

This volume consists of Material Supporting the Agenda for the following meetings:

April 22 - 23, 1966	No. 642
May 27 - 28, 1966	No. 643
July 8 - 9, 1966	No. 644
August 26 - 27, 1966	No. 645

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MATERIAL SUPPORTING THE AGENDA

Volume XIIIc

April 1966 - August 1966

This volume contains the Material Supporting the Agenda furnished to each member of the Board of Regents prior to the meetings held on April 22-23, May 27-28, July 8-9, and August 26-27, 1966.

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

# Agenda

Meeting Date: April 22 - 23, 1966

Meeting No.: 642

Name: \_\_\_\_\_

*Official Copy*

APPROPRIATIONS CONTAINED IN THE RECOMMENDATIONS  
IN BOTH THE TEN-DAY AND FIVE-DAY SUPPORTING  
MATERIAL

The Administration's recommendations (excluding the 1966-67 Budget and the report of necessary funds for Radio Astronomy) as contained in the supporting material mailed to you on April 12 and in this volume of material include the following appropriations with reference to the Available University Fund, Permanent University Fund Bond Proceeds, Institutional Unappropriated Balances and Unappropriated Income for Arlington State College:

Available University Fund	Permanent University Fund	Institutional Unappropriated Balance	Unappropriated Income for Arlington State College	Reference
\$ 9,000				B of R - 3--- Renovation of Regents' Room
			\$ 50,000	B of R-14 Land Acqui- sition
		\$ 9,247--Main University		B of R-26, Items 80-81
		18,650--Med. Branch		B of R-26, Item 10
24,130				B of R-26, Item 11-Fire Loss, Animal Quarters, Med. Branch
		38,570--South- western Med.		B of R-27, Item 23-- Scientific Com- puter Center

CALENDAR  
BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS  
April 22-23, 1966  
Austin, Texas

Place: Main Building, Rooms 209, 210, 212

Telephone: GR 1 1265

Purpose: This meeting is to consider the 1966-67 Operating Budgets  
of The University of Texas System.

Thursday, April 21, 1966

2:00 p. m. Special Meeting of the Academic  
and Developmental Affairs  
Committee called by Committee  
Chairman Olan (To meet with  
representatives of the Faculty  
relating to Counseling Program)

Room 209

Friday, April 22, 1966

9:00 a. m. Committee of the Whole---  
Executive Session - To  
Consider the 1966-67 Budgets

Room 209

12:00 noon Lunch - - Room 101

12:45 p. m. Committee of the Whole --  
Executive Session-Continued

3:30 p. m. \_\_\_\_\_ *Acad - dorm complex Room 209*

4:00 p. m. \_\_\_\_\_ *Breakfast Bar - Room 210*

Saturday, April 23, 1966

9:00 a. m. Meeting of the Board

Room 212

Mr. Walker relayed to me that you wanted

- (1) Jessen et al to present Preliminary Plans of New Dormitory-Academic Complex at 3:30 p. m. on Friday in Room 209 (Regents' meeting room).
- (2) Brooks et al to present the LBJ Library at 4:00 p. m. on Friday in Room 210 (Secretary's Room).

## **Committee of the Whole**

COMMITTEE OF THE WHOLE

Date: Friday, April 22, 1966

Time: 9:00 a.m.

Place: Main Building 209

A. 1966-67 OPERATING BUDGETS

B. REPORTS OF SPECIAL COMMITTEES, IF ANY

C. SPECIAL ITEMS BY CHANCELLOR

Page C of W

1. Policy Statement Relating to  
"Research Investigation In-  
volving Human Beings -- General  
Approach and Methods of Procedure

2

D. SPECIAL ITEMS BY REGENTS

Mr. Walker relayed to me that you wanted to take up the following as indicated:

3:30 p.m. Friday, Regents' Room 209 - Preliminary Plans for  
██████████ New-Dormitory Academic Complex to be pre-  
sented by Jessen, et al

4:00 p.m., Friday, Secretary's Office (Room 210)- presentation  
██████████ relating to LBJ Library by Brooks et al

COMMITTEE OF THE WHOLE  
Chairman Heath, Presiding

Date and Time: April 22, 1966, 9:00 a.m.

Place: Regents' Room 209

*A. Main Univ. Land Acquisition: Deed to Watson*

A. 1966-67 OPERATING BUDGETS

1. Central Administration and Available University Fund
2. Main University
3. Texas Western College
4. Arlington State College
5. Medical Branch
6. Southwestern Medical School
7. South Texas Medical School
8. Dental Branch
9. M. D. Anderson Hospital and Tumor Institute
  - a. Operating Budget
  - b. Physicians Referral Service
10. Graduate School of Biomedical Sciences at Houston

B. REPORTS OF SPECIAL COMMITTEES, IF ANY

C. SPECIAL ITEMS BY CHANCELLOR

1. Policy Statement Relating to "Research Investigation Involving Human Beings -- General Approach and Methods of Procedure. -- Below is a xerox copy of Chancellor Ransom's recommendation:

The following procedures have been formulated by the Medical Affairs Council of The University of Texas and adopted by this group as the basic policy for use at all component medical institutions of The University of Texas System, following a review, historically and philosophically, of the principles of medical ethics as they relate to human experimentation, including those at the Nuremberg Trial Tribunals in 1947. These statements have been reviewed by University Attorney Waldrep, and it is the recommendation of the Medical Affairs Council and Chancellor Ransom that the Board of Regents approve the following statement:



I. GENERAL APPROACH

A. The voluntary consent of the human subject is absolutely essential. This means that the person involved, except as indicated below, should have legal capacity to give consent, should be so situated as to be able to exercise free power of choice without the intervention of any element of force, fraud, deceit, duress, overreaching, or other ulterior form of constraint or coercion; and should have sufficient knowledge and comprehension of the elements of the subject matter involved as to enable him to make an understanding and enlightened decision. This latter element requires that before the acceptance of an affirmative decision by the experimental subject, the nature, duration, and purpose of the experiment should be made known to him; the method and means by which it is to be conducted; all inconveniences and hazards to be expected within reason; and the effects upon his health or person which may come from his participation in the experiment.

1. The "Consent to Investigational Procedure or Treatment" form is to be signed by all patients who are to undergo investigational procedures or treatments. If the subject is not competent, the person responsible shall be the legally appointed guardian or next of kin. If the subject is a minor under 21 years of age, the person responsible shall be the mother and father (both should sign) or legally appointed guardian.
2. The duty and responsibility for ascertaining the quality of the consent rests upon each individual who initiates, directs, or engages in the experiment. It is a personal duty and responsibility which may not be delegated to another with impunity.

B. The experiment should be such as to yield fruitful results for the good of society, unprocurable by other methods or means of study, and not random and unnecessary in nature.

C. The experiment should be so designed and based on the results of nonhuman experimentation and on a knowledge of the natural history of the disease or other problem under study that the anticipated results will justify the performance of the experiment.

D. The experiment should be so conducted as to avoid all unnecessary physical and mental suffering and injury.

E. No experiment should be conducted where there is an a priori reason to believe that death or disabling injury will occur; except, perhaps where the investigating physician himself is the subject of the experiment.

F. The degree of risk to be taken should never exceed the humanitarian importance of the problem to be solved by the experiment.

G. Proper preparations should be made and adequate facilities should be provided to protect the experimental subject against even remote possibilities of injury, disability, or death.

H. The experiment should be conducted only by scientifically qualified persons. The highest degree of skill and care should be required of those who conduct or engage in the experiment throughout all stages of the experiment.

I. During the course of the experiment, the human subject should be at liberty to bring the experiment to an end if he has reached the physical or mental state where continuation of the experiment seems to him to be impossible.

J. During the course of the experiment, the scientist in charge must be prepared to terminate the experiment at any stage, if he has probable cause to believe, in the exercise of the good faith, superior skill, and careful judgment required of him that continuation of the experiment is likely to result in injury, disability, or death to the experimental subject.

## II. METHODS OF PROCEDURE

A. All proposed research programs and projects involving human beings must be approved by the responsible department chairman, and a copy of the protocol submitted to the Research Review Committee (or the equivalent institutional committee) prior to the start of the project. That committee will review those research investigations in which, in the opinion of the committee chairman and the department chairman, there are unusual risks involved for study patients. In addition, all proposed projects in which isotopes are administered to humans must be reviewed by the Isotope Committee (or the equivalent institutional committee). In unusual cases, it may be necessary to appoint special committees of scientists from within the institution or prominent scientists from outside to assist the established committees.

B. In reviewing proposed experimental projects, the committees will determine whether:

1. the purpose of the research is well defined;
2. the principles outlined in Research Investigations Involving Human Beings, section I, articles A through J, have been followed;
3. there are any risks involved to the study patient;
4. proper consideration has been given to biometrical design which should be observed in accordance with statistical principles wherever applicable

in order to reduce the sample size, thus limiting the exposure of human subjects to investigational risks.

C. When the investigation is completed and reports are prepared for publication, they must be written so as to leave no doubt in the mind of the reader that the investigation was justified and that all ethical requirements were fully met.

D. SPECIAL ITEMS BY REGENTS

1. Chairman W. W. Heath  
*a. Appropriation for Regents' Office*
  
2. *a Meeting in El Paso, May 27-28*  
Vice-Chairman Frank C. Erwin, Jr.
  
3. Regent W. H. Bauer
  
4. Regent Walter P. Brennan
  
5. Regent H. F. Connally, Jr., M. D.
  
6. Regent Frank N. Ikard
  
7. Regent (Mrs.) J. Lee Johnson III
  
8. Regent Jack S. Josey
  
9. Regent Levi A. Olan

COMMITTEE OF THE WHOLE

C. SPECIAL ITEMS BY CHANCELLOR

Page C of W

2. Main University: Radio-Astronomy Program  
in West Texas.

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3. Modification of Consulting Architects'  
Contract

C. SPECIAL ITEMS BY CHANCELLOR

- 2. MAIN UNIVERSITY: RADIO-ASTRONOMY PROGRAM IN WEST TEXAS. --Below is a Xerox copy of material submitted by Chancellor Ransom:

Pursuant to the request of the Board of Regents at their April 2 meeting, Vice-Chancellor Hackerman submits additional information on the radio astronomy development in West Texas for consideration of the Board:

MEMORANDUM

April 5, 1966

TO: Vice-Chancellor Norman Hackerman  
 FROM: Harlan J. Smith and James N. Douglas  
 SUBJECT: Brief Summary of Radio Astronomy Plans and Requests

VICE-CHANCELLOR FOR ACADEMIC AFFAIRS, U. OF T.  <b>REC'D APR 5 1966</b>  REFER TO ..... HANDLE.....READ & RETURN.....
---

Nature of the Proposed Work

For the first time in history, real observational understanding of the nature of the universe is within our grasp (see, e.g., TIME magazine cover story for March 11). The principal contributions to this scientific revolution are now coming and will continue to come from research groups such as the CalTech-Palomar combination having access to (1) major optical telescopes, (2) theoretical physicists of the first rank who are interested in general relativity and cosmology, and (3) radio telescopes of the largest size.

Two of these three factors are already present at The University of Texas. The McDonald Observatory is one of the world's principal optical observatories; the new 107-inch telescope will be particularly well suited to optical observations of distant galaxies and radio sources. The Center for Relativity Theory, preeminent in its field, is intensely interested in cosmological problems. We now propose to construct, almost completely with Federal funding, the large radio telescope systems necessary to consolidate the University's position as one of the world's few outstandingly important contributors to these ultimate problems of astronomy.

In particular, as yet no one has even been able to carry out basic mapping of the radio sky fainter than the brightest several thousand sources. Most of these sources are relatively "nearby" (only a billion or so light years away); definitive answers to the cosmological questions will almost certainly require accurate and detailed knowledge of sources ten billion or more light years distant, out at what we presume to be the observable boundaries to our universe, both in space and in time. The proposed radio telescope system, much larger than any now in existence and one of the largest now being designed anywhere in the world, will be used to map and investigate the properties of about 100,000 of these extra-galactic radio sources, providing crucial information for cooperative optical and theoretical work. It will also be used for studies of our own galaxy, as well as of the sun, the planets, and the interplanetary medium.

The Radio Telescope

The principal radio telescope will consist of thousands of small antennas, arranged in a T-shaped configuration with E-W bar about 7 miles long and N-S bar about 3-1/2 miles long. This type of radio telescope

system is not only economical and versatile, but is also useful when only a few of the thousands of antennas have been installed. It will be built in separately funded steps, each step representing an increasingly useful instrument. The essential first step can be achieved as soon as land is available, since Yale University is transferring to Texas title to the prototype radio telescope system pioneered by Douglas while at Yale; this system is now enroute to Austin.

### Principal Site Requirements

Construction of the 3-1/2 x 7 mile T-antenna requires an extraordinarily flat, dry area; even modest irregularities in the land or significant humidity would increase construction costs by several times. Even more important, the site must be remote from large cities and major air routes, to minimize man-made interference. Finally, easy access to small towns for staff residence, and to existing astronomical installations, is highly desirable to permit recruiting and retention of the necessary scientific and technical staff.

None of the University Lands were found to be satisfactory for this giant antenna system. No large areas of nearly perfect flatness are available. All University Lands are under busy and rapidly expanding air traffic lanes with their attendant high interference levels. And none of the University land is near scientific supporting activity.

### The Proposed Site

The only site we have found in Texas which is excellent in all respects is a 3-1/2 x 7 mile rectangular area on the C. T. Mitchell Estate, 20 miles southeast of Marfa, Texas, relatively near the McDonald Observatory. The ranch, administered by F. W. Barton of Marfa, is owned by Mrs. Thelma Mitchell Barton, Mrs. Lois Mitchell Thompson, and Miss Katheryn Mitchell; grazing rights are now under lease to the Hayes Mitchell Cattle Company of Marfa. The owners have agreed to a draft lease form having the following principal provisions: (1) Initial lease will be for five years at \$15,000 per year for 15,680 acres; the University has the option to renew every five years at a negotiated and if necessary arbitrated rate, based on the economic value of the land for non-astronomical purposes. The University may cancel on one year's notice; the owners may never cancel, except by proving lease violation. (2) The University may sublet or otherwise permit other groups to make use of the land, within the terms of the lease. (3) Other clauses provide for the retention of mineral rights by the owners, and for grazing rights by the owners or their lessees on portions of the land not actually fenced off for astronomy.

In justifying their asking price, the owners have stated that their future bargaining position in setting prices for grazing, for mineral rights, or for land sales will be adversely affected by our indefinitely renewable long-term lease, also that substantial inconvenience to general ranch operations will result from the large scale of our operation.

### Site Sharing

In addition to the possible simultaneous use of our radio telescope by groups from other universities (MIT has already expressed such an interest for its solar radar work), the site is big enough to accommodate several other complete radio telescopes. The University by encouraging other institutions to use the site, would considerably improve its value for all concerned.

We expect that cost of land, equipment and maintenance will normally be shared with other users, but equally important will be the lessening of the scientific isolation of this remote site. Partly for this reason the National Science Foundation has on several occasions expressed a marked preference for supporting two or three multiple-use remote radio astronomy sites rather than ten to twenty individual ones. Our installation would provide the nucleus for the first of these multiple-use sites, in the most favorable location for radio astronomy development so far proposed in the United States.

Funding

Funds will be requested from NSF and NASA for a sequence of annual construction steps and for substantial astronomical operation of the equipment at each successive step. The utility of the growing system is thus not dependent on obtaining the entire construction funding at once, or indeed ever. While we have every expectation and confidence of funding this radio telescope to its completion, any decrease of construction funds at any point leaves an extremely valuable system in useful operation.

University support for certain basic land and facilities costs is requested; a summary of the funding estimates follows:

Radio Astronomy  
Summary of Funding Estimates

Immediately Requested University Support:

- |  |                |          |
|--|----------------|----------|
| 1. <u>Current budget year</u> (April-August 1966)  |                |          |
| a. Land rental   | 40% x \$15,000 | \$ 6,000 |
| b. Electronic test equipment necessary for immediate operation of radio telescopes donated by Yale |                | 10,000   |
| c. Small building (1250 sq. ft.; based on two contractors' estimates)                              |                | 20,000   |
| 2. <u>1966-67 budget year</u>  |                |          |
| a. Land rental   |                | 15,000   |
| b. Increase of Astronomy Department M & O, reflecting maintenance cost on land and building        |                | 5,000    |

Anticipated Future Requests (excluding faculty):

- |   |  |           |
|---|--|-----------|
| 1. <u>Single-cost items</u>   |  |           |
| a. Two vehicles (one in Sept 1967, one about one or two years later)          |  | 7,500     |
| b. Matching funds (University 55%, Federal 45%) for permanent building        |  | 82,500    |
| 2. <u>Annual items</u>  |  |           |
| a. Land rental  |  | 15,000/yr |
| b. Astronomy Department increased M & O for radio astronomy                   |  | 10,000/yr |
| c. Classified personnel: especially Observatory Supervisor and Chief Engineer |  | 25,000/yr |

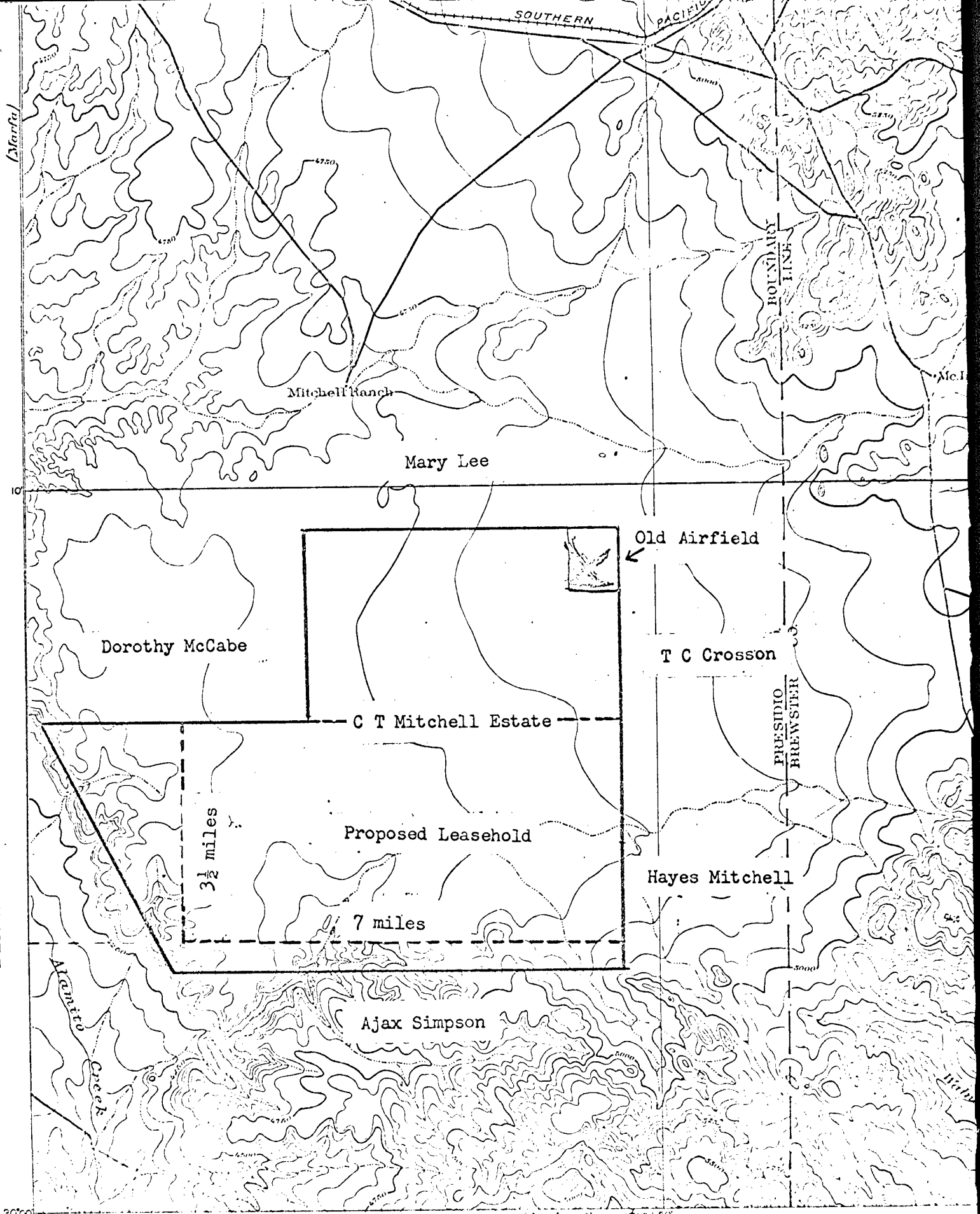
Non-University (principally NASA and NSF) Support  
to be requested

- |  |   |
|--|---|
| 1. Radio telescopes & related instruments (1966-71)            | 2,500,000                                     |
| 2. Operation costs (personnel, telescope maintenance,<br>etc.) | 1966 100,000/yr<br>growing to 1971 250,000/yr |
| 3. Continued operation after 1971                              | 300,000/yr                                    |

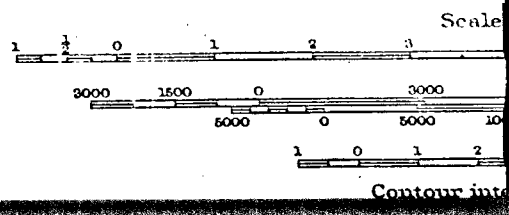
HJS/JND:pak



UNITED STATES  
DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY



A.H. Thompson, Geographer.  
R.U. Goode, Topographer in charge.  
Triangulation and Topography by Chas. F. Urquhart.  
Surveyed in 1893.



(Marfa)  
104700  
(Shafter)



GULF OF MEXICO

Proposed site of most southerly remote mountain valley area in the United States, well away from all air routes.

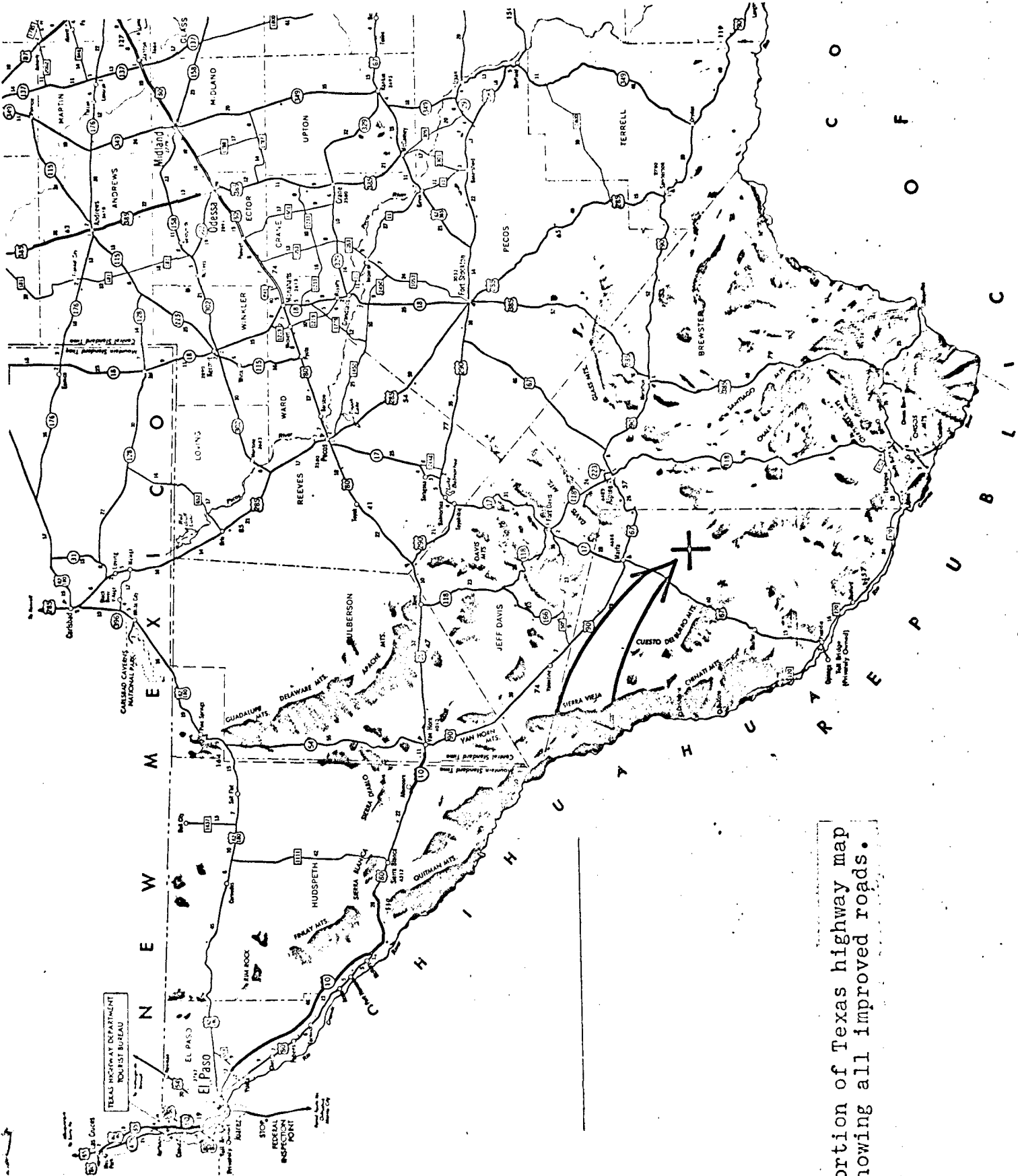
UNITED STATES

CANADA AND MEXICO

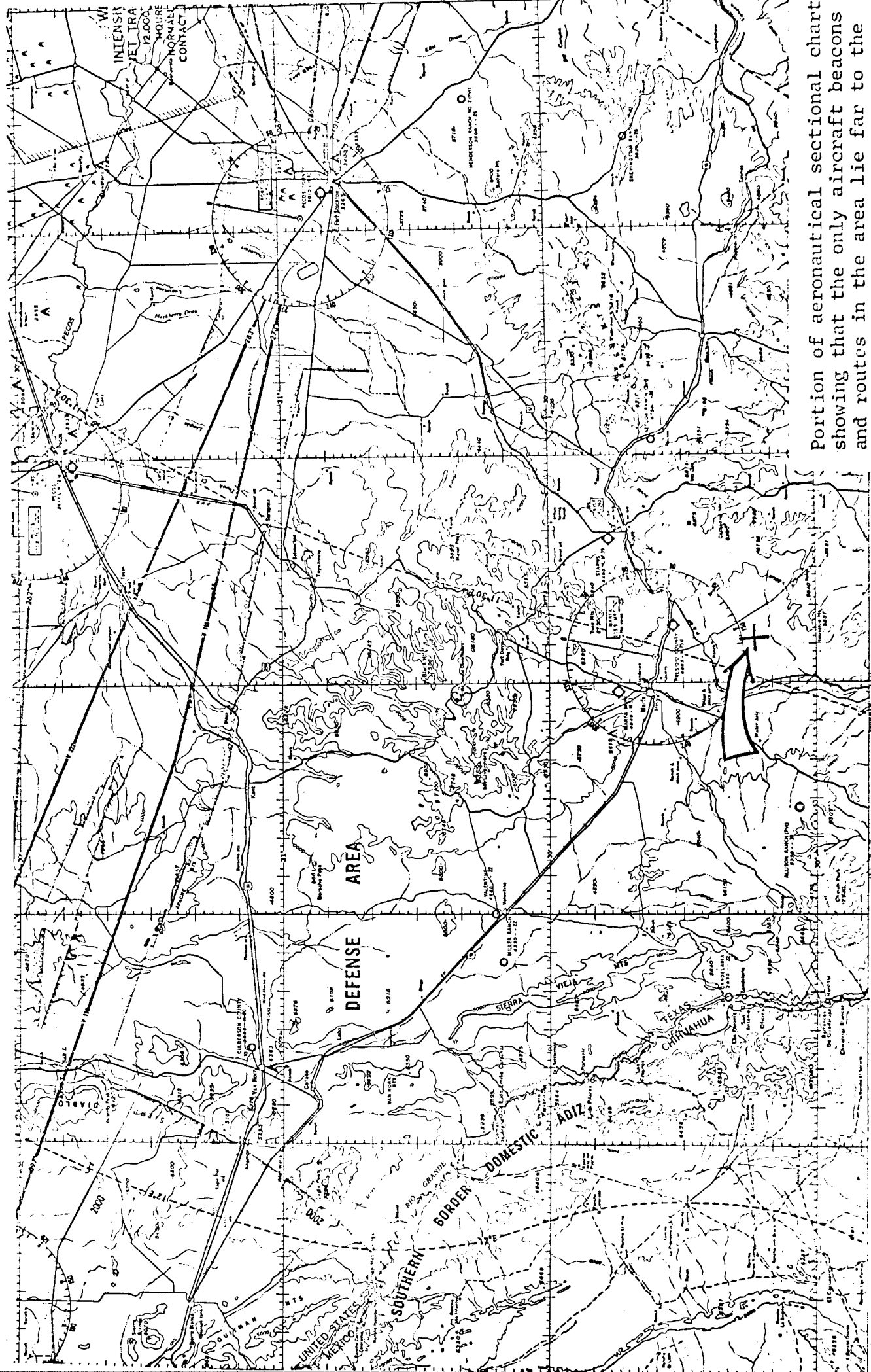
ATMOSPHERIC CENTER OF BATTERY CALIFORNIA

PACIFIC OCEAN

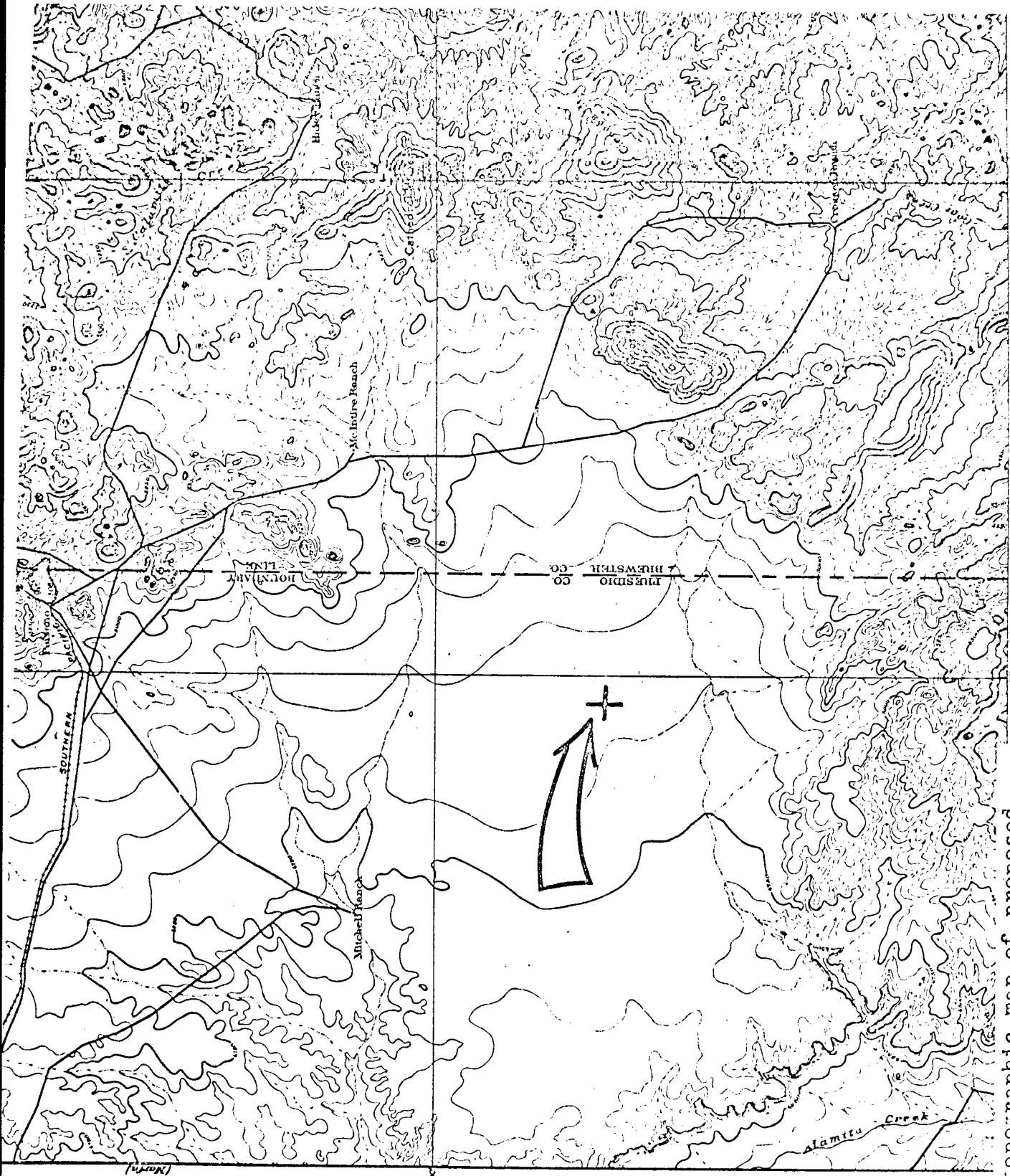
PACIFIC OCEAN



portion of Texas highway map  
 showing all improved roads.

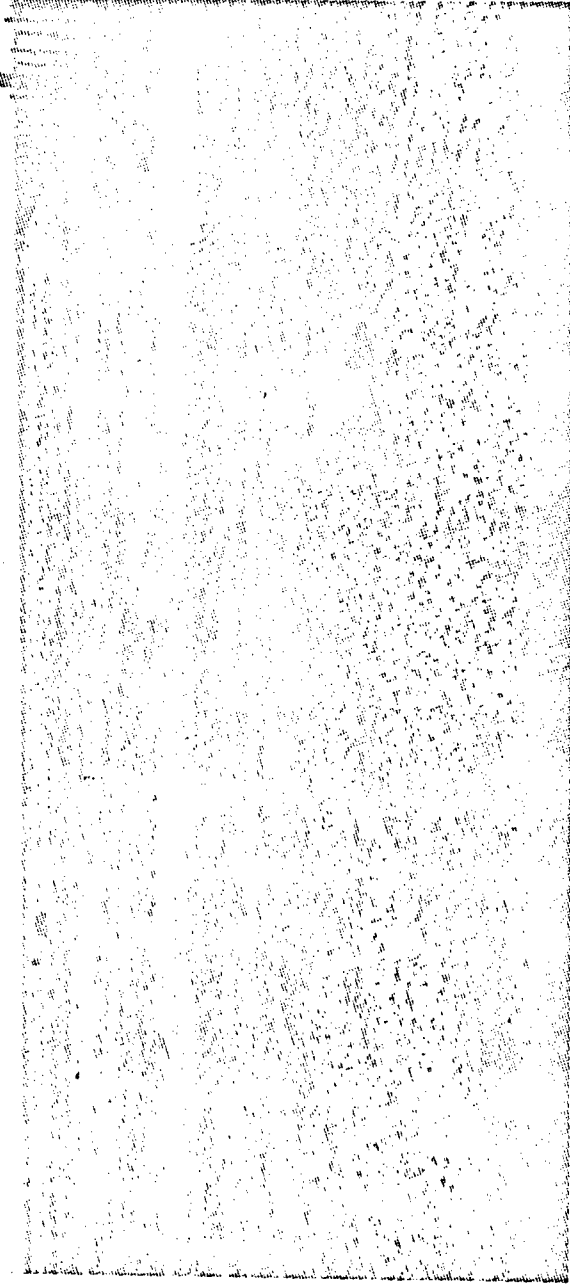


Portion of aeronautical sectional chart showing that the only aircraft beacons and routes in the area lie far to the north.

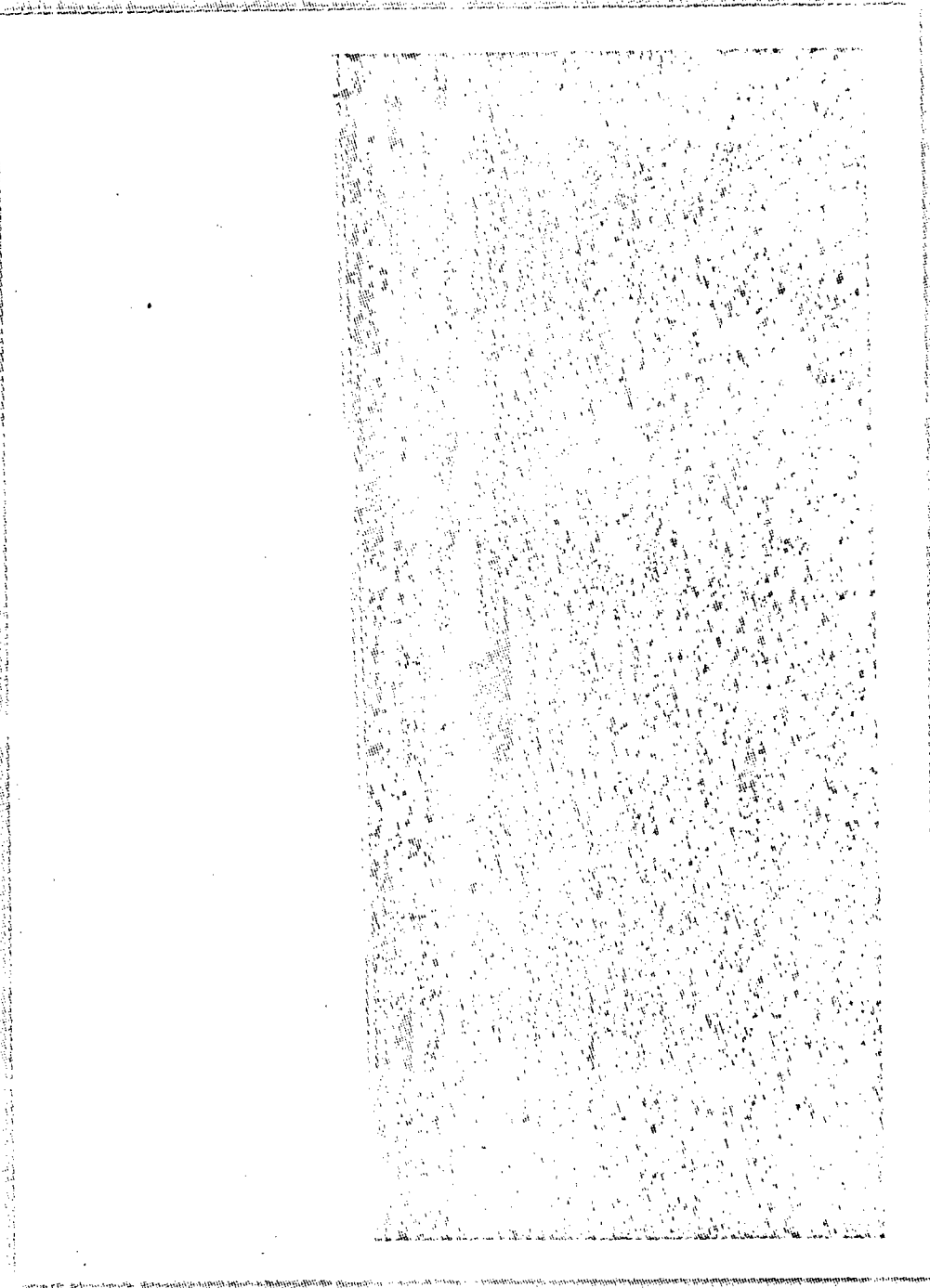


Portion of topographic map of proposed Antenna site; note almost perfect flatness of area more than 10 miles east, west, north, and south.

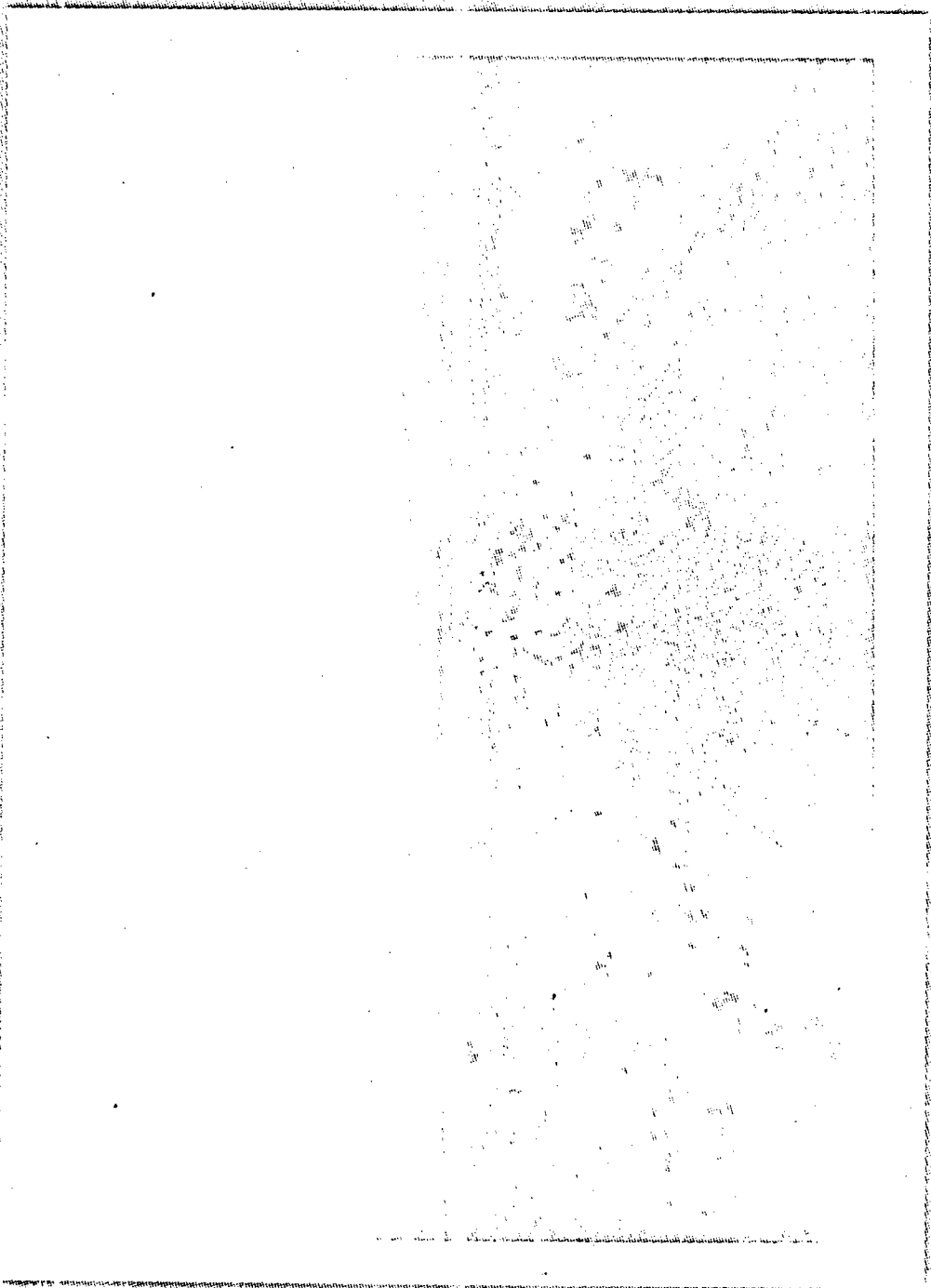
Scale in feet  
Contour Interval 50 feet  
Reference to nearest State Level



Ground view of Goat Mountain (9 miles distant, on right), Cathedral Mountain (13 miles distant on left). Note almost perfect flatness of country as far as the eye can follow the fence.



View from Antenna Site southwest toward southern Chinati Mountains on Mexican border 30-50 miles away.



Aerial view of asphalt runway. Military airfield abandoned almost 20 years ago. At almost no cost, could be put back into light and medium plane service for proposed Radio Astronomy facility several miles away.



## Meeting of the Board

AGENDA  
MEETING OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS

April 23, 1966  
9:00 a. m.

- A. INVOCATION
- B. REPORTS AND SPECIAL ITEMS BY CHANCELLOR RANSOM
- C. CONSIDERATION OF MINUTES, April 1 - 2, 1966 *(not distributed yet)*
- D. REPORTS OF STANDING COMMITTEES, IF ANY
- E. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS BY REGENT BRENAN
- F. REPORT OF SPECIAL COMMITTEES, IF ANY

G. SPECIAL ITEMS Page B of R

*July meeting*

- 1. ~~Renovation of Regents' Rooms~~ 3
- 2. Arlington State College: Issuance of Purchase Order for Equipment for the Student Health Center 4
- 3. Dental Branch: Award of Contract for New Ramp and Basement Addition 4
- 4. Medical Branch: Approval of Purchase Order for X-Ray Equipment for the New Outpatient-Clinical Diagnostic Building 5
- 5. Permanent University Fund: Report of Purchases of Securities *Approved* 6
- 6. Easements and Surface Leases Nos. 2162 - 2181 *Approved* 9
- 7. Material Source Permit No. 297 *Approved* 11

8. Trust and Special Funds: Report *approved*  
of Purchases and Sales of Securities 12

9. Arlington State College: Appropriation  
for Land Acquisition 14

*Consulting Architect*  
~~10. South Texas Medical School:  
Acceptance of Gift and Establishment  
of The Freeman-Heart Association  
Professorship in Cardiovascular  
Disease 16~~

H. REPORT OF COMMITTEE OF THE WHOLE BY CHAIRMAN  
HEATH

I. ADJOURNMENT

- A. INVOCATION
- B. REPORTS AND SPECIAL ITEMS BY CHANCELLOR RANSOM
- C. CONSIDERATION OF MINUTES, April 1-2, 1966
- D. REPORTS OF STANDING COMMITTEES, IF ANY
- E. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS BY REGENT BRENAN
- F. REPORT OF SPECIAL COMMITTEES, IF ANY
- G. SPECIAL ITEMS

1. CENTRAL ADMINISTRATION - RENOVATION OF REGENTS' ROOM.--At the Regents' meeting held May 25, 1963, a Committee was appointed to study the possibilities of improving the acoustics of the Regents' Room and to investigate the costs of renovating the room in order to replace worn furniture and fabrics, etc. After study by this Committee and members of the Administration, estimates have been secured for various phases of the work. At this time, it is believed desirable to replace the worn wall fabric, giving acoustical treatment to the wall behind this new fabric, to replace the worn draperies, and repaint the plaster ceiling area. Estimates of the cost of this work are given below:

Acoustical treatment to wall behind fabric	\$2,600.00
Wall fabric in place	1,800.00
Draperies	3,000.00
Painting	<u>1,200.00</u>
Total Estimated Cost	<u>\$8,600.00</u>

It is recommended that an appropriation of \$9,000.00, which includes a small Contingency of \$400.00 to cover unforeseen expenses, be made from the Available University Fund to cover that part of renovating the Regents' Room as described above.

*Placed over  
Quincey M.D.  
was absent*

2. ARLINGTON STATE COLLEGE - ISSUANCE OF PURCHASE ORDER FOR EQUIPMENT FOR THE STUDENT HEALTH CENTER.--In connection with the equipping of the Student Health Center at Arlington State College, bids were called for and were received on draperies for this building, as shown below:

Bidder	Base Bid
Custom Floor Service, Fort Worth, Texas	\$1,445.00
Fashions in Living, Arlington Texas	2,000.19
J. C. Penney Company, Arlington, Texas	1,677.00
Rosco Products, Dallas, Texas	1,968.50

It is recommended that a purchase order in the amount of \$1,445.00 be issued to the low bidder, Custom Floor Service, Fort Worth, Texas, the funds needed to come from Account No. 85-9748-0180 @ Arlington State College - Health Center - Equipment.

3. DENTAL BRANCH - AWARD OF CONTRACT FOR NEW RAMP AND BASEMENT ADDITION.--In accordance with authorization given by the Board at the meeting held February 26, 1966, bids were called for and were opened and tabulated on March 29, 1966, as shown below for the New Ramp and Basement Addition at the Dental Branch Building:

Bidder	Base Bid	Alternate No. 1 Add	Alternate No. 2 Add	Alternate No. 3 Deduct	Alternate No. 4 Add	Alternate No. 5 Add
Aetna Construction Co., Inc., Houston, Texas	\$74,744.00	\$2,500.00	\$3,700.00	\$9,000.00	\$350.00	\$650.00
Arthur Jay Construction Co., Houston, Texas	82,600.00	1,700.00	1,900.00	11,600.00	500.00	600.00
Houston Builders, Inc., Houston, Texas*	67,400.00	825.00	3,300.00	9,000.00	400.00	400.00
Manhattan Construction Co. of Texas, Houston, Texas	74,800.00	2,300.00	3,200.00	9,200.00	500.00	170.00
Meyerson Construction Co., Inc., Houston, Texas	80,000.00	2,410.00	3,390.00	13,300.00	484.00	176.00

Rayko Construc- tion Co., Inc., Houston, Texas	69,969.00	1,100.00	2,100.00	10,000.00	360.00	553.00
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\*Bid qualified by letter

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

The bid of Houston Builders, Inc., was accompanied by a letter which pointed out that the method to be used by this company was a deviation from the specifications as written by the Associate Architect and as bid by the other bidders. It is, therefore, felt that this bid could not be considered as a valid bid since the method of construction offered was inferior to the type of construction specified. On the basis of this decision, it is recommended by Consulting Architects Brooks, Barr, Graeber, and White, Associate Architect H. R. Winslett, Dean Olson, E. D. Walker, and Chancellor Ransom that a contract award be made to Rayko Construction Company, Inc., Houston, Texas, the lowest bidder meeting specifications as follows:

Base Bid	\$69,969.00
Add Alternate No. 1 (Parking Areas)	1,100.00
Add Alternate No. 4 (Painting of Exterior Rubbed Concrete Surfaces)	360.00
Add Alternate No. 5 (Sodding)	<u>553.00</u>
Total Recommended Contract Award	<u>\$71,982.00</u>

This contract award, plus Architects' Fees thereon and other incidental expenses, is within the \$79,300.00 appropriated for this project.

4. MEDICAL BRANCH - APPROVAL OF PURCHASE ORDER FOR X-RAY EQUIPMENT FOR THE NEW OUTPATIENT-CLINICAL DIAGNOSTIC BUILDING.--In connection with the equipping of the New Outpatient-Clinical Diagnostic Building at the Medical Branch, bids were called for covering X-Ray Equipment for a room in the Radiology Area. Bids were received as shown below:

Bidder	Total Bid
The Gilbert X-Ray Company of Texas, Dallas, Texas	\$100,012.00
General Electric Company, X-Ray Department, Houston, Texas	105,288.00
Westinghouse Electric Corporation, X-Ray Division, Houston, Texas	146,200.00

It is recommended by Dr. Blocker, E. D. Walker, and Chancellor Ransom that a purchase order be issued to the low bidder, The Gilbert X-Ray Company of Texas, Dallas, Texas, in the amount of \$100,012.00. The funds needed to cover this purchase order will come from the following sources:

Account No. 85-9146-0800 - Medical Branch - New Outpatient-Clinical Diagnostic Building - Allotment Account	\$75,012.00
Medical Branch Account No. 6-14544-880510-10 - General Research Support Grant	25,000.00

PERMANENT UNIVERSITY FUND -- INVESTMENT MATTERS.--

5. REPORT OF PURCHASES OF SECURITIES.--The following purchases of securities from March 8 through March 31, 1966, have been made for the Permanent University Fund. We ask that the Board ratify and approve these transactions:

PURCHASES OF SECURITIES

COMMON STOCKS

<u>Date of Purchase</u>	<u>Security</u>	<u>No. of Shares Purchased</u>	<u>Market Price at Which Purchased</u>	<u>Total Principal Cost*</u>	<u>Indicated Current Yield on Cost**</u>
3/8/66	Goodyear Tire & Rubber Co. Common Stock	500	44-3/4	\$ 22,581.90	2.77%
3/8/66	Public Service Co. of Colorado Common Stock	1,000	24-5/8(700) 24-1/2(300)	24,900.42	3.61
3/9/66	Addressograph-Multigraph Corp. Common Stock	400	66	26,582.40	2.11
3/9/66	Aluminum Co. of America Common Stock	300	85-7/8	25,905.27	1.62
3/9/66	Procter & Gamble Co. Common Stock	400	61-1/4	24,680.52	3.24
3/10/66	American Can Co. Common Stock	400	55-3/4	22,478.32	3.91
3/10/66	Consumers Power Co. Common Stock	500	51-1/4	25,845.65	3.68
3/10/66	Standard Oil Co. (New Jersey) Capital Stock	300	76-1/8	22,977.33	4.31
3/14/66	General Motors Corp. Common Stock	300	96-3/4	29,171.04	5.40
3/14/66	E. I. du Pont de Nemours & Co. Common Stock	100	217-3/4	21,835.78	2.75
3/14/66	Utah Power & Light Co. Common Stock	800	36-1/2(600) 36-1/4(100) 36 (100)	29,422.63	4.13
3/15/66	Chase Manhattan Bank (New York) Capital Stock	200	59-5/8 Net	11,925.00	3.35
3/15/66	Bank of America National Trust & Savings Assoc. Common Capital Stock	200	52-1/8 Net	10,425.00	3.84

\*Includes brokerage commissions paid.

\*\*Yield at present indicated dividend rates.

COMMON STOCKS (Continued)

Date of Purchase	Security	No of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
3/15/66	Security First National Bank (LA) Common Stock	300	42-1/8 Net	\$ 12,637.50	3.04%
3/16/66	Consumers Power Co. Common Stock	500	49-7/8	25,157.20	3.78
3/16/66	General Electric Co. Common Stock	300	108	32,549.40	2.40
3/16/66	National Biscuit Co. Common Stock	500	51-1/2(100) 51-1/4(400)	25,870.67	3.67
3/17/66	Minnesota Mining & Manufacturing Co. Common Stock	400	65-3/4(200) 65-1/2(100) 65-1/4(100)	26,407.24	1.82
3/17/66	Chas. Pfizer & Co. Inc. Common Stock	500	64-1/2	32,477.25	2.23
3/17/66	Sinclair Oil Corp. Common Stock	400	57-1/4(200) 57 (200)	23,028.86	3.82
3/21/66	Armstrong Cork Co. Common Stock	500	51-1/4(200) 51 (300)	25,770.56	2.67
3/21/66	Caterpillar Tractor Co. Common Stock	500	46-3/8(300) 46-1/8(200)	23,348.19	2.57
3/21/66	Libbey-Owens-Ford Glass Co. Common Stock	400	54-3/4	22,077.92	5.34
3/22/66	American Electric Power Co. Inc. Common Stock	600	39-3/4	24,083.28	3.29
3/22/66	Kroger Co. Common Stock	700	31-7/8(500) 31-3/4(200)	22,531.96	4.04
3/22/66	Chemical Bank New York Trust Co. Capital Stock	200	46-1/4 Net	9,250.00	4.54
3/22/66	Mellon National Bank and Trust Co. (Pittsburgh) Capital Stk.	100	85-1/4 Net	8,525.00	3.28
3/25/66	General Foods Corp. Common Stock	300	74-5/8	22,526.88	2.93
3/25/66	Johns-Manville Corp. Common Stock	500	57	28,723.50	3.83
3/25/66	Westinghouse Electric Corp. Common Stock	400	63-7/8	25,731.56	2.18
3/28/66	R. J. Reynolds Tobacco Co. Common Stock	600	41-1/4	24,987.78	4.80
3/28/66	Wisconsin Electric Power Co. Common Stock	900	29-1/2(700) 29-1/4(200)	26,803.51	3.90
3/29 & 30/66	Central and South West Corp. Common Stock	500	45 (200) 44-3/4(300)	22,632.14	3.31
3/29/66	National Cash Register Co. Common Stock	300	84-3/8	25,454.82	1.41

\*Includes brokerage commissions paid.

\*\*Yield at present indicated dividend rates.



COMMON STOCKS (Continued)

<u>Date of Purchase</u>	<u>Security</u>	<u>No. of Shares Purchased</u>	<u>Market Price at Which Purchased</u>	<u>Total Principal Cost*</u>	<u>Indicated Current Yield on Cost**</u>
3/29/66	Union Pacific Railroad Co. Common Capital Stock	500	41-1/2(400) 41-1/4(100)	\$ 20,923.63	4.30%
3/30 & 31/66	Cincinnati Gas & Electric Co. Common Stock	800	27-1/4(300) 27-1/8(100) 27 (400)	21,947.95	4.01
3/30/66	Standard Oil Co. of California Common Stock	300	73-3/8	22,151.52	3.39
3/30/66	Union Carbide Corp. Capital Stock	400	61-3/4	24,880.72	3.22
3/31/66	Hartford Fire Insurance Co. Capital Stock	100	67-1/4 Net	6,725.00	2.38
3/31/66	National Life & Accident Insurance Co. Capital Stock	300	51-3/4 Net	15,525.00	0.50
	Total Common Stocks Pur- chased (TOTAL CORPORATE SECURITIES PURCHASED)	<u>17,200</u>		<u>\$901,460.30</u>	<u>3.32%</u>

\*Includes brokerage commissions paid.

\*\*Yield at present indicated dividend rates.

PERMANENT UNIVERSITY FUND - LAND MATTERS.--

6. LEASES AND EASEMENTS.--The Land and Investment Committee has given consideration to the following applications for various leases and easements on University Lands. All are at the standard rates, unless otherwise stated, are on the University's standard forms, with grazing leases carrying provisions for renewal for an additional five years at negotiated terms. Payments for easements and material source permits have been received in advance unless otherwise stated. All have been approved as to form by the University Attorney and as to content by the Endowment Officer. Approval of the applications and execution of the instruments involved by the Chairman of the Board is recommended.

EASEMENTS AND SURFACE LEASES

NO.	GRANTEE	TYPE OF PERMIT	COUNTY	LOCATION	DISTANCE OR AREA	PERIOD	CONSIDERATION
2162	The Bauman Company	Surface Lease (road sign site)	El Paso	Block L	300'x40'	4/1/66- 3/31/67	\$ 75.00*
2163	The Bauman Company	Surface Lease (road sign site)	El Paso	Block L	300'x40'	4/1/66- 3/31/67	75.00*
2164	The Bauman Company	Surface Lease (road sign site)	El Paso	Block L	300'x40'	4/1/66- 3/31/67	75.00*
2165	The Bauman Company	Surface Lease (road sign site)	El Paso	Block L	300'x40'	4/1/66- 3/31/67	75.00*
2166	National Advertising Company	Surface Lease (road sign site)	El Paso	Block L	300'x40'	4/1/66- 3/31/67	75.00*
2167	Atlantic Pipe Line Company (renewal of 788)	Pipe Line	Crane	Blks. 30 & 31	3,082 rds. 8-5/8"	5/1/66- 4/30/76	3,082.00
2168	Atlantic Pipe Line Company (renewal of 787)	Pipe Line	Crane	Block 31	569.69 rds. 6-5/8"	5/1/66- 4/30/76	569.69

EASEMENTS AND SURFACE LEASES - Continued.--

NO.	GRANTEE	TYPE OF PERMIT	COUNTY	LOCATION	DISTANCE OR AREA	PERIOD	CONSIDERATION
2169	Humble Pipe Line Company (renewal of 906)	Pipe Line	Crane	Block 30	122.8 rds. 4-1/2"	12/1/65-11/30/75	\$ 61.40
2170	Humble Pipe Line Company (renewal of 811)	Pipe Line	Crane	Block 30	1,900.36 rds. 4-1/2"	1/1/66-12/31/75	950.18
2171	Humble Pipe Line Company (renewal of 803)	Pipe Line	Andrews	Block 9	154.24 rds. 4-1/2"	1/1/66-12/31/75	77.12
2172	Humble Pipe Line Company (renewal of 797)	Pipe Line	Andrews	Block 9	62.42 rds. 3-1/2"	1/1/66-12/31/75	50.00 Min
2173	Humble Pipe Line Company (renewal of 909)	Pipe Line	Andrews	Blks. 9 & 10	218.48 rds. 4-1/2"	1/1/66-12/31/75	109.24
2174	Humble Pipe Line Company (renewal of 804)	Pipe Line	Andrews	Block 9	158.42 rds. 3-1/2"	1/1/66-12/31/75	79.21
2175	Love Well Service	Business Site (well service yard)	Reagan	Block 11	100'x200'	1/1/66-12/31/66	100.00*
2176	Clayton C. Tatom and Leroy F. Spinks	Pipe Line	Ward	Block 16	328 rds. 3" 328 rds. 1"	5/1/66-4/30/76	328.00
2177	Humble Pipe Line Company (renewal of 815)	Pipe Line	Andrews	Blks. 9 & 10	557.0 rds. 3-1/2" and 4-1/2"	1/1/66-12/31/75	278.50
2178	El Paso Natural Gas Company (renewal of 821)	Pipe Line	Andrews	Blks. 1 & 9	8,945.27 rds. various sized lines	5/1/66-4/30/76	11,075.24
2179	Humble Pipe Line Company (renewal of 818)	Pipe Line	Andrews	Block 9	94.55 rds. 4-1/2"	1/1/66-12/31/75	50.00 Min.

B of R - 10

EASEMENTS AND SURFACE LEASES - Continued.--

NO.	GRANTEE	TYPE OF PERMIT	COUNTY	LOCATION	DISTANCE OR AREA	PERIOD	CONSIDERATION
2180	Humble Pipe Line Company (renewal of 798)	Pipe Line	Andrews	Block 9	9.33 rds. 4-1/2"	1/1/66-12/31/75	\$ 50.00 Min.
2181	Humble Oil & Refining Company	Surface Lease (disposal or injection well)	Ward	Block 16	5 acres	3/15/66-3/14/76	500.00

\*Renewable from year to year, not to exceed a total of 10 years. Consideration shown is for first year.

7. MATERIAL SOURCE PERMITS

NO.	GRANTEE	COUNTY	LOCATION	QUANTITY	CONSIDERATION
297	George R. Bentley Construction Co.	Andrews	Block 13	954 cubic yards	\$ 238.50

TRUST AND SPECIAL FUNDS -- INVESTMENT MATTERS.--

8. REPORT OF PURCHASES AND SALES OF SECURITIES.--The following purchases of securities from March 22, 1966 through April 1, 1966, and sales of securities on March 29, 1966, have been made for the Trust and Special Funds. We ask that the Board ratify and approve these transactions:

PURCHASES OF SECURITIES

Date of Purchase	Security	Principal Cost
3/22/66	\$50,000 par value Pacific Gas and Electric Co. 5-3/8% First & Refunding Mortgage Bonds, Series MM, dated 12/1/65, due 6/1/98, purchased @ 102.0 Net to yield 5.25% to maturity	\$ 51,000.00
	\$50,000 par value Long Island Lighting Co. 5-1/4% First Mortgage Bonds, dated 3/1/66, due 3/1/96, purchased @ 101-1/2 Net to yield 5.15% to maturity	50,750.00
	\$50,000 par value Monongahela Power Co. 5-1/2% First Mortgage Bonds, dated 3/1/66, due 3/1/96, purchased @ 101-1/8 Net to yield 5.42% to maturity	50,562.50
	\$50,000 par value Commonwealth Edison Co. 5-1/4% First Mortgage Bonds, dated 4/1/66, due 4/1/96, purchased @ 101.519 Net to yield 5.15% to maturity (Funds Grouped for Investment)	50,759.50
3/24/66	200 shares Eastman Kodak Company Common Stock, 100 purchased @ 118-5/8 and 100 @ 118-3/8	23,801.70
	200 shares Procter & Gamble Company Common Stock, purchased @ 66-3/8 (Hogg Foundation: W. C. Hogg Estate Fund)	13,366.28
	300 shares Ohio Edison Company Common Stock, purchased @ 27-3/4 (Archer M. Huntington Museum Fund)	8,423.64
	400 shares Ohio Edison Company Common Stock, 200 purchased @ 27-3/4 and 200 @ 27-5/8 (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)(Medical Branch)	11,206.38
3/29/66	\$10,000 maturity value U. S. Treasury Bills, due 9/1/66, purchased on 4.60% yield basis at price of 98.045 Net plus wire transfer fee of \$1.25 (Chancellor's Council - Unrestricted Account)	9,805.75
	\$10,000 maturity value, ditto (Murray Case Sells Foundation Student Loan Fund)	9,805.75
	\$4,000 maturity value, ditto (Wire transfer fee \$0.50) (Mrs. Leland C. Barbee Memorial Fund)(M. D. Anderson Hospital and Tumor Institute)	3,922.30

PURCHASES OF SECURITIES  
(Continued)

Date of Purchase	Security	Principal Cost
3/29/66	\$38,000 par value U. S. 3-3/4% Treasury Bonds, due 8/15/68, purchased @ 97.375 Net to yield 4.94% to maturity (James E. Anderson Chair of Nuclear Medicine)(M. D. Anderson Hospital and Tumor Institute).	\$ 37,179.64
	\$14,000 par value U. S. 4-1/8% Treasury Bonds, due 2/15/74, purchased @ 94.875 Net to yield 4.94% to maturity (Student Property Deposit Scholarship Fund)	13,354.29
	\$108,000 maturity value U. S. Treasury Bills, due 2/28/67, purchased on 4.66% yield basis at price of 95.6895 Net plus wire transfer fee of \$3.00 (Interscholastic League Funds - Football Account)(Agency Account)	103,347.66
3/30/66	\$46,000 par value American Telephone & Telegraph Company 5-1/8% Debentures, dated 4/1/66, due 4/1/2001, purchased @ 100.25 Net to yield 5.11% to maturity (Funds Grouped for Investment)	46,115.00

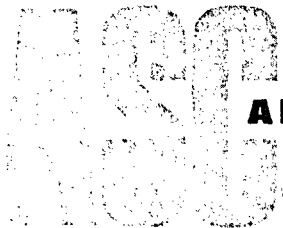
SALES OF SECURITIES

Date Sold	Security	Principal Proceeds
3/29/66	40 Shares Tyler Pipe & Foundry Company Common Stock, sold @ 13-1/2 (College of Business Administration Foundation - Various Donors)	\$ 529.56
	23 Shares Standard Oil Company (New Jersey) Capital Stock, sold @ 73-7/8 (Loss on sale over book value \$391.82) (College of Arts & Sciences Foundation - Richard J. Gonzalez Fellowship in Economics)	1,676.18
	12 Shares International Paper Company Common Stock, sold @ 30-1/8 (College of Business Administration Foundation - J. Anderson Fitzgerald Special Scholarship Fund)	352.78

9. ARLINGTON STATE COLLEGE: APPROPRIATION FOR LAND ACQUISITION. -- Below is a xerox copy of Chancellor Ransom's recommendation:

Chancellor Ransom concurs in the recommendation of President Woolf that \$50,000 be appropriated from Unappropriated Income at Arlington State College to apply toward the purchase of lands presently authorized to be purchased in Arlington for expansion of the campus.

President Woolf's letter of March 28 is reproduced below as background information.



**ARLINGTON STATE COLLEGE** of the University of Texas  
ARLINGTON, TEXAS 76010

Office of the President

March 28, 1966

*Push to govt inst. for emergency item?*

CHANCELLOR'S OFFICE U. OF T.	
Acknowledged.....	File.....
REC'D MAR 29 1966	
TO.....FOR INFO AND RETURN	
TO.....PLEASE ADVISE ME	
TO <i>GWL</i> .....PLEASE HANDLE	

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

Subject: Additional Funds to Complete Land Purchase

Dear Dr. Ransom:

The amount of funds available for land purchase is insufficient to complete the acquisition of properties which the Board has authorized for purchase. The primary reason for this is the increase in the expected price for two pieces of property which are now in a commercial area. So that we may proceed to complete this program, an additional appropriation of funds is requested. The statement below\* shows an unencumbered balance of about \$14,762.02 and an estimate of needs of about \$43,273. In order to provide funds for expenses, possible changes in land values, and possible court costs and awards at higher figures, it is recommended that \$50,000 be appropriated for land purchase. It should be emphasized that this is not a request for authority to purchase any additional properties, but merely to fund the purchase of the remainder of properties which are already authorized. It is requested that this item be considered for the Regents' Agenda on April 22, 1966.

Therefore, it is respectfully recommended that \$50,000 be appropriated from unappropriated income at the Arlington State College for the purchase of land, said appropriation to apply toward the purchase of lands already authorized to be purchased at Arlington.

Respectfully submitted,

*J. R. Woolf*  
J. R. Woolf  
President

JRW:md

\*See Following Page.

Status of Land Monies

Account 69-101 East Farm	\$ 5,640.80
Account 69-290 Bond Money	<u>23,312.22</u>
Total for Land Purchase	\$ 28,952.02

Thomas compromise proposal	9,500.00
Contract signed - John P. Summers	3,465.00
Offer - R. J. Kennedy	<u>1,225.00</u>
	\$ 14,190.00

Balance	\$14,762.02
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A contingency liability exists on four lots which belonged to Paul Carter Jr. These lots were condemned and an award made by Commissioners, which was deposited to the court and drawn down by Mr. Carter. However, Mr. Carter filed objections to the award and may or may not carry it on to court. This action was taken in June 1964.

Other property we are authorized to purchase:

Lots 8 and 9, Block 4 E. R. Wallace Addition Don V. Shuhart	\$ 2,450.00
Lot 7, Block 4 E. R. Wallace Addition Robert J. Cox	1,225.00
.78 acres out of J. Huitt Survey, Abst. 703(1109 S. Cooper)	20,890.25
73' x 155' out of J. Huitt Survey, Abst. 703 (1111 S. Cooper)	<u>18,707.41</u>
Estimated Cost	\$ 43,272.66



10. SOUTH TEXAS MEDICAL SCHOOL: ACCEPTANCE OF GIFT AND ESTABLISHMENT OF THE FREEMAN-HEART ASSOCIATION PROFESSORSHIP IN CARDIOVASCULAR DISEASE.-- Below is a xerox copy of Chancellor Ransom's recommendation:

The San Antonio Heart Association has offered a gift to establish "The Freeman - Heart Association Professorship in Cardiovascular Disease at The University of Texas South Texas Medical School, and the gift is to be derived from the Clarence Freeman Estate and is in memory of his mother, Mrs. Emma Freeman.

The San Antonio Heart Association has forwarded a \$5,000 payment and advises that the remainder of the \$150,000 gift will be paid to the University by July 15, 1966.

Chancellor Ransom recommends that the endowed professorship be approved by the Board of Regents and the gift accepted, with the payments received subsequent to the initial \$5,000 to be reported in the South Texas Medical School docket.

A xerox copy of the proposal received from the San Antonio Heart Association is included for your information.



# San Antonio Heart Association

Serving Bexar County

Affiliated with the Texas and American Heart Associations

*To Auditor*

104 HEDRICK BUILDING • 603 N. ST. MARYS • SAN ANTONIO, TEXAS 78205 • CApitol 2-8272 CApitol 2-1111

March 11, 1966

*ack +  
process  
of WDB  
M*  
*Copy to  
Dean Parnick  
+ H-1*

Chancellor Harry Ransom  
The University of Texas  
Austin, Texas 78712

*57-9640-0650*


Dear Chancellor Ransom:

It is the wish of the San Antonio Heart Association to establish at the University of Texas South Texas Medical School an endowed professorship to be known as "The Freeman-Heart Association Professorship in Cardiovascular Disease." This endowed gift has been derived from the Clarence Freeman Estate and is in memory of his mother--Mrs. Emma Freeman.

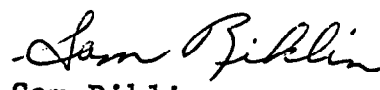
It is our intention to endow this position with a sum of \$150,000, with this sum to be paid as follows: \$5,000 herewith and \$30,000 April 1, with the remainder of the initial endowment to be paid by July 15, 1966.

It is our wish that the income derived from this endowment be used to support teaching and research in cardiovascular disease at South Texas Medical School. We prefer that a minimum of one-fourth of this income be used in support of research activity and that all productivity of this research be appropriately identified as having been supported by the "Freeman-Heart Association Professorship in Cardiovascular Disease."

We understand that this gift is made and will be accepted under current policies and regulations governing endowed academic positions at the University of Texas and it is our hope that this gift will stimulate the establishment of additional endowed academic positions at South Texas Medical School.

  
Dick O. Creamer, M.D.  
President

Sincerely yours,

  
Sam Riklin  
Chairman of Board 5948

CC. Dr. F.C. Pannill  
DEDICATED TO SAVING LIVES THROUGH RESEARCH, EDUCATION AND COMMUNITY SERVICE

Mr. W. D. Blunk

OFFICERS

DICK O. CREAMER, M.D., PRESIDENT  
MAJ. GEN. GEORGE POWELL, PRES.-ELECT  
GEORGE W. THOMSON, M.D., VICE-PRESIDENT

SAM RIKLIN, CHAIRMAN OF BOARD  
HALL CLARK, VICE-CHAIRMAN OF BOARD  
GEORGE M. WILLIAMS, TREASURER

CARL F. SHAFFER, M.D., SECRETARY  
W. W. JACKSON, CONSULTANT  
MRS. JOHNNIE LIECK, EXECUTIVE SECRETARY

*A United Fund Agency*

H. REPORT OF COMMITTEE OF THE WHOLE BY CHAIRMAN HEATH

I. ADJOURNMENT

AGENDA

MEETING OF THE BOARD

G.	SPECIAL ITEMS ( Continued)	<u>Page B of R</u>
11.	Central Administration: Mechanical Engineer for Office of Facilities Planning and Construction	19
12.	Arlington State College: Recommendation to sell Student Fee Revenue Bonds, Series 1966 (Skiles Act) \$1,100,000	19
13.	Report of Interim Actions of Executive Committee	25

14. Modification

11. OFFICE OF FACILITIES PLANNING AND CONSTRUCTION: AUTHORIZATION TO EMPLOY MECHANICAL ENGINEER.--At the October 8, 1965 meeting of the Board of Regents, the Director of the Office of Facilities Planning and Construction was authorized to negotiate for a Mechanical Engineer, with the understanding that his salary would be presented to the Board or the Executive Committee for approval. Advertisements were placed in newspapers and publications over the State, and many inquiries of Engineering and Architectural firms have been made over the past several months in an attempt to locate a qualified, experienced Mechanical Engineer.

After interviewing a number of applicants, it is the recommendation of E. D. Walker, concurred in by Chancellor Ransom, that the appointment of Atwell C. Lagow be approved as Mechanical Engineer in the Office of Facilities Planning and Construction at a salary of \$14,000.00 per year. Mr. Lagow is a Licensed Mechanical Engineer in the State of Texas with over twenty years experience in his field.

12. \$1,100,000 ARLINGTON STATE COLLEGE STUDENT FEE REVENUE BONDS, SERIES 1966 (SKILES ACT) - RECOMMENDATION FOR AGREEMENT TO SELL THE BONDS THROUGH RUSS & COMPANY.--At its April 2 meeting, the Board of Regents authorized the staff to make inquiries concerning the negotiated sale of subject bond issue to come within the limit of 4% interest set by the statute (Skiles Act). Inquiries were then made through The Fort Worth National Bank as to possibilities of placing this issue with Arlington, Dallas and Fort Worth Banks. This was pursued, with some hopes, by The Fort Worth National Bank, but they have now reported that the deal could not be arranged.

A proposal has been received from Russ & Company (see copies of their letter of April 11 and enclosures attached as supplemental material) for direct placement of the entire issue at a coupon rate of 4% on all of the bonds plus a premium of \$100 payable to the Board of Regents. Russ & Company proposes to assist in the issuance of the bonds, negotiation of call provisions, preparation of material to be furnished to the purchaser, except for resolutions and other legal instruments, and related services and to pay all of the costs of the issue, including printing, except for fee and expenses of bond counsel. The fee of Russ & Company, payable by the Board of Regents from bond proceeds, would be \$11,000.

This is a firm proposal on the part of Russ & Company and the prospective purchaser subject to acceptance by the Board of Regents by April 23, 1966, but the agreement will allow delivery of the bonds as late as July 31, 1966, (a change in the form of agreement submitted by Russ & Company) and will further provide that there is no obligation on the part of the Board of Regents to go through with the sale if plans for construction, construction bids, availability of Federal Funds to be used for part of the cost of the Mathematics-Language Building, and related matters have not been determined to the satisfaction of the Board of Regents in time for delivery of the bonds by July 31.

Based on available information as to the present municipal bond market, prospects for the market, and the advisability of having construction contracts awarded as soon as possible, President Woolf and Central Administration recommend that the Board of Regents accept the proposal submitted by Russ & Company and authorize the Chairman to execute an appropriate agreement with Russ & Company when approved by the University Attorney, the Vice Chancellor (Fiscal Affairs) and the Endowment Officer.

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The attachments and enclosures referred to above are on the following pages.

**RUSS & COMPANY**  
INCORPORATED  
ALAMO NATIONAL BUILDING  
SAN ANTONIO, TEXAS - 78205

S. E. MAGLIN  
VICE PRESIDENT

MEMBERS  
NEW YORK STOCK EXCHANGE  
AMERICAN STOCK EXCHANGE (ASSOC.)

April 11, 1966

Mr. William W. Stewart  
Endowment Officer  
University of Texas System  
Main Building 205  
Austin, Texas

ENDOWMENT OFFICE, U OF T	
Approved.....	
Answered.....	File.....
REC'D APR 12 1966	
Refer to.....	
Please Answer.....	
Read and Return.....	

Dear Mr. Stewart:

Following our telephone conversation today I am enclosing herewith two copies of our proposal to act as your fiscal agent in the issuance and sale of the proposed \$1, 100, 000 Arlington State College Student Fee Revenue Bonds. I have rushed to get this proposal to you today, and if you desire any changes or corrections to be made, I will be glad to cooperate.

When you called me approximately one month ago concerning this issue, I felt at that time an effective interest rate of approximately 4.40% would have been required for the marketing of the issue. However, as you know, in the brief period of time since then, there has been a substantial improvement in the bond market. This improvement, together with unusual requirements of a particular buyer, has permitted us to negotiate the direct placement of the subject issue at a 4% effective interest rate. In my contract I state that a premium of \$100 will be paid and this will come from a rebate of our proposed fee in order to permit you to break a 4% basis.

There has been only one comparative issue sold within the past week, and this was a financing of Southern Illinois University in the amount of \$6,900,000, which was sold on April 7, 1966, at a net interest cost of 4.1855%. It is interesting to note that the second bid was 4.25%. Based upon this sale and comparative secondary market offerings now being shown, I consider the placement which we have negotiated to constitute the very top price obtainable for your bonds. As a matter of fact, in my opinion the placement is a minimum of .05 to .10 basis points better than could be obtained in any normal market for college revenue bonds. My opinion is based upon preliminary discussions of this issue with other college buyers and the fact that there are comparative offerings in the secondary market available at from .05 to .25 basis points higher yields on an average basis.

Mr. William W. Stewart

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April 11, 1966

I understand that in the past the University of Texas has only infrequently handled the sale of their revenue bond issues by the direct placement method with ultimate investing institutions. As you know, we have handled in excess of \$20,000,000 of such direct placements in the past two years for other state colleges and universities in this state. In each of these instances where we have negotiated the direct placements it has been our feeling and that of our clients that this was the most advantageous method of marketing the bonds under the special circumstances which existed at the time. In this instance we feel the special market circumstances require a negotiated direct placement.

It is our understanding that you and Dr. Dolley will present this placement to your Board at their meeting this month. Upon approval by your Board, then the bond resolution could be passed at your May meeting, and delivery of the bonds could be made in June. This time schedule is satisfactory to us and the proposed purchaser.

I am sure you understand that if you do not accept our proposal, that you owe us nothing for our efforts to this point. I have enjoyed working on this and await further advices from you or Dr. Dolley. In the meantime, if you desire anything else on this matter, please advise me.

Very sincerely yours,



S. E. Maclin

SEM:en

April 11, 1966

Mr. William W. Stewart, Endowment Officer  
The University of Texas System  
Austin, Texas

Dear Mr. Stewart:

1. We have previously discussed with you the proposed issuance and sale of \$1,100,000 Arlington State College Student Fee Revenue Bonds, to be issued on a parity with \$325,000 Arlington State College Student Revenue Bonds, Series 1965. Since we were employed as financial advisors on the aforementioned \$325,000 bond issue, we are, in general, familiar with the security to be offered on the proposed \$1,100,000 parity bonds issue. It is in connection with the issuance and sale of the proposed \$1,100,000 Arlington State College Student Fee Revenue Bonds, that we offer our services and our facilities as fiscal agents and agree to perform the following duties normally performed by such agents, and to perform such other duties as in our judgment may be necessary or advisable:

- (a) To assist you, if you desire, in the development of a definitive and final plan for the issuance of the \$1,100,000 bonds. In this connection we understand that you have already been working on such a plan and have determined that the \$1,100,000 bonds can be legally issued as additional parity bonds to the previous \$325,000 Arlington State College Student Fee Revenue Bonds, Series 1965; and that said bonds will be payable from a pledge of "Skiles Act" student fees. Further, it is our understanding that you propose to mature the \$1,100,000 issue serially from two to approximately twenty-seven or twenty-eight years from the date of the issue. We have not previously discussed proposed call provisions to be included in the new issue. However, we agree to negotiate in your behalf the most favorable call provision obtainable. Such call provision in no event would exceed a premium of 1 percent for the privilege of calling bonds in advance of maturity no longer than 15 years from the date of the issue.
- (b) Based upon our understanding we have negotiated the direct placement of your proposed \$1,100,000 issue at par and accrued interest to delivery date, plus a premium of \$100. Our negotiated direct placement is with the understanding that the bonds will bear interest at the rate of 4 percent from their date to final maturity. As your agents, and upon your acceptance of this proposal, we will notify you of the purchasers of the subject \$1,100,000

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bonds and will make full disclosure of any details that you desire in this connection.

- (c) To prepare all the necessary showings which will be required by the purchasers of the bonds.
- (d) To prepare the necessary material and make a presentation of same in New York to Standard & Poor's Investors Service for the purpose of obtaining a favorable rating on these \$1,100,000 bonds.
- (e) To arrange and pay for the expenses of delivering the \$1,100,000 bonds to the purchasers. In this connection it is our understanding that the bonds will be ready for delivery sometime during the month of June, 1966.
- (f) To prepare any showings which you desire for us to furnish your attorneys to aid in the preparation of the required bond resolution and other proceedings. Parenthetically, we understand that you will employ Messrs. McCall, Parkhurst & Horton to assist you in the steps necessary to be taken in the legal issuance and final delivery of the \$1,100,000 bonds. It is our further understanding that you will pay the fees of such attorneys for legal services which shall include the preparation of all proceedings and the rendition of an unqualified approving opinion as to the legality of the \$1,100,000 bonds.
- (g) To attend to and pay for the printing of the bonds.
- (h) To pay the necessary expenses in obtaining the approving opinion of the Attorney General of the State of Texas and the registration of the bonds by the Comptroller of Public Accounts.
- (i) To prepare and furnish you at our expense a bond register covering this bond issue.

2. We agree to assist you in the co-ordination and accomplishment of the entire program of financing herein contemplated and to assume and pay the expenses enumerated.

3. As consideration for the services rendered by us and for expenses which we have incurred and will incur in this cause it is understood and agreed that you are to pay and that we are to accept a cash fee in the amount of \$10 per \$1,000 par value of the subject \$1,100,000 bonds. Such fee shall become due and payable simultaneously with the delivery of these bonds.

4. This proposal is submitted in duplicate originals. When accepted by you, it will constitute the entire agreement between your University and the undersigned for the purpose and considerations herein specified. Such agreement shall become



terminated by the delivery of the bonds contemplated herein. Your acceptance will be indicated by your signature on both copies and returning one executed copy to us.

Respectfully submitted,

RUSS & COMPANY, INC., San Antonio, Texas

EMERSON & COMPANY, INC., San Antonio, Texas

By

*S. E. Maclin*

S. E. Maclin

ACCEPTANCE

ACCEPTED pursuant to the authorization granted me by the Board of Regents of The University of Texas System on this the \_\_\_\_\_ day of \_\_\_\_\_, 1966.

\_\_\_\_\_  
Endowment Officer  
The University of Texas System

Below is a report of the items that have been submitted to and unanimously approved by the Executive Committee. If these are found in order and are adopted by the Board, the following will appear in the minutes of the April 22-23 meeting:

REPORT OF INTERIM ACTIONS OF THE EXECUTIVE COMMITTEE.--  
Since the last report of the Executive Committee on April 1, 1966, the Committee has unanimously approved the following items and they are submitted for the Board's ratification:

a. Permission to Travel: Main University and Medical Branch:

- (1) Main University: Permission to Leonard Broom for Travel (2T-5).--Permission was granted to Leonard Broom, Ashbel Smith Professor of Sociology, to go to Evian, France; Canberra, Australia; Tokyo, Japan from September 1 to October 8, 1966 to attend and deliver a paper at the Sixth World Congress of Sociology at Evian; to confer with research associates at the Australian National University and the Tokyo Kyoiku University. Mr. Broom's expenses to be reimbursed are \$1,500 for transportation and \$470 per diem (38 days) with the source of funds to come from the NSF Regular Graduate Fellowship Program.
- (2) Medical Branch: Permission to A. E. Rodin, M. D. for Travel (4T-5).--Permission was granted to A. E. Rodin, M. D., Associate Professor of Pathology, to go to Chicago, Illinois from June 19 to July 30, 1966 to attend the "Educational Science for Medical Teachers". Doctor Rodin is to be reimbursed for expenses in the amount of \$1,000 covering a period of 42 days. This amount includes transportation, and the source of funds is Pathology Current Restricted Account No. 9-19311-644643-70.
- (3) Medical Branch: Permission to Melvyn H. Schreiber, M. D. for Travel (4T-6).--Permission was granted to Melvyn H. Schreiber, M. D., Associate Professor of Radiology, to go to Sweden, England, Denmark, Holland, France and Italy from May 29 to July 20, 1966 to visit centers of educational, medical and general learning where arrangements have been made to visit distinguished radiologists in their university departments, and to discuss mutual interests in research, teaching and practice. Doctor Schreiber's expense to be reimbursed is \$5,500 for a period of 40 to 50 days with the cost of transportation for self and family included. The source of funds for the trip will come from the John and Mary R. Markle Scholarship, Account No. 8-19927-685440-70.

- b. Amendments, 1965-66 Budgets (Main University, Medical Branch and Southwestern Medical School).--The following amendments to the 1965-66 Budgets were approved for ratification as set out on the following pages.

MAIN UNIVERSITY

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
80.	International Office Transfer of Funds	From: Unappropriated Balance	To: International Office - Maintenance and Equipment (\$2,810) Wages (\$2,800)	
	Amount of Transfer	\$ 5,610	\$ 5,610	---
81.	Special Items Transfer of Funds	From: Unappropriated Balance	To: Property Insurance	
	Amount of Transfer	\$ 3,637	\$ 3,637	---
82.	Fine Arts Foundation - Art Transfer into Travel (Current Restricted Funds)	From: Fine Arts Foundation Unallotted Account	To: Fine Arts Foundation - Art - Touring and Travel Account	
	Amount of Transfer	\$ 178	\$ 178	---

MEDICAL BRANCH

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
10.	Physical Plant and Nuclear Medicine Service Transfer of Funds	From: Unappropriated Balance	To: Physical Plant Remodeling Pro- jects - (\$12,300) Nuclear Medicine Service - Equipment - (\$6,350)	
	Amount of Transfer:	\$18,650	\$18,650	---
11.	Medical Branch Fire Loss Transfer of Funds	From: Available University Fund via Reserve for Fire Losses under the \$100,000 Deductible Clause	To: Medical Branch Fire Loss Account (Animal Quarters Building)	
	Amount of Transfer:	\$24,130	\$24,130	---

SOUTHWESTERN MEDICAL SCHOOL

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
19.	Graham B. Shaw Internal Medicine	Instructor	Instructor	
	Salary Rate	\$ 8,160	\$12,000	7/1/66
	Source of Funds: Parkland Memorial Hospital Service			
20.	Paul C. MacDonald Obstetrics and Gynecology	Associate Professor	Associate Professor	
	Salary Rate	\$22,500	\$23,625	5/1/66
	Source of Funds: U.S.P.H.S. Career Development Award			
21.	John D. Nelson Pediatrics	Associate Professor	Associate Professor	
	Salary Rate	\$15,000	\$16,000	4/1/66
	Source of Funds: U.S.P.H.S. Career Development Award			
22.	William T. Skinner Psychiatry	Fellow	Fellow	
	Salary Rate	\$ 5,000	\$12,000	3/1/66
	Source of Funds: U.S.P.H.S. Grant			
23.	Scientific Computer Center			
	Transfer of Funds	From: Unappropriated Balance	To: Scientific Computer Center	
			Classified Personnel	
			Salaries -	\$12,350
			Equipment Rental -	21,420
			Maintenance and Operation -	2,800
			Equipment -	1,000
			Travel -	1,000
	Amount of Transfer	\$38,570	Total	<u>\$38,570</u>

c. Waiver to Regents' Rules for Professor Henry Otto and Captain H. D. Krick, both of Main University, and Ossip Bezpatka and Doctor James D. O'Farrell, both of the Dental Branch, to Continue Employment (23-M-65). --

Under the Regents' Rules and Regulations the individuals listed below have reached retirement age. However, the Executive Committee has approved their employment as follows for the fiscal year 1966-67:

- (1) Professor Henry Otto to continue as Director of the Bureau of Laboratory Schools at the Main University.
- (2) Captain H. D. Krick, USN (Ret.) to continue on a full-time basis as Assistant Director of the Defense Research Laboratory at the Main University.
- (3) Ossip Bezpatka to continue as a carpenter in the Physical Plant at the Dental Branch.
- (4) And Doctor James D. O'Farrell to continue employment as Professor, Practice Relations and Management 1/20 time and 9/20 time under U. S. P. H. S. Dental Student Training Grant No. 5 T2 DH 5034-06 and 07 at the Dental Branch

d. Texas Student Publications, Inc.: Minutes and Specific Actions (24-M-65). -- The Executive Committee approved the minutes of the Board of Directors of Texas Student Publications, Inc. meeting held on February 28, 1966 and by virtue of this action approved the following:

- (1) The appointment of Jerry Greenberg as Art Director of The Texas Ranger Magazine for the March and April issues. He will be paid \$50.00 per issue with a total wage of \$100.00 for the remainder of the semester.

All of these appointees are scholastically eligible to serve.

- (2) The appointment of the following student staff members of the Daily Texan:

Salary Positions

<u>Name</u>	<u>Position</u>	<u>Salary Per Month</u>	<u>Salary Per Semester</u>
Shelia Stewart	Asst. Amusements Editor	\$20.00	\$80.00

Wage Positions

Paula Kaye Bullard	Copy Editor )	Two for each issue of <u>Texan</u> at \$4.00 each
Renee Madeleine Fendrich	Copy Editor )	
	Copy Editor )	

- e. Medical Branch: Acquisition of Lot 3, Block 550 (25-M-65) and S. 47' of Lot 7, Block 550 (26-M-65).--In compliance with the policies and procedures for the acquisition of properties previously approved by the Board of Regents the following contracts of sale were approved as set out below for the full Board's consideration with authority (1) for vouchers and checks to be issued and said checks delivered in exchange for warranty deeds and evidences of good titles to the properties, (2) for funds to pay for these properties from funds previously received from The Sealy and Smith Foundation and/or the appropriations previously made by the Board of Regents for acquisition of this property, and (3) for Mr. Warren G. Harding to sign the contracts on behalf of the Board of Regents:

<u>Block</u>	<u>Lot</u>	<u>Seller</u>	<u>Purchase Price</u>
550	3	Mary Breen Rankin, a widow, Arthur L. Rankin, and Clifford G. Rankin	\$ 14,165.00
550	S. 47' of Lot 7	Mason E. Hempel	<u>7,339.00</u>
TOTAL			\$ 21,504.00

The contract of sale for Lot 3, Block 550 is subject to lease to present owner from date of closing until August 31, 1966 for \$50.00; however, this lease applies to a dwelling situated on the west half of the above mentioned lot only, known as 1019 Avenue C. Sale is to be consummated on or before April 15, 1966.

With reference to the contract of sale for the S. 47' of Lot 7, Block 550 the sale is to be consummated on or before April 25, 1966.