

The Material Supporting the Agenda includes all documentation sent to the Regents ten days prior to the meeting. Items approved for consideration after that time are not customarily included in this volume as it would be impossible to keep an accurate record. Sometimes the Secretary does not get copy of the material until weeks later.

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1956-57

<u>Meetings Nos.</u>	<u>Dates</u>
556	September 21-22, 1956
557	November 2-3, 1956
558	November 28, 1956
559	January 11-12, 1957
560	February 9, 1957
561	March 15-16, 1957
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563	June 28-29, 1957

There was a document for each meeting held this year.

Material Supporting Agenda

June 28-29, 1957

THE BOARD OF REGENTS
of
THE UNIVERSITY OF TEXAS

Name:

Office Copy

CALENDAR

MEETING OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS
AUSTIN, TEXAS
June 28 and 29, 1957
President's Office, Main Building 101
Telephone: GREENWOOD 6-8371

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<u>Thursday, June 27</u>		
1:30 p. m.	- Meeting of Council on Medical Affairs (Regents' Room, Main Building 209)	
<u>Friday, June 28</u>		
10:00 a. m. to 2:00 p. m.	- Meeting of the Committee of the Whole (Consideration of 1957-58 Budget)*	9
12:00 m.	- Lunch*	
2:00 p. m.	- Meeting of the Buildings and Grounds Committee - Regents Lockwood, (Mrs.) Devall, Johnson, and Hardie (Main Building 104)	3
	Meeting of the Medical Affairs Committee - Regents Minter, Sorrell, Bryan, and Thompson**	9
3:00 p. m.	- Meeting of the Land and Investment Committee - Regents Sorrell, Johnson, Bryan, and Thompson (Main Building 205)	4
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*President's Office, Main Building 101

**President's Office, Conference Room, Main Building 101M

Saturday, June 29

- 9:00 a. m. - Meeting of the Committee of the Whole with Administrative Heads of Units Individually*
- 10:00 a. m. - Meeting of the Committee of the Whole for items concerning component units out of Austin* - (If none, meeting of the Board)
- 11:00 a. m. - Meeting of the Board*

*President's Office, Main Building 101

AGENDA

BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS
President's Office, Main Building 101
Austin, Texas
June 28 and 29, 1957

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- b. Approval of Appropriation and Selection of Architects for Remodeling of Library Building
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AGENDA

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BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS
COMMITTEE OF THE WHOLE

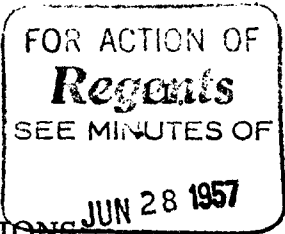
President's Office
Austin, Texas
June 28 and 29, 1957

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I. REPORTS OF STANDING COMMITTEES

A. REPORT OF EXECUTIVE COMMITTEE, INTERIM ACTIONS. TUITION SCHOLARSHIPS (H. B. 265, 55th LEGISLATURE), MAIN UNIVERSITY. --In order that the Scholarship Bulletin, Main University, include information on the award of tuition scholarships as authorized by H. B. 265, 55th Legislature, President Wilson presented to the Executive Committee by mail June 7, 1957, the following:

(1) Proposal for Handling the Award of the Tuition Scholarships

The Tuition Scholarship awards will be made by the Committee on Loans and Scholarship Information. The scholarship applications will be screened by the Chairman of this Committee.

The Committee will prescribe the procedure for making the awards, set policies and pass on doubtful, controversial or contested cases. Routine awards will be handled by the Chairman.

(2) Proposed Statement for the Scholarship Bulletin

Origin: Legislative action.

Amount: \$50.00 per Long Session.

Eligibility: Resident of Texas, character, satisfactory academic record, but primarily on need.

Apply to: Chairman, Committee on Loans and Scholarship Information.

General Statement: These scholarships may be awarded for each semester of the Long Session. The scholarship entitles a student to \$25.00 per semester or \$50.00 per Long Session credit on his tuition.

The Executive Committee by individual vote by mail approved President Wilson's recommendation.

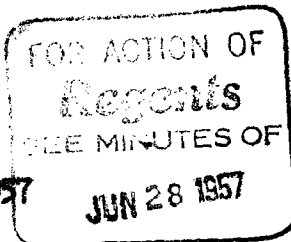
B. ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE

No items to be considered at regular meeting.

C. BUILDINGS AND GROUNDS COMMITTEE

Documentation on following page.

THE UNIVERSITY OF TEXAS
OFFICE OF THE PRESIDENT
AUSTIN 12



June 7, 1957

Memorandum

To: Mr. J. Lee Johnson, III, Chairman
Mr. Leroy Jeffers
Mr. Lee Lockwood
Dr. Marton M. Minter
Mr. J. R. Scirell

Attached is a set of materials which we wish to use to implement legislative action in awarding tuition scholarships. As you will note from Dean McCown's covering letter, this whole matter has been given very careful study by various persons here at the Main University. Dr. Boner and I are recommending the proposed action for your approval. Please check in the appropriate space on this letter and return it to me at your earliest convenience.

Our reason for requesting Executive Committee action, instead of waiting for a full consideration by the Board at its next meeting, is that we must go to press with our catalogues.

Logan Wilson

APPROVED: _____

DISAPPROVED: _____

LW k
Encl.

cc: Miss Betty Anne Theford



May 30, 1957

Vice-President C. P. Boner
The University of Texas

Recommended
CPB

Dear Dr. Boner:

Reference is made to House Bill 265 in which the Legislature increased the tuition in State-controlled institutions and authorized the award of tuition scholarships. This latter subject has been discussed and studied by the Committee on Loans and Scholarships and reviewed by Mr. Blunk, the former Chairman of this Committee, Mr. Kenney, the present Chairman, and myself. I have also discussed in detail the procedure for handling the award of the scholarships with Mr. Byron Shipp, Registrar and Director of Admissions, Mr. Grady Starnes, Auditor, Mr. Lewis Lindahl, Assistant Auditor, and Mr. T'Odon Leshikar, Bursar.

The following administrative organization and procedures are recommended for handling the award of the tuition scholarships.

Procedure for Awarding Tuition Scholarships:

The Tuition Scholarship awards will be made by the Committee on Loans and Scholarship Information, Mr. R. C. Kenney, in the Dean of Student Life's Office, is Chairman of this Committee. The scholarship applications will be screened in his office.

The Committee will prescribe the procedure for making the awards, set policies and pass on doubtful, controversial or contested cases. Routine awards will be handled by Mr. Kenney.

The Scholarship Bulletin will carry the following information on these scholarships:

Origin: Legislative action.

Amount: \$50.00 per Long Session

Eligibility: Resident of Texas, character, satisfactory academic record, but primarily on need.

Vice-President C. P. Boner

May 30, 1957

Apply to: Chairman, Committee on Loans and Scholarship Information.

General Statement: These scholarships may be awarded for each semester of the Long Session. The scholarship entitles a student to \$25.00 per semester or \$50.00 per Long Session credit on his tuition. S

Attached is a copy of the scholarship application form. Since the scholarship is awarded primarily on the basis of financial need, we have tried to draw up a form which will adequately cover this requirement. For example, on the front page, which is to be filled out by the applicant, we ask the more important and pertinent questions bearing on this requirement. On the back side of the form, which is to be filled out by the parents, we have quoted an extract from the Act which indicates why it is necessary to have a financial statement from the parents, --that is, to determine the "financial capacity of the parents." As a practical matter most educational institutions, in awarding scholarships based on financial need, have found statements from student applicants to be very inaccurate concerning parents' ability to provide financial assistance. For this reason it is coming to be standard procedure to require a financial statement from the parents.

The third page of the application form is to be filled out by two references and will be used as a check on the information furnished by the applicant and his parents. The references are asked to comment on the three criteria set up by the Legislature, --namely, character, satisfactory academic record, and financial need.

We can expect requests to start coming in immediately for information on these scholarships. Also, it will be necessary to have the application forms printed. For these reasons I shall appreciate information as soon as practicable on the Board's action.

Sincerely yours,

H. J. McCown
H. J. McCown
Dean of Student Services

HYM:scj

Enclosures

APPLICATION FOR TUITION SCHOLARSHIP
THE UNIVERSITY OF TEXAS

Please print:

NAME _____ **DATE** _____
Last name First name Middle name

HOME ADDRESS _____
Street and number, or RFD City State

AGE _____ **DATE OF BIRTH** _____ **SEX** _____

Have you been classified as a legal resident of Texas? _____ **MARRIED?** _____

Have you attended The University of Texas? _____ How long? _____ Other colleges? _____

If now attending The University of Texas, in what college or school are you enrolled? _____
Are you on scholastic probation? _____

Do you plan to operate and maintain an automobile while in the University? _____
If so, give reason _____

Are you a member of a fraternity or sorority? _____ If not, do you intend to join one? _____

Number of brothers? _____ Sisters? _____ Number in elementary school? _____ High school? _____
College? _____ Pre-school age? _____ Other dependents of parent or guardian? _____

List any scholarships you now hold or have previously held at The University of Texas or elsewhere (show dates) _____

List jobs (part time and full time) you have held. Give employer's name, address, business, dates _____
Do you intend to work this year? _____

Have you applied for any one of the programs of the Armed Services that give financial assistance toward college education? Yes ___ No ___ If so, which one? _____

Your income: List all sources of income and amounts, including loans.

FROM Parents or guardian	_____	\$ _____
FROM	_____	\$ _____
FROM	_____	\$ _____

Signature of applicant _____

Return to: Chairman, Committee on Loans and Scholarship Information
Box 7994, University Station, Austin 12, Texas

See other side

The following quotation from the legislative Act establishing tuition scholarships indicates why it is necessary to obtain a financial statement from parents: "Eligibility shall be based primarily on financial need. In determining need, consideration should be given to the student's own efforts to finance his education as evidenced by part-time jobs, loans from private sources or financial capacity of the parents." This statement from parents is not required if the applicant is 21 years of age or older and is not receiving financial assistance from his parents.

Please print:

1. Name of parents or guardian _____ Date _____

A. Name and address of firm or employer of father _____
 Nature of business _____ Position held _____

B. Name and address of firm or employer of mother _____
 Nature of business _____ Position held _____

2. Family Financial Statement:

A. Total Net Family Income for past calendar year: \$ _____
 (This amount should be the same as that on which Federal Income Taxes were paid.)

B. Total Net Family Income expected for current year: \$ _____

C. Family Assets are:

Real estate: \$ _____
 Savings accounts: \$ _____
 Other investments: \$ _____
 Total: \$ _____

D. Family obligations are:

Encumbrances on real estate: \$ _____
 Other obligations (notes, chattel mortgages, etc.) \$ _____
 Total: \$ _____

3. Financial Aid to Student Applicant:

A. We plan to contribute the following amount toward the support of the applicant during the coming academic year: \$ _____

B. Legacies, gifts, loans, educational insurance, aid from relatives, friends or organizations which will be available in addition to the above for the applicant's college expenses this year

FROM _____ \$ _____ FROM _____ \$ _____

FROM _____ \$ _____ FROM _____ \$ _____

Signature of Parents: _____
 (or guardian) _____

APPLICATION FOR TUITION SCHOLARSHIP, THE UNIVERSITY OF TEXAS

To be filled out by Principal, Superintendent, Counselor or College Faculty Member

1. Name of Student _____ Date _____

2. How long and in what relationship have you known the applicant? _____

3. Please indicate whether or not you recommend this student as a candidate for a tuition scholarship on the basis of:

	Yes	No
A. Academic record and promise	_____	_____
B. Character	_____	_____

4. Please indicate your estimate of the applicant's financial need (check one):

Very great need; may not be able to complete school even with scholarship.	Great need; scholarship assistance absolutely necessary.	Moderate need; scholarship would effectively supplement other resources.	Adequate support available without scholarship.	Financial resources more than enough to meet student's needs.	Have no knowledge concerning his financial situation.
---	--	--	---	--	---

5. Remarks: _____

Signature _____

Title or occupation _____

Please mail directly to: Chairman, Committee on Loans and Scholarship Information,
Box 7994, University Station, Austin 12, Texas

APPLICATION FOR TUITION SCHOLARSHIP, THE UNIVERSITY OF TEXAS

to be filled out by someone who knows you and your family well (Employer, Banker, Business Man, etc.)

1. Name of student _____ Date _____

2. How long and in what relationship have you known the applicant? _____

3. Please indicate whether or not you recommend this student as a candidate for a tuition scholarship on the basis of:

	Yes	No
A. Academic record and promise	_____	_____
B. Character	_____	_____

4. Please indicate your estimate of the applicant's financial need (check one):

Very great need; may not be able to complete school even with scholarship.	Great need; scholarship assistance absolutely necessary.	Moderate need; scholarship would effectively supplement other resources.	Adequate support available without scholarship.	Financial resources more than enough to meet student's needs.	Have no knowledge concerning his financial situation.
---	--	--	---	--	---

5. Remarks: _____

Signature _____

Title or occupation _____

Please mail directly to: Chairman, Committee on Loans and Scholarship Information,
Box 7994, University Station, Austin 12, Texas

THE UNIVERSITY OF TEXAS
OFFICE OF THE COMPTROLLER
AUSTIN 12

FOR ACTION OF
Regents
SEE MINUTES OF
JUN 28 1957

RECOMMENDATIONS TO REGENTS'
BUILDINGS AND GROUNDS COMMITTEE

June 18, 1957

1. RATIFICATION OF REJECTION OF BIDS FOR REPLACEMENT OF PEARCE HALL ROOF AND AUTHORITY TO AWARD CONTRACT FOR THIS PROJECT, MAIN UNIVERSITY.--At the Regents' Meeting held May 4, 1957, authority was given to the Comptroller to award a contract for the Replacement of Pearce Hall Roof at the Main University, within the amount of the appropriation of \$20,000.00. When the bids for this project were opened, it was found that one of the two bids received was unsigned and, hence, could not be considered as a valid bid. Although the signed bid received was just barely within the appropriation for the project, the unsigned bid was so much lower that it was felt the valid bid was much too high. After careful study of the matter, and after consultation with Attorney Waldrep and Mr. Eckhardt, it was decided to reject all bids received and re-advertise for bids after a revision of specifications.

It is recommended that the action of the Comptroller in rejecting the bids for Replacement of Pearce Hall Roof be ratified and that authority be given to the Comptroller to award a contract within the appropriation of \$20,000.00 when bids are again received on July 9, 1957.

2. RATIFICATION AND APPROVAL OF REQUISITIONS FOR CERTAIN MATERIALS IN CONNECTION WITH EXPANSION OF POWER PLANT AT MAIN UNIVERSITY.--In connection with the expansion of Power Plant facilities at the Main University, it has been necessary to issue requisitions for certain equipment, and at earlier meetings of the Board actions taken by the Comptroller in signing requisitions to cover part of this equipment have been ratified. Two more requisitions for this type of equipment and labor for installation thereof have now been signed by Comptroller Sparenberg, on the basis of which purchase orders in the amounts of \$8,913.00 and \$7,248.12, payable out of Account No. 91120 - Expansion of Power Plant, have been issued to A. M. Lockett and Company, Houston, Texas, and Westinghouse Electric Corporation, Pittsburgh, Pennsylvania, respectively. These purchase orders covered material and/or labor needed to convert or install equipment already purchased and, hence, could of necessity be issued only to the companies from whom the equipment was originally purchased.

It is recommended that the actions taken by Comptroller Sparenberg in signing these two requisitions be ratified and approved by the Board.

3. FINAL ACCEPTANCE AND PAYMENT FOR R. O. T. C. BUILDING, MAIN UNIVERSITY.--On June 12, 1957, an inspection of the R. O. T. C. Building at the Main University was made by a Committee consisting of President Wilson, Vice President Boner, Vice President Dolley, Comptroller Sparenberg, and Architect William B. Saunders. This Committee recommends that the building be accepted, with the

exception of certain minor deficiencies still to be taken care of, and that final payment be made to the Contractors, except for the retainage of \$2,000.00 from the General Contract, \$500.00 from the Electrical Contract, and \$500.00 from the Mechanical Contract, until the deficiencies mentioned above are corrected. Consulting Architect Mark Lemmon and Associate Architect Ayres and Ayres concur in this recommendation.

It is further recommended that the Board ratify the action of the Committee named above in having the University assume responsibility for the building as of June 24, 1957, in order that the R. O. T. C. unit offices could be moved into the building before many of the officers left for the balance of the summer.

4. APPROPRIATION FOR THREE EXPANSION CHAMBERS TO REPLACE EXPANSION DEVICES IN UNDERGROUND STEAM SYSTEM, MAIN UNIVERSITY.--During the fiscal year 1954-55, an appropriation of \$61,400.00 was placed on the books for certain work to be done in the underground utility system of the Main University. At the beginning of the fiscal year 1956-57, this money still had not been spent, as it was thought best to wait for the completion of the plans for the expansion of the power plant and certain other work before beginning this particular work in the underground system. At that time certain improvements at University Junior High School were considered to be urgently needed, and since it was thought that it would be some time before the Physical Plant staff would be in position to proceed with this work, at the Regents' Meeting held September 22, 1956, this amount was lapsed back to the Unappropriated Balance of the Available University Fund so that \$60,000.00 thereof might be appropriated for these much needed improvements at University Junior High School.

It is now deemed advisable to proceed with the underground work, and it is, therefore, recommended that an appropriation of \$61,400.00 be made from the Unappropriated Balance of the Available University Fund to an account to be entitled "Three Expansion Chambers to Replace Expansion Devices in Underground Steam System."

It is further recommended that the Main University Physical Plant staff be authorized to proceed with the preparation of plans and specifications for this project, these plans and specifications to be presented at a later meeting of the Board for approval.

5. APPROPRIATION FOR REPLACEMENT OF DEFICIENT LIGHTING AND WASTE LINES IN CHEMISTRY BUILDING OUT OF MAJOR REPAIRS AND REHABILITATION PROJECTS ACCOUNT, MAIN UNIVERSITY.--At the Regents' Meeting held April 6, 1956, an appropriation of \$231,000.00 was made to cover Major Repairs and Rehabilitation Projects at the Main University, with the individual projects to be itemized later. A number of projects have been presented for the Regents' approval at various times, and specific appropriations have been made from the original amount set up, which still has a balance of \$66,455.20. It is now recommended that an appropriation of \$61,900.00 for Replacement of Deficient Lighting and Waste Lines in the Chemistry Building be set up out of this Account, No. 91500, Major Repairs and Rehabilitation Projects, with authority for the Main University Physical Plant staff to proceed with the work necessary to accomplish this project.

It is further recommended that the University Comptroller be given authority to sign requisitions within the total amount appropriated for materials needed by the Physical Plant staff to perform the work involved in the project.

6. APPROPRIATION FOR IMPROVEMENT OF GROUNDS AROUND R. O. T. C. BUILDING OUT OF R. O. T. C. BUILDING ALLOTMENT ACCOUNT, MAIN UNIVERSITY.--Now that the R. O. T. C. Building at the Main University is ready for acceptance, certain landscaping and improvement of the grounds around the building needs to be done, including sodding, shrubbery, and an irrigation system. The Main University Physical Plant staff has made an estimate of \$7,500.00 for the cost of the work which should be performed. It is, therefore, recommended that an appropriation of \$7,500.00 be made out of the R. O. T. C. Building allotment account to an account to be entitled "Improvement of Grounds around R. O. T. C. Building."

It is further recommended that the Main University Physical Plant staff be authorized to prepare plans and specifications for these projects and that Comptroller Sparenberg be authorized to award whatever contracts are necessary in order to carry out the work, the remainder of the work to be performed by the Main University Physical Plant staff.

7. RECOMMENDATION TO BE SUBMITTED TO THE BOARD OF REGENTS THROUGH BOTH THE BUILDINGS AND GROUNDS COMMITTEE AND THE LAND AND INVESTMENT COMMITTEE -- PROPOSED EXPANSION OF TEXAS UNION BUILDING, MAIN UNIVERSITY - RECOMMENDATION FOR AUTHORITY TO FILE FINAL LOAN APPLICATION WITH HOUSING AND HOME FINANCE AGENCY INCLUDING PRELIMINARY PLANS, AND PROVISION FOR PAYMENT OF CONSULTING ARCHITECT'S AND CONSULTANT'S FEES.--On June 1, 1956, the Board of Regents authorized the Endowment Officer to file a Preliminary Application with Housing and Home Finance Agency for a loan commitment not to exceed \$2,000,000 to finance the expansion of the Texas Union Building, subject to approval by the Board of preliminary plans and cost estimates. It was agreed by the Board that all negotiations regarding Texas Union expansion would be approved only subject to adequate planning for the inclusion of facilities for Law School students.

On September 22, 1956, the Board of Regents approved preliminary plans and cost estimates of a total of \$2,356,437 of which \$1,900,000 would come from the bond issue, expected to be purchased by Housing and Home Finance Agency. At the same time the preliminary plans for, including particularly location of, the Annex to serve Law School students, et al, were considered, with final recommendation for a site to be presented to the Board at a later date.

The Preliminary Application for \$1,900,000 was filed with Housing and Home Finance Agency in November, 1956. After conferences with the Regional Office of Housing and Home Finance Agency in connection with their investigation and consideration of the matter, the University was advised by letter of May 22, 1957, that preliminary approval and reservation of funds had been granted by the Agency to the extent of \$1,500,000, to be in the form of bonds maturing over a period of 30 years at 2-7/8% interest, and with the understanding that the University will sell to the public \$400,000 of bonds maturing over the first 15 years of the 30-year period. Preliminary investigation of prospects for sale of the \$400,000 of bonds to the public indicates a possibility of an interest cost on these bonds that would permit construction of the project under the projected operating budget for the Union.

The entire matter was reviewed at a conference including President Wilson, Vice Presidents Boner and Dolley, Endowment Officer Stewart, Comptroller Sparenberg, and Architect Saunders, and the recommendations set out below were agreed on at that conference.

It is recommended that the Endowment Officer be authorized to file with Housing and Home Finance Agency the Final Application for a commitment to buy the \$1,500,000 of bonds, with the understanding that authorization for construction of the project and sale of the bonds for the financing will be approved by the Board of Regents at a later date, and only after the Board of Regents has approved preliminary planning for the Annex to serve Law School students, et al, cost of such Annex to come from sources other than the Available University Fund and the bond issue or issues referred to above.

It is further recommended that the Comptroller be authorized to instruct the Consulting Architect, Page, Southerland and Page, to proceed immediately with the preparation of preliminary plans and outline specifications for the Expansion of the Texas Union Building, Main University, with the understanding that, if this project is never actually constructed, they will be paid for such services in accordance with the terms of their contract with the Board of Regents dated September 1, 1956 (this means that, for preliminary plans, etc., the fee would be 1/2 of 1% of the estimated construction cost). It is further recommended that, in case the project is not actually constructed, the Consulting Architect's fee be paid out of Account No. 77940, Texas Union Building Fund. It is also recommended that in the event that the preparation of working drawings and specifications for this project is eventually authorized by the Board of Regents, and in the further event that the project is never actually constructed, the additional 1/4 of 1% fee due the Consulting Architect and the 70% of 5% fee due the Associate Architect be paid also from Account No. 77940, Texas Union Building Fund. The estimated total of all these fees is \$83,500.00; the balance in Account No. 77940 at May 31, 1957 was a little over \$100,000.00.

It is further recommended that Mr. Porter Butts, Director of the Wisconsin Union, University of Wisconsin, be engaged as a Consultant for the Union Building Expansion, to work with and advise the staff of the Texas Union, the Consulting Architect, Page, Southerland and Page, and the Comptroller's Office. It is further recommended that the Texas Union be authorized to enter into a contract with Mr. Butts, based upon a contract form insisted upon by Mr. Butts, with the total fee of \$4,700.00 required by Mr. Butts to be divided as follows:

Handwritten: Butts

Stage No. 1	\$2,500.00
Stage No. 2	1,200.00
Stage No. 3	1,000.00
Total	<u>\$4,700.00</u>

The fee of \$4,700.00 required by Mr. Butts does not include a trip to Austin; he inspected the Texas Union at Austin June, 1952; for any further visits to the site, authorized by the University, the fee for the Consultant shall be at the rate of \$100.00 per day for conference time and \$50.00 per day for travel time, plus trip expenses, in addition to the schedule of fees above listed. The Butts Contract may be terminated by either party at the end of any of the stages outlined above upon a thirty day notice in writing. All payments to Mr. Butts shall be out of Texas Union General Funds.

Handwritten:
- 4 -
1. [unclear]
2. East of Simpson's Hall

Under Housing and Home Finance Agency regulations, the University is allowed ninety days from May 22, 1957, to file the final application for loan commitment of \$1,500,000.00. Extensions of time are granted for reasonable cause. Since additional time may be required for completion of the final application, it is recommended that the Endowment Officer, with the approval of the Vice President for Fiscal Affairs and the Comptroller, be authorized to apply for extension of such time if needed for filing the final application in complete and satisfactory form.

Insert paragraph here

8. RATIFICATION OF APPROVAL OF PLANS AND SPECIFICATIONS AND ADVERTISING FOR BIDS FOR EXCAVATION AND HAULING FOR ADDITION AND ALTERATIONS TO STUDENT UNION BUILDING, TEXAS WESTERN COLLEGE.--In connection with the Addition and Alterations to the Student Union Building at Texas Western College, it is necessary that certain excavation work be performed on the site of the Addition, since a number of years ago a ravine on this site was filled with loose dirt and rock. It is felt that a better price will be received on the contract for construction if this fill is removed before calling for bids for the construction work. In order that the bids could be considered at this Regents' meeting for the excavation and hauling referred to above, plans and specifications for this work, as prepared by Davis, Foster, Thorpe, and Associates, Architect on the project, were approved by President Holcomb and Comptroller Sparenberg, and advertisements were placed beginning May 30, 1957, with bids to be opened June 27, 1957. This procedure was approved orally by Vice President Dolley, President Wilson, and the Regional Office of H. H. F. A.

It is recommended that the actions taken in approving the plans and specifications for the Excavation and Hauling for Addition and Alterations to the Student Union Building at Texas Western College and advertising for bids on this project be ratified and approved by the Board. It is further recommended that the following resolutions required by H. H. F. A. in connection with this project with reference to wage rates and approval of plans and specifications be adopted by the Board:

RESOLUTION RE WAGE RATES

WHEREAS, The University of Texas (hereinafter called the "University") has caused plans to be prepared for Excavation and Hauling for Addition and Alterations to the Student Union Building, at Texas Western College, El Paso, Texas, and

WHEREAS, it is desirable that the rates of pay for laborers and mechanics engaged in the performance of such project will not be less than the prevailing per diem wage rates for similar work at the place such work is to be performed, and

WHEREAS, the governing authority of the University has made an investigation of the wage rates prevailing in the area;

BE IT RESOLVED BY THE GOVERNING BODY OF SAID UNIVERSITY:

That it is found and determined that the rates shown for the classifications listed on the attachment marked "Exhibit A" are the prevailing rates of per diem pay for laborers and mechanics engaged in similar work at the place where such work is to be performed.

RESOLUTION RE APPROVAL
OF PLANS AND SPECIFICATIONS

WHEREAS, the Board of Regents of The University of Texas has determined that it is necessary to perform certain Excavation and Hauling in connection with the Addition and Alterations to the Student Union Building at Texas Western College, El Paso, Texas; and

WHEREAS, the firm of Davis, Foster, Thorpe, and Associates was engaged as Architect to prepare plans and specifications for the aforesaid work, and said architect has completed the plans and specifications and submitted them for approval; and

WHEREAS, the completed plans and specifications have been carefully studied and are considered to comprise adequate planning of the work to be performed and within the financial ability of The University of Texas to perform;

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of The University of Texas, the governing body of said applicant, that the plans and specifications submitted by Davis, Foster, Thorpe, and Associates for Excavation and Hauling for the Addition and Alterations to the Student Union Building at Texas Western College, be and the same are hereby approved.

9. APPROVAL OF APPROPRIATION AND SELECTION OF ARCHITECTS FOR REMODELING AND ENLARGING OF LIBRARY BUILDING, TEXAS WESTERN COLLEGE.--At the Regents' Meeting held September 18, 1954, the firm of Carroll and Daeuble, Architects, El Paso, Texas, was engaged to draw preliminary plans and make cost estimates for the conversion of the Library-Administration Building at Texas Western College to a Library Building. The new Administration Building has since been completed and occupied, and Carroll and Daeuble have prepared the preliminary plans and made a cost estimate of \$99,000.00 for the remodeling and enlarging of the Library Building. The amount of \$108,000.00 appropriated by the 55th Legislature for Major Repairs and Rehabilitation of Buildings and Facilities at Texas Western College for the next biennium included an amount of \$99,000.00 designated for conversion of Library Building. It is therefore recommended that the amount of \$99,000.00 be appropriated, as at September 1, 1957, for Remodeling and Enlarging the Library Building from the Legislative Appropriation for Major Repairs and Rehabilitation, etc., at Texas Western College.

It is further recommended that the preliminary plans as prepared by Carroll and Daeuble be approved and that this firm also be engaged to prepare final plans and specifications for the project, the fee for this work to be 5% of the cost of the building, this fee to be inclusive of the 1% already authorized for preliminary plans and cost estimates, and that this firm be authorized to proceed with the preparation of these final plans and specifications to be presented at a later meeting of the Board for approval.

10. REPORT ON DELAYED COMPLETION OF CLINICAL SCIENCE BUILDING, SOUTHWESTERN MEDICAL SCHOOL.--The bid from George A. Fuller Company, the successful bidder for the General Contract on the Clinical Science Building at Southwestern Medical School, specified that the work would be completed within 450 calendar days from commencing date, and this figure was made a part of the contract with the company. Although it is now long past the time when the building should have been completed, it is estimated to be still six months away from completion, and after consultation between Comptroller Sparenberg, Mr. Mark Lemmon, Dr. Gill, and Vice President Delley, it was decided that the company should be notified that the University expected to exercise its rights under the contract as to the assessment and retention of liquidated damages. The following letter was written May 24, 1957 by Comptroller Sparenberg to George A. Fuller Company:

"Mr. Mark Lemmon, Architect for the Clinical Science Building of The University of Texas Southwestern Medical School, has reported to this office from time to time that you are not keeping up with the progress schedules submitted to him by you.

"It is now apparent that you will not complete your work within the contract time, plus calendar day extensions for delays on account of bad weather; on the contrary, at the construction pace your firm has set in the past on this work, the Architect and this office are of the opinion that you cannot possibly turn over the building to The University of Texas before December, 1957. The Southwestern Medical School will therefore be deprived of the use of the building for at least one full semester at the cost of considerable money and inconvenience. Therefore, we are advising you of our decision to exercise our rights under the specifications and contract documents as to the assessment and retention of liquidated damages, in accordance with Article II of our contract agreement dated December 19, 1955.

"According to your original progress schedule submitted to Mr. Mark Lemmon, Architect, on January 18, 1956, this contract should have been completed on April 5, 1957 (exclusive of extra days allowed for bad weather). Moreover, your revised progress schedule submitted to Mr. Lemmon on October 12, 1956 shows a scheduled date of completion for this building of June 15, 1957. We intend to recommend to the Board of Regents at its meeting on June 28 and 29, 1957 that the liquidated damages clause be enforced in accordance with the contract agreement."

As at June 18, 1957, no answer has been received from the company. This report is being made for the information of the Board.

11. NEW PARKING AREA AND STORM SEWER AT SOUTHWESTERN MEDICAL SCHOOL - APPROVAL OF PRELIMINARY PLANS, APPROPRIATIONS, AND AUTHORITY TO AWARD CONTRACTS.-- At the Regents' Meeting held May 4, 1957, authorization was given for the preparation of preliminary plans and cost estimates for a new parking area and a storm sewer at Southwestern Medical School. A preliminary set of preliminary plans and cost estimates have been prepared by the Director of Physical Plant at Southwestern Medical School, and the cost estimates are as follows:

New Parking Area	\$55,000.00
Storm Sewer	30,000.00
Total	<u>\$85,000.00</u>

Also, at the Meeting held May 4, 1957, authorization was given to Messrs. Sparenberg, Saunders, Gill, and Gell to confer with officials of the City of Dallas as to the possibility of the City of Dallas making contributions either in cash or in material and labor towards the construction of the storm sewer. At this conference the City Manager, et al, agreed that the City of Dallas would contribute all the labor on the storm sewer, either by contract or with their own force, provided that The University of Texas would pay for the cost of pipe and materials used on our property. It is now estimated that the value of the City's contribution will be approximately \$15,000.00.

It is recommended that the amount of \$70,000.00 be appropriated from the Unappropriated Balance - General Funds of Southwestern Medical School for the construction of a New Parking Area and Storm Sewer. Since these facilities are badly needed by the school, and it is hoped that construction can begin this summer, it is further recommended that Dean Gill, Comptroller Sparenberg, and President Wilson be authorized to approve the final plans and specifications for these projects and award a contract or contracts within the amount of money appropriated plus the contribution of the City of Dallas, after the proper advertising for bids by Comptroller Sparenberg.

An easement ten to fifteen feet in width will be required by the City of Dallas for the storm sewer. It is recommended that the Board of Regents authorize the Chairman to execute this easement, after approval as to substance by the Comptroller and approval as to legal form by Attorney Waldrep.

12. AUTHORITY TO APPROVE FINAL PLANS AND SPECIFICATIONS AND ADVERTISE FOR BIDS ON SERVICE BUILDING AT SOUTHWESTERN MEDICAL SCHOOL.--At the Regents' Meeting held May 4, 1957, approval was given to the preliminary plans for the Service Building at Southwestern Medical School as prepared by the Consulting Architect, Page, Southerland, and Page, and the Associate Architect, Mark Lemmen, was authorized to proceed with the preparation of working drawings and specifications. This work has proceeded to the point where it is believed it will be possible to award contracts for the building before the end of the fiscal year. Since this building is urgently needed at Southwestern Medical School, since there will not be a meeting of the Board until some time after September 1, and since there are questions in regard to use of re-appropriations involved, it is recommended that a Committee composed of President Wilson, Vice President Delley, Dean Gill, and Comptroller Sparenberg be authorized to approve the final plans and specifications for this project and award contracts within the amount appropriated for the building after the proper advertising for bids by Comptroller Sparenberg.

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

Priority of Future Buildings at Main University and Appropriations Therefor
(Recommendations of Faculty Building Committee).

Finishing of Third and Fourth Floors of West End of Experimental Science
Building, Main University.

Award of Contract for Excavation and Hauling for Addition and Alterations to
Student Union Building, Texas Western College.

Major Repair and Rehabilitation Projects for Next Biennium, Medical Branch.

PREVAILING WAGE RATES
EL PASO, TEXAS
 AS AT JUNE 14, 1957

Exhibit A

Not less than the general prevailing rate of per diem wages must be paid to all laborers, workmen, and mechanics directly employed on the work covered by this contract.

The following schedule of wages per diem and per hour are found by The Board of Regents of The University of Texas to prevail as of June 14, 1957, in El Paso, Texas:

<u>Classification</u>	<u>*Wages Per Diem</u>	<u>Wages Per Hour</u>	<u>Classification</u>	<u>*Wages Per Diem</u>	<u>Wages Per Hour</u>
Air Tool Man	\$10.80	\$1.35	Form Setter Helper (Strs.)	\$ 8.80	\$1.10
Asphalt Raker	10.00	1.25	Laborer, Common	8.00	1.00
Asphalt Shoveler	8.00	1.00	Laborer, Semi-Skilled	10.00	1.25
Batching Plant Scaleman	11.20	1.40	Manhole Builder, Brick	12.00	1.50
Batterboard Setter	12.40	1.55	Mechanic	13.20	1.65
Carpenter, Rough	12.00	1.50	Mechanic Helper	10.00	1.25
Carpenter Helper, Rough	12.00	1.50	Oiler	10.00	1.25
Concrete Finisher (Pavg.)	12.00	1.50	<u>Power Equipment Operators</u>		
Concrete Finisher Helper (Pavg.)	10.56	1.32	Asphalt Distributor	12.00	1.50
Concrete Finisher (Strs.)	12.00	1.50	Asphalt Paving Machine	11.20	1.40
Concrete Finisher Helper (Strs.)	8.00	1.00	Bulldozer, 80 H.P. & Less	12.00	1.50
Concrete Rubber	10.80	1.35	Bulldozer, Over 80 H.P., GR I	17.52	2.19
Fireman	11.20	1.40	Concrete Paving Curing Machine	12.00	1.50
Form Builder (Strs.)	12.00	1.50	Concrete Paving Finishing Machine	17.40	2.175
Form Builder Helper(Strs.)	8.00	1.00	Concrete Paving Joint Machine	16.00	2.00
Form Liner (Pavg. & Curb)	10.00	1.25	Concrete Paving Longitudinal Float	16.60	2.075
Form Setter(Pavg. & Curb)	10.00	1.25	Concrete Paving Saw	12.00	1.50
Form Setter Helper (Pavg. & Curb)	8.80	1.10	Concrete Paving Spreader	20.40	2.55
Form Setter (Strs.)	10.00	1.25			

<u>Classification</u>	<u>*Wages Per Diem</u>	<u>Wages Per Hour</u>	<u>Classification</u>	<u>*Wages Per Diem</u>	<u>Wages Per Hour</u>
Concrete Paving Sub-Grader	\$20.00	\$2.50	Tractor (Pneu.) 80 H.P. & Less	\$10.00	\$1.25
Crane, Clamshell, Backhoe, Derrick, Dragline, Shovel (less than 1½ C.Y.) GR I	14.80	1.85	Tractor (Pneu.) Over 80 H.P.	12.00	1.50
Crane, Clamshell, Backhoe Derrick, Dragline, Shovel (less than 1½ C.Y.) GR II	12.00	1.50	Trenching Machine, Light	12.00	1.50
Front End Loader (1 C.Y. & Less)	12.00	1.50	Trenching Machine, Heavy	12.40	1.55
Front End Loader (Over 1 C.Y.)	14.00	1.75	Reinforcing Steel Setter (Strs.)	12.80	1.60
Mixer (Conc. Pavg.)	21.60	2.70	<u>Truck Drivers</u>		
Motor Grader Operator, GR I	16.00	2.00	Single Axle	10.00	1.25
Motor Grader Operator GR II	14.80	1.85	Single Axle, Heavy	12.00	1.50
Pump Crete	12.00	1.50	Tandem Axle & Semi-Trailer	10.00	1.25
Roller, Steel Wheel (Plant-Mix Pavement)	13.20	1.65	Lowboy	12.00	1.50
Roller, Steel Wheel (Other)	13.20	1.65	Welder	14.80	1.85
Roller, Pneumatic S.P.	10.00	1.25	<u>Miscellaneous</u>		
Scrapers (7 C. Y. or Less)	12.00	1.50	Asphalt Screedman	10.00	1.25
Scrapers (Over 7 C.Y.) GR I	16.16	2.02	Dumpton	9.20	1.15
Tractor (Crl.) 80 H.P. & Less	12.00	1.50	Plumber	12.00	1.50
Tractor (Crl.) Over 80 H.P.	16.00	2.00	Rock Mason	14.80	1.85

* Based on eight hours per day

Wage Rates as given above compiled from Prevailing Wage Rates as recognized by Associated General Contractors, Texas Highway Heavy Duty Branch for the El Paso County Area.

D. MEDICAL AFFAIRS COMMITTEE

No items to be considered at regular meeting.

E. BOARD FOR LEASE OF UNIVERSITY LANDS

No report.

F. LAND AND INVESTMENT COMMITTEE

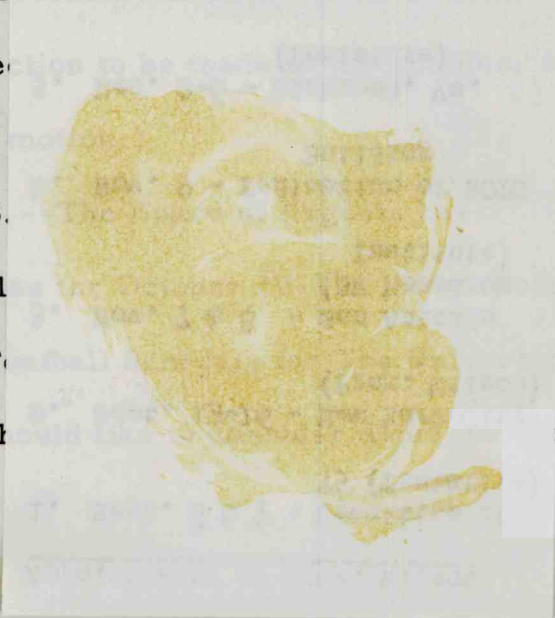
Documentation on Page 33.

FOR ACTION OF
Regents²⁴
SEE MINUTES OF
JUN 28 1957

II. SPECIAL ITEMS

A. Central Administration

1. APPROVAL OF MINUTES, MAY 4, 1957. --Upon motion of _____ seconded by _____, the minutes of the Board of Regents' meeting held in Austin on May 4, 1957, were approved in the form as distributed by the Secretary to each member of the Board. (If there is a correction that can be incorporated in this form, it should be so noted.)
2. SCHEDULE OF MEETINGS. The Board has scheduled a meeting in Dallas on July 1, 1957. Attached is a Calendar of the 1957 Football Season of the University of Texas in the event you should be unable to attend the fall meetings of the Board.



 UNIVERSITY OF TEXAS
1957
FOOTBALL

*Sept. 21 Georgia at Atlanta
*Sept. 28 Tulane at Austin
*Oct. 5 South Carolina at Austin
Oct. 12 Oklahoma at Dallas
Oct. 19 Arkansas at Fayetteville
*Oct. 26 Rice at Austin
Nov. 2 S.M.U. at Dallas
Nov. 9 Baylor at Austin
Nov. 16 T.C.U. at Austin
Nov. 28 Texas A&M at College Station

*Night Games

Order Tickets from Football Ticket Manager
The University of Texas, Austin, Texas
Compliments
UNIVERSITY CO-OP



3. GIFT OF GAVEL AND STAND, A. GARLAND ADAIR. --

Adair of the Texas Memorial Museum has sent to the Board of

Regents of The University of Texas a gavel and stand made from

wood of the banister of the first Main Building, Austin, Texas. The

first Main Building was demolished in 1934. Mr. Adair expressed

the hope that this gavel and stand be used in connection with the

75th Anniversary.

4. APPROVAL OF DOCKET. -- President Wilson mailed to each member

of the Board June 19, ten days prior to the meeting, a docket for

Central Administration. To this docket he had attached and incor-

porated the dockets of the component institutions of The University

of Texas; namely:

Main University and Extramural Divisions -

submitted by Vice-President C. P. Boner

Texas Western College -

submitted by A. A. Smith for President Dysart

E. Holcomb

Medical Branch -

submitted by Director John B. Truslow

Dental Branch -

submitted by Dean John V. Olson

M. D. Anderson Hospital and Tumor Institute -

submitted by Director R. Lee Clark, Jr.

Southwestern Medical School -

submitted by Dean A. J. Gill

Postgraduate School of Medicine -

submitted by Dean Grant Taylor

FOR ACTION OF
A. Garland
Regents
SEE MINUTES OF
JUN 28 1957

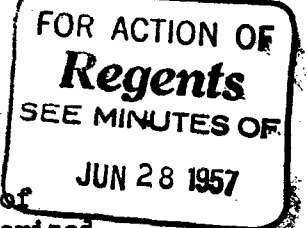
A. Central Administration

5. General Policy for Administration of Tuition Scholarships

June 17, 1957

SPECIAL ITEM

Recommendation on Tuition Fee Scholarships



I recommend adoption by the Board of the following statement of general policy to govern the granting of tuition scholarships authorized by House Bill No. 265, 55th Legislature.

1. Scholarships authorized by House Bill No. 265 of the 55th Legislature shall be designated as "Tuition Fee Scholarships."
2. Subject to approval by the President and the Board, each component institution shall set apart in a separate account on the books of the institution such amount as may be deemed necessary for the relief of cases of real financial hardship caused by the increase in tuition under House Bill No. 265.
3. Tuition Fee Scholarships shall be processed and granted by or under the supervision of scholarship committees of the several component institutions.
4. Recipients of such scholarships must be classified as "resident students" as defined by House Bill No. 265.
5. Awards shall be based primarily on financial need, giving consideration to the financial capacity of the parents, the student's own efforts to finance his education as evidenced by part-time jobs, and loans from private sources. A questionnaire designed to secure the information necessary for determination of need shall be submitted by each component institution to the President for approval. The questionnaires shall be as uniform as possible.
6. Awards shall be based also on character and general scholastic record.
7. Tuition Fee Scholarships shall be granted to full-time students in an amount not to exceed the difference in the resident tuition fee charged in 1956-57 and the resident tuition fee effective for the semester, term or session for which the student is registered. Such awards shall not be made for summer terms or sessions. The amount of an award shall be a credit against the total required tuition fee for the student.
8. Detailed rules or procedures conforming to the provisions of House Bill No. 265 and to this statement of general policy shall be submitted by each component institution to the President for approval and then included in the appropriate institutional catalogues.

June 17, 1957

9. Not later than 30 days after the close of each fiscal year, each component institution shall transfer any remaining balance in the account set up for Tuition Fee Scholarships to the tuition income account from which the scholarship account was established. The amount of such transfer shall be reported to the President and to the Board as part of an annual accounting indicating the number of applications received, the number of scholarships credited, and the total scholarships credit used.

Respectfully submitted,

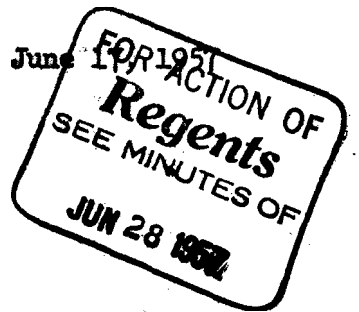
Logan Wilson

Logan Wilson

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A. Central Administration
6. Tuition Fees

SPECIAL ITEM
Tuition Fees



I recommend approval by the Board of the following scale of tuition fees for the several component institutions to comply with House Bill No. 265, 55th Legislature. In the event of any discrepancy between this recommended scale of fees and the scale of fees which may be included in the dockets, the fees set out below shall be effective.

Main University

	Semester Fees	
	<u>Resident</u>	<u>Non-Resident</u>
12 semester credit hours or more	\$50.00	\$200.00
1--3 semester credit hours	15.00	
Each additional semester credit hour	4.00	
First semester credit hour		18.50
Each additional semester credit hour		16.50
<u>In absentia</u> registration	15.00	18.50

Texas Western College

	Semester Fees	
	<u>Resident</u>	<u>Non-Resident</u>
12 semester credit hours or more	\$50.00	\$125.00
First 3 semester credit hours	15.00	35.00
Each additional semester credit hour	4.00	10.00

Medical Branch
and
Southwestern Medical School

	Semester Fees		<u>Total</u>
	<u>Fall</u>	<u>Spring</u>	
Medical students, 1957-58 - resident and non-resident	\$ 75.00	\$125.00	\$200.00
Medical students, effective September, 1958 - resident and non-resident	150.00	150.00	300.00

All others shall be charged fees in accordance with the scale of tuition fees at the Main University. Students in any program conducted on a quarter basis are to be charged a prorata amount.

Dental Branch

Dental students, 1957-58 - resident and non-resident \$ 91.67 a term
 Dental students, effective September 1, 1958 \$100.00 a term

Dental Hygiene students shall be charged fees in accordance with the scale of tuition fees at the Main University, prorated on a quarter basis.

Accredited School Scholarships

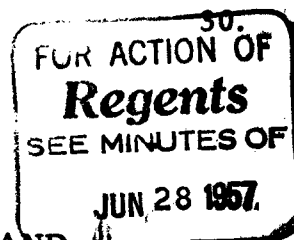
The Medical Branch, the Southwestern Medical School and the Dental Branch are authorized and directed to issue Accredited School Scholarships as provided in Article 2654b-1, Section 2, Vernon's Revised Civil Statutes, beginning in September, 1957. These scholarships are applicable only to those programs requiring no more than high-school graduation for admission. The rules and regulations presently in effect at the Main University for the awarding of these scholarships shall be effective at the medical and dental institutions.

Respectfully submitted,

Logan Wilson
 Logan Wilson

LW:bbh

SPECIAL ITEMS (Continued)



B. Main University

FINAL APPROVAL, AMENDMENT TO THE RULES AND REGULATIONS OF THE BOARD OF REGENTS; FACULTY ATTENDANCE AT COMMENCEMENT EXERCISES, MAIN UNIVERSITY. --Section 2, Chapter V of Part I of The Rules and Regulations of the Board of Regents for the Government of The University of Texas, Sixth Edition, adopted by the Board of Regents March 14, 1936, with amendments to August 1, 1943, requires that amendments to the Rules and Regulations lie over thirty days before final approval. The following amendment was approved at the May 1957 meeting and is presented for final adoption in accordance to the existing rule:

Attendance at commencement exercises is considered to be one of the usual and ordinary duties of a member of the faculty; any member who is unable to attend commencement should apply to his dean for official approval of his absence.

COMMITTEE OF THE WHOLE

I. Reports of Standing Committees

A. Executive Committee - There are no items listed for consideration.

B. Academic and Developmental Affairs Committee -

Violations, Parking Regulations (Main University). -- Miss Gibbons, Doctor Boner's Secretary, states that no documentation is yet ready on this item, but that Business Manager Landrum is gathering information on the subject. *(Not discussed)*

C. Buildings and Grounds Committee - No items listed for consideration.

D. Medical Affairs Committee - No documentation has been furnished on any of the items listed for consideration.

1. Medical Branch

a. Contract with City of Galveston. -- This contract expires June 30, 1957.

FOR ACTION OF
Regents
SEE MINUTES OF
JUN 28 1957

2. Southwestern Medical School

a. Master Plan. -- This plan was due May 1, 1957 but I understand only a Partial Preliminary Plan has been submitted.

b. Relationship with Fort Worth Laboratory for Surgical Research. -- You will recall that this was referred to the Council on Medical Affairs for recommendations.

3. Dental and Medical Units

a. Over-All Salary Augmentation Plan

b. Quota of Applicants. -- You will recall that recommendations were to be made by the Council on Medical Affairs regarding filling the quota at the Dental and Medical Units. *See deliberations of the Board.*

4. Proposed School of Mortuary Science. -- This is on the Agenda for the Council on Medical Affairs. *See Mr. Minutes June 28, 1957*

E. Board for Lease of University Lands - No Report.

F. Land and Investment Committee - No items for consideration.

II. Special Committee on Developmental Affairs. --No documentation.

III. Special Items

A. Central Administration .

1. Adoption of 1957-58 Annual Budget. --The recommended Budget will be mailed from the President's Office to each of you before the meeting.
2. Depository Bank Agreements 1957-59. --All Depository Bank Agreements expire as of August 31, 1957.



THE UNIVERSITY OF TEXAS
THE BOARD OF REGENTS

Copy

32.09
No report on
this in
Minutes.

J. R. SORRELL, VICE-CHAIRMAN
801 DRISCOLL BUILDING
CORPUS CHRISTI, TEXAS

June 4, 1957

Dr. C. P. Boner
Vice President
Main University
University Station
Austin, Texas

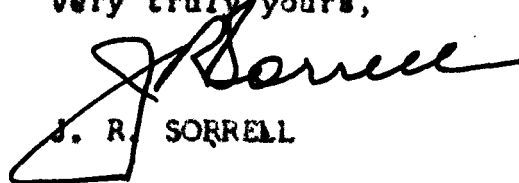
Dear Paul:

While Leroy and I were in Austin last weekend, we learned of the handling of automobiles found in violation of parking regulations on the campus by some party who presumably has a contract with the University, in a manner which is certainly not good public relations. I learned of at least two instances where this handling had resulted in substantial loss to the owner of the automobile by reason of the disappearance of items from the vehicle.

This entire matter came as a complete surprise to both Leroy and me, and it is one which I desire that you place upon the agenda for the next meeting of the Board, with the information in connection therewith made available to us.

With best regards, I am

Very truly yours,


J. R. SORRELL

JRS:GR

cc Mr. Leroy Jeffers
Esperson Building
Houston 2, Texas

cc Mrs. Charles Devall
Kilgore News Herald
Kilgore, Texas

cc Miss Betty Anne Thedford
Secretary Board of Regents
University of Texas
Austin, Texas

THE UNIVERSITY OF TEXAS
Office of the Business Manager
Main University

REPORT OF IMPOUNDING OF VEHICLES
IN ACCORDANCE WITH UNIVERSITY PARKING AND TRAFFIC REGULATIONS

The impounding of automobiles as a penalty for violating certain parking regulations has been set forth in the Parking and Traffic Regulations adopted by The University of Texas since 1951. The provisions of these regulations have been developed by the Committee on Parking, Traffic, and Safety and approved by administrative officers. The policy of impounding vehicles was approved by the Board of Regents at their September 1951 meeting.

The committee and various administrative officers have considered our position on the matter of impounding vehicles on many occasions, and it is the opinion of those concerned that impounding operations should remain in effect until a more desirable alternative is established. We have been advised that the University can not legally assess a registration fee or impose fines for violation of parking and traffic regulations. We all believe that such a system would be preferable to the impounding procedure.

We have all been aware of the bad public relations aspect, the possibility of damage to cars being impounded, the possibility of the loss of articles from cars, and the probable embarrassment to administrative officers. We are of the opinion that any program of parking and traffic is workable only if there is an effective method of penalizing persons who violate the traffic regulations. Without some program of penalties for violations of the Parking and Traffic Regulations, we believe it would be necessary to close the campus to vehicle parking or to open the campus in an unregulated manner for parking. We do not have enough parking spaces available to take care of all of our faculty and staff at the present time. If we did not have regulations in effect and had an open parking situation, we believe the faculty and staff would be displeased, and chaotic conditions would result.

The University has entered into a contract on a year-to-year basis for impounding cars. Some of the features of the contract are:

1. All impounding is done by one agency.
2. Cars are impounded only at the request of the University.
3. No car is removed except in the presence of a University traffic officer, and the officer lists visible defects of the car and objects in view within the car.
4. The responsibility of removing the car is imposed upon the contractor, and the contractor assumes complete responsibility for all damages done to cars which are impounded.
5. The fee charged for impounding a car may not exceed four dollars, and is collected by the contractor.
6. The contractor is under obligation to protect the owner's car impounded in case of loss of property and damages to the vehicle. The contractor is further required to carry insurance and be properly bonded.

The contract for impounding cars has been placed with the U. S. Body Shop and Garage for the past four years. This firm is an acceptable impounding agency to the City of Austin and participates in the rotation plan employed by the City. Mr. George Joseph, who operates the U. S. Body Shop and Garage, has evidenced willingness to abide by the judgment of the officers of the University and, to our knowledge, has not failed to comply with any request made by this institution. In the twelve months June 1956 to May 1957 there have been 647 car impoundings. A large percentage of the impoundings have been a result of cars parked in disabled zones, service drives, no parking spaces, loading zones, and in cross walks. Cars are not impounded if parked in a legal restricted area parking place even though the car does not have a permit authorizing the use of such space. Tickets only are issued to these violators unless they are parked in a disabled zone parking space, President's office space, or some other space indicating it is specifically reserved. Therefore, a car is impounded only when it is parked or operated in a manner dangerous to vehicular or pedestrian traffic.

We wish to point out that the University can assume no responsibility for the loss of articles from within cars, from off cars, from damages to cars, or from the loss of the car itself while such cars are parked on the campus or passing through the campus. Reports of loss from and damages to vehicles are not infrequent. A car when impounded is not removed from a condition of security to a condition of insecurity.

The Parking and Traffic Committee, as well as administrative officers, has made an earnest search to find penalties for parking and traffic violations which are commensurate with the violation. The inability to levy a fine has imposed a severe hardship and made necessary, we believe, the policy of impounding vehicles under certain conditions. We would all prefer a fee for registration and the use of fines as penalties to violators of parking and traffic regulations, and under such a system the money from fees and fines could at least help finance the parking and traffic program on this campus. The practice of impounding vehicles is followed by most municipalities and many colleges and universities. We believe the present practice of impounding vehicles under certain conditions as a means of assessing penalties should remain in force until such time as we have the authority to do the following:

1. Charge a vehicle registration fee to holders of parking permits.
2. Fine violators of parking and traffic regulations.
3. Use the money from fees and fines to help finance the parking and traffic program.


G. W. Landrum

GWL/mfb
6/19/57

Funeral Directors and Embalmers Ass'n

5970 HEBERT

TELEPHONE 2-9262

Beaumont, Texas
April 29, 1957

FOR ACTION OF
Regents
SEE MINUTES OF
JUN 28 1957

OFFICERS

- PRESIDENT**
M. J. ZEIGLER
FORT WORTH
- 1ST VICE-PRESIDENT**
BRUCE E. LEONARD
CARRIZO SPRINGS
- 2ND VICE-PRESIDENT**
E. C. HARPER, JR.
FORT WORTH
- SECY-TREAS.**
HAROLD C. SAUNDERS
SAN ANTONIO
- PAST PRESIDENT**
BEN E. HAMNER
EASTLAND

Mr. Logan Wilson, President
The University of Texas
Austin 12, Texas

PRESIDENT'S OFFICE, U OF T
ACKNOWLEDGED _____ FILE _____
REC'D MAY 1 - 1957
REFER TO _____
PLEASE ANSWER _____
PLEASE HOLD AND RETURN _____

Dear President Wilson:

Please consider this a formal request that consideration be given to the development of a school of mortuary science within The University of Texas.

DIRECTORS

- NOBLE BATES
DEKALB
- ALTON B. BOXWELL
PERRYTON
- IRA G. BROUGHTON
WHARTON
- G. W. CHRISTIAN
DALLAS
- BILLY CRAWFORD
HENDERSON
- JOE A. EDWARDS
WOODVILLE
- JOE MANOR
AUSTIN
- ROBERT B. MERTS
TAFT
- GEO. C. PRICE
LEVELLAND
- RAYMOND RIVER
BIG SPRING
- C. V. SINGLETON
SEMINOLE
- MRS. R. E. WALTRIP
HOUSTON

The Board of Directors of this Association, acting in behalf of the entire membership, has endorsed such a plan and has placed at the disposal of Doctor Melvin A. Casberg, Vice-President for Medical Affairs, The University of Texas, certain data outlining the need for such an endeavor along with catalogs, letters and other specific information on mortuary schools in other universities.

It is our sincere wish that this may be given consideration by your Board of Regents at a very early date. Please let us know if we may be of service and should you need additional data on the subject, do not hesitate to advise us.

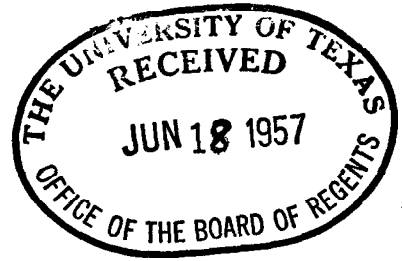
Very truly yours,
Edward A. McGuire
Edward A. McGuire
Executive Secretary

EXECUTIVE SEC'Y
EDWARD A. MCGUIRE
BEAUMONT

*Betty Anne -
so your info
only
EAM/dm HJ*

acknowledged by Dr. Wilson and referred to Dr. Casberg "to get on med affairs committee agenda at an early date."

THE UNIVERSITY OF TEXAS
OFFICE OF THE VICE-PRESIDENT
MAIN UNIVERSITY
AUSTIN 12



June 14, 1957

OK
CW
(see also original)

Dr. Logan Wilson
President
The University

Dear Dr. Wilson:

I recommend that the President approve and the Board of Regents ratify the nomination of Dr. William W. Newcomb, Jr. as Director of the Texas Memorial Museum effective July 1, 1957.

Dr. Newcomb is a very promising young anthropologist and appears to have qualifications desirable for the directorship of the Museum.

Included
in
Budget for
1957-58

Sincerely yours,

Original Signed by
C. P. BONER
C. P. Boner
Vice-President
Main University

CPB:bg

PERMANENT UNIVERSITY FUND--INVESTMENT MATTERS.--

REPORT OF PURCHASES OF SECURITIES.--The following purchases have been made for the Permanent University Fund since the report of May 3, 1957. We ask that the Board ratify and approve these transactions:

TEXAS MUNICIPAL BONDS PURCHASED

<u>Date Purchased</u>	<u>Issue</u>	<u>Par Value</u>	<u>Purchase Price</u>	<u>Yield Basis</u>	<u>Principal Cost</u>	<u>Date of Delivery</u>
4/17/57	City of Lubbock 2-3/4% Waterworks System Revenue Bonds, Series 1956, dated 3/1/56, due 6/1/78-80/68	\$ 142,000	84.822218	3.75%*	\$ 120,447.55	4/26/57
3/ 1/57	Houston 3-1/2% Independent School District School and Athletic Building Bonds, dated 4/10/57, due 4/10/87	500,000	100.00	3.50 *	500,000.00	5/ 3/57
Total Texas Municipal Bonds Purchased		\$ 642,000			\$ 620,447.55	

*Yield to maturity.

CORPORATE BONDS PURCHASED

<u>Date Purchased</u>	<u>Issue</u>	<u>Par Value</u>	<u>Purchase Price</u>	<u>Yield Basis</u>	<u>Principal Cost</u>	<u>Date of Delivery</u>
5/ 7/57	The Cincinnati Gas & Electric Company 1st Mortgage Bonds, 4-1/8% Series, dated May 1, 1957, due May 1, 1987, rated Aaa by Moody's	\$ 500,000	99.25	4.17%*	\$ 496,250.00	5/20/57
6/11/57	Consolidated Natural Gas Company 4-7/8% Debentures, dated June 1, 1957, due June 1, 1982, rated Aaa by Moody's	500,000	101.085	4.80 *	505,425.00	On or about 6/20/57
Total Corporate Bonds Purchased		\$1,000,000			\$1,001,675.00	

*Yield to maturity.

FOR ACTION OF
Regents
SEE MINUTES OF
JUN 28 1957

PERMANENT UNIVERSITY FUND--INVESTMENT MATTERS.--

REPORT OF PURCHASES OF SECURITIES.--(Continued)

CORPORATE STOCKS PURCHASED

Date Purchased	Issue	No. Shares Purchased	Purchase Price	Total Principal Cost*	Estimated Purchase Yield#
5/17/57	General Motors Corporation Common Stock	1,000	43-1/4	\$ 43,616.30	4.59%
5/17/57	Standard Oil Company (New Jersey) Capital Stock	800	61-1/2(500), 61-5/8(100), 61-3/8(100), 61-1/4(100)	49,504.18	3.56
5/24/57	Commonwealth Edison Company Common Stock	1,200	40-1/2(900), 40-3/4(300)	49,098.39	4.89
5/24/57	Pacific Lighting Corporation Common Stock	1,300	37-5/8	49,352.03	5.27
5/24/57	Socony Mobil Oil Co., Inc., Capital Stock	900	58-7/8	53,355.51	4.22
5/24/57	Baltimore Gas & Electric Company Common Stock	1,400	35-1/4	49,806.82	5.06
5/24/57	Pacific Gas & Electric Company Common Stock	1,000	50	50,400.00	4.76
5/24/57	United States Gypsum Company Common Stock	800	60-1/8(100), 60-1/4(100), 61(600)	48,966.14	4.08
5/24 & 5/27/57	American Cyanamid Company Common Stock	600	84-7/8(200), 87(200), 87-1/4(200)	52,086.84	3.46
5/24 & 5/27/57	National Biscuit Company Common Stock	1,300	37-1/8(800), 37-3/4(500)	49,012.88	5.30
5/24/57	Public Service Electric & Gas Company Common Stock	1,600	31-1/8(800), 31-1/4(800)	50,389.52	5.72
5/28/57	American Smelting & Refining Company Common Stock	1,000	55(200), 55-1/8(800)	55,505.08	5.40
5/28/57	Bethlehem Steel Corporation Common Stock	1,100	45-3/8(100), 45-5/8(300), 45-7/8(700)	50,754.20	5.20

*Including commissions, if any, charged according to N.Y.S.E. regulations.
#Based on current dividends being paid.

PERMANENT UNIVERSITY FUND--INVESTMENT MATTERS...
 REPORT OF PURCHASES OF SECURITIES...--(Continued)

CORPORATE STOCKS PURCHASED
 (Continued)

Date Purchased	Issue	No. Shares Purchased	Purchase Price	Total Principal Cost*	Estimated Purchase Yield#
5/28/57	General Electric Company Common Stock	800	65-1/2	\$ 52,732.40	3.03%
5/28/57	Gulf States Utilities Company Common Stock	1,300	39-1/2(1,200), 39-3/8(100)	51,789.19	4.02
5/28 & 5/29/57	Commercial Credit Company Common Stock	1,000	50-1/2(600), 50-1/4(300), 50-1/8(100)	50,787.90	5.51
5/28 & 6/ 4/57	Ingersoll-Rand Company Common Stock	600	85(300), 82-3/4(100), 83(200)	50,635.38	4.15
5/28/57	Atchison, Topeka & Santa Fe Railway Company Common Stock	2,200	23-1/4(300), 23-3/8(700), 23-1/2(1,200)	52,125.22	6.75
5/28/57	Eastman Kodak Company Common Stock	500	99	49,724.50	2.66
5/28/57	Southern California Edison Company Common Stock	1,000	50-5/8	51,025.60	4.70
6/ 4/57	Ohio Edison Company Common Stock	1,000	52-3/8(700), 52-1/4(300)	52,739.87	5.00
6/ 4/57	Philadelphia Electric Company Common Stock	1,300	38-7/8(1,000), 39(300)	51,022.90	5.10
6/ 4/57	Public Service Company of Indiana, Inc., Common Stock	1,300	39	51,148.50	5.08
6/ 4/57	American Can Company Common Stock	1,200	41-7/8(400), 42(700), 42-1/8(100)	50,794.32	4.72
6/ 4/57	General Foods Corporation Common Stock	1,100	44-1/2(900), 45(200)	49,460.25	4.45
6/ 4/57	The Texas Company Capital Stock	700	73-1/4	51,571.31	3.33
6/ 4/57	American Home Products Corporation Capital Stock	300	152	45,750.00	3.54
6/ 4/57	E. I. duPont de Nemours & Company Common Stock	300	196-1/2	59,100.00	3.30
6/ 4/57	J. C. Penney & Company, Inc., Common Stock	600	82-1/2	49,759.50	5.12
6/ 4/57	United Gas Corporation Common Stock	1,400	36-3/4(200), 36-7/8(200), 37(900), 37-1/8(100)	52,206.20	4.02

*Including commissions, if any charged according to N.Y.S.E. regulations.

#Based on current dividends being paid.

PERMANENT UNIVERSITY FUND--INVESTMENT MATTERS...
 REPORT OF PURCHASES OF SECURITIES...--(Continued)

CORPORATE STOCKS PURCHASED
 (Continued)

Date Purchased	Issue	No. Shares Purchased	Purchase Price	Total Principal Cost*	Estimated Purchase Yield [#]
6/ 7/57	The Detroit Edison Company Capital Stock	1,200	41-5/8(200), 41-1/2(400), 41-3/4(600)	\$ 50,404.90	4.76%
6/ 7/57	R. J. Reynolds Tobacco Company New Class B Common Stock	900	55-5/8(200), 55-7/8(100) 55-1/2(300), 55-3/4(300)	50,452.60	5.71
6/ 7/57	United States Steel Corporation Common Stock	800	67-1/8(100), 67-1/4(200), 67-1/2(200), 67(300)	54,096.27	4.44
6/ 7/57	American Telephone & Telegraph Company Capital Stock	300	177-1/4	53,325.00	5.06
6/ 7/57	Cincinnati Gas & Electric Company Common Stock	1,800	27-1/2	50,017.50	4.32
6/ 7/57	Consumers Power Company Common Stock	1,000	47-3/8(800), 47-1/2(200)	47,787.02	5.02
6/ 7/57	Johns-Manville Corporation Common Stock	1,000	49	49,395.00	4.55
6/ 7/57	Libbey-Owens-Ford Glass Company Common Stock	600	80-1/4(300), 80-3/4(300)	48,558.33	4.44
6/ 7 & 6/10/57	Ex-Cell-O Corporation Capital Stock	1,100	43-3/4(400), 43-7/8(200), 44-1/8(300), 44-1/2(100), 44(100)	48,769.33	3.38
Total Corporate Stock Purchased				<u>\$1,977,026.88</u>	<u>4.55%</u>

*Including commissions, if any, charged according to N.Y.S.E. regulations.
 #Based on current dividends being paid.

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED ADDITIONS TO APPROVED LIST OF CORPORATE SECURITIES FOR PURCHASE OF COMMON AND PREFERRED STOCKS.-- It is recommended that the following corporations be added to the list as approved May 4, 1957, for purchase of common and preferred stocks:

A. INDUSTRIAL CORPORATIONS

Group I
(Earning Power Stable - 36.6%)

1. Food and Dairy Products (Including Baking & Milling, Beverages & Confectionery, and Meats & Dairy Products) -- (4 approved 5/4/57, need total of 6 corporations)
Add: Borden Company (The)
2. Chemical Products -- (4 approved 5/4/57, after moving Eastman Kodak to the "Miscellaneous Classification," need total of 6 corporations)
Add: Allied Chemical & Dye Corporation*#
Monsanto Chemical Company*#
3. Containers -- (2 approved 5/4/57, need total of 3 corporations)
Add: Continental Can Company*
4. Paper Products -- (1 approved 5/4/57, need total of 3 corporations)
Add: Union Bag-Camp Paper Corporation (Moved from "Container Classification")
5. Retail Trade -- (2 approved 5/4/57, need total of 3 corporations)
Pass
6. Tobacco Products -- (2 approved 5/4/57, need total of 2 corporations)
7. Drugs, Soaps & Cosmetics -- (2 approved 5/4/57, need total of 3 corporations)
Add: Merck & Company*

Group II
(Some variation in earning power -- 36.6%)

1. Air Transport - None.
2. Building Materials -- (4 approved 5/4/57, need total of 5 corporations)
Add: Armstrong Cork Company
3. Electrical - Electronic -- (1 approved 5/4/57, need total of 4 corporations)
Add: Westinghouse Electric Corporation*
4. Office Equipment -- (1 approved 5/4/57, need total of 2 corporations)
5. Petroleum Products -- (3 approved 5/4/57, need total of 8 corporations)
Add: Continental Oil Company*
Gulf Oil Corporation*
6. Synthetic Fibres and Textiles -- None.
7. Tires and Rubber -- (1 approved 5/4/57, need total of 3 corporations)
Add: B. F. Goodrich Company*
Goodyear Tire and Rubber Company*#

*Exception as "growth stock." #Exception as to "Bond Ratio."

A. INDUSTRIAL CORPORATIONS
(Continued)

Group II - Continued

8. Automobiles & Accessories -- (2 approved 5/4/57, need total of 4 corporations)

Add: Ford Motor Company

Group III

(Considerable variation in earning power -- 19.7%)

1. Machinery - Agricultural -- (1 approved 5/4/57, need total of 1 corporation)

2. Machinery & Equipment - Industrial -- (3 approved 5/4/57, need total of 5 corporations)

Pass

3. Metals - Nonferrous -- (2 approved 5/4/57, need total of 4 corporations)

Add: Aluminum Company of America *# (Moved from "Miscellaneous Classification")

4. Steel and Iron -- (2 approved 5/4/57, need total of 4 corporations)

Add: Republic Steel Corporation

Miscellaneous

- (3 approved 5/4/57, including Eastman Kodak moved from "Chemicals" to "Miscellaneous Classification," need total of 5 corporations)

Add: Bendix Aviation* (Moved from "Automobiles & Accessories Classification")

B. PUBLIC UTILITY CORPORATIONS

1. Light and Power -- (17 approved 5/4/57, need total of 24 corporations)

Add: Florida Power & Light Company*
Potomac Electric Power Company
Wisconsin Electric Power Company

2. Gas Service and Gas Transmission -- (4 approved 5/4/57, need total of 6 corporations)

Pass

3. Telephone and Telegraph Service -- (2 approved 5/4/57, need total of 2 corporations)

C. RAILROADS

- (3 approved 5/4/57, need total of 4 corporations)

Pass

D. BANKS

- (13 approved 5/4/57, need total of 24 banks)

Pass

*Exception as "growth stock." #Exception as to "Bond Ratio."

E. FINANCE COMPANIES

(2 approved 5/4/57, need total of 6 companies)

Add: C. I. T. Financial Corporation#

F. INSURANCE COMPANIES

1. Fire and Casualty Insurance Companies -- (4 approved 5/4/57, need total of 10 companies)

Add: Aetna Casualty & Surety Company*
Continental Casualty Company*

2. Life Insurance Companies -- (3 approved 5/4/57, need total of 4 companies)

Add: Lincoln National Life Insurance Company*

*Exception as "growth stock."

#Exception as to "Bond Ratio."

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM -- RECOMMENDED ADDITIONS TO APPROVED LIST OF SECURITY DEALERS AND BROKERS.--It is recommended that the following additions be made to the list of security brokers and dealers as approved through May 4, 1957:

To Section IV. A. Group I (full members of the New York Stock Exchange with one or more branch offices in Texas), add the following:

Bache & Company, branch office in San Antonio, Texas

To Section IV. A. Group III (firms which have neither branch offices in Texas nor correspondent firms in Texas), add the following:

Wood, Struthers & Company, New York City (specialists in bank and insurance stocks)

Shelby Cullom Davis & Company, New York City (specialists in insurance stocks)

Smith, Barney & Company, New York City (unusually good in research)

WAIVER OF PREFERENTIAL RIGHT TO PURCHASE VETERANS' LAND BONDS FOR PERMANENT UNIVERSITY FUND. --The Board of Regents is one of the State agencies having a preference right under the Constitution and statutes to purchase new issues of Veterans' Land Bonds. At the request of the Veterans' Land Board, the Endowment Officer wrote the members of the Board of Regents on May 21, 1957, for an expression as to waiving this preference right as to an issue of Veterans' Land Bonds, Series 1957, in the amount of \$12,500,000 on which bids were expected to be opened on May 28. The legal limit on interest on these bonds is 3%. The response to the letter was that the right would be waived. The Veterans' Land Board received no bids for the bonds, and formal waiver or further action by the Board of Regents at this time is not required. This report is for the information of the Board.

REFUNDING PERMANENT UNIVERSITY FUND BONDS, SERIES 1949; AUTHORIZATION FOR EMPLOYMENT OF TEXAS NATIONAL BANK, HOUSTON, TO COMPILE LIST OF BONDHOLDERS, AND INTERIM COMMITTEE TO DRAFT TERMS OF REFUNDING ISSUE, ETC. --At the March 16, 1957, meeting of the Board of Regents, approval was given for the submission to the 55th Legislature of a bill relating to the refunding of Permanent University Fund Bonds issued in 1949 and for the employment of McCall, Parkhurst and Cross as Special Legal Counsel in matters pertaining to possible refunding or retirement of the bonds. The bill was introduced as Senate Bill 331 and House Bill 637, passed both houses, and was signed by the Governor on May 21, 1957.

At the May 4, 1957, meeting of the Board of Regents, a report was made by Dr. J. C. Dolley, Vice President for Fiscal Affairs, on his conferences and correspondence with Phelps, Fenn & Co., of New York, the head of the syndicate which purchased the bonds. At that meeting, the Vice President for Fiscal Affairs and the Endowment Officer were authorized to negotiate further with Phelps, Fenn & Co., with Texas National Bank of Houston, the paying agent under the bond issue, and with any other firms for a proposal for the refunding services that would be recommended to the Board of Regents at a later meeting. The matter has been explored with Texas National Bank and further with Phelps, Fenn & Co. However, the staff has concluded no definite recommendations on the matter, due in part to the difficulty of judging the work involved in the refunding operation until a list of the bondholders is available. The preparation of the list of bondholders in connection with payment of interest coupons due July 1, 1956, has been discussed with Texas National Bank, and the Bank proposes to prepare as complete a list as possible of these bondholders for a fee of \$ 333.34 from the University and to prepare a like list of the holders of the A. & M. bonds for a fee of \$166.66 from A. & M.

It is recommended that the Board of Regents authorize the employment of Texas National Bank for the preparation of the list of bondholders for the fee of \$333.34 to be paid from the Available Fund Unappropriated Balance. Authorization for the preparation of the list on the A. & M. bonds is expected from the Board of Directors of A. & M. College.

It appears that it will be of advantage to have any refunding of the bonds made effective on or about December 1, 1957, and that certain of the arrangements should be made prior to the next meeting of the Board of Regents. It is therefore recommended that the Board of Regents appoint an interim staff committee composed of Dr. J. C. Dolley, Vice President for Fiscal Affairs, W. C. Freeman, Comptroller of the Texas A. & M. System, and Mr. W. Stewart, ~~Endowment Officer~~, with instructions and authority to proceed with drafting the terms of the refunding bond issues for the University and Texas A. & M. College, the employment of a bank or investment banking firm to assist in various phases of the refunding, and related steps necessary prior to the next meeting of the Board of Regents in preparation for timely refunding, all such actions of the interim committee to be subject to approval by the Land and Investment Committee of the Board of Regents and subsequent ratification by the Board of Regents as to the University Permanent Fund Bonds. Similar action regarding the interim committee is expected from the Board of Directors of Texas A. & M. College System.

The Board of Regents on March 16, 1957, authorized the employment of the law firm of McCall, Parkhurst & Crowe of Dallas as special legal counsel in all matters pertaining to the refunding of the Permanent University Fund Bonds, including the general market approving opinion. The law firm has now suggested a fee of \$1.00 for each \$1,000 refunding bond actually delivered, plus out-of-pocket expenses. After July 1, 1957, maturities there will be 6,450 Permanent Fund Bonds outstanding, meaning maximum legal fee, not including out-of-pocket expenses, of \$6,450.00. It is recommended that the Board of Regents approve the proposed fee arrangement and authorize the Chairman to sign the letter of proposal as evidence of approval.

PERMANENT UNIVERSITY FUND--LAND MATTERS.--

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

PIPE LINE EASEMENT NO. 946, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 306).--This application for a pipe line easement to Humble Pipe Line Company covers 2639.09 rods of 6-inch oil pipe line at \$0.50 per rod in Sections 5, 8, 17, 20, 19, 26, 27, 34 and 35, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning May 1, 1957, and ending April 30, 1967. There is a difference of .09 rod between superseded Easement No. 306 and Easement No. 946, which is due to the conversion of feet to rods. The full consideration in the amount of \$1,319.55 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 947, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a power line right-of-way easement to Texas Electric Service Company covers 2,393 rods of line at \$0.05 per rod per year in Sections 7 and 8, Block 9; Sections 1, 10 and 12, Block 10; Sections 25, 26, 35 and 36, Block 11; Sections 13, 24, 36 and 37, Block 13; and Sections 16, 17 and 19, Block 14; all in University Lands, Andrews County, Texas. This easement is for a 10-year period beginning January 1, 1957, and ending December 31, 1966. The full consideration in the amount of \$1,196.50 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 948, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a power line right-of-way easement to Texas Electric Service Company covers 1,963 rods of line at \$0.05 per rod per year in Sections 3 and 10, Block 3; Sections 32, 41 and 42, Block 5; Section 6, Block 8; Section 31, Block 9; Sections 6, 7, 18, 27, 34, 35 and 36, Block 10; and Sections 1, 2, 11, 12, 13 and 14, Block 11; all in University Lands, Andrews County, Texas. This easement is for a 10-year period beginning January 1, 1957 and ending December 31, 1966. The full consideration in the amount of \$981.50 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 949, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a power line right-of-way easement to Texas Electric Service Company covers 6,961 rods of line at \$0.05 per rod per year in Sections 2, 3, 4, 5, 9, 10, 15, 20, 21, 22, 23, 27, 28, 31, 32, 33 and 34, Block 4; Sections 18, 19, 26, 27, 34 and 35, Block 1; Sections 35, 37, 38, 47 and 48, Block 9; all in University Lands, Andrews County, Texas. This easement is for a 10-year period beginning January 1, 1957, and ending December 31, 1966. The full consideration in the amount of \$3,480.50 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 950, TEXAS ELECTRIC SERVICE COMPANY, WARD COUNTY, TEXAS.--This application for a power line right-of-way easement to Texas Electric Service Company covers 123 rods of line at \$0.05 per rod per year in Section 6, Block 16, University Lands, Ward County, Texas, for a 10-year period beginning March 1, 1957, and ending February 28, 1967. The full consideration in the amount of \$61.50 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 951, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF PART OF EASEMENT NO. 309).--This application for a pipe line easement to Humble Pipe Line Company covers 330.28 rods of 8-inch oil pipe line at \$1.00 per rod in Section 43, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning May 1, 1957 and ending April 30, 1967. The full consideration in the amount of \$330.28 for the 10-year period has been tendered with the application. This easement is a renewal of part of Easement No. 309, the remainder of the line covered by that easement having been removed.

PIPE LINE EASEMENT NO. 952, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 310).--This application for a pipe line easement to Humble Pipe Line Company covers 1,604.79 rods of 6-inch

oil pipe line at \$0.50 per rod in Sections 12, 13, 24, 25 and 36, Block 11, University Lands, Andrews County, Texas, for a 10-year period beginning May 1, 1957, and ending April 30, 1967. The full consideration in the amount of \$802.40 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 953, GULF OIL CORPORATION, CRANE COUNTY, TEXAS.--This application for a pipe line easement to Gulf Oil Corporation covers 315.4 rods of 4-inch water pipe line at \$0.25 per rod in Sections 2 and 3, Block 31, University Lands, Crane County, Texas, for a 10-year period beginning May 1, 1957, and ending April 30, 1967. The full consideration in the amount of \$78.85 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 954, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 170.612 rods of 6-5/8-inch natural gas pipe line at \$0.75 per rod in Sections 24 and 25, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning May 1, 1957, and ending April 30, 1967. The full consideration in the amount of \$127.96 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 955, PHILLIPS PETROLEUM COMPANY, CRANE COUNTY, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 2516.1 rods of the following size lines in Sections 7, 8, 9, 15, 16, 17, 22, 28, and 37, Block 30, University Lands, Crane County, Texas for a 10-year period beginning May 1, 1957 and ending April 30, 1967: 183.5 rods of 12-3/4-inch line at \$1.50 per rod; 403 rods of 8-5/8-inch line at \$1.00 per rod; 771.1 rods of 6-5/8-inch line at \$0.75 per rod; 862.9 rods of 4-1/2-inch line at \$0.50 per rod; and 295.6 rods of 3-1/2-inch line at \$0.25 per rod. The full consideration in the amount of \$1,761.93 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 956, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 136.503 rods of 6-5/8-inch natural gas pipe line at \$0.75 per rod in Section 22, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning June 1, 1957, and ending May 31, 1967. The full consideration in the amount of \$102.38 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 957, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 212.121 rods of 6-5/8-inch natural gas pipe line at \$0.75 per rod in Section 10, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning June 1, 1957, and ending May 31, 1967. The full consideration in the amount of \$159.09 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 958, EL PASO NATURAL GAS COMPANY, REAGAN, CROCKETT AND IRION COUNTIES, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 9,167.056 rods of 20-inch natural gas pipe line at \$1.50 per rod in Sections 2, 3, 9, 10 and 11, Block 48, University Lands, Reagan County, Texas; Sections 15, 16, 17, 23 and 24, Block 43, University Lands, Reagan, Crockett and Irion Counties, Texas; and in the following University lands in Crockett County, Texas: Sections 11, 12, 18, 19, 23, 24, 26 and 27, Block 39; Section 25, Block 40; Sections 5, 6, 8, 9, 15, 16, 22, 23, 25 and 26, Block 41; Section 6, Block 42; Sections 3, 4, 6 and 7, Block 44; and Sections 2, 11, 19, 21, 22 and 23, Block 56. This easement is for a 10-year period beginning June 1, 1957, and ending May 31, 1967. The full consideration in the amount of \$13,750.58 for the 10-year period has been tendered with the application.

HIGHWAY RIGHT-OF-WAY EASEMENT NO. 959, COUNTY OF ANDREWS, ANDREWS COUNTY, TEXAS.--This application for a highway right-of-way easement to the County of Andrews covers a 123.09-acre strip of land in Section 14, Block 3 and Sections 4, 15, 27 and 39, Block 4, University Lands, Andrews County, Texas, for the purpose of constructing and maintaining a public road. The County of Andrews will be required, upon request of the University, to provide an adequate stock proof fence on each side of the right-of-way and also provide sources of water supply if construction of this road prevents ready access to existing sources. No consideration is involved in the easement.

POWER LINE EASEMENT NO. 960, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 317).--This application for a power line right-of-way easement to Texas Electric Service Company covers 797 rods of line at \$0.05 per rod per year in Sections 19, 20, 28, 29, Block 13, University Lands, Andrews County, Texas, for a 10-year period beginning June 1, 1957, and ending May 31, 1967. The full consideration in the amount of \$398.50 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 961, GULF REFINING COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Gulf Refining Company covers 702 rods of 4-inch line at \$0.25 per rod in Sections 5, 6 and 7, Block 13, University Lands, Andrews County, Texas, for a 10-year period beginning June 1, 1957, and ending May 31, 1967. The full consideration in the amount of \$175.50 for the 10-year period has been tendered with the application.

BUSINESS SITE EASEMENT NO. 962, C. W. BLANCHARD, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 305).--This application for a business site easement to C. W. Blanchard covers an area 150 feet by 400 feet in Section 17, Block 13, University Lands, Andrews County, Texas, for a period of one year beginning June 1, 1957, and ending May 31, 1958, with an option to renew from year to year but not to exceed a total of ten years from June 1, 1957, upon payment of the annual rental of \$100.00 in advance. This site is to be used for a grocery store. The consideration for the first year's rental has been tendered with the application. This is a renewal of Easement No. 305.

CALICHE PERMIT NO. 109, NEW-MEX CONSTRUCTION COMPANY, ANDREWS COUNTY, TEXAS.--This application for a caliche permit to New-Mex Construction Company provides for the removal of 1,100 cubic yards of caliche from Block 11, University Lands, Andrews County, Texas, at the rate of \$0.25 per cubic yard. The full consideration in the amount of \$275.00 has been tendered with the application.

POWER LINE EASEMENT NO. 963, WEST TEXAS UTILITIES COMPANY, REAGAN COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 319).--This application for a power line right-of-way easement to West Texas Utilities Company covers 5532.1 rods of line at \$0.05 per rod per year in Sections 13 through 18, Block 11, Sections 13 through 18, Block 8, and Sections 19 through 24, Block 1, University Lands, Reagan County, Texas, for a 10-year period beginning January 1, 1957, and ending December 31, 1966. Consideration in the amount of \$2,766.05 has been tendered in two payments: \$138.30 sent directly by West Texas Utilities Company to the Auditor's Office and \$2,627.75 tendered with this application.

POWER LINE EASEMENT NO. 964, WEST TEXAS UTILITIES COMPANY, UPTON COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 320).--This application for a power line right-of-way easement to West Texas Utilities Company covers 3,903.8 rods of line at \$0.05 per rod per year in Section 19, Block 1, Sections 1, 8, 9, 10, 11, 12, 17, 18, Block 4, Section 1, Block 58, and Sections 9, 10, 11, 13, 14, Block 15, University Lands, Upton County, Texas, for a 10-year period beginning January 1, 1957, and ending December 31, 1966. Consideration in the amount of \$1,951.90 has been tendered in two payments: \$97.59 sent directly by West Texas Utilities Company to the Auditor's Office and \$1,854.31 tendered with this application.

RADIO RANGE STATION SITE EASEMENT NO. 965, CIVIL AERONAUTICS ADMINISTRATION, HUDSPETH COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 299).--This application for a Radio Range Station Site Easement to the Civil Aeronautics Administration of the United States Department of Commerce covers a parcel of land in the E/2 of Section 72, Block M, University Lands, Hudspeth County, Texas, and right-of-way for ingress and egress along and upon a trail from the graded road to Sierra Blanca, Texas. This easement is for a 1-year period beginning July 1, 1957, and ending June 30, 1958, with an option to renew from year to year through June 30, 1967, at an annual rental of \$25.00 per year, payable at the end of each government fiscal year, June 30.

PIPE LINE EASEMENT NO. 966, MAGNOLIA PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 307).--This application for a pipe line easement to Magnolia Pipe Line Company covers 1,340 rods of 8-inch oil pipe line at \$1.00 per rod in Sections 14 through 18, Block 13, University Lands, Andrews County, Texas, for a 10-year period beginning June 1, 1957, and

ending May 31, 1967. The full consideration in the amount of \$1,340.00 for the 10-year period has been tendered with the application.

PUMP STATION SITE EASEMENT NO. 967, GULF REFINING COMPANY, CRANE COUNTY, TEXAS.--This application for a pump station site easement to Gulf Refining Company covers a 5-acre site in Section 44, Block 31, University Lands, Crane County, Texas, for a 1-year period beginning June 1, 1957, and ending May 31, 1958, with the option to extend and renew from year to year, but not to exceed a total period of ten years from June 1, 1957, upon payment of the annual rental of \$50.00 in advance. The consideration for the first year's rental has been tendered with the application.

PIPE LINE EASEMENT NO. 968, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 4.473 rods of 4-1/2-inch natural gas pipe line in Section 22, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning July 1, 1957, and ending June 30, 1967. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 969, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 23.570 rods of 4-1/2-inch natural gas pipe line in Section 22, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning July 1, 1957, and ending June 30, 1967. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 970, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 27.145 rods of 4-1/2-inch natural gas pipe line in Section 22, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning July 1, 1957, and ending June 30, 1967. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

CALICHE PERMIT NO. 110, SMOOT CONSTRUCTION COMPANY, CRANE COUNTY, TEXAS.--This application for a caliche permit to Smoot Construction Company provides for the removal of 200 yards of sand for road building purposes from Block 30, University Lands, Crane County, Texas, at the rate of \$0.25 per cubic yard. The full consideration in the amount of \$50.00 has been tendered with the application.

APPLICATION FOR GRAZING LEASE NO. 717, K. H. IRWIN AND GENE IRWIN, ANDREWS COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 579 HELD BY K. H. IRWIN). --This application for renewal of a grazing lease held by K. H. Irwin to K. H. Irwin and his son, Gene Irwin, covers 8,995.6 acres in Section 1 and Sections 14 through 26, Block 14, University Lands, Andrews County, Texas, for a period of five years beginning July 1, 1957, and ending June 30, 1962. Rental is at the rate of \$0.20 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.25 per acre per year for the 4-1/2-year period beginning January 1, 1958, and ending June 30, 1962, aggregate sum of which is in the amount of \$11,019.61, to be paid in semi-annual installments as follows: \$899.56 to be paid on the first day of July, 1957, (rental reduction as set forth below to apply against this payment); and \$1,124.45 to be paid on the first day of January and July of each succeeding year until and including January 1, 1962. A 50% rental reduction in the amount of \$449.78, in accordance with action by the Board of Regents at its November 3, 1956, meeting, will apply against the rental for the 6-month period beginning July 1, 1957, and ending December 31, 1957, for which period the rental of \$449.78 has been tendered with the application.

APPLICATION FOR GRAZING LEASE NO. 718, BUCK HARRIS, PECOS COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 580).--This application for renewal of Grazing Lease No. 580 covers 4,530 acres in that part of Sections 33 and 34 north of railroad, Block 27, and Sections 4, 5, 6, 8, 9, 16, 17 and that part of Sections 7 and 18 north of railroad, Block 28, University Lands, Pecos County, Texas, for a period of five years beginning July 1, 1957, and ending June 30, 1962. Rental is at the rate of \$0.22 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.30 per acre per year for the 4-1/2-year period beginning January 1, 1958, and ending June 30, 1962, aggregate sum of which is in the amount of

\$6,613.80, to be paid in semi-annual installments as follows: \$498.30 to be paid on the first day of July, 1957, (rental reduction as set forth below to apply against this payment); and \$679.50 to be paid on the first day of January and July of each succeeding year until and including January 1, 1962. A 50% rental reduction in the amount of \$249.15, in accordance with action by the Board of Regents at its November 3, 1956, meeting, will apply against the rental for the 6-month period beginning July 1, 1957, and ending December 31, 1957.

APPLICATION FOR GRAZING LEASE NO. 719, E. F. NOELKE ESTATE, CROCKETT AND UPTON COUNTIES, TEXAS (RENEWAL OF GRAZING LEASE NO. 581).-- This application for renewal of Grazing Lease No. 581 held by E. F. Noelke, to be issued to E. F. Noelke Estate, covers 13,512.4 acres in Sections 1 through 7, 10 through 19, and parts of Sections 8, 9 and 20, Block 14, and parts of Sections 1 and 6, Block 15, University Lands, Crockett and Upton Counties, Texas, for a period of five years beginning July 1, 1957, and ending June 30, 1962. Rental is at the rate of \$0.30 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.38 per acre per year for the 4-1/2-year period beginning January 1, 1958, and ending June 30, 1962, with a 25% per year reduction on 3,520 acres of this lease by reason of such acreage being in oil production. The aggregate sum of rental for the five-year period is \$23,496.30, to be paid in semi-annual installments as follows: \$1,894.86 to be paid on the first day of July, 1957, (rental reduction as set forth below to apply against this payment); and \$2,400.16 to be paid on the first day of January and July of each succeeding year until and including January 1, 1962. A 50% rental reduction in the amount of \$947.43, in accordance with action by the Board of Regents at its November 3, 1956, meeting, will apply against the rental for the 6-month period beginning July 1, 1957, and ending December 31, 1957.

APPLICATION FOR GRAZING LEASE NO. 720, E. F. NOELKE ESTATE, CROCKETT AND UPTON COUNTIES, TEXAS (RENEWAL OF GRAZING LEASE NO. 582).-- This application for renewal of Grazing Lease No. 582 held by E. F. Noelke, to be issued to E. F. Noelke Estate, covers 26,937 acres in Sections 1 through 9, Block 13, Sections 1 through 4, Sections 9 through 16, Sections 21 through 28, Sections 33 through 36, Block 5, Sections 25 through 27, Sections 34 through 36, and parts of Sections 21, 22, 23, 24, 28, 32 and 33, Block 4, University Lands, Crockett and Upton Counties, Texas. This lease is for a five-year period beginning July 1, 1957, and ending June 30, 1962, at the rate of \$0.40 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.50 per acre per year for the 4-1/2-year period beginning January 1, 1958, and ending June 30, 1962, aggregate sum of which is in the amount of \$65,995.65, to be paid in semi-annual installments as follows: \$5,387.40 to be paid on the first day of July, 1957, (rental reduction as set forth below to apply against this payment); and \$6,734.25 to be paid on the first day of January and July of each succeeding year until and including January 1, 1962. A 50% rental reduction in the amount of \$2,693.70, in accordance with action by the Board of Regents at its November 3, 1956, meeting, will apply against the rental for the 6-month period beginning July 1, 1957, and ending December 31, 1957.

APPLICATION FOR GRAZING LEASE NO. 721, MRS. A. C. HINDE, IRION COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 585 HELD BY A. C. HINDE).-- This application for renewal of a grazing lease held by A. C. Hinde, now deceased, to Mrs. A. C. Hinde, covers 3,064 acres in Sections 1, 2, 3, 8, 9, 10, 11, 12, Block 43, and Sections 1 and 2, Block 40, University Lands, Irion County, Texas, for a five-year period beginning July 1, 1957, and ending June 30, 1962. Rental is at the rate of \$0.40 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.50 per acre per year for the 4-1/2-year period beginning January 1, 1958, and ending June 30, 1962, aggregate sum of which is in the amount of \$7,506.80, to be paid in semi-annual installments as follows: \$612.80 to be paid on the first day of July, 1957 (rental reduction as set forth below to apply against this payment); and \$766.80 to be paid on the first day of January and July of each succeeding year until and including January 1, 1962. A 50% rental reduction in the amount of \$306.40, in accordance with action by the Board of Regents at its November 3, 1956, meeting, will apply against the rental for the 6-month period beginning July 1, 1957, and ending December 31, 1957.

APPLICATION FOR GRAZING LEASE NO. 722, R. B. FERGUSON, REAGAN COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 587 HELD BY MRS. R. C. FERGUSON AND SON).--This application for renewal of a grazing lease held by Mrs. R. C. Ferguson and Son, is to be issued to Mrs. Ferguson's son, R. B. Ferguson, Mrs. R. C. Ferguson being now deceased. This lease covers 16,797.7 acres in Sections 5, 6, 15, 16, 25, Block 43, Sections 2, 3, 4, 5, Block 47, and Sections 1 through 25, Block 48, University Lands, Reagan County, Texas, for a period of five years beginning July 1, 1957, and ending June 30, 1962. Rental is at the rate of \$0.40 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.50 per acre per year for the 4-1/2-year period beginning January 1, 1958, and ending June 30, 1962, aggregate sum of which is in the amount of \$41,055.41, to be paid in semi-annual installments as follows: \$3,359.54 to be paid on the first day of July, 1957 (rental reduction as set forth below to apply against this payment); and \$4,199.43 to be paid on the first day of January and July of each succeeding year until and including January 1, 1962. A 50% rental reduction in the amount of \$1,679.77, in accordance with action by the Board of Regents at its November 3, 1956, meeting, will apply against the rental for the 6-month period beginning July 1, 1957, and ending December 31, 1957.

APPLICATION FOR GRAZING LEASE NO. 723, GEORGE BLACKSTONE AND F. M. ELKINS, REAGAN, IRION AND CROCKETT COUNTIES, TEXAS (RENEWAL OF GRAZING LEASE NO. 588).--This application for renewal of a grazing lease to George Blackstone and F. M. Elkins, a partnership, covers 16,544.1 acres in Sections 3 through 9 and 11 through 25, Block 43, Sections 1, 12, 13, 24 and 25, Block 40, Sections 4 through 8, Block 44, University Lands, Reagan, Irion and Crockett Counties, Texas, for a period of five years beginning July 1, 1957, and ending June 30, 1962. Rental is at the rate of \$0.35 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.42 per acre per year for the 4-1/2-year period beginning January 1, 1958, and ending June 30, 1962, aggregate sum of which is in the amount of \$34,163.56, to be paid in semi-annual installments as follows: \$2,895.22 to be paid on the first day of July, 1957 (rental reduction as set forth below to apply against this payment); and \$3,474.26 to be paid on the first day of January and July of each succeeding year until and including January 1, 1962. A 50% rental reduction in the amount of \$1447.61, in accordance with action by the Board of Regents at its November 3, 1956, meeting, will apply against the rental for the 6-month period beginning July 1, 1957, and ending December 31, 1957.

APPLICATION FOR GRAZING LEASE NO. 724, MRS. ELTA T. MURPHEY, IRION COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 583).--This application for a renewal of a grazing lease to Mrs. Elta T. Murphey covers 338.2 acres in Sections 2, 3 and 4, Block 3, University Lands, Irion County, Texas, for a period of five years beginning July 1, 1957, and ending June 30, 1962. Rental is at the rate of \$0.40 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.50 per acre per year for the 4-1/2-year period beginning January 1, 1958, and ending June 30, 1962, aggregate sum of which is in the amount of \$828.59, to be paid in annual installments as follows: \$152.19 due on July 1, 1957, and \$169.10 on the first day of July of each succeeding year until and including July 1, 1961. In accordance with action by the Board of Regents at its November 3, 1956, meeting, Mrs. Murphey has signed a 50% stock reduction contract for the period July 1, 1957, through December 31, 1957, and is therefore entitled to a reduction in rental payment of \$33.82 for this period. Mrs. Murphey now has a \$33.82 credit balance in Grazing Lease No. 583 due to overpayment for the period January 1, 1957, through June 30, 1957. Therefore, the net amount due on July 1, 1957, for the 12-month period ending June 30, 1958, is \$84.55.

APPLICATION FOR GRAZING LEASE NO. 725, H. F. NEAL, UPTON COUNTY, TEXAS, (RENEWAL OF GRAZING LEASE NO. 584).--This application for renewal of a grazing lease to H. F. Neal covers 10,121.7 acres in Sections 1 through 18, Block 15, University Lands, Upton County, Texas. Rental is at the rate of \$0.30 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.38 per acre per year for the 4-1/2-year period beginning January 1, 1958 and ending June 30, 1962, aggregate sum of which is in the amount of \$18,826.34, to be paid in semi-annual installments as follows: \$1,518.26 to be paid on the first day of July, 1957 (rental reduction as set forth below to apply against this payment); and \$1,923.12 to be paid on the first day of January and July of each succeeding year until and including January 1, 1962. A 50% rental reduction in the amount of \$759.13, in accordance with action by the Board of Regents

at its November 3, 1956, meeting, will apply against the rental for the 6-month period beginning July 1, 1957, and ending December 31, 1957. Rental in the amount of \$759.13 for the 6-month period beginning July 1, 1957, and ending December 31, 1957, has been tendered with the application.

PIPE LINE EASEMENT NO. 971, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 79.0 rods of 20-inch line, 222.9 rods of 16-inch line, 3,678.6 rods of 12-3/4-inch line, 6,673.8 rods of 10-3/4-inch line, 2,737.5 rods of 8-5/8-inch line, 8,490.2 rods of 6-5/8-inch line, 9,792.1 rods of 4-1/2-inch line, 3,257.1 rods of 3-1/2-inch line, and 5,016.3 rods of 2-3/8-inch line in Sections 4, 5, 9, 10, Block 1; Sections 2 through 7, 10, 14 through 23, 26 through 29, 31, 32, 35, 36, 37, Block 4; Sections 5, 6, 7, 8, 17, 18, 30, 31, Block 5; Sections 5, 6, 7, 8, 17, 18, Block 8; Sections 2, 4 through 9, 11, 14, 17, 19, 20, 21, 23, 28 through 32, 42, 43, Block 9; and Sections 1 through 4, 9 through 12, 14, 15, 16, 22, 23, 25, 26, 27, 33, 34, 35, 36, Block 10; University Lands, Andrews County, Texas. This easement is for a 10-year period beginning May 1, 1957, and ending April 30, 1967. The full consideration in the amount of \$28,714.11 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 972, WEST TEXAS UTILITIES COMPANY, UPTON COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 327 TO ILLINOIS PIPE LINE COMPANY OF TEXAS).--This application for a power line right-of-way easement to West Texas Utilities Company, renewal of Easement No. 327 to Illinois Pipe Line Company of Texas, who is assigning its rights under this easement to West Texas Utilities Company, covers 215.6 rods of power and telephone line at \$0.05 per rod per year in Block 15, University Lands, Upton County, Texas, for a 10-year period beginning July 1, 1957, and ending June 30, 1967. The full consideration in the amount of \$107.80 for the 10-year period has been tendered with the application.

ASSIGNMENT OF BUSINESS SITE EASEMENT NO. 341 FROM NOBLE HOLT TO STOUT & GOODWIN THEATRES, A PARTNERSHIP, REAGAN COUNTY, TEXAS.--This assignment of Business Site Easement No. 341 from Noble Holt to Stout & Goodwin Theatres, a partnership composed of Seth E. Stout, III, and John U. Goodwin, Jr., covers a site in Section 7, Block 11, University Lands, Reagan County, Texas. This easement is for a 10-year period beginning May 1, 1948, and ending April 30, 1958, at an annual rental of \$200.00 payable in advance. The standard assignment fee in the amount of \$25.00 and the \$1.00 fee covering filing of the instrument in the General Land Office have been tendered with the application.

ASSIGNMENT OF BUSINESS SITE EASEMENT NO. 364 FROM NOBLE HOLT TO SOUT & GOODWIN THEATRES, A PARTNERSHIP, REAGAN COUNTY, TEXAS.--This assignment of Business Site Easement No. 364 from Noble Holt to Stout & Goodwin Theatres, a partnership composed of Seth E. Stout, III, and John U. Goodwin, Jr., covers a site in Section 7, Block 11, University Lands, Reagan County, Texas. This easement is for a 10-year period beginning November 1, 1948, and ending October 31, 1958, for an annual rental of \$180.00 payable in advance. The standard assignment fee in the amount of \$25.00 and the \$1.00 fee covering filing of the instrument in the General Land Office have been tendered with the application.

AMENDMENT OF TERMS OF EASEMENT NO. 942, CABOT CARBON COMPANY, WARD COUNTY, TEXAS.--At the meeting of May 3, 1957, this easement, which was a renewal of Easement No. 314, was approved. As stated at that time, it was for a period of 10 years, beginning July 1, 1957 and ending June 30, 1967, payable in advance for the 10-year period. The easement as prepared and signed by the Company and the Chairman of the Board of Regents provides for payment annually in advance. The rental for the first year, in the amount of \$200.00, has been received.

SOIL BANK CONTRACTS ON UNIVERSITY LANDS.--At the March 16, 1957 meeting of the Board of Regents, approval of U. S. Department of Agriculture Soil Bank Conservation Reserve Contracts on University Lands was given with the understanding that those grazing leases coming under the Soil Bank Program would receive no reduction in grazing lease rental subsequent to the lessee coming under the program, effective January 1, 1957. It was the intent of the recommendation that that portion of the grazing lease under the soil bank contract rather than the entire lease have no reduction and it was upon that basis that additional sums due have been figured and collected. To date only five such grazing leases have had

any part of their acreage in the soil bank. They are as follows:

Lease No.	Lessee	No. of Acres in Soil Bank	Additional Rental due for 6 mos. ending 6/30/57
635	W. W. Adams	130	\$11.98
638	Mrs. L. Kathleen St. Clair	142	6.21
645	Louis Brooks	100	4.38
649	Aubrey DeLong	193.6	16.94
687	R. B. Ferguson (for Mrs. R. C. Ferguson & Son)	158	15.80

The additional rental due was on the basis of whether the lessee had chosen a 25% or 50% reduction as approved for the calendar year 1957 by the Board of Regents.

The additional rental has been received from all of the tenants listed.

It is recommended that the action of March 16, 1957 be clarified to read as follows:

"It is further recommended that for those grazing leases coming under the Soil Bank Program no reduction in grazing lease rental be granted on that portion of the grazing lease under such program, effective January 1, 1957."

EXECUTION OF WATER CONTRACT NO. 70 WITH CITY OF MIDLAND, TEXAS.--

At the January 11, 1957 meeting of the Board of Regents, the proposal of the City of Midland for Water Exploration and Development Permit was approved by the Board with the Chairman of the Board authorized to execute the instrument upon approval as to content by the Endowment Officer and as to form by the Land and Trust Attorney. This contract covers approximately 77,000 acres of University Lands, being all of Block 5 in Andrews County, all of Block 6 except Sections 1 through 14, Andrews and Martin Counties, and all of Block 7, Andrews and Martin Counties. The contract dated as of March 1, 1957, has been executed on behalf of the University by the Chairman of the Board of Regents and on behalf of the City of Midland by the Mayor, approved as to form by the Assistant Land and Trust Attorney for the University, and the City Attorney for the City of Midland, and as to content by the Endowment Officer. The check of the City of Midland in the amount of \$2,500 in payment of the consideration for the exclusive right to test and explore for a period of two years has been forwarded to the University Auditor.

OPINION FROM THE ATTORNEY GENERAL REQUESTED BY THE CHAIRMAN OF THE BOARD FOR LEASE OF UNIVERSITY LANDS RE DUTIES AND RESPONSIBILITIES OF VARIOUS DEPARTMENTS AND AGENCIES.--On May 15, 1957, Mr. Earl Rudder, as Chairman of the Board for Lease of University Lands, submitted a request to the Attorney General for an opinion on the duties and responsibilities of various departments and agencies in connection with the oil and gas leasing and administration thereof on lands owned by The University of Texas. On June 11, 1957, the opinion was given by the Attorney General. Attached hereto are copies of the request and the opinion for information of the members of the Board of Regents.

TRUST AND SPECIAL FUNDS--INVESTMENT MATTERS.--

REPORT OF PURCHASES AND SALES OF SECURITIES.--The following purchases and sales of securities have been made for the Trust and Special Funds since the report of May 3, 1957. We ask that the Board ratify and approve these transactions:

Date	PURCHASES Security	Principal Cost
5/23/57	\$9,000 par value Oklahoma Gas & Electric Company 4-1/2% First Mortgage Bonds, Series 1957, due January 1, 1987, at 102.75 Net to yield 4.33% to maturity. Accrued interest paid to 5/31/57. (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	\$ 9,247.50
	61 Shares American Telephone & Telegraph Company Capital Stock at 178-7/8 (Henry Beckman Scholarship in Mathematics for Univer- sity of Texas First-Year Students)	10,958.95
	100 Shares The Borden Company Capital Stock at 60-7/8	6,128.59
	100 Shares Commonwealth Edison Company Common Stock at 40-1/8	4,047.56
	100 Shares Libbey-Owens-Ford Glass Company Common Stock at 77-3/4	7,817.78
	100 Shares Ohio Edison Company Common Stock at 52-1/2 (Funds Grouped for Investment)	5,290.25
	100 Shares Bethlehem Steel Corporation Common Stock at 46-3/4	4,713.38
	200 Shares The Detroit Edison Company Capital Stock at 41-7/8	8,446.88
	200 Shares National Dairy Products Corporation Common Stock at 34-7/8 (Hogg Foundation; W. C. Hogg Estate Fund)	7,039.88
	100 Shares Commonwealth Edison Company Common Stock at 40-1/4	4,060.13
	100 Shares Ohio Edison Company Common Stock at 52-1/2 (Wilbur S. Davidson Educational Fund)	5,290.25
	100 Shares Commonwealth Edison Company Common Stock at 40-1/8	4,047.56
	200 Shares National Dairy Products Corporation Common Stock at 34-7/8	7,039.88
	150 Shares Norfolk and Western Railway Company Common Stock at 67 (100) and 67-1/4 (50)	10,134.79
	200 Shares The Procter & Gamble Company Common Stock at 48-1/4 (E. D. Farmer International Scholarship Fund)	9,728.26

Date	PURCHASES (Continued) Security	Principal Cost
4/30 & 5/2/57	\$8,000 par value Public Service Electric and Gas 4-5/8% Debentures, due 3/1/77, at 100-7/8 to yield 4.56% to maturity	\$ 8,090.00
	\$10,000 par value Oklahoma Gas & Electric Company 4-1/2% First Mortgage Bonds, due 1/1/87, at 103-1/2 to yield 4.29% to maturity	10,375.00
	\$10,000 par value Southwestern Gas and Electric Company 4-5/8% First Mortgage Bonds, Series G, due 1/1/87, at 102-1/2 to yield 4.47% to maturity	10,275.00
	\$10,000 par value Southern California Edison Company 3% First and Refunding Mortgage Bonds, due 9/1/65, at 94-1/2 to yield 3.77% to maturity	9,475.00
	(Special Fund under Joint Control of The Sealy and Smith Foundation for the John Sealy Hospital and the Board of Regents of The University of Texas)	

Date	SALES Security	Net Proceeds
5/29/57	80/100ths Share Pan American Sulphur Company Common Stock (John Charles Townes Foundation: Wright Chalfant Morrow Fund)	\$20.24
6/10/57	12/100ths Share Monsanto Chemical Company Common Stock (Rehabilitation Clinic Endowment Fund - Medical Branch)	4.03
3/26/57	560 Rights from El Paso Natural Gas Company for new \$5 Convertible Second Preferred Stock (Special Fund under Joint Control of The Sealy and Smith Foundation for the John Sealy Hospital and the Board of Regents of The University of Texas - Sold by the Foundation, proceeds not yet known)	

TRUST AND SPECIAL FUNDS--GIFT, BEQUEST AND ESTATE MATTERS.--

ESTATE OF A. C. McLAUGHLIN (CALIFORNIA ADMINISTRATION) -
RECOMMENDATION FOR APPROVAL OF STIPULATION RE ALLOTMENT AND LIQUIDA-
TION FOR FINAL DISTRIBUTION--By Order Determining Heirship dated Septem-
ber 11, 1953, in the Superior Court of California, Los Angeles County,
it was decreed that the residue estate within that jurisdiction, which
was devised to the University, should be distributed 1/4 to the two
children of a deceased daughter of Mr. McLaughlin and 3/4 to the Univer-
sity. Mr. A. C. McLaughlin, Jr., has served as Administrator with Will
Annexed in California and is now preparing to close the Estate. He has
proposed through the University's special counsel, Mr. Geo. W. Wilson of
San Francisco, that the University join in a stipulation for allotment
of certain assets, for liquidation, and for final distribution. The
stipulation has already been executed by the other interested parties,
namely: A. C. McLaughlin, Jr., Stuart W. McLaughlin, Evelyn M. Levison
(surviving children of the decedent), Joanne Evelyn Reed Barrett, and
James Frazier Reed (children of the deceased daughter).

The stipulation provides as follows: (1) delivery of contents of the
home and personal trinkets (as devised in the will) and cemetery lot
to the three surviving children, (2) delivery of South African bond
in principal amount of L.5000 and 99.75 ounces of platinum to Mrs.
Barrett and Mr. Reed at the value on the date of the Decree of Final
Distribution as appraised by professional dealers or appraisers selected
by the Administrator, (3) sale of the remaining assets of the Estate,
all being securities, and (4) distribution of cash in settlement of
the estate in accordance with the order of September 11, 1953. The
residue estate of which the University is to receive 3/4 has a value
of approximately \$200,000. However, final figures on taxes and costs
of administration are not yet available.

It is recommended that the Chairman of the Board of Regents be author-
ized to execute the proposed stipulation on behalf of the University
after approval as to form by the Land and Trust Attorney and as to
content by the Endowment Officer.

ESTATE OF FRED M. HUGHES, DECEASED.--At the May 4, 1957 meeting
of the Board of Regents, a proposal was accepted for cash settlement of
residuary bequest to the University from the Estate of Dr. Fred M. Hughes
of Houston from Mrs. Hughes. An instrument conveying to Mrs. Hughes such
interest as the University may have under the Will has been executed by the
Chairman after approval as to content by the Endowment Officer and as to
form by the Land and Trust Attorney. A check in the amount of \$5,000 has
been received and forwarded to the Auditor.

Under the terms of the will, which is not to be probated, Dr. Hughes had
specified one-half of the funds to come to the University would be used
for such purpose or purposes as such governing body may determine for the
benefit of the University of Texas and the remaining one-half for the
Medical School in Galveston, from both of which he had received degrees.
It is recommended that the funds be credited \$2,500 to an unrestricted
trust fund for the University and \$2,500 to an unrestricted trust fund
for the Medical Branch.

MURRAY CASE SELLS ESTATE - REPORT ON STATUS OF ESTATE AND RECOM-
MENDATION FOR APPOINTMENT OF A DIRECTOR OF SELLS PETROLEUM, INC.--There
have been previously reported to the Board of Regents (see Minutes of May 4,
1957, for last report) arrangements for raising funds to meet claims against
the Sells Estate and costs of administration and for termination of the
administration of The First National Bank of Dallas as Executor. Arrange-
ments have now been completed for a loan of \$1,800,000 to be made by South-
western Life Insurance Company; and Messrs. Cecil Morgan and John Scott,
attorneys representing the beneficiary institutions, have presented to
President Wilson for execution on behalf of the University an instrument
of approval of the loan and an instrument requesting the Bank as Executor
to pay over to Messrs. Morgan and Scott the sum of \$125,000 to be used
in payment of legal fees, recording expenses, travel expenses and other
items incurred by the beneficiary institutions in connection with the
negotiation of the loan and in other matters of the business of the Estate.
These instruments were so executed by President Wilson.

Subsequent to these loan arrangements, a suit was instituted in the United States District Court at Dallas by certain Oklahoma attorneys against The First National Bank of Dallas, individually and as Executor, and the beneficiary institutions were required to execute a release and a save harmless instrument in favor of the Bank in order for the proceeds of the Southwestern Life Insurance Company loan to be paid over. These instruments required of the University were executed by President Wilson upon the request of Messrs. Morgan and Scott.

The attorneys will present to the University and other beneficiary institutions at a later date copies of these instruments, along with any other matters requiring such action, for ratification by the respective governing boards. Copies of the four instruments are distributed at this time for information of the Board of Regents.

In the financing and settlement plan, each of the beneficiary institutions has been requested to appoint a representative on the Board of Directors of Sells Petroleum, Inc., and it is recommended that the Board of Regents appoint J. L. Johnson III to serve as a Director of Sells Petroleum, Inc.

TRUST AND SPECIAL FUNDS--REAL ESTATE MATTERS.--

COTTON ESTATE - TEXAS WESTERN COLLEGE - ASSIGNMENT OF LEASEHOLD OF EL PASO GRAIN ELEVATOR COMPANY TO SOUTHWEST NATIONAL BANK, EL PASO.-- On November 3, 1956, the Board of Regents approved a lease to the El Paso Grain Elevator Company on one acre, Cotton Estate Property, El Paso, Texas for a period of 20 years, beginning December 15, 1956, at a rental of \$100 per acre per month with option to renew for another 20 years at a rental to be agreed on one year before expiration of the primary term. Mr. A. E. Schuster, President of the El Paso Grain Elevator Company is requesting approval by the Board of Regents of an assignment of his leasehold interest to the Southwest National Bank as security for a loan for operating capital. The assignment is forwarded with the approval of Mr. A. A. Smith, Business Manager, and Dr. Dysart Holcomb, President, Texas Western College. It is recommended that the assignment be approved and that the Chairman of the Board of Regents be authorized to sign the instrument, subject to approval as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

ROSALIE B. HITE FUND FOR CONSTRUCTION OF A CANCER RESEARCH LABORATORY- RENTAL ARRANGEMENT WITH CLYDE PAUL ON PROPERTY AT CAPITOL AND LaBRANCH, HOUSTON, TEXAS.--A one-year parking lot lease at rental of \$250 monthly with Clyde Paul covering the Hite Fund's 55x100 feet on the southwest corner of Capitol and LaBranch in Houston expired on May 31, 1957. What Mr. Paul will be able to do on a new lease depends in part on his operating arrangement on other parts of the block, and no agreement has yet been reached that can be recommended to the Board of Regents. He is willing to continue through the month of July at the same rental, and it is recommended that the Board of Regents approve this holding over with the understanding that the Endowment Officer will negotiate further with Mr. Paul and any other prospective tenants and also investigate possibilities for sale of the property.

JAMES W. McLAUGHLIN FELLOWSHIP FUND - RECOMMENDATION FOR JOINDER IN UNIT AGREEMENT AND UNIT OPERATING AGREEMENT FOR RANGELY FIELD (WEBER SAND).--The Board of Regents as Trustee of the James W. McLaughlin Fellowship Fund, devised to the University by A. C. McLaughlin, has been asked to execute a "Ratification and Joinder of Unit Agreement and Unit Operating Agreement" covering the Weber Sand Unit Area in the Rangely Field, Rio Blanco County, Colorado, which unit as proposed would cover 19,153 acres in that field. A large part of the unit area being covered by leases on Government lands, the Unit Agreement and the Operating Agreement have been approved by the Director of the United States Geological Survey on behalf of the Secretary of the Interior and have also been approved by the Colorado Conservation Commission.

The University's ratification and joinder is recommended by Holme, Roberts, More & Owen, the University's special legal counsel in Colorado, by Dr. Clark F. Barb, Consulting Petroleum Engineer and Professor of Petroleum Engineering at Colorado School of Mines, who has appraised the McLaughlin interests both for the Administrator of the Estate and for the University, and by Mr. Stuart W. McLaughlin.

The unitization is aimed at conservation and maximum recovery from the field and specifically contemplates gas injection and water-flooding. ~~The California Company~~, the major operator in the field and the operator of the largest and most productive lease of those in which the University is interested, is designated as Unit Operator.

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Those leases in the unit in which the University is interested are as follows:

<u>Lease Name</u>	<u>Acres</u>	<u>University's Lease Interest (Per Cent)</u>	<u>Tract Participation (Per Cent)</u>	<u>University's Interest in Unit (Per Cent)</u>
A. C. McLaughlin - Consolidated "A"	1520	1.25 (ORRI)	13.210979	.165137
Kittie Fairfield "A"	120	5.2083 (WI)	.291124	.015162
Kittie Fairfield "B"	40	3.125 (WI)	.017863	.000558
Levison	<u>800</u>	.9375 (ORRI)	2.195766	.020587
	<u>2480</u>			<u>.201442</u>

Dr. Barb's appraisal of the University's interests in the Rangely Field shows a total value of \$644,350.00 for the above interests out of a total value of \$705,220.00 for the University's interests in the entire field. The remainder of the total value is made up of smaller interests, mostly in shallow production.

It is recommended that the Board of Regents authorize its Chairman to execute the "Ratification and Joinder of Unit Agreement and Unit Operating Agreement" upon approval of this form and of the Unit Agreement and Unit Operating Agreement to which it refers by the Endowment Officer as to content and by the Land and Trust Attorney as to form,

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HOGG FOUNDATION: VARNER PROPERTIES - PROPOSAL FROM W. E. DYCHE, JR., ON BEHALF OF HOUSTON FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF HOUSTON FOR PURCHASE OF RIVER OAKS BUILDING, SOUTHEAST CORNER, CAPITOL AND FANNIN, HOUSTON, TEXAS.--The University has received a proposal from Houston First Federal Savings and Loan Association of Houston, Texas, for the purchase of the property known as the River Oaks Building property on the southeast corner of Capitol Avenue and Fannin Street in Houston described as Lot 6 and the west 35 x 100 feet of Lot 7, Block 79, S.S.B.B., improved with a three-story brick and stucco building constructed about forty years ago, for \$400,000 cash. The offer is accompanied by a check for \$20,000 as earnest money.

The ground floor space on both Capitol and Fannin is under shop space leases, all of which expire in 1958 except one expiring in 1960. The second and third floors have been rented for several years on a month-to-month basis to the University of Houston and used for their night school. Present rental from the University of Houston is \$750.00 per month. Total gross rental is \$48,780 annually. Insurance premiums paid by the University amount to approximately \$2,000 annually, and depreciation at 10% per annum of the value of the improvements placed on the books in 1952 is at \$7,600 annually. Repairs necessary in the last three years have been small, but it is believed that \$3,000 annually will be a reasonable allowance for such repairs if the University is to hold the property over the next few years. The property is on the exempt tax rolls. Latest definite figures available as to amount of taxes if not exempt is \$8,500 in 1952. Thus income to the University based on the present leases after deducting insurance, depreciation and allowance for repairs amounts to approximately \$36,000 annually.

Appraisals of the property have been as follows:

Harry E. Richards 8/31/51	Land	\$297,500.00
	Improvements	<u>76,000.00</u>
		<u>\$373,500.00</u>
C. E. Woodall 8/30/51	Land	\$255,000.00
	Improvements	<u>76,500.00</u>
		<u>\$331,500.00</u>
M. H. James 3/11/57	Land	\$340,000.00
	Improvements	<u>90,000.00</u>
		<u>\$430,000.00</u>
Neville F. Allison 6/7/57	Land	\$380,000.00
	Improvements	<u>20,000.00</u>
		<u>\$400,000.00</u>

The property was placed on the University's books in 1952 in the Varner Acquisition at the appraised figures given by Mr. Richards. Depreciation since that date will reduce the book value to \$335,500 as of July 31, 1957 (land \$297,500 and improvements \$38,000).

Present net return therefore on book value is approximately 11%. Net return on the offered price and Mr. Allison's appraisal is approximately 9%.

Reinvestment of the proceeds of the sale in securities would make return of approximately $4\frac{1}{2}\%$ per annum or net annual return of \$18,000.

The above figures as to net return ignore possible Federal Income Taxes on unrelated business income. Due to the terms of the leases on this property, such income has not been subject to Federal Income Taxes. However, tax counsel is of the opinion that it is reasonably definite that approximately two-thirds of the gross rental income will be subject to inclusion in Supplement U Federal Income Tax returns, with proper adjustments on expenses and the like, after July 31, 1957.

It is generally conceded that the land is underimproved and that the University will not want to invest in new or additional improvements. This immediate area of downtown Houston is not regarded as one offering advantages from the standpoint of continued increment in value, though the last two appraisers who have reported on the property feel that values will hold up over the next few years.

The subject property is not considered one easy to sell to investors, and the best prospect for full value has been a user purchaser. Houston First Federal Savings and Loan Association expects, based largely on announcement of plans of The Texas Company for construction of a sizable office building in the same block, to improve the property for their own use and possibly with shop and office space available in a structure of some size. Such improvement should be of considerable advantage to another Varner property, the Mitchell (Bettes Building) Property, diagonally across Fannin Street.

Disregarding management problems and ^{possible tax problems} ~~probable Federal Income Tax liability~~, it is believed that continued holding of the property could be considered as speculative.

It is apparent that the ground and building space are actually larger than the 85 x 100 feet given above due to old encroachments of 3 to 4 feet on both Capitol Avenue and Fannin Street, title to this excess appearing to be good in the University.

The only other firm offer made to the University on this property was in the amount of \$315,000 cash or \$325,000 with terms made in 1953. This offer was declined and a counter offer of \$400,000 cash authorized. Prospective best offer in these negotiations was \$375,000 cash less \$15,000 commission which was not accepted.

It is recommended that the Board of Regents approve sale of this property to Houston First Federal Savings and Loan Association for \$400,000 cash, no commission being payable, with the University to furnish complete abstracts and to furnish a survey if required by the purchasers, and with no liability by the University for any Federal Revenue Stamps that may be required. It is recommended that the following resolution be adopted to accomplish this sale:

R E S O L U T I O N

WHEREAS, on July 31, 1952, the Varner Company, a private corporation, conveyed to the Board of Regents of The University of Texas, in trust, certain lands in Harris County, Texas, including the tract mentioned herein, for the use and benefit of the Hogg Foundation--W. C. Hogg Memorial Fund, said deed being recorded in Volume 2478, page 269 of the Deed Records of Harris County, Texas, to which reference is made for all purposes; and

WHEREAS, the Houston First Federal Savings and Loan Association of Houston, Harris County, Texas, has made an offer to purchase the River Oaks Building Property, which is referred to as Parcel No. 8 in the above-described deed from Varner Company, being situated in the City of Houston and on the South Side of Buffalo Bayou as Lots 6 and 7 in Block 79, except that portion thereof comprising a strip of 15 feet front with 100 feet depth off the east part of said Lot 7 and any land lying south-easterly of the line established by boundary line agreement between T. K. Dixon and wife and Varner Company dated April 5, 1927, recorded in Volume 711, page 404, Harris County Deed Records; and

WHEREAS, this offer is duly accepted by the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation--W. C. Hogg Memorial Fund, such sale being advantageous to The University of Texas:

NOW, THEREFORE, BE IT RESOLVED, That the Chairman of the Board of Regents of The University of Texas be and he is hereby authorized and directed to enter into a contract of sale covering the above property, and that upon the performance of the contract and upon receipt of the consideration the Chairman, for and on behalf of the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation--W. C. Hogg Memorial Fund, is further authorized and directed to execute, acknowledge and deliver a proper deed conveying the above-described property to the Houston First Federal Savings and Loan Association of Houston, Harris County, Texas, a corporation.

HOGG FOUNDATION: VARNER PROPERTIES - SUPPLEMENT U INCOME TAX.--

Since the last meeting of the Board of Regents, the staff has conferred with Mr. Benjamin L. Bird regarding the Supplement U Income Tax matters and, with Mr. Bird, has conferred with the Internal Revenue Agent handling the matter. The Agent is continuing his work in examining the returns of the University for the fiscal years ended July 31, 1953, 1954 and 1955, the last return having been filed as a final return. Further conferences are expected in the near future, and there is some prospect that all matters in dispute will be agreed on without formal protest. It is recommended that the Board of Regents authorize the Vice President for Fiscal Affairs, the Comptroller and the Endowment Officer to take such action as is deemed necessary for an agreed settlement or for protest of any of these tax matters upon advice of Mr. Bird, our special tax counsel, and upon approval of such action by the Chairman of the Board of Regents and the Land and Investment Committee. Any such action will be reported to the Board of Regents at a later date for ratification.

DeROSSETTE THOMAS FUND FOR THE ASA MITCHELL GUIDANCE CENTER - PROPOSAL FOR PURCHASE OR LEASE OF LAREDO PROPERTY BY SAMES MOTOR COMPANY, LAREDO.--The University has received from Sames Motor Company of Laredo an offer to purchase the Thomas property in Laredo to \$20,000 cash or in the alternative to lease the property for ten years effective with the expiration of the present lease on September 30, 1958, at rental of \$100 per month net to the University. The lease proposal is based on the right to remove the old brick building on the property. The purchase proposal is accompanied by earnest money in the amount of \$1,000.00.

The property is Lot 5, Block 63, Western Division, City of Laredo, at the corner of Houston Street and Flores Avenue fronting approximately 55.5 feet on Houston Street and 111 feet on Flores Avenue. The present lease is with Jacob G. Hornberger for a period of ten years from October 1, 1948, to September 30, 1958, at net rental of \$45.00 per month. The lease carries a provision purporting to give to the lessee an option to purchase the property on the same terms and conditions as offered by any other person. Sames Motor Company advised that they expect to be able to complete arrangements with Mr. Hornberger for waiver of this option if the property is sold to them.

The offer is accompanied by two recent appraisals purported to be independent, one showing value of \$15,000 and the other value of \$15,500. The property was inventoried by the Executors of the Thomas Estate in 1956 at a value of \$30,000. Though it is believed the appraisers for the Estate had little direct knowledge of the value, the property may be worth in the neighborhood of \$30,000 based on other sales in the area.

It is recommended that both the offer to purchase and the offer to lease be declined, and that the Endowment Officer be instructed to negotiate further with Sames Motor Company, investigate other possibilities of sale, and have the property appraised by a competent appraiser.

ARCHER M. HUNTINGTON MUSEUM FUND - PROPOSAL FROM REPUBLIC OIL REFINING COMPANY FOR PURCHASE OF 75.0967 ACRES OUT OF THE S. C. BUNDICK LEAGUE, GALVESTON COUNTY, TEXAS.--The University has received from the Republic Oil Refining Company, a division of Plymouth Oil Company, a proposal for the purchase of 75.0967 acres of the Huntington Lands out of the S. C. Bundick League, Galveston County, for \$800.00 per acre, or a total of \$60,077.40. Cashier's check in the amount of \$3,003.08 has been sent as earnest money.

The acreage covered by the offer lies adjacent to a tract of 120 acres sold to J. C. French, et al. (report of closing of this sale appearing in Minutes of May 4, 1957) for \$1,000 per acre. The pending offer provides for the University to retain one-half of all minerals, including participation in bonuses and royalties, but with full leasing rights in the purchasers. Republic is interested in acquiring this tract so that they may exchange it to Texas City Terminal Railway Company for a tract adjacent to Republic's plant which Republic has leased from the Railway Company.

The tract on which the offer has been received is not as desirable from the standpoint of elevation, topography and frontage as the tract sold to French, et al. However, both tracts were included in a larger tract on which M. H. James, C. E. Woodall and V. J. Schmitt placed a value of \$750.00 an acre in their appraisal of August, 1955.

It is recommended that the offer of \$800.00 per acre be declined, and that the Board of Regents offer to sell to Republic Oil Refining Company a tract of not more than 75.0967 acres and not less than 60 acres for \$1,000 cash per acre, subject to acceptance of this counter offer by Republic Oil Refining Company not later than July 31, 1957, such tract to be surveyed adjacent to the northeast boundary of the tract sold to French, et al., and lying between that line and a line drawn parallel to it to the northeast. It is further recommended that the Chairman of the Board of Regents be authorized upon acceptance by Republic Oil Refining Company of the Regents' counter offer to execute a contract of sale and a deed covering the acreage that may be selected by Republic within the above restrictions, such instruments to be approved by the Endowment Officer as to content and the Land and Trust Attorney as to form.

7 acres or so per day
 as per 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

TRUST AND SPECIAL FUNDS - REVENUE BOND FINANCING MATTERS.--

MAIN UNIVERSITY - PROPOSED EXPANSION OF TEXAS UNION BUILDING - RECOMMENDATION FOR AUTHORITY TO FILE FINAL LOAN APPLICATION WITH HOUSING AND HOME FINANCE AGENCY, INCLUDING PRELIMINARY PLANS AND PROVISIONS FOR PAYMENT OF ARCHITECTS' AND CONSULTANT'S FEES.--On June 1, 1956, the Board of Regents authorized the Endowment Officer to file a Preliminary Application with Housing and Home Finance Agency for a loan commitment not to exceed \$2,000,000 to finance the expansion of the Texas Union Building, subject to approval by the Board of preliminary plans and cost estimates. It was agreed by the Board that all negotiations regarding Texas Union expansion would be approved only subject to adequate planning for the inclusion of facilities for Law School students.

On September 22, 1956, the Board of Regents approved preliminary plans and cost estimates of a total of \$2,356,437 of which \$1,900,000 would come from the bond issue, expected to be purchased by Housing and Home Finance Agency. At the same time the preliminary plans for, including particularly location of, the Annex to serve Law School students, et al., were considered, with final recommendation for a site to be presented to the Board at a later date.

The Preliminary Application for \$1,900,000 was filed with Housing and Home Finance Agency in November, 1956. After conferences with the Regional Office of Housing and Home Finance Agency in connection with their investigation and consideration of the matter, the University was advised by letter of May 22, 1957, that preliminary approval and reservation of funds had been granted by the Agency to the extent of \$1,500,000, to be in the form of bonds maturing over a period of 30 years at 2-7/8% interest, and with the understanding that the University will sell to the public \$400,000 of bonds maturing over the first 15 years of the 30-year period. Preliminary investigation of prospects for sale of the \$400,000 of bonds to the public indicates a possibility of an interest cost on these bonds that would permit construction of the project under the projected operating budget for the Union.

The entire matter was reviewed at a conference including President Wilson, Vice Presidents Boner and Dolley, Endowment Officer Stewart, Comptroller Sparenberg, and Architect Saunders, and the recommendations set out below were agreed on at that conference.

It is recommended that the Endowment Officer be authorized to file with Housing and Home Finance Agency the Final Application for a commitment to buy the \$1,500,000 of bonds, with the understanding that authorization for construction of the project and sale of the bonds for the financing will be approved by the Board of Regents at a later date, and only after the Board of Regents has approved preliminary planning for the Annex to serve Law School students, et al, cost of such Annex to come from sources other than the Available University Fund and the bond issue or issues referred to above.

It is further recommended that the Comptroller be authorized to instruct the Consulting Architect, Page, Southerland and Page, to proceed immediately with the preparation of preliminary plans and outline specifications for the Expansion of the Texas Union Building, Main University, with the understanding that, if this project is never actually constructed, they will be paid for such services in accordance with the terms of their contract with the Board of Regents dated September 1, 1956 (this means that, for preliminary plans, etc., the fee would be $\frac{1}{2}$ of 1% of the estimated construction cost). It is further recommended that, in case the project is not actually constructed, the Consulting Architect's fee be paid out of Account No. 77940, Texas Union Building Fund. It is also recommended that in the event that the preparation of working drawings and specifications for this project is eventually authorized by the Board of Regents, and in the further event that the project is never actually constructed, the additional $\frac{1}{4}$ of 1% fee due the Consulting Architect and the 70% of 5% fee due the Associate Architect be paid also from Account No. 77940, Texas Union Building Fund. The estimated total of all these fees is \$83,500.00; the balance in Account No. 77940 at May 31, 1957 was a little over \$100,000.00.

It is further recommended that Mr. Porter Butts, Director of the Wisconsin Union, University of Wisconsin, be engaged as a Consultant for the Union Building Expansion, to work with and advise the staff of the Texas Union, the Consulting Architect, Page, Southerland and Page, and the Comptroller's

Office. It is further recommended that the Texas Union be authorized to enter into a contract with Mr. Butts, based upon a contract form insisted upon by Mr. Butts, with the total fee of \$4,700.00 required by Mr. Butts to be divided as follows:

Stage No. 1	\$2,500.00
Stage No. 2	1,200.00
Stage No. 3	<u>1,000.00</u>
Total	\$4,700.00

The fee of \$4,700.00 required by Mr. Butts does not include a trip to Austin; he inspected the Texas Union at Austin June, 1952; for any further visits to the site, authorized by the University, the fee for the Consultant shall be at the rate of \$100.00 per day for conference time and \$50.00 per day for travel time, plus trip expenses, in addition to the schedule of fees above listed. The Butts Contract may be terminated by either party at the end of any of the stages outlined above upon a thirty day notice in writing. All payments to Mr. Butts shall be out of Texas Union General Funds.

Under Housing and Home Finance Agency regulations, the University is allowed 90 days from May 22, 1957, to file the Final Application for Loan Commitment of \$1,500,000. Extensions of time are granted for reasonable cause. Since additional time may be required for completion of the Final Application, it is recommended that the Endowment Officer, with the approval of the Vice President for Fiscal Affairs and the Comptroller, be authorized to apply for extensions of such time if needed for filing the Final Application in complete and satisfactory form.

GENERAL LAND OFFICE

Austin 14, Texas

Earl Rudder
Commissioner

May 15, 1957

Honorable Will Wilson
Attorney General of Texas
Capitol Station
Austin, Texas

Dear General Wilson:

A question has arisen with regard to the duties and responsibilities of various departments and agencies in connection with the oil and gas leasing and administration thereof on lands owned by the University of Texas.

Chapter 282, Acts of the 41st Legislature, 1929, as amended by Chapter 174, Acts of the 42nd Legislature, 1931, as amended by Chapter 148, Acts of the 45th Legislature, 1937, (Article 2603a) created the Board for Lease of University Lands and prescribed certain duties for that Board. This statute was further amended by Chapter 179, Acts of the 54th Legislature, 1955, to provide, among other things, for payment of shut-in gas royalty and amendment and extension of University leases.

Chapter 217, Acts of the 49th Legislature, 1945, (Article 534le) provides for suspension of the running of the terms of University leases under certain conditions by the Board for Lease.

Chapter 150, Acts of the 52nd Legislature, 1951, (Article 5382c) provides for the approval of pooling or unitization agreements " . . . by the board, official agent, agency, for authority of the State vested with authority to lease or to approve the leasing of . . . lands or areas for oil and gas . . .".

Chapter 87, Acts of the 42nd Legislature, 1931, (Article 2603b) apparently took away some of the duties of the Board for Lease and authorized the Board of Regents of the University to perform them. Section 3 of that Act gave to the Board of Regents the authority to employ and compensate such help as said Board may deem necessary in connection with the performance of any duties under Article 2603a. Under this Act the Board of Regents employs a geologist and other personnel including the personnel in the University Audit Section.

The General Appropriation Act of 1955 (Chapter 519, Pages 1348-1547) allocates a portion of the available University Fund for auditing oil and gas production, which may be transferred or adjusted at the discretion of the Board of Regents of the University of Texas.

The General Land Office provides no auditing services relative to oil and gas royalties on University land, but does provide an adequate accounting department as required by law.

As you know, the powers and duties of the State Auditor are prescribed by Article 4413a-13, V.C.S. Among other things, it is his duty "to perform an audit of all accounts, books and other financial records of the State government, of any officer of the State, department, board, bureau, institution, commission or agency thereof, . . .".

It thus appears that there are at least five departments or agencies concerned with oil and gas leases covering University lands. In view of this fact and in view of the fact that there may be some area where responsibility is not clearly defined by statute, in behalf of the Board for Lease of University Lands, I respectfully request that you give me your official opinion outlining in detail the specific duties and responsibilities of the following departments or agencies particularly with regard to (a) the filing of reports and instruments affecting title to University oil and gas leases, (b) receiving and accounting, including the initial verification of data, for royalty and other payments made under the leases, (c) post-auditing of

Honorable Will Wilson

Page 2

May 15, 1957

the leases, (d) the adequacy of documents supporting oil and gas payments, and (e) amendment or extension of such leases:

1. Commissioner of the General Land Office
2. Board for Lease of University Lands
3. Board of Regents of the University of Texas under whose supervision the following offices are operated:
 - (a) University Audit Section
 - (b) Midland Office - University Lands and Geology
 - (c) Oil Field Supervision
4. University Audit Section
5. State Auditor

For your information I am enclosing a copy of the University lease form presently in use.

Sincerely yours,

/s/

EARL RUDDER, Chairman

RUDDER/jmr
Enclosure

THE ATTORNEY GENERAL
OF TEXAS

Austin 11, Texas

Will Wilson
Attorney General

June 11, 1957

Honorable Earl Rudder
Commissioner, General Land Office
Austin 14, Texas

Opinion No. WW-155

Re: Duties and responsibilities of various departments and agencies in the control and disposition of oil and gas leases, and the proceeds therefrom, of University lands.

Dear Sir:

Your letter of May 15, 1957 requested the opinion of the Attorney General upon the following matter:

"It thus appears that there are at least five departments or agencies concerned with oil and gas leases covering University lands. In view of this fact and in view of the fact that there may be some area where responsibility is not clearly defined by statute, on behalf of the Board for Lease of University lands, I respectfully request that you give me your official opinion outlining in detail the specific duties and responsibilities of the following departments or agencies particularly with regard to

- (a) the filing of reports and instruments affecting title to University oil and gas leases,
- (b) receiving and accounting, including the initial verification of data, for royalty and other payments made under the leases,

- (c) post-auditing of the leases,
- (d) the adequacy of documents supporting oil and gas payments, and
- (e) amendment or extension of such leases:
 - 1. Commissioner of the General Land Office
 - 2. Board for Lease of University Lands
 - 3. Board of Regents of the University of Texas under whose supervision the following offices are operated
 - a. University Audit Section
 - b. Midland Office - University lands and geology
 - c. oil field supervision
 - 4. University Audit section
 - 5. State Auditor

You mentioned Articles 2603a, 2603b, 5341e, 5382c, 4413a-13, V.A.C.S., and the Appropriations Act of 1955 as having to do with these questions. None of the statutes you referred to in your letter have received judicial interpretation upon the points for which you requested information.

The Commissioner of the General Land Office has the following statutory duties:

- a. He is a member of the Board for Lease of University lands, Art. 2603a(1), V.A.C.S.
- b. He is authorized to execute leases for the Board for Lease, Art. 2603a (8) (a), V.A.C.S.
- c. He is custodian for the surveys and data made under the powers granted the Board of Regents of University of Texas, Art. 2603b(1), V.A.C.S.
- d. He is authorized to receive the full amount of bonus payments for leases, Art. 2603a(5) (S.B. 73, 55th Leg.) V.A.C.S.
- e. He is authorized to execute oil and gas leases and is directed to keep a copy thereof in his files, Art. 2603a (8) (a), V.A.C.S.
- f. He is directed to extend leases under certain conditions, Art. 2603a (8) (b), V.A.C.S.
- g. He is directed to receive shut-in gas payments, Art. 2603a (8b) (Id), V.A.C.S.
- h. He is directed to receive royalty payments under leases and may inspect the records of production of lessors, Art. 2603a (11), V.A.C.S.
- i. He is directed to receive surveys, records, etc., of University lands.
- j. He is directed to receive all moneys paid under oil and gas leases Art. 2603a (14), V.A.C.S.
- k. He is directed to transmit all moneys received, except the additional one per cent special fee, to the State Treasurer for deposit to the credit of the Permanent University Fund. Art. 2603a (14) , V.A.C.S.
- l. He is directed to transmit the additional one per cent special fee, hereinafter referred to as the "special fee", such "special fee" being provided for in Art. 2603a (14), which statute directs that it be transmitted to the Comptroller of the University of Texas to be disbursed according to law, and especially according to the provisions of Art. 2603a(5), V.A.C.S.

Honorable Earl Rudder, page 3 (No. WW-155)

The Board for Lease of University lands is:

- a. Created by virtue of Art. 2603a(1), V.A.C.S.
- b. Entitled to receive reports of oil and gas activities by the geologists hired by the Board of Regents of the University, Art. 2603b(2), V.A.C.S.
- c. Confined to procedures for lease by Art. 2603a(4), V.A.C.S.
- d. Empowered to lease under the terms and conditions set forth in Art. 2603a(7), V.A.C.S.
- e. Allowed to prorate or reduce production for limited period of time, Art. 2603a (8) (c), V.A.C.S.
- f. Allowed to suspend the running of the term of a lease for limited periods of time under certain conditions, Art. 5341e, V.A.C.S.

The University Board of Regents is given the following powers:

- a. It is given the duty to conduct surveys of University lands, compile records, etc., Art. 2603b(1), V.A.C.S.
- b. It is authorized to employ a geologist and is entitled to be kept informed of oil and gas activities affecting University lands which this geologist discovers, Art. 2603b(2), V.A.C.S.
- c. It is entitled to payment by the Commissioner of the General Land Office of the "special fee" required in addition to the bonus payments in oil and gas leases of University lands, Art. 2603a(5), V.A.C.S.
- d. As members of the Board of Regents any member thereof may inspect production records on oil and gas leases on production, Art. 2603a(11), V.A.C.S.
- e. It is entitled to receive the aforementioned one per cent from the Land Commissioner, Art. 2603a (14), V.A.C.S.

The University Audit Section is authorized by implication in Art. 2603b(3), V.A.C.S., and its services are paid for out of the one per cent in addition to the bonus to be collected as authorized by Art. 2603a(5), V.A.C.S. There appears to be no statutory provisions giving the University Audit Section any special powers to dictate the type and kinds of reports and instruments affecting title or records of oil and gas runs and it is submitted that Art. 2603a(18) would be controlling. This subsection gives the Board for Lease of University Lands the power to "adopt such forms and contracts and . . . promulgate such rules and regulations not inconsistent with the terms of this act, as in its judgment will best effectuate the purpose of this act and best protect the University, its lands, and income therefrom." Thus, it is our opinion that the University Audit Section is relegated to audit, rather than accounting duties.

The State Auditor is authorized under Art. 4413a(13), V.A.C.S., Art. 4413a(14), V.A.C.S. and Art. 4413a(22), V.A.C.S., to conduct audits, independent of the powers invested in the Land Commissioner, Board of Regents of the University of Texas, or Board for Lease of University Lands.

SUMMARY

The duties and responsibilities of the various State agencies with reference to the leasing of University lands for oil and gas, and the disposition of the proceeds realized therefrom, are governed by the provisions of Art. 5341e, V.A.C.S., Art. 5382c, V.A.C.S., Art. 2603a, V.A.C.S., Art. 2603b, V.A.C.S., and Art. 4413a(13), V.A.C.S.

Yours very truly,
 WILL WILSON, Attorney General of Texas
 By /s/ Joe G. Rollins
 Joe G. Rollins, Assistant

APPROVED: OPINION COMMITTEE
 H. Grady Chandler, Chairman
 J. W. Wheeler
 Byron Fullerton
 Richard Wells
 REVIEWED FOR THE ATTORNEY GENERAL:
 Geo. P. Blackburn

RELEASE

WHEREAS, Murray Case Sells, a resident of Longview, Gregg County, Texas, died on February 8, 1953, leaving a written will which was thereafter duly admitted to probate in Gregg County, Texas, by the order of the County Court, in probate, of Gregg County, Texas, dated March 10, 1953, entered in that certain proceeding numbered 4348 and styled "In Re: Estate of Murray Case Sells, deceased." On June 22, 1956, in Cause No. 5815, styled Mrs. Gertrude Parker, a feme sole, and Edward M. Milliken, plaintiffs, v. the First National Bank in Dallas, Independent Executor of the Estate of Murray Case Sells, deceased, the County Court of Gregg County, Texas, made and entered its certain judgment wherein the probate of said will was confirmed and the contest of said will theretofore pending in said court was denied; and

WHEREAS, said Judgment of June 22, 1956, was not appealed by any party to said cause and is in all things final; and

WHEREAS, The First National Bank in Dallas has qualified in said capacity and has received letters testamentary duly issued by the County Court of Gregg County, Texas; and

WHEREAS, said Bank, as Executor, has paid and discharged each and every special bequest as provided in the will of the said Murray Case Sells in Paragraph II through XIX thereof; and

WHEREAS, said Bank, as Executor, has paid all taxes, claims, debts, costs of administration, attorneys' fees and compensation for services rendered to the Bank as Executor; and

WHEREAS, said Bank, as Executor, borrowed \$1,800,000.00 from Southwestern Life Insurance Company, which will be repaid in monthly installments over a period of ten years, pursuant to direction of the ten beneficiary institutions who were named as residuary legatees under the will of the said Murray Case Sells, deceased; and

WHEREAS, subject to the loan in favor of the Southwestern Life Insurance Company said Bank, as Executor, has transferred, assigned and conveyed unto the ten beneficiary institutions who were named as the residuary legatees in Paragraph XXI of said will all of the residuum of said Estate and in the proportions as provided in the will, to-wit:

<u>Name of Institution</u>	<u>Percentage</u>
John Brown University	Twenty (20) percent
Texas Wesleyan College	Twenty (20) percent
University of Texas	Five (5) percent
Texas A. and M. College	Ten (10) percent
Southern Methodist University	Ten (10) percent
Texas Christian University	Five (5) percent
Baylor University	Five (5) percent
Oklahoma A. and M. College	Ten (10) percent
University of Oklahoma	Ten (10) percent
Bacone College	Five (5) percent

And, WHEREAS, the undersigned, as one of the residuary legatees named in said will, acknowledge receipt of its proportionate part of the residuum of said Estate and in consideration thereof does hereby ratify, approve and confirm each and every act and thing done by the First National Bank in Dallas, as Executor of the Estate of Murray Case Sells, deceased, and by this instrument does hereby release, cancel and discharge said Bank from any and all further responsibility in connection therewith, expressed or implied, subject only to the reservations hereinafter provided, and only insofar as it is by law authorized to do.

For the same consideration the undersigned, along with the other beneficiary institutions, does hereby release said Bank, as Executor, from all liability and further responsibility in connection with the ancillary proceedings in administration in the Sells Estate that were required in the States of Missouri and Oklahoma respectively. In this connection it is understood that the Administrators in the two states named will make payments direct to the residuary legatees, including the undersigned, without

the proceeds of such administration passing through the hands of the First National Bank as Executor.

By this instrument the undersigned executes this complete and final release in favor of the Bank as Executor, except the following two items, namely:

-I-

Said Bank, as Executor, has reserved from the distribution in favor of the residuary legatees the following items:

1. Estimate of expense of ancillary administration in Missouri, including Inheritance Tax, fee for administrator for serving as such and for sale of real estate, and costs	\$ 2,000.00
2. Cash reserve for contingency of possible additional Texas Inheritance Tax	\$ 10,000.00
3. Cash reserve for unforeseen contingencies	<u>\$ 15,000.00</u>
Total	\$ 27,000.00

It is understood that the Bank, As Executor, will determine and discharge every item of expense as anticipated by the reserves at the earliest date, and when determined to forthwith distribute the residue thereof to the ten named beneficiary institutions, and in no event will said distribution be delayed longer than one year from June _____, 1957.

-II-

The undersigned has this day executed in favor of said Bank a "Hold Harmless Agreement" setting forth the contentions of said residuary legatees and the Bank with reference to a case now pending in the United States District Court styled John W. Porter and John W. Porter, Jr., etc., Plaintiffs, vs First National Bank in Dallas, a corporation, et al, Defendant, and numbered Civil No. 7148, in which the respective contentions of the legatees and the Bank are set forth and reserved by each party.

EXECUTED this 13th day of June, 1957.

UNIVERSITY OF TEXAS

By-

/s/ Logan Wilson
President

ATTEST:

/s/ Betty Anne Thedford
Secretary

STATE OF TEXAS ()
COUNTY OF TRAVIS ()

BEFORE ME, the undersigned authority, a Notary Public in and for the State and County aforesaid, on this day personally appeared Logan Wilson, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration therein stated, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 13th day of June, A. D. 1957.

/s/ Ruth Kuykendall
Notary Public in and for Travis County,
Texas

HOLD HARMLESS AGREEMENT

WHEREAS, the ten residuary legatees named in the Will of Murray Case Sells, deceased have this day executed a Release in favor of the First National Bank in Dallas concerning the administration of the Estate in which the Bank has qualified as Independent Executor in Cause No. 4348 styled In Re: Estate of Murray Case Sells, deceased in the Probate Court of Gregg County, Texas; and

WHEREAS, there is presently pending in the United States District Court at Dallas a law suit styled John W. Porter and John W. Porter, Jr., both individually and also as partners doing business as the law firm of Porter and Porter, Plaintiffs, vs First National Bank in Dallas, a corporation, individually as a Bank and also as Independent Executor of the Estate of Murray Case Sells, deceased, and Rosser J. Coke, Rosser J. Coke, Jr., Henry C. Coke, Jr., John N. Jackson, Jack L. Coke, Arthur E. Hamilton, Clinton Foshee, Patrick B. Gibbons III, and Melvin A. Bruck, and the law firm of Coke & Coke, Defendants, and numbered Civil No. 7148, in which case the plaintiffs have alleged that the First National Bank in Dallas, as Executor, along with the other defendants named in said suit, is indebted to the plaintiffs in said cause; and

WHEREAS, the Bank, as Executor, contends that all claims asserted in the Porter case by the plaintiffs should be directed to the Bank in its official capacity as Executor and that in the event of a judgment being rendered in said cause in favor of the Plaintiffs Porter that the same should be paid from the assets of the Estate; and

WHEREAS, it is the contention of the undersigned, the residuary legatees in the will of Murray Case Sells, deceased, that the Porter claim or any judgment that may be based thereon should not be assessed against nor paid from the assets of said estate; and

WHEREAS, the Bank, as Executor, has this day transferred, assigned and conveyed unto the ten beneficiary institutions named as residuary legatees in the Estate of Murray Case Sells, deceased all of the residuum of said Estate without prejudice to the respective contention of the parties concerning the Porter law suit above referred to.

In consideration of said assignment and conveyance the undersigned beneficiary institutions agree to hold harmless and protect the said First National Bank in Dallas, individually, and in its capacity as Independent Executor under the Will of Murray Case Sells, deceased, against all claims that may be asserted against the assets this date transferred, assigned and conveyed to said residuary legatees, except the Porter claim, and without prejudice to the respective contentions of the parties concerning the Porter suit, and only insofar as it is by law authorized to do.

In this connection it is agreed that the respective contentions of the parties may be determined in a Court of competent jurisdiction in a declaratory judgment proceeding, or in any other proceeding that the parties may pursue, or by mutual agreement of the parties.

EXECUTED this the 13th day of June, 1957.

THE UNIVERSITY OF TEXAS

By-

/s/ Logan Wilson
President.

ATTEST:

/s/ Betty Anne Thedford
Secretary.

STATE OF TEXAS ()
COUNTY OF TRAVIS ()

BEFORE ME, the undersigned authority, a Notary Public in and for the State and County aforesaid, on this day personally appeared Logan Wilson, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same

for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 13th day of June, A. D. 1957.

/s/ Ruth Kuykendall
Notary Public in and for Travis County,
Texas

APPROVED:

FIRST NATIONAL BANK IN DALLAS

By-

President.

ATTEST:

Cashier.

THE STATE OF TEXAS)
) KNOW ALL MEN BY THESE PRESENTS:
 COUNTY OF DALLAS)

That Murray Case Sells, a resident of Longview, Gregg County, Texas, died on February 8, 1953, leaving a written will which was thereafter duly admitted to probate in Gregg County, Texas, by the order of the County Court, in probate, of Gregg County, Texas, dated March 10, 1953, entered in that certain proceeding numbered 4348 and styled "In Re: Estate of Murray Case Sells, deceased". On June 22, 1956, in Cause No. 5815, styled Mrs. Gertrude Parker, a feme sole, and Edward M. Milliken, plaintiffs v. The First National Bank in Dallas, Independent Executor of the State of Murray Case Sells, deceased, the County Court of Gregg County, Texas, made and entered its certain judgment wherein the probate of said will was confirmed and the contest of said will theretofore pending in said court was denied; and

WHEREAS, said judgment of June 22, 1956, was not appealed by any party to said cause and is in all things final; and

WHEREAS, The First National Bank in Dallas as duly qualified in the capacity named in said will as Independent Executor of the Estate of Murray Case Sells, deceased, and has received letters testamentary duly issued by the County Court of Gregg County, Texas; and

WHEREAS, the undersigned educational institutions are all of the residuary beneficiaries of the will of Murray Case Sells, deceased, in the proportions specified in Paragraph XXI of said will, said institutions and proportions being:

<u>Institutions</u>	<u>Proportion</u>
John Brown University Siloam Springs, Arkansas	20%
Texas Wesleyan College Fort Worth, Texas	20%
The University of Texas Austin, Texas	5%
Texas A & M College College Station, Texas	10%
Southern Methodist University Dallas, Texas	10%
Texas Christian University Fort Worth, Texas	5%
Baylor University Waco, Texas	5%
Oklahoma A & M College Stillwater, Oklahoma	10%
University of Oklahoma Norman, Oklahoma	10%
Bacone College Muskogee, Oklahoma	5%

and

WHEREAS, The First National Bank in Dallas as and only as Independent Executor of the Estate of Murray Case Sells, deceased, has been requested by the undersigned to borrow the sum of \$ _____ from Southwestern Life Insurance Company, a corporation, for the purpose of paying and discharging certain taxes, expenses, debts and other claims against the Estate of Murray Case Sells, deceased, and Southwestern Life Insurance Company, a corporation, has requested The First National Bank in Dallas, Executor as aforesaid, to make, execute and deliver to it a certain deed of trust dated the _____ day of _____, 1957, for the purpose of securing the payment of said note, an exact copy of the form of said deed of trust being hereto attached and made a part hereof;

NOW, THEREFORE, in consideration of the premises, the undersigned educational institutions, (acting herein by and through their officers duly constituted) do hereby approve the negotiation of the loan aforesaid and do request and authorize The First National Bank in Dallas, as Executor aforesaid, to complete said loan and to make, execute and deliver the said note and to convey as security therefor certain oil, gas and mineral interests, more fully described in the deed of trust attached hereto and made a part hereof, intending by this instrument to assure, ratify and confirm Southwestern Life Insurance Company, its successors and assigns that insofar as any interest now or hereafter vested in the undersigned pursuant to provisions of the will of Murray Case Sells, deceased, said interest is and shall be in all things subject and inferior to the terms, provisions, liens, powers, rights and privileges conveyed or in any wise created or resulting from the execution of the note in favor of Southwestern Life Insurance Company and the deed of trust securing it hereto attached, which said note and deed of trust are executed pursuant to and in accordance with the express direction and authority of the undersigned.

We do hereby likewise approve, ratify and confirm the transfer to A. L. Harder, Eugene McElvaney and Dr. Law Sone, as Trustees, for the benefit of Southwestern Life Insurance Company, its successors and assigns of all of the capital stock of Sells Petroleum Incorporated, according to the terms of a certain instrument of transfer attached hereto and made a part hereof.

This instrument is executed to become and be effective on and as of the due execution and delivery of the said note and deed of trust hereinabove described.

(HERE FOLLOW SPACES FOR SIGNATURES BY THE PRESIDENTS OF
THE BENEFICIARY INSTITUTIONS.)

TO THE FIRST NATIONAL BANK IN DALLAS,
Independent Executor of the Estate of
Murray Case Sells, Deceased:

You, The First National Bank in Dallas, as Independent Executor of the Estate of Murray Case Sells, deceased, have at the request and under the authority of the undersigned educational institutions negotiated a loan from Southwestern Life Insurance Company under the terms of which negotiation Southwestern Life Insurance Company will lend to the Estate of Murray Case Sells, deceased, a sum not to exceed \$2,000,000 for the purpose of paying certain debts, taxes and expenses of the said Estate.

We have heretofore executed formal instruments ratifying your action in procuring said loan and this instrument is for the purpose of advising and requesting that said loan include the sum of \$125,000 to be used in payment of legal fees, recording expenses, travel expenses and other items incurred by the undersigned beneficiary institutions in connection with the negotiation of said loan and in other matters of the business of said Estate.

The said sum of \$125,000 is to be disbursed by you to Messrs. Cecil A. Morgan and John M. Scott of Fort Worth, Texas, who have served as the representatives of the undersigned institutions in connection with the business and affairs of the said Estate and their receipts for said sum will fully acquit and discharge you from any further obligation of accounting or payment to the undersigned insofar as said sums may be involved.

WITNESS our hands to become and be effective on and as of May 15, 1957.

(HERE FOLLOW SPACES FOR SIGNATURES BY THE PRESIDENTS OF THE
BENEFICIARY INSTITUTIONS.)

SUPPLEMENT TO AGENDA

Page No.

The following items were not documented until June 27, 1957, one day before the meeting:

A.	Supplement to Recommendations to Regents' Buildings and Grounds Committee	74
B.	Assessment and Retention of Liquidated Damages Against Suniland Furniture Company Under Contract for Furniture and Equipment for Texas Western College	77a
C.	Renewal of Bank Depository Agreements	78
D.	Disposition of the Fred M. Hughes Bequest	79
E.	Fort Worth Research Laboratory	80
F.	School of Mortuary Science	82
G.	Augmentation Plan, Medical Branch	83
H.	Board of Visitors, M. D. Anderson Hospital and Tumor Institute, Re-appointments, Appointment of Mr. John Mecom, and Termination Date	102
I.	Permanent University Fund - Investment Matters Report of Purchases of Securities	104
J.	Texas Western College - Proposed Lease to Sidney A. Stallman, Cotton Estate Property, El Paso	105
K.	Mortgage Loan Officer	106
L.	Removal of Pecan Trees from Freshman Practice Field	107
M.	J. C. Dolley, Probable Trip to New York and Boston	110
N.	Voluntary Student Activity Fee	111

FOR ACTION OF
Regents
SEE MINUTES OF
JUN 28 1957

SUPPLEMENT TO
RECOMMENDATIONS TO REGENTS' BUILDINGS
AND GROUNDS COMMITTEE

June 28, 1957

13. PRIORITY OF BUILDING PROJECTS AT MAIN UNIVERSITY AND APPROPRIATIONS THEREFOR.--At the Regents' Meeting of May 4, 1957 a report by the Faculty Building Committee of the Main University dated May 2, 1957, signed by Robbin C. Anderson, Chairman, entitled "Report on Future Building Needs" was distributed to all members of the Board of Regents. This report included a "Recommended Priority for Building Projects in the Biennium 1957-59", supported by certain detailed schedules. After careful consideration of the report of May 2, 1957, a supplement thereto from Chairman Anderson to Comptroller Sparenberg under date of June 17, 1957, and related information, the Regents' Buildings and Grounds Committee recommends that the Board of Regents approve the recommendations listed below. These recommendations are made jointly by the Faculty Building Committee of the Main University and Comptroller Sparenberg, and are concurred in by Vice Presidents Boner and Dolley and President Wilson.

It is recommended that the following appropriations be made for construction projects at the Main University out of the Unappropriated Balance of the Available University Fund for 1957-58:

Completion of Unfinished Areas of Third and Fourth Floors of West End of Experimental Science Building	\$ 100,000.00
Major Repairs and Rehabilitation Projects ((to be itemized later)	175,000.00
Addition to Chemistry Building	1,000,000.00
New Business Administration - Economics Building	1,500,000.00
New Central Water Chilling Station	<u>1,300,000.00</u>
Total	<u>\$4,075,000.00</u>

According to the latest estimates, there will be \$223,760.00 left in the Estimated Unappropriated Balance of the Available University Fund for 1957-58, after providing for appropriations already made, the appropriations above recommended, and the \$61,400.00 appropriation for Expansion Chambers recommended in Item No. 4, page 2, of this report.

It is further recommended that a total amount of \$250,000.00 be appropriated for Completion of Unfinished Areas of Third and Fourth Floors of West End of Experimental Science Building, with sources of funds to be as follows:

From Available University Fund, as above recommended:	\$100,000.00
Grant from U. S. Public Health Service, National Institutes of Health, Division of Research Grants, Health Research Facilities Branch, already approved	100,000.00
Account No. 75310, Current Restricted Funds, Pantothenic Acid Royalties	<u>50,000.00</u>
Total	<u>\$250,000.00</u>

According to information furnished to President Wilson by Dr. Roger J. Williams, Director of the Biochemical Institute of the Main University, which will be the main occupant of the area involved in this recommendation, it is expected that most, if not all, of the \$100,000.00 recommended to be appropriated from the Available University Fund will be directly and/or indirectly reimbursed to the University, during the next eight or nine years, by the use of a grant of \$50,000.00 from the Clayton Foundation, expected to be received by the Biochemical Institute during the next five years, and additional receipts to the Pantothenic Acid Royalties Account.

The recommendation of \$1,500,000.00 for the new Business Administration - Economics Building is made with the expectation and further recommendation that the additional \$2,500,000.00 required to make up the \$4,000,000.00 for the main portion of the Business Administration - Economics Building, included in the Faculty Building Committee report of May 2, 1957, will be appropriated in the fiscal year 1958-59, either from the Unappropriated Balance of the Available University Fund or from the proceeds of the sale of Permanent University Fund Bonds.

It is further recommended that the Consulting Architect, Page, Southerland, and Page, be authorized and instructed by the Comptroller to start work immediately on preliminary plans for the proposed Art Building and Museum, with their 1% fee to be paid from Account No. 77050, Archer M. Huntington Museum Fund. It is contemplated that this work will be based on an estimated total cost of \$2,500,000.00, including architects' fees, and including both the first unit and the second unit expected to be built some years later. As indicated by the reports of the Faculty Building Committee, it is planned that recommendations will be forthcoming later for the appropriation of \$900,000.00 from the Available University Fund and \$500,000.00 to \$600,000.00 from the Huntington Fund for the first unit of the Art Building and Museum. It is also contemplated that the balance of approximately \$1,000,000.00, the estimated cost of the completion of the Art Building and Museum, will also be appropriated later from the Huntington Fund, when funds are available.

14. AWARD OF CONTRACT FOR EXCAVATION AND HAULING FOR ADDITION AND ALTERATIONS TO STUDENT UNION BUILDING, TEXAS WESTERN COLLEGE.--Bids were opened and tabulated on June 27, 1957, for Excavation and Hauling for Addition and Alterations to Student Union Building, Texas Western College, as shown on the tabulation sheet. After consideration of the bids by Mr. Ralph V. Davis of Davis, Foster, Thorpe, and Associates, Architect on the project, Dr. Holcomb, Mr. Smith, Mr. R. W. Anderson, representing Housing and Home Finance Agency, and Comptroller Sparenberg, it is recommended that award of a contract on this project be made to the low bidder, as follows:

Borsberry Construction Company, Inc., El Paso, Texas \$3,380.00.
(Based on an estimated quantity of 5,200 cubic yards
at \$0.65 per cubic yard)

It is further recommended that the amount of \$6,000.00 be appropriated from Current Funds General -- Unappropriated Balance of Texas Western College to cover: payments to be made to Borsberry Construction Company, Inc., for this work at the rate of \$0.65 per cubic yard, Architect's Fees on this work, advertising costs, and other preliminary expenses. It is understood that payments made from this appropriation will be reimbursed to Current Funds General later from the proceeds of the sale of bonds on this project.

It is further recommended that the following resolution required by H. H. F. A. in connection with this project with reference to the award of a contract be adopted by the Board:

WHEREAS, the Board of Regents of The University of Texas has advertised for bids for Excavation and Hauling for Addition and Alterations to the Student Union Building, at Texas Western College, El Paso, Texas, and

WHEREAS, bids have been received as shown on the attached tabulation sheet; and

WHEREAS, the Board of Regents of The University of Texas is of the opinion that the bid of Borsberry Construction Company, Inc., El Paso, Texas, is the lowest and best bid;

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of The University of Texas

SECTION 1. That Borsberry Construction Company, Inc., has submitted the lowest and best bid for the work involved in said project;

SECTION 2. That the bid of the said Borsberry Construction Company, Inc., in the amount of the base bid of \$3,380.00 is hereby accepted.

SECTION 3. That the officials of The University of Texas upon whom such duty properly devolves shall, and they are hereby directed to prepare and execute in behalf of said The University of Texas all necessary contracts and documents relating thereto.

15. REHABILITATION AND REARRANGEMENT OF THE OLD DENTAL BRANCH BUILDING.-- Plans are being made for the activation of research projects in part of the old Dental Branch Building under the authority given by the Board of Regents at the March, 1957 meeting.

The United States Public Health Service National Cancer Institute has now entered into an agreed research program in cytology with M. D. Anderson Hospital, which is the first such joint research program in this area. The USPHS grant will furnish the personnel, operating supplies and research and office equipment necessary and M. D. Anderson Hospital is to furnish the facility and consultive staff. The USPHS budget is for at least a three-year period.

The Board of Regents' action at the March, 1957 meeting gave authority to carry out any physical changes in the Dental Branch property for this purpose from grants or gifts. Permission of the Board of Regents is requested to proceed on the necessary rehabilitation and rearrangement of this building from grant or gift funds in an amount not to exceed \$55,000. Whatever plans and specifications are required and the award of any contracts necessary will be approved jointly by Dr. R. Lee Clark, Jr., Dr. J. V. Olson and Mr. C. H. Sparenberg. It is anticipated that a major portion of the project can be accomplished with temporary employees under the supervision of the Physical Plant staff of M. D. Anderson Hospital. Some air conditioning equipment will be required as a part of this project and is included in the cost indicated above.

It is felt that this rehabilitation will enhance the value of the building and permission is requested for negotiations with Dean J. V. Olson of the Dental Branch for sharing in that portion of the cost of this project which will be required to make the building acceptable from the standpoint of fire regulations and structural safety.

The operating costs for this building will be paid from gift funds received for cancer research.

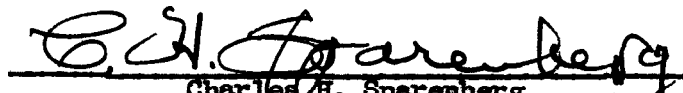


770
See Executive Action +
Deliberations of Board. 6/28/57

CONFIDENTIAL RECOMMENDATION FOR
REGENTS' BUILDINGS AND GROUNDS COMMITTEE
AND COMMITTEE OF THE WHOLE
June 29, 1957

ASSESSMENT AND RETENTION OF LIQUIDATED DAMAGES AGAINST SUNILAND FURNITURE COMPANY UNDER CONTRACT FOR FURNITURE AND EQUIPMENT FOR TEXAS WESTERN COLLEGE.--Under the terms of the contract for Movable Furniture and Equipment for the new Administration Building at Texas Western College, the Suniland Furniture Company, Houston, agreed to complete the contract by September 1, 1956. Very little of the furniture and equipment had been received by September 1, and the contract was not substantially completed until about the end of November. The terms of the contract stipulated that the furniture was to be uncrated and put in place at the time of delivery; however, it was necessary to use most of the area of the basement floor of the Business Office to store items for a period of two to three weeks, thus causing considerable inconvenience in the operation of this office. We feel that Suniland Furniture Company certainly was not diligent in attempting to live up to the terms of the contract and recommend that liquidated damages be assessed and retained in the amount of \$1,000.00. Under the terms of the contract a maximum of approximately \$4,000.00 for liquidated damages could be assessed. The original amount of the contract was \$23,950.00.


Dysart E. Holcomb, President
Texas Western College


Charles H. Sparenberg
Comptroller, The University of Texas

MEMORANDUM

June 27, 1957

FOR ACTION OF
Regents
SEE MINUTES OF
JUN 28 1957

To: Dr. Logan Wilson, President
Via: Dr. James C. Dolley, Vice President for Fiscal Affairs
Subject: **RENEWAL OF BANK DEPOSITORY AGREEMENTS**

All of the University's present bank depository contracts with the exception of one with Texas National Bank, Houston (formerly the South Texas National Bank, Houston) expire by their terms August 31, 1957. In accordance with our usual practice, will you please recommend to the Board of Regents that I be given authority to negotiate renewal agreements with each of the present depository banks, all agreements to be for the two-year period beginning September 1, 1957.

Following is a list of the depository banks whose contracts expire as of August 31:

Austin, Texas:

The American National Bank
The Austin National Bank
The Capital National Bank
City National Bank
Texas State Bank

El Paso, Texas:

El Paso National Bank
Southwest National Bank
The State National Bank

Galveston, Texas:

Hubbings-Sealy National Bank

Dallas, Texas:

First National Bank
Mercantile National Bank
Republic National Bank

Houston, Texas:

Harris State Bank
First City National Bank
Bank of the Southwest National Association

Our depository contract with Texas National Bank of Houston (formerly South Texas National Bank of Houston) was awarded on the basis of advertised competitive bids at the time our Permanent University Fund Bonds were sold, and it is our interpretation of the agreement that it continues in effect so long as we have any part of the bond proceeds still on hand. The contract provides interest at the rate of 1.21% per annum on such of the bond proceeds as are on ninety-day Time Deposit Open Account.

CMS:mas

C. H. Sprenberg
Charles H. Sprenberg, Comptroller

APPROVAL RECOMMENDED:

J. C. Dolley
James C. Dolley, Vice President for
Fiscal Affairs

FOR ACTION OF
Regents
SEE MINUTES OF
.....
JUN 28 1957

June 27, 1957

Original signed by
LOGAN WILSON

To: Dr. Logan Wilson
From: Dr. J. C. Bolley
Subject: Disposition of the Fred M. Hughes' Bequest

Reference is made to the bequest of Dr. Fred M. Hughes which is reported in detail on pages 26 and 27 of the minutes of the Board meeting of May 3rd and 4th, 1957. Since this meeting, a check in the amount of \$5,000.00 has been received as settlement in full of the University's residuary interest in the estate of Dr. Hughes.

The terms of the will specify (1) that the bequest is unrestricted as to use, and (2) that one-half of the bequest is for the use and benefit of the Main University and the other half is for the use and benefit of the Medical Branch at Galveston.

Accordingly, I recommend the following disposition of the proceeds of this bequest:

1. At the Main University, the sum of \$2500.00 is to be credited to an unrestricted trust account to be expended for educational and developmental purposes for which legislative appropriations are not available. All such expenditures require approval by the President of the University, and the Auditor's Office is directed to maintain an accurate record of all payments made.
2. At the Medical Branch, the sum of \$2500.00 is to be credited to an unrestricted trust account to be expended for educational and developmental purposes for which legislative appropriations are not available. All such expenditures are to be recommended by the Director of the Medical Branch and approved by the President of the University, and the Auditor's Office is directed to maintain an accurate record of all payments made.

Agenda Item # 11 (Fort Worth Research Laboratory)

A. Historical:

The Laboratory was established by authorization of the Board of Regents of The University of Texas on October 21-22, 1949, and in 1951 a director, Dr. Clive Johnson, was appointed. It was agreed and understood that the University would incur no financial obligations for any phase of the activities of this Laboratory. Since its beginning the Laboratory has operated as a research unit, using small grants which have been supplied from time to time. Most of the grants have been obtained from individuals and foundations in Fort Worth. For all practical purposes the operation has been an autonomous one since its beginning.

The donation of a building has resulted in the availability of a physical plant which is located on properties owned by Harris Hospital of Fort Worth. The building is constructed to provide teaching and laboratory facilities. It is understood that a corporate body will be formed, for the purpose of holding the building and for receiving and dispensing grant funds for research, etc.

B. Recommendation:

In reviewing the history and proposed activities of the Fort Worth Research Laboratory it is the recommendation of the Medical Affairs Council that if this unit is to be permitted to function as a part of The University of Texas system certain definite lines of responsibility should be established.

1. In view of the contemplated emphasis on surgical research, administratively this laboratory should be a part of the Department of Surgery of Southwestern Medical School and thus responsible to the Dean of the school through the office of the departmental chairman.

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2. Staff appointments to the Research Laboratory should be in the Department of Surgery and processed by the department in the routine and accepted manner.

3. Though the procurement of the budget for the Research Laboratory is neither the function nor the responsibility of The University of Texas, nevertheless, all of the fiscal and operating policies should be submitted through departmental channels to the University for approval. In like manner grant applications should have advance approval of the University and be processed in conformity with the usual University policies and regulations.

4. This program should be reviewed after one year of affiliation.

June 27, 1957

Agenda Item # 7 (Mortuary Science)

The Medical Affairs Council having studied the data supplied by the Texas Funeral Directors and Embalmers Association and having considered the request of the Association that a School of Mortuary Science be established under the auspices of The University of Texas recommends that this request be denied.

This unfavorable recommendation is not based on the possible need for or surplus of well trained morticians but rather on the responsibility of the University for an educational priority in the science professions.

Due to certain similarities in curriculum and teaching facilities good pedagogy in mortuary science would dictate an affiliation of such a school with one of the health professions institutions. In view of the current reorganization

~~of the health professions institutions~~ in progress at the medical and dental branches, any further educational responsibilities or demands at the present time might seriously jeopardize the status of these institutions.

Under these circumstances it would appear unwise for the University to accept added responsibilities which might curtail progress in medical or dental education.

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I. Full-Time Clinical Faculty Program, University of Texas, Galveston

A proposal for presentation to the Board of Regents and the Legislature -

As revised, January 26, 1957

Far more important than the details of the proposal as they relate to the financial considerations of a clinical faculty salary program is the philosophy of this program and the application of this philosophy to the daily conduct of their professional lives. The proposed clinical faculty program is based on four general principles and seven specific regulations relating to full-time appointments:

General Principles

1. The patient and his welfare -- from the maintenance of health, the prevention of disease, thoroughness and accurateness of diagnosis, and therapeutic care to convalescence and recovery -- are the prime responsibilities of all physicians.
2. There are no complete physicians any more. We need each other as never before. There is no physician in teaching, research or practice who does not know through his own experience some segment of medical knowledge and experience incompletely known to others. It is our responsibility in the profession more than ever before to share this knowledge and experience, all of us, to the benefit of the patient.

- 3. In any walk of life, in any professional or technical discipline there are those more able than others to teach. These must be recruited and retained in medical education.

- 4. Full-time medical education and research is incompatible with the general practice of a specialty. The general practice of a specialty presumes a doctor's availability to his private patients in response to their urgent needs and convenience. Practice in the medical center is by appointment only and at the convenience of the doctor because his first responsibilities are to teaching and research.

Specific Regulations

- 1. Private patients are to be seen in the Medical Center Hospitals only on the basis of written referral (or oral referrals followed up by a written referral letter) (a) from a licensed practitioner of medicine (insofar as can be defined, the family physician in the community of the patient's residence) or (b) from a legal agent specifically seeking expert opinion. (Professional courtesy privileges are identical with those in practice). This definition excludes, specifically, contract practices, routine insurance examinations for industrial firms and the like, unless such patients are individually and specifically referred by the responsible physician. This definition specifically excludes

referrals from individuals other than those licensed to practice medicine or dentistry except (b) above). This definition embraces however, all situations of emergency or near-emergency nature, rare situations compounded of factors of long distance and the existence of no family physician or the complicated problem of "changing family physicians"; and consultations within the medical center relating to the therapeutic procedure undertaken here or referred here, in these instances when the referring physician himself is not a member of the staff.

2. The effect of the referral letter as described above is only for the duration of the illness except that in such cases of prolonged illness (as refractory diabetes, recurrent malignancy and the like) follow-up care is specifically agreed upon by the referring physician.
3. Patient care to the point of diagnosis will be carried out expeditiously with special reference to acknowledgement of cost to the patient on the one hand, and appreciation of the referring physician on the other.
4. Therapeutic procedures or diagnostic studies and teaching consultations on other problems discovered or suspected shall be carried out only in the definition of emergency or to the extent specified in the referral letter -- pending direct communication with the referring physician.
5. Direct communication with the referring physician must be the rule rather than the exception during the course of diagnosis and therapy

whenever such course diverges from the specifications of the letter of referral.

6. Patients are to be discharged specifically and promptly to the referring physician; and the letter describing the clinical course must be dispatched immediately. This letter must be an informative one and in its tone must presume the referring physician's interest in the patient and confidence in our capacity to contribute to the patient's care and to the physician's knowledge.
7. A committee of five appointed by the Executive Director annually will serve as supervisory body to full compliance with these regulations. Complaints from patients or physicians alleging departure from these regulations shall be studied and acted upon by this group.

II. The Philosophy Behind Specific Proposals for a Clinical Salary .
Augmentation Program - The University of Texas, Galveston

December 31, 1956

In the preparation of these proposals, clinical salary programs in effect at Southwestern, M. D. Anderson, Medical College of Virginia, University of Virginia, Rochester (N.Y.), Emory, Duke, North Carolina, Iowa, and Chicago have been studied carefully. Others, at Colorado, Louisiana State, Alabama, Florida, and California, have been discussed with appropriate officials from these medical schools.

Several general conclusions emerge from these studies and discussions. Most important factors in the success of these programs clearly effective educationally and satisfactory financially are:

1. Substantial base salaries from the Medical School budget; and a clear policy that the privilege of private practice in the Medical Center is not afforded as a source of income for the institution or as a primary source of income for any appointee.
2. A prevailing educational and investigative philosophy in the clinical faculty combined with a healthy and respectable attitude toward the practicing profession.
3. A faculty reputation among alumni and practicing physicians promoting confidence in the medical center programs and services, and pride in identification with any and all aspects of medical education.

Least important factors are the technical details of the plans. However, the institution of a formal program of any kind is far more easily achieved in a new medical center than in one with a long history of informal arrangements. The significant technical features of any clinical salary program in its augmentation details are determined by local conditions.

A. Base Salaries and Clinical Faculty Income

It has been the experience of medical education over the past twenty years in this country increasingly to appreciate that worthy income arrangements are necessary for the concentration in teaching centers of men and women of the calibre required to maintain a high standard of academic performance. Worthiness of income as applied to these appointments is measured in terms of reasonable security and incentive to sustain academic dedications and professional responsibility rather than in amounts such skills might command in the practice of medicine in the community.

Base salaries in the order of magnitude approved by the Board of Regents in June 1956 appear realistic currently in the field of medical education. Clearly they offer -- if implemented by appropriations -- a firm base for any of the several augmentation patterns now in operation in medical schools over the nation.

Augmentation, whether from private practice, grants or other professional sources, presumes certain conditions of faculty appointment -- regardless of the details of the plan. Most significant of these conditions is the full-time principle.

The full-time principle in clinical appointments whether strict or geographical, presumes full-time availability for the teaching of students and house staff, for the pursuance of investigative interests and for the ultimate responsibility for the care of teaching patients. It requires an office in the medical center and the concentration there of all professional interests, efforts and obligations.

Strictly full-time has come to be acknowledged as a self-imposed discipline, supported by administrative regulations, enabling the individual to concentrate his efforts upon teaching and research. Such regulations simply release such an individual from that obligation of private practice which transcends all others in the very nature of the doctor-private patient relationships, if he is to respond wholeheartedly to doctor-student needs, doctor-teaching patient needs, and his own research interests.

In the case of the geographical full-time appointee this definition is extended a little to permit certain faculty members to enjoy consultation practice, which describes an opportunity for the following three types of experiences and satisfactions:

- (1) To retain his skills as a physician in the area of the intimate doctor-patient relationship. Certain teachers are fearful of losing these skills, thereby jeopardizing their value as effective teachers and even to some extent the respect of their students and colleagues.

- (2) A full-time clinician interested in research relative to medicine must often be in practice in order to see enough patients to contribute significantly to his research experience and efforts.
- (3) It is in the nature of a limited number of skills (steadily decreasing in numbers as the years go on) that they be concentrated in a medical center. This is a factor not only in those clinical specialties dealing with relatively uncommon disease problems, but also of the dependence of many of these skills upon the types of facilities and laboratories supportable only in such a center.

As in the case of strictly whole time: scheduled class sessions, teaching rounds, teaching patient responsibilities are as exacting mistresses as the private practice of medicine for geographical full-time people. For this reason, the three areas defined above are to be limited to consultation practice as defined in a system of regulations to be accepted by all faculty members as a condition for inclusion in the Augmentation Program. These regulations, it must be emphasized, relate only to eligibility of the faculty member for the privileges and status of the appointment, and therefore enforceable only by medical school authority. As long as we believe in the free choice of physicians, a physician's skill cannot be denied, even by institutional regulations, to any patient except on the basis of self-determination alone - in this case by his acceptance of the conditions of his appointment.

B. The Faculty of Medicine and the Medical Community.

From time immemorial the medical profession has assumed responsibility for the maintenance and augmentation of a great tradition through recruitment, inspiration and training of each new generation in the profession. As in every walk of life, of professional or technical nature, there are in medicine relatively few more rich than others in the talents required for teaching. Such men and women gravitate toward teaching centers; too often they do not stay. Rare as they are, they deserve more reward than has been available in the past for their abilities to think out loud, describe problems and practices simply, understandably and effectively -- and for their qualities of skepticism and inquiry and their capacities to inspire, stimulate, and provoke others to emulate. Rare as they are, their most essential characteristic is love of teaching and research and a fortunate disposition to give the time -- sometimes dreary time -- to those efforts necessary to convey ideas from the mature mind to the learning one -- to those efforts designed to lead a student from Bachelorhood of the Arts or Sciences to marriage in perhaps the most exciting, exacting and humbling of professions.

Among the most brilliant, productive, and effective clinical teachers and investigators are as many who would be equally outstanding in practice as there are those for whom the academic life describes the optimum environment for their talents. For such people, the restrictive devices of many clinical augmentation programs are meaningless: Their hearts are in teaching and research, and any practice they enjoy simply enriches this experience.

It is for these that we seek respectable base salaries and for whom "ceilings" are determined by their own self-discipline rather than by regulation. To the extent that full-time faculty members are capable of expressing their own humility in the face of the staggering advances in medical knowledge, their genuine respect for the problems and the accomplishment of the practicing profession and their ultimate partnership with the profession in the total responsibility for medical education -- they will never want for adequate base salaries and true consultation practice and experience.

C. The Medical Community and its Medical Center

The luxury enjoyed by some medical center teachers in the contemptuous reference to the "L.M.D." disregards -- as most luxuries do -- the brittleness of its own nature. This LMD is, after all, the product of medical education! His experience, at least, is different from that at the medical center. While it is as often richer in the scale of human values as the professor's is in the balance of science these roles are so frequently switched we would do well to become better acquainted with each other! When we can freely acknowledge together that the most vocal professorial critics of their colleagues in practice, and the most bitter professional critics of their colleagues on faculties are a small minority of each group, and subject to persuasion, discount, or even discipline -- the matter of clinical salaries can be viewed in its proper perspective.

There are few physicians indeed who do not regard the medical school from which they graduated, and the medical school in their community or area as an institution of great potential value and pride to the profession. Personalizing this, our colleagues frequently appeal to faculties in the areas of postgraduate-training, patient consultation, academic association.

Expecting a corresponding faculty interest, respect and concern for their welfare, professional services and the continuing education of their graduates, the profession seeks a closer relationship with the medical center. On the other hand, in the face of the astonishing advances of medical science there is a multitude of ways in which the profession can contribute to medical education -- of their experience, their resources and their patient problems. Few, indeed are the physicians in daily practice who do not see patients they would like to share with students or faculty at the medical school -- provided only that this "sharing" be possible on an educational basis alone. We would do well to seek ways of accomplishing these ends to the benefit of each new generation in medicine.

Learning is a continuous process. Teaching requires a special talent. Sharing experience in the care of patients can be accomplished without jeopardy to the doctor-patient relationship, to the patient's welfare (or pocket-book) or to the principles and philosophy of a good teaching program. Our problem is to discover some formulae to achieve these ends; but one of the first steps in this direction is to remove some practical obstacles.

Absolute income of medical faculties -- either net or gross -- is of no major concern to the practicing profession. Far more important is the anxiety of our colleagues in the medical community about three or four

aspects of medical center practice which are widely interpreted as discriminating in the context of competitive practice. They focus on several which deserve individual discussion -- particularly the nature of consultations, the factor of overhead, the device of salary ceilings -- but the impact of these amounts to profound distrust of the institutions as a competitive practicing wolf in academic sheepskin.

1. The Nature of consultations is a very troublesome point. The problem probably arises more fundamentally in the relation of general practitioners to specialists than in the immediate segment of that relationship between the practicing profession and the medical faculty. The basis of the practice of medicine today is the family physician; and although it is becoming evident that an increasing segment of our population do ^{es} not consider any single doctor as their "family physician", this remains a cultural pattern of fundamental importance in our society. Family physicians are for the most part the general practitioners in the community, but the internist and even the pediatrician in some areas (with respect to the children of the family), are emerging in this role. There are no complete physicians any more but at the same time there is competition for practice. Survival of the family physician as the worthy and professionally-qualified backbone of the profession depends primarily upon his acknowledgement that not infrequently he needs the help of specialists to meet the needs of patients in the light of

modern medical knowledge. Almost equally it depends upon acknowledgment by those specialists that they are only consultants, not rivals for that privilege of family relationship. The patient himself has a far greater responsibility than most have assumed. We firmly believe he has the right of free choice; but he must himself make the choice more unequivocally, more intelligently, and more communicatively than he has been accustomed to do! Able, conscientious and scrupulous general practitioners and specialists have been "strung along" by patients who choose not to inform either of the existence of the other!

2. The overhead question. In the practice of medicine the cost of running an office -- ^{includes.} secretarial, technical and professional help, supplies and equipment, rent and insurance -- often approaches 25 to 40% of the income of that practice. From the viewpoint of our colleagues in practice there appear to be members of a faculty of medicine who in addition to the prestige of an academic title enjoy overhead privileges with respect to these items. In this view, their activity runs as much, if not more, to the general practice of their specialty rather than to teaching or research. It is therefore incumbent upon us to determine the validity of this viewpoint, either to correct our colleagues' impression, or to change our practices.

3. Salary ceilings create a curious problem. Designed and applied in medical centers over the country as a device analogous to a full-time salary simply impractical to achieve in educational budgets,

salary ceilings describe a limit to purely monetary ambition; and thereby are intended to favor truly full-time education and research. Likewise they are advocated to limit the competitive advantages of medical center positions. On the other hand, ceilings have come to be suspected as merely a device by which additional faculty can be supported, thereby multiplying faculty capacity for up-to-ceiling earnings aggregating considerably more than the single specialist without ceiling restrictions.

There may be other "practical obstacles" to achievement of these goals which medical practitioners and medical educators agree are desirable and essential to our profession. These need discussion and review constantly.

It is no more appropriate or effective for medical practice to prescribe the principles and forms of medical education than for faculties of medicine to lay down patterns for the practice of medicine. But as physicians together we have much to give each other. We hold in common a cherished responsibility to patients and a professional tradition to augment and to pass on from generation to generation.

Let us together resolve that communication amongst us shall henceforth be free and frequent, candid and complete, to the end that we continue to deserve the confidence and privilege our culture has ever granted the profession of medicine.

III. The Clinical Salary Augmentation Program

The Proposal as Amended January 26, 1957.

A. Membership Requirements

1. Current appointment on the faculty, School of Medicine.
2. Acceptance of teaching assignments conforming to a teaching load annually reviewed and approved by department chairmen and the Dean of Medicine.
3. Written acceptance of General Principles and Specific Regulations.
4. Acceptance of base salary and salary ceiling conditions (See paragraphs A and B).
5. Initial nomination by procedures described below.
6. Licensure to practice medicine in the State of Texas.

B. Types of Membership

1. Strictly full-time appointments

a. <u>Salary scale</u> - Prof. & Chairman	- \$17,500	\$500 incentive increases every 2 years shall be considered as reasonably assured - subject however to administrative recommendations*
Prof.	- 15,000	
Assoc. Prof.	- 12,500	
Asst. Prof.	- 11,000	
Instructor	- 9,000	

* It is further recommended these be made retroactively at the inception of this program, on a similarly selective basis.

b. Private practice. No private practice shall be carried on for the primary purpose of increasing either individual or departmental income. Recognition must be given however, to the necessity of responding to exceptional pressures for professional consultation upon full-time appointees. These can easily be kept at a minimum; but in these few instances cannot be denied in patently urgent professional or political situations. Fees shall be deposited in a segregated (agency) fund within the Medical Branch of the University (see below).

c. Annuity

d. Perquisites

The following shall be provided by the University (to the extent of space availability, etc.) to strictly full-time appointees, without cost to them.

One office and one other room - fully furnished and maintained.

Access to secretarial help, conference rooms, laboratory space

Telephone service (except personal)

Family hospitalization in a group plan (small fee)

2. Geographical full-time appointees

a. <u>Basic Salary Scale</u> - ⁵¹ Prof. & Chairman	- \$15,000	69 72	80
			\$500 incentive
Prof.	- 12,500		increases every two years shall be considered or reasonably assured - subject however to routine administrative recommendations.
Assoc. Prof.	- 11,000		
Asst. Prof.	- 8,400		

- b. The Ceiling Guide - The desideratum of a clinical faculty ceiling is simply a measure of regulation short of absolute restriction of income to serve as a guide for the maintenance of the whole philosophy of full-time appointments. Full-time faculty members join the staff primarily for purposes of education and research and not for the practice of medicine.

The ceiling guide here presented is an additional 100% of the base salary first step.

C. Other income sources.

1) Private Practice (see pp 3 and 4, plus Specific Regulations)

Fees are the responsibility of the physician alone. Billing and collecting are his responsibility. He agrees, however, to report his professional income from practice and his costs, annually at the same time

as he makes his income-tax return. Any excess of adjusted gross income (essentially of professional income minus cost of practice) over his ceiling shall be considered cause for transfer of the individual out of full-time status.

§2) Research grants, consultant fees etc. - Generally on an annual basis, but occasionally on a fee-for-service arrangement, clinical faculty members in a School of Medicine are called upon by research grants, government and private agencies etc. for their skills in the resolution of a problem. Payment for these services shall be included in other income sources.

§3) Annuity

§4) Perquisites and Conditions

The following shall apply to geographic full-time faculty

- §a) The University shall provide (within the limits of available space) one office and one other room; and access to secretarial help for which a salary contribution may be made by the physician.
- §b) Telephone service - a private telephone must be installed and maintained by the physician.
- §c) Family hospitalization in a group plan - (small fee)

D. Initial Nomination to Membership

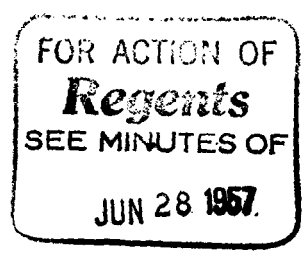
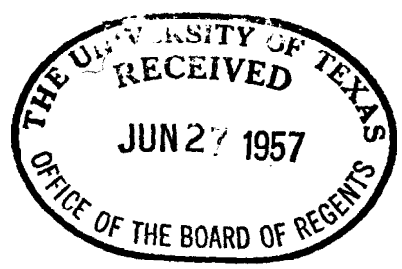
Subject to the approval of the President and the Board of Regents, all appointments to full-time clinical status will be made by the Executive Director: Full professors on the basis of consultation with the appropriate Department Chairman; others on the basis of consultation with all full professors in their respective departments.

Respectfully submitted:

January 26, 1957

John B. Truslow, M. D.
Executive Director

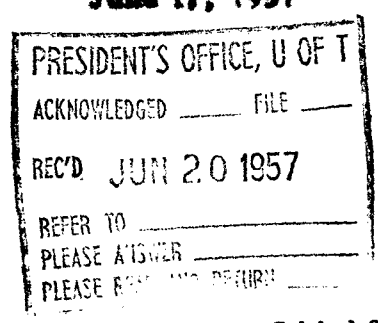
THE UNIVERSITY OF TEXAS
M. D. ANDERSON HOSPITAL



TEXAS MEDICAL CENTER
HOUSTON 25

June 17, 1957

Dr. Logan Wilson, President
The University of Texas
Main Building 101A
University Station
Austin 12, Texas



Dear Doctor Wilson:

Original Signed By
LOGAN WILSON

I wish to recommend the reappointment of the following four members of the Board of Visitors for the period September 1, 1957 through December 31, 1960;

- ✓ J. M. Odom
- ✓ Ben R. Barber
- ✓ Edward Marcus
- ✓ Prentice Cobb Hale

Handwritten mark

✓ It is also recommended that Mr. John Mecom, Independent Oil Operator, of Houston, be appointed for the period September 1, 1957 through December 31, 1960. Mr. Mecom's address is 2960 Lazy Lane.

✓ It is recommended that Mr. Harmon Whittington be reappointed for the period September 1, 1957 through December 31, 1958.

✓ The terminating date of December 31, rather than August 31, for the appointments is recommended to comply with the terms of the Trust Agreement, Page 9.

The following members of the medical staff have been acting as the Medical Board since the establishment of the University Cancer Foundation. It is recommended that they be officially appointed by the Board of Regents for

Dr. Logan Wilson

- 2 -

June 17, 1957

terms ending as indicated:

R. Lee Clark, Jr., M. D. - December 31, 1958
Gilbert H. Fletcher, M. D. - December 31, 1958
Clifton D. Howe, M. D. - December 31, 1958
William O. Russell, M. D. - December 31, 1959
William S. MacComb, M. D. - December 31, 1959
E. C. White, M. D. - December 31, 1959

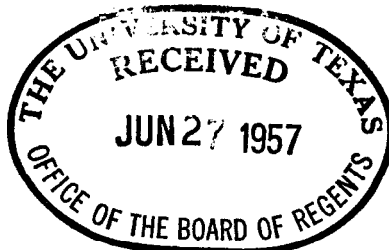
*Atty
Small
Russell
MacComb
White*

Sincerely yours,

R. Lee Clark, Jr., M. D.
Director

RLC/dcw

cc: Miss Thedford
Dr. Clark



PERMANENT UNIVERSITY FUND--INVESTMENT MATTERS.--

REPORT OF PURCHASES OF SECURITIES.--(Continued)

CORPORATE STOCKS PURCHASED
(Continued)

Date Purchased	Issue	No. Shares Purchased	Purchase Price	Total Principal Cost*	Estimated Purchase Yield#
6/18/57	Philadelphia Electric Company Common Stock	65	36-1/4 Net plus 20 rights	\$ 2,356.25	5.51%
6/21/57	El Paso Natural Gas Company Common Stock	1,200	40-5/8(100), 40-3/4(100), 40-7/8(200), 41(100), 41-1/8 (100), 41-1/4(200), 41-1/2(100), 41-5/8(300)	49,839.57	3.13
6/21/57	Norfolk & Western Railway Company Common Stock	700	66-1/4(100), 66-1/2(100), 66-3/4(500)	46,941.68	5.59
6/21/57	Union Carbide Corporation Capital Stock	400	119-1/2(100), 120(100), 120-1/2(100), 121(100)	48,288.10	2.98
6/21/57	General Electric Company Common Stock	700	68-1/8	47,980.17	2.92
6/21/57	Houston Lighting & Power Company Common Stock	900	55-1/2(400), 56(500)	50,565.20	2.85
6/21/57	Kennecott Copper Corporation Capital Stock	500	110-1/4(100), 111-1/2(100), 112(300)	56,005.78	5.36
6/21/57	International Business Machines Corporation Capital Stock	200	328	65,700.00	0.73
6/21/57	Socony-Mobil Oil Company, Inc., Capital Stock	800	60-1/8(500), 60-1/4(300)	48,465.64	4.13
6/21 & 6/24/57	National Dairy Products Corporation Common Stock	1,500	33-1/8	50,160.90	5.38
6/24/57	Chase-Manhattan Bank (N. Y.) Capital Stock	500	46 5/8 Net	23,312.50	5.15
Total Corporate Stocks Purchased				<u>\$2,466,642.67</u>	<u>4.38%</u>

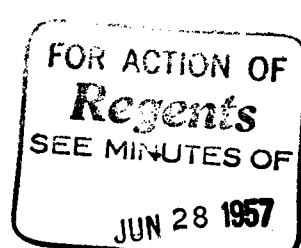
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*Including commission, if any charged according to N.Y.S.E. regulations.
#Based on current dividends being paid.

TEXAS WESTERN COLLEGE PROPOSED LEASE TO SIDNEY A. STALLMAN ON APPROXIMATELY 2.5 ACRES, COTTON ESTATE PROPERTY, EL PASO, TEXAS-- Mr. Sidney A. Stallman of Carlsbad, New Mexico proposes a lease for 20 years at monthly rental of \$75.00 per acre on approximately 2-1/2 acres in the Cotton Estate property fronting on both Fifth and Sixth Streets, the exact acreage to be determined by survey. The lease would carry an option for an additional 20 years at a rental to be negotiated at least one year prior to expiration of the primary term of 20 years. The grounds will be used for operation of a used pipe and machinery and scrap metal business with adequate provisions for construction of a fence to hide from view the materials stored on the ground. A pre-fabricated steel building is to be constructed on the property.

The proposal is through Mr. J. C. Holmes, Realtor of El Paso, and provides for a commission to Mr. Holmes of 2-1/2% of all rents due for the primary term of the lease. Commission covering the first year's rent will be payable at the end of the first year and commission covering the remaining 19 years of rent will be paid at the end of the second year.

The proposal has been approved by President Holcomb and Business Manager Smith; and it is recommended that the Board of Regents authorize the lease under the proposed terms set out above, and that the Chairman be authorized to execute the instrument when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.



Since December, 1956, the Endowment Office has conducted a search for a mortgage lending expert who could plan the mortgage loan portion of the revised Permanent University Fund investment program and place the finally approved program in operation. It was recognized from the beginning that the sound planning of this specialized lending operation was of prime importance and for that reason the search for a Mortgage Loan Officer has been directed toward persons experienced in the buying rather than the selling end of the mortgage loan business. To all practical purposes, this had limited the search to mortgage loan officers of life insurance companies.

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The Endowment Office believes that it has found an extremely competent person to plan this program and later, we would hope, to administer it for a time. At the moment, however, the planning assignment alone is under consideration. The person recommended is Mr. George A. Nicoud of Dallas, copy of whose biographical sketch is attached.

Mr. Nicoud is presently employed by the Mutual Life Insurance Company of New York as Regional Supervisor of Mortgages for this district, an office from which he will retire on October 10, 1957, at the age of 65. Mr. Nicoud, for personal reasons, is unwilling to move from Dallas to Austin, but he is willing to accept a consultantship arrangement under the terms of which he would have responsibility for planning and possibly activating the mortgage loan portion of the Permanent University Fund investment program.

Accordingly, it is recommended that the Endowment Officer, with the concurrence of the Vice-President for Fiscal Affairs, be authorized to enter into an agreement with Mr. George A. Nicoud in accordance with *these* the general limitations:

1. The assignment is to plan and program the mortgage loan portion of the Permanent University Fund investment program in consultation with the appropriate University officials and representatives of the affected State Offices.
2. The appointment is to become effective some time during the month of July and is to continue so long as is necessary to complete the assignment but not beyond July 1, 1958.
3. The title is to be Mortgage Loan Consultant and the assignment is understood to be part-time through October 31.
4. Both the monthly salary rate and the period during which salary is to be paid are to be negotiated with Mr. Nicoud, subject to the limitation that aggregate compensation for twelve months' service will not exceed \$8,500.
5. The work is to be conducted under the supervision of the Endowment Officer and the Vice-President for Fiscal Affairs and the resulting mortgage lending program is to be submitted to the Board of Regents for final approval.
6. The appointee is to do the bulk of the work on the mortgage lending program in Dallas, but he is expected to travel to Austin and elsewhere as the assignment requires, with travel expenses for such trips to be reimbursed in accordance with State regulations.



THE UNIVERSITY OF TEXAS • AUSTIN 12, TEXAS

DEAN OF STUDENT SERVICES

COPY

FOR ACTION OF
June 20, 1957
Regents
SEE MINUTES OF
JUN 28 1957.

Recommended
C.P.B.

Vice-President C. P. Boner
The University of Texas

Dear Dr. Boner:

Forwarded herewith is the Athletic Council's request to remove three pecan trees from the Freshman Field.

As pointed out in the basic letter, it is very important to have a separate practice football field. This was demonstrated last year when near the end of the season there was practically no grass left on the stadium field.

I have inspected the Freshman Field and am of the opinion that the removal of the three pecan trees in question will not be a serious loss. As noted on the sketch, none of the three trees are as large and beautiful as the pecan tree on the south side, which will not be molested. Also, there will still remain a number of large trees near the creek which, together with the pecan tree mentioned above, will furnish shade for picnics. As a generalization, I believe I am safe in saying that all of us hate to see a tree removed from the campus, but in this case I feel that the need justifies the loss, just as it sometimes is necessary to remove a tree to provide room for a new building. The additional space gained will give us room for both the Varsity and the Freshman football teams, and furthermore will greatly improve the practice baseball field, as the pecan tree on the north side is just off the left field foul line.

I recommend approval of the attached proposal and hope that this matter can be presented to the Regents at the June meeting of the Board, as we are making every effort to have the Freshman Field in excellent condition for Fall football practice.

Sincerely yours,

H. Y. McCown
Dean of Student Services



HYM:scj

Enclosure

June 18, 1957

Dr. C. P. Boner, Vice-President
Main University
via
Mr. H. Y. McCown
Dean of Student Services

Dear Dr. Boner:

At the present time the freshman football practice field is being reworked to provide a better turf and a larger working space. Coach Royal wishes to have as large an area as possible so that both varsity and freshman football teams may work on this same field. This will have coaches and players of both teams get better acquainted, be more convenient in getting both teams together in workout sessions, and will protect the Stadium field from undue use.

Additional workout space can be provided on the south end of the field by removing three pecan trees.

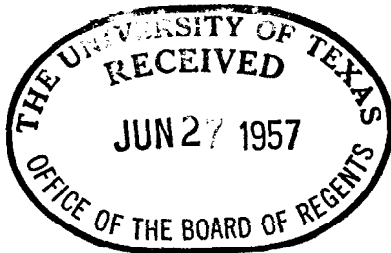
The Athletic Council, therefore, respectfully requests permission to remove these three pecan trees.

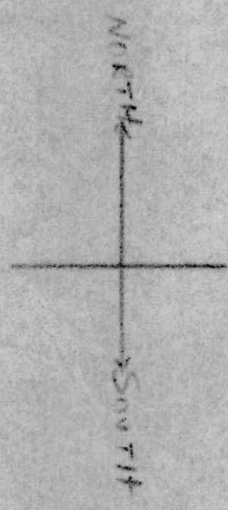
Sincerely yours,

O. B. Williams
O. B. Williams, Chairman
Athletic Council

D. X. Bible
D. X. Bible, Athletic Director

E. O. Ollie
E. O. Ollie, Athletic Director and
Business Manager (effective
September 1, 1957)





CREEK

FRESHMAN FOOTBALL FIELD

Medium size pecan tree
 Double pecan medium size
 Small screwy
 Note: Do not propose removing this large pecan tree

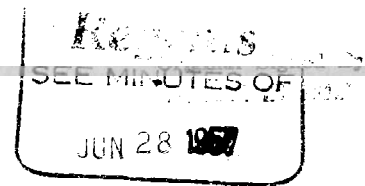
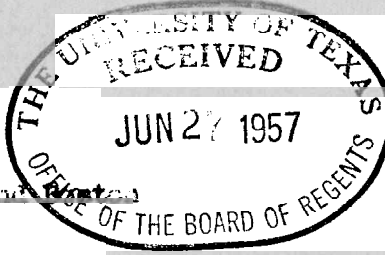
REMOVE THREE PECAN TREES



OFFICE OF THE PRESIDENT
INTER-OFFICE MEMORANDUM

DATE June 21, 1957

TO: Dr. Logan Wilson
FROM: Dr. J. C. Doherty
SUBJECT: Probable Trip to New York and Boston



It probably will be necessary for me to make another trip to New York during the latter part of the summer in connection with the Permanent University Fund investment program and the bond refunding problem. In the event that such a trip proves to be necessary, it is desirable to obtain Board of Regents' approval for out of state travel at the June 25 - 29 meeting.

Accordingly, I request approval for travel to New York and possibly Boston on University business, the dating of the trip to be determined later, but probably to fall within the period August 1 to September 15. Travel expenses would be paid from the Office and Travel Expense Account of the Endowment Office, account # 89171.

June 29, 1957


TEXAS WESTERN COLLEGE - SPECIAL ITEM

It is recommended that the voluntary student activity fee for the 1957-58 long session be set at \$20.00 on a yearly basis, with a \$5.00 refund to students not in school during the spring semester.

It is further recommended that if the student elects to purchase the activity fee on a semester basis, the fee for this fall semester be set at \$15.00, and \$10.00 for the spring semester. The present fee is \$13.00 for the fall semester and \$10.00 for the spring semester.

FOR ACTION OF
Regents
SEE MINUTES OF

JUN 28 1957


Dysart E. Holcomb
President

DEH:hj