were prepared by the County Engineer of Dallas County, E. A. Gell, Business Manager of Southwestern Medical School, and Comptroller Sparenberg, and have been approved as to form by Judge Gaines. The granting of these easements has also been approved by Dr. Gill. There is no compensation involved in the granting of these easements, but it appears to the University's advantage to do so. It is, therefore, recommended that authorization be given to the Chairman of the Board to sign the two easements referred to above.

6. SITE SURVEY FOR MEDICAL BRANCH.--In order to prepare plans for the three additional dormitories and the building to be used for a cafeteria, lounge, and faculty housing to be constructed at the Medical Branch, it will be necessary to have a site survey made. This survey is to cover Blocks 604, 605, 606, 664, 665, and 666, City of Galveston. Proposals have been secured from two engineering firms, as follows:

Lockwood and Andrews, Consulting Engineers, Houston, Texas	\$1,350.00 estimate on per diem basis
Robert M. Olson, Consulting Engineer, Houston, Texas	1,000.00 flat fee

It is our information that Mr. Olson is a qualified engineer and can perform this service satisfactorily. It is, therefore, recommended that Mr. Olson be employed to make this site survey and that the fee be paid from construction funds for this project. We have been informed that Housing and Home Finance Agency funds may be used for this purpose.

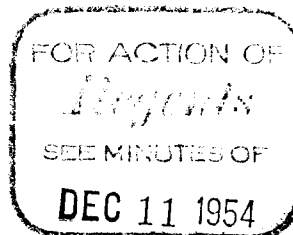
The above recommendations were approved by the Regents' Buildings and Grounds Committee and are being submitted to the Board as recommendations of that Committee.

RECOMMENDATIONS OF REGENTS'
BUILDINGS AND GROUNDS COMMITTEE

December 11, 1954

7. PARKING AREA FOR BASIC SCIENCE BUILDING AT SOUTHWESTERN MEDICAL SCHOOL.--In the appropriation for the Basic Science Building there were not sufficient funds to provide the necessary parking facilities for this building. At the present time there is no parking area around the building, and it is badly needed. An estimate of \$21,000.00 has been made of the cost of constructing a permanent parking area approximately 235 feet by 240 feet, with about 1,535 feet of curbing and 300 feet of sidewalk of 36 inch width, which it is expected will accommodate approximately 148 cars. The proposed location of this area has been discussed with Mr. Lemmon, who states that it will not interfere in any way with his plans for the Clinical Science Building.

It is recommended that the Physical Plant staff of the Southwestern Medical School be authorized to prepare plans and specifications for this project as outlined above, to be approved by Comptroller Sparenberg, and that Comptroller Sparenberg be authorized to call for bids and award a contract to the lowest acceptable bidder. It is further recommended that an appropriation of \$21,000.00 be made from the Reserve for Additional Appropriations to an account entitled Parking Lot and Sidewalk to pay for this project.



December 10, 1954

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The Chairman of the Board of Regents
The University of Texas

FOR ACTION OF
Regents
SEE MINUTES OF
DEC 11 1954

PROPOSED RENTAL RATES TO BE USED IN RENEWAL OF GRAZING
LEASES ON PERMANENT UNIVERSITY FUND LANDS

Dear Sir:

The Special Committee on West Texas Lands has considered recommendations submitted by Mr. E. J. Compton, University Land Agent, regarding the rental rates to be followed in the renewal of grazing leases or making of new grazing leases under the revised grazing lease policy as adopted by the Board of Regents at its meeting held on September 17, 1954. Mr. Compton has outlined the following approximate rates to serve as guides in the negotiations of all new five-year leases, these guides to be subject to change and/or exceptions as circumstances warrant.

CATTLE LEASES
(\$12.00 per Unit)

<u>Rental Rate per Acre</u>	<u>No. Cattle Units per Section</u>	<u>Total Rental Rate per Section</u>
35¢	18-2/3	\$224.00
30	16	192.00
25	13.3	160.00
20	10-2/3	128.00
15	8	96.00
10	5-1/3	64.00

SHEEP AND CATTLE LEASES
(\$12.00 per Unit)

6 Sheep = 1 Unit
1 Cow = 1 Unit

	<u>Rental Rate per Acre</u>	<u>No. Cattle Units per Section</u>	<u>No. Sheep Units per Section</u>	<u>Total Rental Rate per Section</u>
<u>Top Country:</u>	50¢	6-2/3	20	\$320.00
<u>Bitterweed Country:</u>	40¢	9	12-1/2	256.00

Mr. Compton has further recommended that the following grazing leases which expire on December 31, 1954, be negotiated on the basis as shown below for each lease. The Special Committee on West Texas Lands recommends that these proposed grazing leases as outlined by Mr. Compton be approved by the Board and the Chairman authorized to execute the instruments for the new leases upon their approval as to form by Land and Trust Attorney Gaines:

OLD LEASE

Lee Henderson Estate
Lease No. 549
10,560 acres
40¢ per acre
160 sheep
11 cattle
38 units

NEW LEASE

Lee Henderson Estate
10,560 acres
50¢ per acre
120 sheep
6-2/3 cattle
26-2/3 units

The Chairman of the Board of Regents
December 10, 1954 - page 2

OLD LEASEF. R. Henderson

Lease No. 550
8355.4 acres
40¢ per acre
160 sheep
11 cattle
38 units

P. L. Childress, Jr.

Lease No. 551
8888 acres
40¢ per acre
160 sheep
11 cattle
38 units

Mrs. Addie Clayton

Lease No. 552
8980 acres
40¢ per acre
160 sheep
11 cattle
38 units

J. W. Henderson, Jr.

Lease No. 553
7040 acres
40¢ per acre
160 sheep
11 cattle
38 units

Roy Henderson

Lease No. 554
8843.4 acres
40¢ per acre
160 sheep
11 cattle
38 units

Jim Thornton Estate

Lease No. 555
20,754.5 acres
10¢ per acre

11 cattle
11 units

NEW LEASEF. R. Henderson

8355.4 acres
50¢ per acre
120 sheep
6-2/3 cattle
26-2/3 units

P. L. Childress, Jr.

8888 acres
50¢ per acre
120 sheep
6-2/3 cattle
26-2/3 units

Mrs. Addie Clayton

8980 acres
50¢ per acre
120 sheep
6-2/3 cattle
26-2/3 units

J. W. Henderson, Jr.

7040 acres
50¢ per acre
120 sheep
6-2/3 cattle
26-2/3 units

Roy Henderson

8843.4 acres
50¢ per acre
120 sheep
6-2/3 cattle
26-2/3 units

Jim Thornton Estate

20,754.5 acres
10¢ per acre for first year and
15¢ per acre for the remaining
four years
8 cattle
8 units

Respectfully submitted

SPECIAL COMMITTEE ON WEST TEXAS LANDS

Chairman

Member

Member

Member

Member

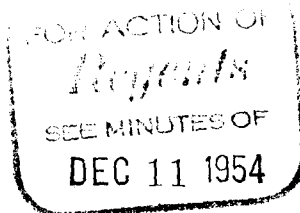
Endowment Officer

THE UNIVERSITY OF TEXAS
UNIVERSITY LANDS

Texon, Texas

November 15, 1954

Mr. Jack G. Taylor
Endowment Officer
Endowment Office
The University of Texas
Austin, Texas.



Dear Mr. Taylor:

I am enclosing some figures for consideration in making the new leases. I have used \$ 12.00 per unit per year as a basis. I am sure that there will be some criticism of this as being too high. That figures \$ 1.00 per head per month for cattle. I have used the figure of six (6) sheep as making a unit, which would be 16-2/3 cents per head per month on sheep. As you know, quite a few ranchers do not run any cattle. I do not plan on allowing sheep to be run in place of cattle. Therefore, if they ran only sheep and few or no cattle, the price per head per month for sheep would run higher than the 16-2/3 cents per month.

You will see by this schedule the number of live stock allowed to be run has been cut quite a bit. Where the top country was allowed 38 units of live stock this schedule would allow only 26-2/3 units per section. I think that there will probably be some objection to this as being too low. We have seen that over-stocking is one of the problems of this country and I would rather hold the number down and get a little less money for it than allow too much stock. In extra good years we can allow additional live stock be run on a pasturage basis if we think it can be done without excessive damage to the country.

I am enclosing a copy of a letter from Dr. Hardy, Superintendent of the Sonora Experiment Station, that I received in reply to a request of his ideas on stocking rates and rental rates. I have used Dr. Hardy's figures to some extent. You will notice on the Bitterweed country I have put 12-1/2 units of sheep and 9 of cattle. This will allow 75 sheep to the section. On Dr. Hardy's schedule he would allow 72 sheep and 18 cattle. There are few ranchers in this area that run many cattle. I doubt if any have as many as 10 cattle per section and some have no cattle. I have also set the top as 26-2/3 units rather than 30 units.

I feel that the stocking rates as suggested are very favorable to the ranch land. The only question that comes to my mind is - is the \$ 12.00 per unit per year too high? I know it wasn't too high as the prices

THE UNIVERSITY OF TEXAS
UNIVERSITY LANDS

Texon, Texas

Mr. Jack G. Taylor

Page 2

November 15, 1954

were a few years ago. I doubt if it is too high at present prices, especially if feed and labor costs should come down some. I am sure it is too high in case of extreme drought or with live stock prices much lower than they are today. As we know, we can lower the lease should these extremes come about but cannot raise them in case the prices go the other way. In very wet years we can allow more stock to be run and in that way increase our income. Therefore, we are very well protected except in cases of very high prices; and the five (5) year lease with the renewal clause will help to some extent to take care of that.

I am wondering if the new lease forms have been printed? Also, when is the next Board meeting? As soon as I have the forms and come to some conclusion in regard to the rates I will start to draw the leases on those that expire December 31, 1954.

I would suggest that after studying these over that you call me and we will discuss them on the telephone. If you have time to make your study by Thursday I will try to be available to talk then. In case you do not have the time by Thursday, then I would like to suggest that it be next Monday as I will be out of town Friday.

I made a trip to Hudspeth County last week. I found some of the country in fair shape and a large part in very bad shape. That part of the country that had a few showers in July or August made a little grass with the September rains. The part that only got the September rain did not make grass.

You will recall last June when the question of reducing leases came up I told you that I had not been out to this country but understood it was very bad; but that I did not want to recommend a reduction due to the fact that July, August and September were the months that they get rain if they are going to. Due to the fact that the rains were very light in quite a bit of the country, should we not consider the feasibility of a reduction at this time?

I am enclosing a copy of a letter from Mr. Lee Moor showing the condition of the country at that time. This is the only part of University lands

THE UNIVERSITY OF TEXAS
UNIVERSITY LANDS

Texon, Texas

Mr. Jack G. Taylor

Page 3

November 15, 1954

that I feel a reduction should be considered. The remainder has received some rain and made some grass. It will take years to get over the effects of the last five years of drought even if it started raining next year.

Very truly yours,

/s/ E. J. Compton

E. J. Compton

By: S. M.

EJC:sm
encls

THE UNIVERSITY OF TEXAS
UNIVERSITY LANDS

Texon, Texas

Page 4

CATTLE COUNTRY

\$ 12.00 per unit

35¢ per acre 18-2/3 units cattle per section	\$ 224.00 per section
30¢ per acre 16 cattle units per section	\$ 192.00 per section
25¢ per acre 13.3 cattle units per section	\$ 160.00 per section
20¢ per acre 10-2/3 cattle units per section	\$ 128.00 per section
15¢ per acre 8 cattle units per section	\$ 96.00 per section
10¢ per acre 5-1/3 cattle units per section	\$ 64.00 per section

THE UNIVERSITY OF TEXAS
UNIVERSITY LANDS

Texon, Texas

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Sheep and Cattle Leases

\$ 12.00 per unit

6 sheep = 1 unit
1 cow = 1 unit

TOP COUNTRY

50¢ per acre
20 units sheep

6-2/3 units cattle

\$ 320.00 per section

BITTERWEED COUNTRY

40¢ per acre
12-1/2 units sheep

9 units cattle

\$ 255.00 per section

THE UNIVERSITY OF TEXAS
UNIVERSITY LANDS

Texon, Texas

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<u>OLD LEASE</u>	<u>NEW LEASE</u>	(figured from enclosed schedule)
<u>Lee Henderson Estate</u>	<u>Lee Henderson Estate</u>	
Lease No. 549		
10,560 acres	10,560 acres	
40¢ per acre	50¢ per acre	
160 sheep	120 sheep	
11 cattle	6-2/3 cattle	
38 units	26-2/3 units	
<u>F. R. Henderson</u>	<u>F. R. Henderson</u>	
Lease No. 550		
8355.4 acres	8355.4 acres	
40¢ per acre	50¢ per acre	
160 sheep	120 sheep	
11 cattle	6-2/3 cattle	
38 units	26-2/3 units	
<u>P. L. Childress, Jr.</u>	<u>P. L. Childress, Jr.</u>	
Lease No. 551		
8888 acres	8888 acres	
40¢ per acre	50¢ per acre	
160 sheep	120 sheep	
11 cattle	6-2/3 cattle	
38 units	26-2/3 units	
<u>Mrs. Addie Clayton</u>	<u>Mrs. Addie Clayton</u>	
Lease No. 552		
8980 acres	8980 acres	
40¢ per acre	50¢ per acre	
160 sheep	120 sheep	
11 cattle	6-2/3 cattle	
38 units	26-2/3 units	
<u>J. W. Henderson, Jr.</u>	<u>J. W. Henderson, Jr.</u>	
Lease No. 553		
7040 acres	7040 acres	
40¢ per acre	50¢ per acre	
160 sheep	120 sheep	
11 cattle	6-2/3 cattle	
38 units	26-2/3 units	

THE UNIVERSITY OF TEXAS
UNIVERSITY LANDS

Texon, Texas

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OLD LEASERoy Henderson

Lease No. 554

8843.4 acres

40¢ per acre

160 sheep

11 cattle

38 units

Jim Thornton Estate

Lease No. 555

20,754.5 acres

10¢ per acre

11 cattle

11 units

NEW LEASERoy Henderson

8843.4 acres

50¢ per acre

120 sheep

6-2/3 cattle

26-2/3 units

Jim Thornton Estate

20,754.5 acres

15¢ per acre

8 cattle

8 units

TEXAS AGRICULTURAL EXPERIMENT STATION

Substation 14

Sonora, Texas

May 20, 1954

Ranch Experiment Station

Mr. E. J. Compton
Texon, Texas

Dear Mr. Compton:

In response to your telephone call last week, May 14, I have been studying and turning the situation over in every way possible.

As varied as the University land holdings are, and under the conditions of rainfall variation in this area, a definite solution is not at hand. Too, the different lessees and their methods of ranching likes and dislikes in handling classes of livestock still complicate the picture.

I believe that you could talk to one hundred different practical and successful ranchmen on University leases and you would get almost one hundred different answers on how to stock the land to make a profitable living and still protect and improve the land for future generations. You would also get as many different ideas on how to run your end of it and how to control every fellow except the one giving the answer.

Be that as it may, a dissertation the size of Webster's Dictionary could be written on the subject and all the ideas would have merits and demerits.

You have asked for my ideas as to the stocking rates and lease rates on the University land. I realize how futile and foolish it is for any one man to come up with an idea that would fit all situations that you have to cope with. However, I will do my best and hope that you can find something here that will be of benefit to you in making re-leases to the lessees.

I am under the impression that your present stocking rates and lease price for the area in which the Barnhart station is located run something like 100 sheep and 15 cattle per section, and the price is 35¢ per acre. This gives you a stocking rate of 32 animal units per section at approximately a 50-50 ratio.

In normal times of prices and rainfall I believe this is a just figure and allows a nominal income from the land values and is still low enough to allow the ranchman a good margin of profit. It is my idea that stocking rates should vary as widely as leasing rates.

On the Divide Country which is heavily turfed, with little or no browse, the major portion of the stocking rate should be cattle. My idea is that it

Mr. E. J. Compton
 May 20, 1954 - - Page 2

should carry not over 30 animal units per section, consisting of 60% cattle and 40% sheep.

On areas that have a variety of browse on shallow, stony soil and areas of deep soil with turf grass, the animal units should be the same, 30 per section, with the balance going 60% sheep and 40% cattle.

On the rough rocky country with browse on shallow soils and very little deep soil and turf grass country, the rate per section should be reduced approximately 20% and the balance go heavily to sheep -- somewhere around 90% sheep and 10% cattle.

On the very poor land of low valuation, stocking rates would have to be reduced drastically and to suit the type of vegetation (on browse areas heavy sheep balance and on burro grass and tobosa heavy cattle.)

Considering the drought that we have been in for the past four years, and are probably still in, almost any stocking rate is void. However, we must take into consideration that the leases are of long term and that things will level off, and so try to base the lease.

The land should represent an investment and should draw sufficient lease moneys to the University to represent a fair return on the investment. As land values vary as to type and location, so should the lease vary.

Practically all are agreed that more income is derived from sheep and goats than from cattle. Too, they are harder on the range. In this case a sheep rancher could and should pay slightly more than a cattle rancher.

The University land should vary from \$ 10.00 to \$ 30.00 in valuation, even on raw land. Considering this as a basis, the investment return from 1-1/2 to 2%, this would make the poorer land lease from 15¢ to 20¢ per acre and the better lands upward from this figure to 60¢ (probably the 60¢ figure is a little high).

I do not think I have made any startling changes from your present methods. Neither do we have any startling results from our studies at the Barnhart Station. It all seems to fall into a general pattern of good common sense management, and when gone over thoroughly it boils down to very little change from the sound practice set up by you and other sound-thinking men in the past.

If this gives you even the slightest idea in a helpful way, I will feel highly complimented. And if there is anything further that you would like for me to bring out, and you think I might be of assistance to you, please feel free to call on me at this time.

Sincerely yours,

(signed) W. T. Hardy, D.V.M.,

Superintendent

WTH:rm

LEE MOOR CONTRACTING COMPANY
205 Bassett Tower
El Paso, Texas

August 11, 1954

Mr. E. J. Compton
University of Texas
University Lands
Texon, Texas.

Dear Mr. Compton:

I am enclosing a statement showing payments to the University for leased land for the years 1946 thru 1954 inclusive.

During these years we received rain in spots; not to exceed one third (1/3) of the total leased land.

No grass matured, and what few head of cattle we had on these lands, would have starved without the cotton seed cake and alfalfa which we hauled up from the valley farm to keep the cows alive.

I have spent \$ 65,000.00 to \$ 75,000.00 on tanks, wells and pipe lines in addition to the cost of the leases.

Up to this date in 1954, we have had two cloudburst covering a small number of acres and causing a lot of damage to tanks and with very little good to the grass.

This six or seven years of drought has caused a good bit of the grass to die. If we should have rain, the balance of the season, there would not be time to mature the grass. The only thing I can see to do is to rest the pasture two or three years to get it back to where it might do some good. In fact it should be re-seeded if enough rain would fall to germinate the seeds.

We have taken off one half of the cattle and are taking more off as fast as we can get rid of them. We will keep a few on the ranch with a man to look after them and the place.

At present, the only green look is in the draws where the cloudburst fell.

Yours truly

(signed) by

WACO CATTLE COMPANY
Lee Moor, President

Land Lease Payments to
University of Texas by
Lee Moor, Lee Moor Ranch and Waco Cattle Company
Period, January, 1946 to June, 1954.

Payment Dated	Lease 575 Covering <u>32,606.4 Acres</u>	Lease 665 Covering <u>193,333.7 Acres</u>	Annual Totals
Jan. 1946	\$ 1,630.32	\$ 7,250.00	
June 1946	\$ 1,630.32	\$ 7,250.00	1946
			\$ 17,760.64
Dec. 1946	\$ 1,630.32	\$ 7,250.00	
June 1947	\$ 1,630.32	\$ 7,250.00	1947
			\$ 17,760.64
Dec. 1947	\$ 1,630.32	\$ 7,250.00	
June 1948	\$ 1,630.32	\$ 7,250.00	1948
			\$ 17,760.64
Dec. 1948	\$ 1,630.32	\$ 7,250.00	
June 1949	\$ 1,630.32	\$ 7,250.00	1949
			\$ 17,760.64
Dec. 1949	\$ 1,630.32	\$ 7,250.00	
June 1950	\$ 1,630.32	\$ 7,250.00	1950
			\$ 17,760.64
Dec. 1950	\$ 1,630.32	\$ 9,666.69	
June 1951	\$ 1,630.32	\$ 9,666.69	1951
			\$ 22,594.02
Dec. 1951	\$ 1,630.32	\$ 9,666.69	
June 1952	\$ 1,630.32	\$ 9,666.69	1952
			\$ 22,594.02
Dec. 1952	\$ 1,630.32	\$ 9,666.69	
June 1953	\$ 1,630.32	\$ 9,666.69	1953
			\$ 22,594.02
Dec. 1953	\$ 1,222.74	\$ 7,250.02	
June 1954	\$ 1,630.32	\$ 9,666.69	1954
			\$ 19,768.77
	\$28,938.18	\$147,416.85	\$176,355.03

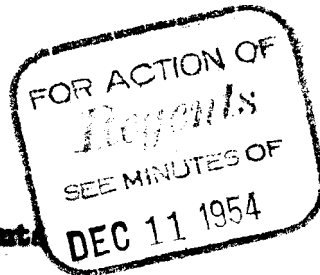
Total acreage covered

Lease # 575 exp. 12/31/56	32,606.4 Acres
Lease # 665 exp. 12/31/60	<u>193,333.7</u> "
	225,940.1 "

THE UNIVERSITY OF TEXAS
 ENDOWMENT OFFICE
 AUSTIN 12

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JACK G. TAYLOR
 ENDOWMENT OFFICER



December 10, 1954

The Chairman of the Board of Regents
 The University of Texas

Subject: THE T. J. BROWN AND C. A. LUPTON FOUNDATION, INC. -
 STATUS OF THE LOAN FUND (MEDICAL BRANCH)

Dear Sir:

The T. J. Brown and C. A. Lupton Foundation, Inc. has from time to time allocated money from the Foundation to the Medical Branch at Galveston, Texas, to be used for loan purposes for needy and worthy medical students. In 1951 the foundation donated \$5,000.00 and in 1952 another \$10,000.00. The foundation has now tendered another donation of \$10,000.00 and has accompanied such donation with specific terms and conditions which are for the purpose of clarifying the manner in which the loan funds donated are to be administered and also certain of the terms submitted are made necessary under the requirements of the Foundation's Trust. Outlined below are the terms and conditions as submitted by the Foundation:

1. The \$10,000.00 tendered currently and the \$15,000.00 previously donated are to remain the property of the T. J. Brown and C. A. Lupton Foundation, Inc. but are to be used by the Medical Branch of The University of Texas as an agency fund to provide loans to worthy medical students, such loans to be made without interest.
2. Any loans made from the loan fund created by the Foundation's donations are to be evidenced by notes payable to the T. J. Brown and C. A. Lupton Foundation, Inc., with the University to have express authority to collect such loans and to re-loan such money as collected until said authority shall be terminated by the Foundation.
3. The T. J. Brown and C. A. Lupton Foundation, Inc., reserves the right to withdraw the loan funds advanced to the University at any time so desired by the Foundation. Such funds as are then not loaned plus any notes evidencing loans from such funds are to be turned over by the University to the foundation. The University as agent of the loan fund is in no way to be held responsible for any note which may not be collectible.

COPY

The Chairman of the Board of Regents - December 10, 1954 - page 2

It is recommended that the Board of Regents accept the \$10,000.00 donation from the T. J. Brown and C. A. Lupton Foundation, Inc. to be administered by the Board of Regents as an agency fund for the purpose of providing loans without interest to worthy medical students at the Medical Branch at Galveston, Texas. It is further recommended that the Chairman of the Board of Regents be authorized to execute the letter of acceptance to the foundation upon its approval as to form by University Land and Trust Attorney Gaines.

Respectfully submitted

REGENTS' LAND AND FINANCE COMMITTEE

Chairman

Member

Member

Business Officer

FOR ACTION OF
Regents
SEE MINUTES OF
DEC 11 1954