

I+II

MATERIAL SUPPORTING MINUTES

1954-55

Vol. I

September, 1954 - February, 1955

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THE UNIVERSITY OF TEXAS

INSCRIPTION FOR CORNERSTONE
ENGLISH BUILDING



Main face:

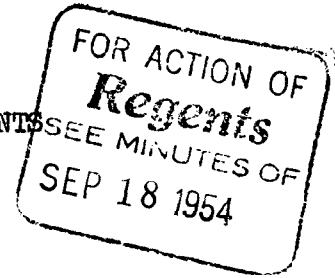
1954
BOARD OF REGENTS

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- David M. Warren, Vice Chairman
- Leroy Jeffers
- Lee Lockwood
- Dr. L. S. Oates
- J. R. Sorrell
- Mrs. Edgar Tobin
- Claude W. Voyles
- Dudley K. Woodward, Jr.

Side face:

- Logan Wilson, Acting Chancellor
- Charles H. Sparenberg, Comptroller
- 00---
- Logan Wilson, President, Main University
- C. Paul Boner, Dean, Main University
- Albert E. Cooper, Chairman Faculty Building Committee
- 00---
- Mark Lemmon, Consulting Architect
- Broad and Nelson, Architects
- J. M. Odom, General Contractor

THE UNIVERSITY OF TEXAS
INSCRIPTION FOR CORNERSTONE
MEN'S DORMITORY FOR LAW AND GRADUATE STUDENTS



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Side face:

Logan Wilson, Acting Chancellor

Charles H. Sparenberg, Comptroller

Jack G. Taylor, Endowment Officer

---00---

Logan Wilson, President, Main University

C. Paul Boner, Dean, Main University

Albert E. Cooper, Chairman Faculty Building Committee

---00---

Mark Lemmon, Consulting Architect

Wilson, Morris, and Crain, Architects

Leslie Crockett Construction Company, General Contractor

THE UNIVERSITY OF TEXAS

INSCRIPTION FOR CORNERSTONE
DORMITORY FOR MEN AND CAFETERIA

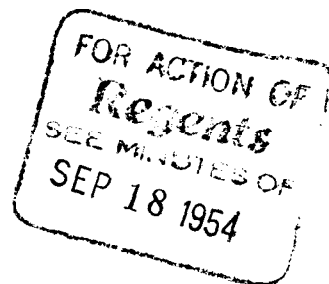
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Side face:

Logan Wilson, Acting Chancellor
Charles H. Sparenberg, Comptroller
Jack G. Taylor, Endowment Officer
---00---
Logan Wilson, President, Main University
C. Paul Boner, Dean, Main University
Albert E. Cooper, Chairman Faculty Building Committee
---00---
Mark Lemmon, Consulting Architect
Page, Southerland, and Page, Architects
R. P. Farnsworth and Company, Inc., General Contractor

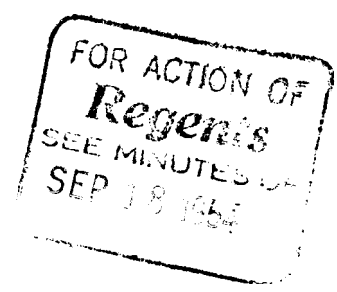


THE UNIVERSITY OF TEXAS

INSCRIPTION FOR CORNERSTONE
DORMITORY FOR WOMEN

Main face:

1954
BOARD OF REGENTS



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- David M. Warren, Vice Chairman
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- Lee Lockwood
- Dr. L. S. Oates
- J. K. Sorrell
- Mrs. Edgar Tobin
- Claude W. Voyles
- Dudley K. Woodward, Jr.

Side face:

- Logan Wilson, Acting Chancellor
- Charles H. Sparenberg, Comptroller
- Jack G. Taylor, Endowment Officer

---00---

- Logan Wilson, President, Main University
- C. Paul Boner, Dean, Main University
- Albert E. Cooper, Chairman Faculty Building Committee

---00---

- Mark Lemmon, Consulting Architect
- Jessen, Jessen, Millhouse, and Greeven, Architects
- Yarbrough Construction Company, General Contractor

IV - 22

THE UNIVERSITY OF TEXAS
AUSTIN

COPY

OFFICE OF THE PRESIDENT

October 22, 1954

Mr. Jack G. Taylor
Main Building 205
The University

Dear Mr. Taylor:

The Budget Council of the Finance Department, Dean Spriegel, and Dr. Boner have all approved your request for leave for the remainder of the year as Associate Professor of Investments, with the understanding that you may ask for an extension for the succeeding year.

I am pleased to be able to report this information to you.

Sincerely yours,

Logan Wilson

LW:k

cc: Dr. C. F. Boner
Dean W. R. Spriegel
Miss Betty Anne Thedford

FOR ACTION OF
Logan Wilson
SEE MINUTES OF
SEP 18 1954

OFFICE OF BOARD OF REGENTS U OF T
Acknowledged _____ File _____
RECD OCT 25 1954
Refer to _____
Please Answer _____
Please Read and _____

IV - 22

The recommendations of the Finance Committee of the Texas Commission on Higher Education to the full Commission for financing higher education in Texas are attached. It is definitely to the best interests of The University of Texas to cooperate with and strongly support this recommended financing program, for the following reasons:

1. Approximately eighty per cent of the University's total appropriations request will be covered by formulas common to all eighteen of the institutions of higher learning and would not have to be individually justified.

2. An override for each department offering work leading to the Ph. D. degree would give the University at least \$500,000 over the base amount provided by the formulas.

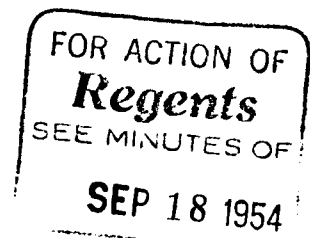
3. Increases for each institution would be calculated upon previous expenditures rather than previous appropriations, thus protecting the University's Available Fund. In fact, the entire formula method proposed has been based upon the premise that none of the Available Fund would be used for operating expenses, and it has been upon this premise that the participation and cooperation of the University has been based. This position has been made clear to all groups involved.

4. Appropriations for General Administration and Instructional Costs are based directly on full-time student equivalent, thereby providing increased appropriations to cover increased enrollments.

5. The formula method provides an equitable distribution of a total appropriation for higher education which would be a step toward equality with better state-supported institutions in other parts of the country. Similarly, if the total available for higher education is less than what is required to support the full formula program, an equitable method of reduction avoids the unfairness of across-the-board reductions and insures for each institution at least the amount of the expenditures in 1953-54.

6. The recommendations of the Finance Committee of the Commission on Higher Education have the unanimous support of the Council of College Presidents and the informal approval of the whole Commission.

7. Senators Aikin and Hazlewood and Representative Gillham have voiced wholehearted support of these recommendations, and Senator Aikin has definitely promised his all-out effort to secure approval by the Legislature.



Example of Application of Formula Method
and Comparison with Expenditures
for Year 1952 - 53

	<u>Actual Expenditures</u>	<u>Formula Provisions</u>	
1. General Administration	\$ 472,284.00	\$ 620,760.00	
2. General Expense	547,263.00	547,263.00	
3. Instructional Costs	4,714,438.00	5,178,164.00	
4. Library	508,115.00	508,115.00	
5. Physical Plant	1,600,198.00	1,873,547.00	
6. Organized Research	602,244.00	602,244.00	
7. Extension	659,947.00	659,947.00	
8. Other Costs	274,770.00	274,770.00	
9. Miscellaneous	24,872.00	24,872.00	
	<u>\$9,403,683.00</u>	<u>\$10,289,682.00</u>	9.41% of increase

FOR ACTION OF
Faculty
SEE MINUTES OF
SEP 18 1954

TEXAS COMMISSION ON HIGHER EDUCATION

To the Members of the Finance Committee:

As directed by the Finance Committee of the Texas Commission on Higher Education in its last meeting on July 26-27, the finance subcommittee has met with the Committee on Finance of the Council of College Presidents for the purpose of:

1. Analyzing the data gathered by the various staff agencies for the Finance Committee.
2. Considering the conclusions and recommendations offered by the Committee on Finance of the Council of College Presidents as a result of their detailed study of the staff reports.
3. Drafting a report to the Commission for the Finance Committee embodying the conclusions and recommendations reached by the subcommittee as a result of the aforementioned deliberations.

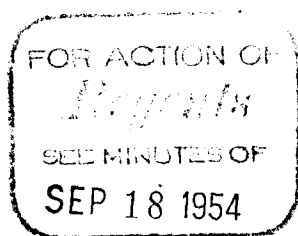
The assistance and wholehearted cooperation of the committee from the Council of College Presidents was invaluable to the accomplishment of the assignment. The members of the committee are to be commended for their unselfish and untiring efforts to make the work of the Commission a success. In like fashion the excellent work of all the staffs who have prepared the basic reports for the Finance Committee merits our highest compliments.

It is recommended that the attached report to the Commission be adopted by the Finance Committee. In our opinion this report, except as specifically noted therein, fulfills the assignments given the Finance Committee by the Commission. The attached report has the concurrence of the Committee on Finance of the Council of College Presidents.

Respectfully submitted,

The Finance Subcommittee
John W. Newton, Chairman
Senator A. M. Aikin Jr.
John Womble

September 7, 1954



TEXAS COMMISSION ON HIGHER EDUCATION

To the Texas Commission on Higher Education

The Finance Committee, as directed by the Commission and with the assistance of the Finance Committee of the Council of College Presidents, the Legislative Budget Board staff and other co-operating staff groups, has made an intensive study of matters relating to financing the 18 wholly state-supported general academic teaching institutions. Based upon this study the Committee submits to the Commission the following findings and recommendations.

THE COMMITTEE FINDS THAT:

1. The expenditures of Texas state-supported colleges are well below those of representative state-supported colleges of the first rank in other states. Analysis of cost reports of Texas colleges and comparable out-of-state colleges of the first rank shows that expenditures of Texas colleges are not excessive in any respect but, to the contrary, are in most instances well below the out-of-state schools. The committee believes this to be indicative of the need for a method of securing more adequate financing for Texas institutions.

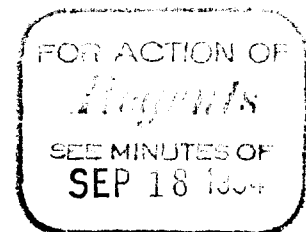
2. The great increase in college enrollment over the next 15 years as Texas youths now flooding our public schools reach college age gives further urgency to the need for adequate financial support to higher education. Information now available indicates a probable fall enrollment at the 18 fully state-supported colleges of Texas of

62,574 in 1955

69,134 in 1960

101,192 in 1970

as compared with a total in 1952 of only 51,894.



3. It is essential to the continuance and improvement of high quality education in Texas during this period of rapidly increasing enrollment and rising costs that a method of financing be utilized through which the needs of higher education may be objectively determined and the necessary funds equitably distributed. Methods broadly based on a certain sum per full-time student emphasize quantity rather than quality and ignore real cost differences in programs both within and between institutions. A method based upon a realistic determination of the financial needs for performance of functions which are common to the Texas institutions and the reduction of this to formulas applicable to all institutions is both objective and equitable. Functions which are unique to an institution must be provided for separately.

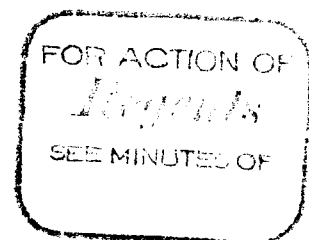
4. By application of the method recommended in this report, operating needs of the 18 fully state-supported institutions of higher education for the 1955-56 fiscal year are estimated to be \$44,000,000, including approximately \$7,000,000 of institutional income. Major repairs and rehabilitation and the cost of system administrative offices of the three multiple-institution systems are not included. This estimate of needs is approximately \$8,000,000 over the anticipated expenditures for the same functions for 1954-55. There are two underlying reasons for this increase: the expected increase in enrollment and an upward adjustment in level of expenditures to permit Texas institutions to advance toward comparability with out-of-state schools of first rank. It is our conclusion that both the method and the dollar amounts constitute a sound and reasonable guide to the Governor and the Legislature for the first step in bringing Texas

colleges to a first-class status.

5. An accurate estimate of the cost of a first-class system of higher education in Texas for 1960 and 1970 is not possible. A reasonable estimate may nevertheless be made based on a projection of the estimate for 1955-56. For 69,000 students in 1960 the cost will approximate \$48,500,000 and will increase to \$69,200,000 for 101,000 students in 1970.

6. Non-residential building needs and costs have been estimated on the basis of projected enrollment to 1970, using an allowance of 150 square feet of non-residential space per full-time student. It is estimated that these needs can be met by the funds provided by the College Building Amendment funds, the Available Fund, and the bonding authority of the two schools—Lamar State College of Technology and Texas Southern University—not under either of these plans.

7. In making this study the Commission has experienced difficulty because of instances of varying practices in reporting and because of the lack of a body of accumulated information for all the institutions. Frequent recourse to the institutions was necessary to secure comparable financial and related information. Despite the substantial progress which has been made in recent years toward uniform accounting and reporting practices through co-operative efforts of Texas Education Agency, the State Auditor, the institutions and other interested agencies of state government, further work is necessary.



THEREFORE THE FINANCE COMMITTEE RECOMMENDS:

I. That Texas take immediate steps toward providing a financing method which will

1. enable Texas institutions to maintain high quality instruction for a rapidly increasing student body;

2. immediately raise the level of Texas state-supported institutions and ultimately achieve equality with comparable state-supported institutions of the first rank in other states;

3. provide for the equitable distribution of available funds based upon the objectively determined needs of Texas institutions.

II. That to achieve these goals the following approach be adopted, which is based on the use of formulas for the computation of costs of functions common to all institutions of higher education and the realistic determination of actual costs of non-comparable functions; that the recommended formulas be used in the computation of appropriations for the biennium beginning September 1, 1955.

General Administration

General administration covers administrative functions which are common to all colleges--namely the president's office, dean of the college or vice-president, fiscal office, registrar's office, and deans of student life. While costs vary between certain offices, this is due in most cases to a different combination of functions. General Administration needs are computed on a full-time student base. The cost will vary with the size of the school, with the unit costs higher in the smaller schools. The formula below takes into account this differential in costs:

First 1500 Full-Time Students (Subject to a minimum of \$70,000)	@ \$65.00 each
Next 1500 Full-Time Students	@ \$55.00 each
Next 3,000 Full-Time Students	@ \$47.00 each
All over 6,000 Full-Time Students	@ \$40.00 each

General Expense

Of the items of expenditure under this classification as reported in the financial statements of the state colleges for 1953, only five are common to all institutions. This variation is due, in part, to the type and to the size of the colleges. Of the \$1,000,000 reported in 1953, more than half, or \$600,000 was spent by the two largest schools. Appropriations for this item should be made on an individual school basis with each school responsible for the justification of its expenditures. Examples of items included in this classification are student services, information and publications, diplomas and commencement, health service, and other non-allocated general institutional expenses. Expense for the military training programs at the various colleges should also be classified as an item of general expense since there are no teacher costs.

Instructional Costs

The program approach to determination of needs for instructional costs is the most equitable. It requires:

1. selection of a student-teacher ratio for each program of study appropriate to the needs of the program and recognizing the differences in teacher workload which depend on the character of the instructional program;
2. determination by cost studies of the expenditure necessary for a teaching unit (including instructional salaries and other departmental costs) based upon the student-teacher ratio for the particular program;
3. determination of the total number of units in each instructional program based on fall semester full-time students;
4. computation of total program costs by institution based upon these elements.

The variation of the student-teacher ratio among the various authorized programs is the key to the equitable distribution of state funds for instructional purposes. Based on experience in our colleges and a study of acceptable standards as reflected by out-of-state college study, the following unit costs are reasonable and the ratios are the maximum if Texas is to approximate "first-class" teaching.

<u>Program</u>	<u>Ratio</u>	<u>Unit Costs</u>
1. Liberal Arts	18	\$ 6,000
2. Science	18	8,000
3. Agriculture	15	11,000
4. Engineering	12	8,500
5. Teacher Education	19	10,000
6. Fine Arts	9	6,500
7. Home Economics	12	7,000
8. Law	25	11,500
9. Social Service	7	10,000
10. Library Science	18	6,500
11. Veterinary Medicine	10	10,000
12. Vocational Training	14	6,500
13. Physical Training	15	6,500
14. Nursing	12	9,000
15. Pharmacy	10	8,500

Therefore, the formula for determining the dollar amount necessary for each program will be, taking Liberal Arts as an example:

$$\frac{\text{Fall Full-Time Students}}{18} = \text{No. of Units} \times \$6,000$$

18

The formulas for instruction are based on a state norm which will care for the needs of the program offerings through the master's degree level. It does not, however, provide for the doctorate level program. The funds for the departments in which the doctorate degree is offered should be increased by an amount equal to the product of the difference between the cost per semester credit hour of the undergraduate work alone and the cost per semester credit hour of both undergraduate and graduate work, at the institution offering such doctorate degree, multiplied by the total student credit hours in such department at that institution.

The appropriation should be made as of the fall semester next preceding the legislative session. Anticipated increases in enrollment should be cared for by a lump sum appropriation to be allocated by a central facility based on increased enrollment by program. The amount appropriated should be calculated by multiplying the per-student cost for resident instruction by the estimated increase in enrollment for each year of the biennium.

Application of the base formula to the two fully state-supported junior colleges (Arlington State College and Tarleton State College) shows increases which are out of proportion to the other schools. A percentage decrease should be applied to these schools based on a study of the relative costs between their programs and those of senior institutions.

Neither the costs of academic administration, that is the deans' offices, nor the expenditures for non-recurring equipment are included in the above costs but should be justified by each institution. In addition, new programs are inevitable and should be justified after approval by a central facility.

It should also be pointed out that only the net costs of organized activities related to instruction are included in the above costs. It will be necessary, by rider, to authorize the expenditure of the funds received by the above activities.

Organized Research

Expenditure for this item depends upon the type of institution and the programs offered by the institution. This must of necessity be justified by each college and no formula would be applicable. This function should be supported more liberally by the state and we invite the attention of the Legislature to the state's responsibility in this educational activity.

Extension and Public Service

This again depends upon the nature of the college as to the responsibility for an amount expended for this item. Appropriations should be based on the justification by the individual institutions.

Libraries

The present level of operations should be maintained unless the level is below 80% of American Library Association standards. In the latter case, the level of operation should be brought up to the above per cent. In case the book holdings of a college are below 80% of American Library Association standards, funds should be made available to meet the above per cent of the standard. The amount estimated for 1955-56 includes about \$500,000 for additional books and equipment to bring the holdings of sub-standard institutions partially up to standard.

Physical Plant Operation

This is an area in which there has been a lack of understanding of the colleges' needs due, in part at least, to the methods used by the colleges in presenting these needs. Lack of proper maintenance is the most expensive maintenance in the long run. The following method is devised for making base appropriations for this item. Variations from the base if justified would be allowed on difference in labor and other costs between areas.

1. Building Maintenance--28¢ per square foot
This figure is calculated on the basis of 1 3/4% of an estimated \$16 a square foot replacement cost. Building maintenance should be defined as the maintenance necessary to keep a building from deteriorating once it has been put into first-class condition for that type and age of building. Building maintenance does not include alterations, improvements, or betterments.
2. Custodial Care of Buildings--18¢ per square foot
This should include all costs of cleaning Educational and General Buildings, including the salaries and wages of janitors, maids, porters, and extra labor, salaries and wages of elevator operators, janitors' supplies, etc.
3. Care of Grounds--\$400 per acre for developed areas
\$ 75 per acre for mowed only
This provision includes maintenance of streets, sidewalks,

and bridges. The term "developed grounds" includes drill fields, intramural fields and other areas which are watered. Mowed areas include all acreage upon which there is no up-keep other than occasional mowing by power or gang mowers.

4. Utilities

Annual provisions for utilities should be made on the basis of expenditures and building additions.

5. Special Physical Plant Items

The cost of central administration of the Physical Plant operation and items not common to all schools should be justified by individual institutions.

Major Improvement and Repair Projects

Excluding A. and M. College and the University, these projects amount to about \$1,500,000 for 1955-56 and \$1,100,000 for 1956-57. Provision should be made during the next biennium for these items.

Special Items

There are certain items which are not common to all institutions. Examples: museums and an appropriation for Nurses Stipend. Items such as these should be justified by the college concerned.

III. That if General Revenue Funds sufficient to finance the program of higher education under the formula method based on latest enrollment figures are not available, the total appropriated for higher education can be distributed to the several institutions by the following method.

- 1. Determine the amount of General Revenue required to support the full formula program for all 18 institutions.

<u>Example: 1953-54 Expenditures</u>		<u>1955-56 Formula</u>
School X	\$ 5,000,000	\$ 5,500,000
School Y	---	
School Z	---	
Totals for all schools	<u>\$39,000,000</u>	<u>\$48,000,000</u>
1955-56 Formula	\$48,000,000	
less local funds	<u>8,000,000</u>	
General Revenue Required	\$40,000,000	

2. Determine the amount by which the General Revenue necessary to support the full formula program exceeds the General Revenue available for higher education.

Example:

1955-56 Formula	\$48,000,000
less Local Funds	<u>8,000,000</u>
General Revenue required	40,000,000
less General Revenue available	<u>37,000,000</u>
Formula Reduction	\$ 3,000,000

3. Determine the amount by which the full formula program for all 18 institutions exceeds the total expenditures in the last complete fiscal year.

Example:

1955-56 Formula	\$48,000,000
less 1953-54 Expenditure	<u>39,000,000</u>
Formula Increase	\$ 9,000,000

4. Divide the amount of the formula reduction (2) by the amount of the formula increase (3). This quotient is the percentage by which the formula increase for each institution must be reduced.

Example:

$$\frac{\text{Formula reduction} - \$3,000,000}{\text{Formula increase} - \$9,000,000} = 33.33\% \text{ reduction of increase}$$

5. Reduce the amount of the increase provided by the formula for each institution by the percentage calculated in (4) and total.

Example:

	<u>1953-54</u> <u>Expenditures</u>	<u>1955-56</u> <u>Formula</u>	<u>Increase</u>
School X	\$5,000,000	5,500,000	\$500,000
(Recomputation)	<u>5,000,000</u>	less (\$500,000 x 33.33%)	<u>167,000</u>
		<u>5,333,000</u>	<u>\$333,000</u>

Total for all			
Schools	\$39,000,000	\$48,000,000	9,000,000
(Recomputation)	<u>\$39,000,000</u>	less (\$9,000,000 x 33.33%)	<u>3,000,000</u>
		\$45,000,000	\$6,000,000

IV. That the Legislature establish a central facility to implement the preceding recommendations with membership and specific and limited duties as follows:

Duties

1. To approve new degree or certificate programs. In view of the financial liability incurred by the state through the introduction of new programs, no new program leading to a degree or certificate may be added to those now in existence until such time as the facility approves. Such approval shall be based on the needs of the institution and the overall requirements of the state.

2. To make continuing studies of the formula method of financing and its application to all services and activities of the individual institutions and to recommend desirable revisions to the end that equitable distribution of the funds available for higher education in Texas be maintained. Based on their findings, the facility, with the advice and counsel of the Council of College Presidents, shall recommend to the existing budget offices the formulas on which the legislative requests shall be based.

3. To certify to the existing budget offices and the Legislature that each institution has prepared its legislative requests for appropriations in accordance with current formulas.

4. To recommend to the existing budget offices and the Legislature the amount required as a supplemental appropriation to provide for increases in enrollment and to allocate such funds to each institution based upon and limited to its actual increased program needs.

5. To make continuing studies of higher education which have statewide application.

6. To serve as the single state facility through which all state reports on higher education shall be channeled. This duty shall include the responsibility of ascertaining which reports are necessary and insuring that reports for state purposes are gathered on a uniform, comparable basis wherever possible.

7. To review all requests for the establishment of additional institutions of higher learning and to make recommendations to the Legislature based upon the needs of the state and the cost of the proposed institution to the state.

Composition

In order that co-ordination may be achieved among the institutions of higher education in Texas and the members of the proposed facility be informed as to the needs of higher education, the composition should be as follows:

1. Nine members serving overlapping terms, one member to be selected by each of the existing governing boards of higher education in the state from its membership. To be eligible for selection a member must have had two years of service on his board and shall serve on the facility for a single term of two years.

2. An adequate staff.

3. The Council of College Presidents as an advisory group, in a statutory capacity.

V. That because of the increased costs of functions which the state is not generally expected to bear and to secure stability of financing of non-instructional student services and activities, the Legislature grant authority to the governing boards of the institutions to collect uniformly from all students a student activity fee not to exceed \$20 per semester, including a student health fee.

VI. That the Legislative Council staff, with the assistance of the Attorney General's office, inquire into the present statutes relating to finance for the purpose of correcting obsolete provisions, discrepancies, and inconsistencies.

VII. That consideration be given to the advisability of increasing registration fees charged all students.

THE UNIVERSITY OF TEXAS
OFFICE OF THE CHANCELLOR
AUSTIN 12

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FOR ACTION OF
Regents
SEE MINUTES OF
SEP 18 1954

COPY

September 22, 1954

Honorable Robert S. Calvert
State Comptroller of Public Accounts
Capitol Station
Austin, Texas

FOR ACTION OF
Regents
SEE MINUTES OF
SEP 18 1954

Dear Mr. Calvert:

(177) Pursuant to the provisions of Paragraph f, Section 17, Chapter V of House Bill 111, 53rd Legislature, Regular Session, the Board of Regents of The University of Texas, acting herein by and through Logan Wilson, President and Acting Chancellor of The University of Texas, does certify that each unit of this institution for which an appropriation is made in House Bill 111, including the Main University, which includes the Extramural Divisions and the Texas Memorial Museum; the Medical Branch; Southwestern Medical School; Texas Western College; the School of Dentistry; the Post-graduate School of Medicine; and the M. D. Anderson Hospital for Cancer Research, has fully complied and is complying with the provisions of said Paragraph f, Section 17, Chapter V of House Bill 111, 53rd Legislature, Regular Session.

Original Stored by
LOCAL OFFICE

Logan Wilson, President and
Acting Chancellor

cc: Office of the Board
of Regents

THE UNIVERSITY OF TEXAS
Office of the Comptroller
Austin 12

FOR ACTION OF
Regents
SEE MINUTES OF
SEP 18 1954

RECOMMENDATIONS TO REGENTS
BUILDINGS AND GROUNDS COMMITTEE

September 16, 1954

1. SELECTION OF ASSOCIATE ARCHITECT FOR DORMITORY FOR WOMEN ON KINSOLVING TRACT.--At the Regents' meeting held July 17, 1954, authorization was given to Chairman Tom Sealy to select the architectural firm or firms to serve as Associate Architect on the Dormitory for Women to be constructed on the Kinsolving Tract. Upon instructions from Chairman Sealy, a contract was prepared by Comptroller Sparenberg and approved as to legal form by the University Attorney between the Board of Regents of The University of Texas and the firm of Kuehne, Brooks, and Barr of Austin, Texas, naming this firm as Associate Architect for the new Dormitory. This contract follows very closely the form approved by the Board at the meeting held February 6, 1953, and specifies a fee of 5% for the Associate Architect. Signatures have been obtained on behalf of the architectural firm and the Board of Regents, and delivery has been made of the executed contract.

(It is recommended that the Board ratify and approve the action taken as outlined above.)

2. SELECTION OF ARCHITECTS TO PREPARE PRELIMINARY PLANS AND COST ESTIMATES FOR PROPOSED NEW BUILDINGS AT TEXAS WESTERN COLLEGE.--Mr. A. A. Smith, Acting President and Business Manager of Texas Western College, has made certain recommendations, in which Comptroller Sparenberg concurs, concerning the engaging of architects to prepare preliminary plans and make cost estimates for certain proposed new buildings at Texas Western College. It is, therefore, recommended that these recommendations as set out below be approved by the Board and that the Chairman of the Board be authorized to sign a contract with the Architects as named in each case:

ADDITION TO BENEDICT HALL (MEN'S DORMITORY).--It is recommended that the firm of Carroll and Dauble, Architects, of El Paso, Texas, be engaged to draw preliminary plans and make cost estimates for an addition to Benedict Hall that will accommodate 50 to 60 men, with a fee of 1% to be paid for this work out of the account entitled Auxiliary Enterprises - Dormitory and Dining Room Account. The exact method of financing this addition has not been determined as yet, but it might be through the Housing and Home Finance Agency, and it is, therefore, recommended that permission be granted to Mr. Smith to sign a preliminary application to Housing and Home Finance Agency should it be decided later to use this method of financing.

NEW ADMINISTRATION BUILDING AND CONVERSION OF PRESENT LIBRARY-ADMINISTRATION BUILDING TO A LIBRARY BUILDING.--At the Regents' meeting held April 10, 1954, authorization was given for investigation of the possibility of the construction of a new Administration Building and the remodeling and enlarging of the present Library-Administration Building in order to convert it into a Library Building only. This investigation has now been made, and since the plan appears feasible, it is recommended that the architectural firms as listed below be engaged to draw preliminary plans and make cost estimates for these two projects, with the fee in each case to be 1% to be appropriated from the account entitled Current Funds General - Unappropriated Surplus:

Davis and Foster, Architects and Engineers, of El Paso, Texas, for the proposed new Administration Building.

Carroll and Daeuble, Architects, of El Paso, Texas, for the conversion of the present Library-Administration Building to a Library Building.

It is contemplated that the proposed new building and the conversion of the present one will both be financed from funds to be derived from the proposed issuance of additional Constitutional Tax Building Bonds or Notes for Texas Western College under Section 17, Article VII, of the State Constitution.

FOUR APARTMENT BUILDINGS.--At the Regents' meeting held April 10, 1954, authorization was given to Mr. Smith to sign a preliminary application to Housing and Home Finance Agency covering construction of apartment buildings to house married students and faculty members at Texas Western College. In connection with this housing, it is now recommended that the firm of Carroll and Daeuble, Architects, of El Paso, Texas, be engaged to draw preliminary plans and make cost estimates for four apartment buildings of eight apartments each, with a fee of 1% to be paid for this work out of the account entitled Auxiliary Enterprises - Housing Account.

3. APPROVAL OF PRELIMINARY PLANS AND COST ESTIMATES FOR NEW DORMITORY FOR WOMEN AT TEXAS WESTERN COLLEGE.--Pursuant to authorization given at the Regents' meeting of July 17, 1954, the firm of Monroe, Licht, and Higgins, Architects and Engineers, of El Paso, Texas, was engaged for the purpose of drawing preliminary plans and making cost estimates for a new dormitory for 100 women at Texas Western College. These plans have now been prepared, and an estimate made of \$289,200.00 for the construction of the building. The plans have been approved by the Faculty Building

Committee of the College, by Mr. A. A. Smith, Acting President and Business Manager of the College, by Comptroller Sparenberg, and by Acting Chancellor Wilson. It is, therefore, recommended that these preliminary plans be approved by the Board and that authorization be given to pay the firm of Monroe, Licht, and Higgins, the fee due that firm as approved at the meeting of July 17, namely, 1% of the estimated cost of the building. The exact method of financing this proposed new dormitory has not been determined as yet, but it might be through the Housing and Home Finance Agency, and it is, therefore, recommended that permission be granted to Mr. Smith to sign a preliminary application to Housing and Home Finance Agency should it be decided later to use this method of financing.

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4. ACCEPTANCE OF DUPLEX RESIDENCE AT TEXAS WESTERN COLLEGE.--Information has been received from Mr. A. A. Smith, Acting President and Business Manager of Texas Western College, that the construction of the duplex residence at Texas Western College has been completed. A letter has also been received from Carroll and Daeuble, Architects on the project, stating that the building is ready for acceptance and final payment, and Mr. Smith concurs in this opinion. It is recommended that the building be accepted and final payment be made upon the statements of the Architects and Mr. Smith that the work has been completed satisfactorily.

5. PLANS AND SPECIFICATIONS FOR VENETIAN BLINDS AND BUILT-IN FURNITURE FOR DORMITORIES AND APARTMENT BUILDING AT MEDICAL BRANCH.--The total of the contracts for the construction of the three dormitories and apartment building at the Medical Branch in Galveston was less than the amount of money available from the H. H. F. A. loan for this construction. Since no built-in furniture had been included in these plans, it was felt that it would be wise to utilize this money for the purpose of adding certain built-in furniture rather than to be under the necessity of furnishing the buildings entirely with movable furniture out of funds other than the loan. Permission was secured from H. H. F. A. to proceed with plans for this additional work, with the understanding that bids would be taken for this work, as was done for the original contracts, rather than issuing a change order to the present General Contract for the construction.

Plans and specifications for built-in furniture for the three dormitories and also for venetian blinds for all four buildings have been completed by Cameron Fairchild, Associate Architect on the project, and these plans and specifications have been approved by the proper officers of the Medical Branch, by Mark Lemmon, Consulting Architect, by Comptroller Sparenberg, and by Logan Wilson, Acting Chancellor. It is, therefore, recommended that the plans and specifications be approved by the Board and that authorization be given to advertise for bids to be considered at the next meeting of the Board.

6. APPROPRIATION FOR MOVABLE FURNITURE AND EQUIPMENT FOR THREE DORMITORIES AND APARTMENT BUILDING AT MEDICAL BRANCH.--In order to place in operation the new dormitories and apartment building now under construction at the Medical Branch, it will be necessary to purchase certain movable furniture and equipment. No appropriation has heretofore been made for this furniture and equipment, and in order for specifications to be prepared and advertisements for bids to be placed, it will be necessary at this time to appropriate sufficient funds to cover these purchases. Estimates of the cost of these items, totaling over \$63,000.00, have been made by the Business Office of the Medical Branch, and have been approved by the Comptroller's Office. It is, therefore, recommended that an appropriation of \$64,000.00 be made for Movable Furniture and Equipment for the three dormitories and apartment building now under construction at the Medical Branch, that Comptroller Sparenberg be authorized to advertise for bids and make contract awards, and that Chairman Tom Sealy be authorized to sign the contracts.

After discussions between Comptroller Sparenberg and Mr. Cappleman, Acting Chancellor Wilson, and Chairman Tom Sealy, and on instructions from Dr. Wilson and Mr. Sealy, it is recommended that this \$64,000.00 be appropriated from Medical Branch Auxiliary Enterprises balances. This appropriation will cause an overdraft in the Auxiliary Enterprises Section of the Medical Branch Funds for sometime to come, but Mr. Cappleman has stated that the Medical Branch might be able to cover this overdraft by August 31, 1955 with profits from the Cafeteria and the Hospitality Shop. According to the latest Medical Branch Trial Balance that we have on file, dated July 31, 1954, the Auxiliary Enterprises balances total \$49,763.36 as at that date.

12-16 ✓

7. SELECTION OF ARCHITECTS FOR CLINICAL SCIENCE BUILDING AT SOUTHWESTERN MEDICAL SCHOOL AT DALLAS.--At the Regents' meeting held July 17, 1954, a Committee was appointed to discuss the matter of selecting a Consulting Architect for the new Clinical Science Building at the Southwestern Medical School from the four firms listed in the Minutes. Those appointed to this Committee were: Chairman Sealy, Judge Woodward, Dr. Aagaard, and Mr. Lemmon. Upon instructions from Mr. Sealy, Chairman of this Committee, a contract has been prepared by Comptroller Sparenberg and approved as to legal form by Judge Scott Gaines and has been signed. This contract, which is between the Board of Regents and Mark Lemmon, names Mark Lemmon as Architect for the building and the firm of Edward D. Stone of New York City as Consultant. Fees of 5% for the Architect and of not more than 1% for the Consultant are specified. ~~The contract between the University and Edward D. Stone will be prepared later when arrangements with this firm have been completed by the Committee appointed at the July 17, 1954 meeting.~~ (See Page 12)

It is recommended that the Board ratify and approve the action taken as outlined above, including the signature of the contract with Mr. Lemmon by the Chairman of the Board. ~~It is further recommended that the Chairman of the Board be authorized to sign a contract with Edward D. Stone as Consultant as set out above, when the arrangements have been completed.~~ (See Page 12)

8. H. H. F. A. PROJECT TEX 41-CH-12 - MAIN UNIVERSITY: TEMPORARY LOAN FROM GENERAL FUNDS TO DORMITORY CONSTRUCTION ACCOUNT.--The following is a quotation from a recommendation by Comptroller Sparenberg to Acting Chancellor Wilson dated July 29, 1954, which recommendation was approved by Dr. Wilson, Chairman Tom Sealy, and Mr. Rupert R. Harkrider, Assistant University Attorney:

"Herewith I hand you a copy of a telegram received this morning from Mr. W. H. Sindt, Regional Representative, Housing and Home Finance Agency, Fort Worth, Texas. The Requisition forms and the Certificate of Purposes forms signed partly by Mr. Sealy and partly by me, asking for an additional advance of \$350,000.00, were filed in an attempt to get sufficient money to cover our estimated needs for payments to Contractors, Architects, etc., coming due August 1, 1954 and September 1, 1954. According to our information, the sale of the \$3,402,000.00 Dormitory Revenue Bonds on this project to private bond firms was approved by the Board of Regents at the July meeting, but the actual cash money will not be available to us until approximately the middle of September, 1954. We all agree, of course, that we have a good deal on the sale of the bonds, but the time required to bring it about, plus the provisions of the loan agreement in regard to advances, make additional steps necessary to take care of our temporary needs for cash.

"We were all afraid that the situation indicated by the telegram received this morning from Housing and Home Finance Agency might come to pass, but after discussing the circumstances with Mr. Sindt and other representatives of Housing and Home Finance Agency, we decided to give it a try anyway.

"In view of the present situation and in order to take care of our needs for the next two months, I hereby recommend that we be authorized to use whatever amounts are necessary to pay Contractors' Estimates, Architects' Fees, etc., from Main University Cash in Bank - General Funds, the necessary amounts to be transferred from the General Funds bank account or accounts to an account in The Austin National Bank entitled 'The University of Texas Dormitory Construction Account (Series 1954).' We estimate that the amount needed to cover payments due August 1, 1954 and September 1, 1954 will total somewhere between \$300,000.00 and \$350,000.00. The amounts so advanced will, of course, be redeposited in the General Funds bank account or accounts when the money is received from the sale of the bonds.

"I further recommend that 'Due From' and 'Due To' accounts to cover these advances be set up on the Auditor's books in the section entitled 'Current Funds - Auxiliary Enterprises' and the section entitled 'Unexpended Plant Funds - Other Projects.' According to the June 30, 1954 Monthly Financial Report, we have cash and invested balances totaling over \$800,000.00 in

the Auxiliary Enterprises section for Housing and Food Service enterprises, which could be considered as a sort of a 'backlog' or 'cushion' or 'safety margin' to support this recommendation, to guard against any future unforeseen contingencies."

Telegram referred to reads as follows:

"We are in receipt of the following telegram from the Commissioner, CF&SO today: 'Texas 41-CH-12 Assistant General Counsel has ruled that upon Board-approval of sale of bonds to private purchasers, provisions of section 3 of loan agreement respecting termination became effective and no further advances may be made. Will expect your recommendation for formal rescission following repayment of funds already advanced.' This ruling precludes approval of your requisition dated July 10, 1954 for an additional advance in the amount of \$350,000."

In accordance with the Comptroller's recommendation and the approvals received, \$100,000.00 was transferred from General Funds to the Dormitory Construction Account at The Austin National Bank on August 9, 1954. The proceeds from the \$3,402,000.00 Dormitory Revenue Bonds were received sooner than expected on September 2, 1954, and on that same date the advance was repaid from the Dormitory Construction Account to General Funds.

It is recommended that the Board of Regents ratify and approve these actions.

9. AWARD OF CONTRACTS FOR DENTAL EQUIPMENT FOR THE NEW BUILDING AT THE DENTAL BRANCH.--Pursuant to authorization given by the Board of Regents at the meeting held April 10, 1954, bids on Dental Equipment for the new building at the Dental Branch were received, opened, and tabulated on September 14, 1954, as shown on the tabulation sheet. These bids have been considered by Dean Olson and Comptroller Sparenberg, and it is their recommendation that contract awards be made to the bidders as listed below, with authorization to the Chairman of the Board to sign the various contracts involved:

Ritter Company, Inc., Rochester, New York	
Bid No. 1, Dental Chairs	\$62,550.90
Bid No. 4, Dental Lathes	4,934.08
Bid No. 5, Dental Operating Lights (Wall Mount-Bracket)	1,255.50
Bid No. 6, Dental Operating Lights (Unit)	<u>20,715.75</u>
Total Recommended Award to Ritter Company, Inc.	\$ 89,456.23

The Weber Dental Manufacturing Company, Canton, Ohio	
Bid No. 2, Dental Units	\$83,894.14
Bid No. 3, Dental X-Ray Units	5,165.52
Bid No. 7, Laboratory Engines	<u>34,546.50</u>

Total Recommended Award to The Weber Dental Manufacturing Company	<u>\$123,606.16</u>
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Total Recommended Contract Awards	<u>\$213,062.39</u>
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The award recommended to be made to The Weber Dental Manufacturing Company for Bid No. 7, Laboratory Engines, involves deletion, on the basis of the unit price quoted in the bid, of sixty Engines from the total of 212 originally specified; therefore, the award recommended for Bid No. 7 is \$12,795.00 less than the base bid of \$47,341.50.

All the recommended awards are to the low bidders on each item of equipment and the total of the recommended awards is approximately \$25,000.00 under the estimated cost.

10. ADDITIONAL APPROPRIATIONS FROM THE AVAILABLE UNIVERSITY FUND UNAPPROPRIATED BALANCE FOR THE FISCAL YEAR 1954-55.--The purpose of this recommendation is to get the official approval of the Regents' Buildings and Grounds Committee and the Board of Regents as a whole, for certain appropriations for Physical Plant Construction and Major Repairs and Rehabilitation projects, from the Available University Fund Unappropriated Balance for the Fiscal Year 1954-55. Most of these items were discussed at some length by the Board of Regents at the July, 1954 meeting, but the official minutes of that meeting indicate that no final action was taken on them. The discussions at the July, 1954 meeting and these recommendations have been based on the original reports from Zumwalt and Vinther, Consulting Engineers, Dallas, Texas, in regard to air conditioning work on the Main University Campus, additional information obtained from Zumwalt and Vinther by the Comptroller's Office since the July, 1954 meeting, and the budget requests submitted to the Legislative Budget Board in regard to the Available University Fund for the Fiscal Year 1954-55, which were approved by Dr. Logan Wilson, Acting Chancellor, and the Board of Regents at the July, 1954 meeting.

The additional appropriations for 1954-55 from the Available University Fund Unappropriated Balance, as listed below, are recommended by Comptroller Sparenberg and approved by Acting Chancellor Logan Wilson and Chairman Tom Sealy in accordance with information and instructions from the sources above indicated:

1. For Air Conditioning Work to be done by or under Zumwalt and Vinther, in accordance with the Regents' action 7-17-54 and instructions from Chairman Tom Sealy:

(a) Revision of Utility Lines and addition of Chilled Water Lines between Central Water Chilling Station in Experimental Science Building and Hogg Auditorium. (Includes an estimate of \$101,140.00 to cover the cost of this work, plus related work caused by this work, plus Zumwalt and Vinther's fees thereon.) \$ 106,702.70

(b) Fees to Zumwalt and Vinther for "Design Phase" (detailed plans and specifications) on the following projects:

Additional Unit Installations at Existing Central Water Chilling Station in Experimental Science Building, to bring this station up to maximum capacity, to service present load, plus Hogg Auditorium, Main Building, and Kinsolving Dormitory (Estimated cost \$275,000.00 per Zumwalt and Vinther)

Revision of Utility Lines and Addition of Chilled Water Lines to service Main Building (Estimated cost \$12,560.00 per Zumwalt and Vinther)

Total of Zumwalt and Vinther's fees on the two items of estimated cost shown above

15,815.80

2. R. O. T. C. Building	1,000,000.00
3. Tie-in with City Power Plant, Plus Necessary revisions of Electrical Distribution System	150,000.00
4. Major Repairs and Rehabilitation Projects:	
(a) Replacing Brick Tunnel West from old Press Building to Main Building	58,550.00
(b) Replacing Expansion devices in underground steam and water systems	61,400.00
(c) Main Building - Alteration and Refinishing (No expenditures should be made against this appropriation until after the final decision has been made on air conditioning of the Main Building.)	50,000.00

(d) Extending Campus Lighting System on 21st, 23rd, and 24th Streets	\$ 25,000.00
(e) Parking Lot between Stadium and University Junior High School - Grading, Leveling, Filling, and Rolling (This proposed parking lot is bounded by the following streets: San Jacinto Boulevard, 20 $\frac{1}{2}$ Street, Red River Street, and 20th Street.)	11,450.00

TOTAL RECOMMENDED APPROPRIATIONS FROM AVAILABLE UNIVERSITY FUND (All for Main University) \$1,478,918.50

These recommendations, if approved, will leave a balance of approximately \$307,000.00 in the Available University Fund Unappropriated Balance Account for 1954-55, to serve as a "cushion" or "backlog" to take care of present and future emergencies and contingencies. The estimated Unappropriated Balance for 1954-55, according to the budget adopted by the Board of Regents April 10, 1954, was \$2,215,918.46. The following appropriations have been made by the Regents from this balance between April 10, 1954 and August 31, 1954:

For purchase of Miller Property on Red River Street	\$ 90,000.00
For purchase of Eddie Joseph Property on Red River Street	105,000.00
For Air Conditioning Work:	
Air Conditioning Hogg Auditorium	200,000.00
Fees to Zumwalt and Vinther, Consulting Engineers, for "Design Phase" (detailed plans and specifications) for air conditioning Main Building	<u>34,784.50</u>

TOTAL APPROPRIATIONS FROM AVAILABLE UNIVERSITY FUND APRIL 10, 1954 THROUGH AUGUST 31, 1954 \$429,784.50

11. APPROVAL OF CHANGE ORDER NO. 13 TO CONTRACT WITH FINGER FURNITURE COMPANY, INC., FOR FURNITURE AND FURNISHINGS AT M. D. ANDERSON HOSPITAL FOR CANCER RESEARCH.--At the Regents' meeting held February 6, 1953, approval was given for the award of several contracts for furniture and furnishings for the M. D. Anderson Hospital for Cancer Research, in the total amount of \$236,241.75. At that time funds were appropriated to cover the total amount of these contracts by use of the sum of \$164,904.36 already appropriated for Furniture and Equipment, with the balance of the amount needed coming from donations made by various individuals for specific memorialization purposes. Approval was also given to providing in each contract that deletions and additions at unit prices quoted in the bid might be made by appropriate change order to the contract. A number of change orders have been written to the contracts for deletions and additions

under these provisions, all within the sum of money originally provided.

A change order has now been written and approved by the Architects and Dr. Clark, which provides for an addition of \$20,962.20 to the contract with Finger Furniture Company, Inc., which increases the total amount of the contracts by \$9,750.54. Also, the prices as quoted by the company for use in making up this change order are higher than the original unit prices. According to the architects, this increase is due to less than carload shipments, extra handling, and the lack of production quantity.

It is recommended that the Board authorize Comptroller Sparenberg to sign this change order on the basis of the prices quoted by the company, and that the amount of \$9,750.54 be appropriated from the Trust Funds of M. D. Anderson Hospital (Donations for Furniture and Equipment) to cover the additional amount needed.

12. PROPOSAL FOR EXTRA ARCHITECTURAL SERVICES BY MACKIE AND KAMRATH, HOUSTON, TEXAS, ON THE M. D. ANDERSON HOSPITAL FOR CANCER RESEARCH BUILDING.--The following two paragraphs are quoted from a letter dated August 10, 1954 from Dr. R. Lee Clark, Jr. to Dr. Logan Wilson, Acting Chancellor:

"Complete Architectural services will be needed during the remaining part of this Biennium to make some alterations in the M. D. Anderson Hospital building. After operating in the new building, it has been determined that some changes will make the building more useful as well as to protect property of the hospital. At the present time, there is no one on the staff of the hospital to take care of the needed architectural work. One of the needed changes is partitioning of the stock room and installation of air conditioning to eliminate condensation causing mildew of some stock items. Another change is installation of vacuum in additional areas to provide additional bed space for the surgical floor.

"It is my recommendation that the firm of MacKie and Kamrath be engaged for complete Architectural services for the balance of this Biennium to run concurrent with their supervision and work during the year guarantee period on the building. This firm is familiar with the changes that will be necessary. In line with this recommendation, the Architectural fees would be governed by Section # 21 of Article VI. General provisions of HB No. 111, Acts of the 53rd. Legislature, Regular Session. No project would exceed a cost of \$20,000.00 on which Architectural fees would be paid. The Architectural fee would be 6% for production of detail drawings, plans and specifications and supervision of the work on alterations to the building."

(See Page 12)

As indicated by Dr. Clark's recommendation, this arrangement would be terminated on August 31, 1955. This recommendation has been approved by Acting Chancellor Logan Wilson and it is recommended that it be approved by the Board of Regents.

13. APPROVAL OF PAYMENT OF 95% OF ALL COMPLETED ITEMS ON GENERAL CONTRACT FOR DENTAL BRANCH BUILDING.--Because of certain recent change orders which have been added to the contract for the construction of the Dental Branch Building, it has been necessary to grant an extension of time for completion of the building, and although a number of items are 100% complete, the building as a whole is not substantially complete. Under the usual procedure, the Contractor could not receive 95% payment of any part of the contract until the entire building was substantially complete. Since the change orders were issued at the request of the University and the Architects and the delay is not the fault of the Contractor, it is believed that some provision should be made in order to make a 95% payment on all completed items. It is, therefore, recommended that approval of the Board be given to the following procedure:

1. That as items become 100% complete, the Contractor be allowed a 95% payment on these items, after approval by the Architects and Dr. Olson. The usual affidavit covering payment of all material and labor bills must accompany each estimate calling for any 95% payment.
2. That, as approved by the Board at the meeting held February 27, 1954, when the building is 100% complete with the exception of Alternates 8-G and 9-G, a payment be allowed which would reduce the retainage on the completed part of the building from 5% to 1½%.

14. INSCRIPTION OF PLAQUE FOR DENTAL BRANCH BUILDING.--It is recommended by Dean Olson and Comptroller Sparenberg that the inscription as set out below be approved for the plaque to be placed in the new Dental Branch Building. This inscription follows the standard pattern approved by the Regents for cornerstones on new buildings.

THE UNIVERSITY OF TEXAS

DENTAL BRANCH

1952

BOARD OF REGENTS

D. K. WOODWARD, JR.
CHAIRMAN

(SEAL OF THE UNIVERSITY
OF TEXAS)

JAMES P. HART, CHANCELLOR
THE UNIVERSITY OF TEXAS

DAVID M. WARREN
VICE-CHAIRMAN

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VICE-CHANCELLOR FOR
BUSINESS AND FINANCE
THE UNIVERSITY OF TEXAS

W. E. DARDEN

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DENTAL BRANCH

DR. L. S. OATES

J. W. ROCKWELL

TOM SEALY

MacKIE AND KAMRATH
ARCHITECTS

A. M. G. SWENSON

MANHATTAN CONSTRUCTION COMPANY
GENERAL CONTRACTOR

MRS. EDGAR TOBIN

CLAUDE W. VOYLES

The preceding recommendations were approved by the Regents' Buildings and Grounds Committee with changes as given below, and are being submitted to the Board as recommendations of that Committee:

Item No. 6.--Add one sentence at the end of this recommendation, reading as follows:

This recommendation is made with the understanding that should the cash to pay for this furniture and equipment not be available at the time it is needed, the necessary amounts will be paid from the Available University Fund, as a loan, to be repaid later from the Auxiliary Enterprises funds.

Item No. 7.--The last sentence of the first paragraph should read as follows:

The contract between the University and Edward D. Stone as Special Consultant provides for a cash fee of \$15,000.00 plus reasonable travel expense while absent from New York in connection with his employment.

The last sentence of the second paragraph should read as follows:

It is further recommended that the Chairman of the Board be authorized to sign a contract with Edward D. Stone as Special Consultant upon the terms above stated.

Item No. 12.--Add the following sentence immediately after the quotation from Dr. Clark's letter:

Dr. Clark later recommended that in those cases where no actual construction work was involved, such as installation of equipment already purchased, the architects be paid, in lieu of the 6% fee, the direct cost in labor and materials of producing drawings, blueprints, etc., plus 100%.

RECOMMENDATIONS OF THE REGENTS' BUILDINGS AND GROUNDS COMMITTEE

September 17, 1954

15. RESOLUTION OF APPRECIATION TO THE RETIRING FACULTY BUILDING COMMITTEE OF THE MAIN UNIVERSITY.--The Regents' Buildings and Grounds Committee recommends that a resolution of appreciation by the Board of Regents be sent to the retiring Faculty Building Committee of the Main University in view of the excellent service rendered the University by this Committee, which was composed of Dr. Albert E. Cooper, Chairman; Dr. O. B. Williams, Secretary; and Dr. M. J. Thompson.

16. SELECTION OF ASSOCIATE ARCHITECT FOR ADDITIONAL HOUSING AT MEDICAL BRANCH.--It is recommended that the firm of Cameron Fairchild and Associates, of Houston, Texas, be selected as the Associate Architect for the three additional dormitories and the building to be used for a Cafeteria, Lounge, and Faculty Housing to be constructed at the Medical Branch under a loan agreement with Housing and Home Finance Agency, under the terms as set out in Mr. Fairchild's letter of April 9, 1954, as follows:

"We propose to perform architectural services for the University of Texas Medical Branch, Galveston, Texas in connection with the proposed three (3) additional dormitories and the cafeteria, lounge and faculty housing building for the following fees:

- A. Plans, specifications and supervision of three (3) dormitories to be built in accordance with the plans and specifications previously prepared by this office for the three dormitories now under construction for a fee of $2\frac{1}{2}\%$ of the cost of the work.
- B. Plans, specifications and supervision for a fee of 5% of the following work:
 - 1. The cafeteria, lounge and faculty housing building.
 - 2. Addition to the power plant now under construction.
 - 3. Plot plan for the project.

"These services will be rendered under the terms of the present contract between the Board of Regents and Cameron Fairchild and Associates."

It is further recommended that authorization be given to the Chairman of the Board to sign a contract with this firm, the contract to be prepared by Comptroller Sparenberg and approved as to legal form by the University Attorney.

17. APPROVAL OF AWARD OF CONTRACTS FOR REPAIR AND REMODELING WORK IN THE OLD JOHN SEALY HOSPITAL MAIN BUILDING AT THE MEDICAL BRANCH, GALVESTON.--In accordance with approval given by the Board at the meeting of May 28, 1954, bids were called for on repair and remodeling work on the first and second floors of the Old John Sealy Hospital Main Building. After consideration of the bids received, it was recommended by Dr. Leake to Acting Chancellor Logan Wilson that the low bids as listed below be accepted:

<u>Contract</u>	<u>Low Bidder</u>	<u>Low Bid</u>
General Contract	Adolph Johnson	\$13,400.00
Electrical Contract	Pfieffer Electric Company	8,480.00
Mechanical Contract	A. J. Warren Plumbing and Heating Company	<u>22,700.00</u>
	Total	<u>\$44,580.00</u>

(See Dr. Leake's letter to Dr. Wilson dated September 15, 1954.)

Comptroller Sparenberg called attention to the fact that The Sealy and Smith Foundation has agreed to provide the sum of \$28,000.00 towards this work, and it is expected to secure the balance of the funds needed by the reappropriation of unencumbered balances in certain "Minor Improvement Projects" at August 31, 1954, which has been recommended in another communication being considered by the Auditing and Budget Committee.

Upon recommendation of Dr. Leake and Comptroller Sparenberg, the Regents' Buildings and Grounds Committee recommends that the Board approve the award of contracts to the low bidders as listed above, with authority to the Business Manager of the Medical Branch to sign these contracts, subject to receipt of the money from The Sealy and Smith Foundation and the approval by the Board of the reappropriation of the balances in the "Minor Improvement Projects" referred to above.

SEP 18 1954

THE UNIVERSITY OF TEXAS

MARK LEMMON, CONSULTING ARCHITECT
201 THOMAS BUILDING
DALLAS 1, TEXAS

September 9, 1954

CONSTRUCTION COSTS

<u>BUILDING</u>	<u>SQUARE FOOTAGE</u>	<u>COST PER SQ. FT.</u>
Basic Science Building - \$2,400,527.00 Southwestern Medical School. Dallas, Texas (Dec. 1952)	90,279 sq. ft.	Gen. Work - \$ 14.20 Mech. & Elec. Wk. - <u>12.38</u> \$ 26.58
Dental Branch, - \$ 5,568,052.00 The University of Texas, Houston, Texas	200,000 sq. ft.	\$ 27.84
Ziegler Hospital - \$ 660,200.00 The Medical Branch, Galveston, Texas (May, 1952)	22,409 sq. ft.	Gen. Work - \$ 19.01 Mech. & Elec. Wrk.- <u>10.44</u> \$ 29.45
Mayo Diagnostic Clinic Rochester, Minn.	568,345 sq. ft.	\$ 27.80
Clinical Sciences Bldg. - \$ 2,817,480.00 (Same type const. as Basic Science Bldg.) Southwestern Medical School, Dallas, Texas	106,000 sq. ft.	Gen. Work - \$ 14.20 Mech. & Elec. Wk. - <u>12.38</u> \$ 26.58
Clinical Sciences Bldg., - \$ 2,817,480.00 (Cheaper const., finish and more compact plan)	114,609 sq. ft.	Gen. Work - \$ 12.20 Mech. & Elec. Wk. - <u>12.38</u> \$ 24.58

Florida (Univ. of Florida)
Bids taken July 28. 54

238000 sq. ft.

\$ 21.93

FOR ACTION OF
Boards
SEC MINUTES OF
SEP 18 1954

III - 5 - 2

THE UNIVERSITY OF TEXAS
Office of the Comptroller
Austin 12

September 29, 1954

Mrs. Elna Birath, Business Manager
The University of Texas Dental Branch
Post Office Box 8277
Houston, Texas

Mr. E. N. Cappleman, Business Manager
The University of Texas Medical Branch
Galveston, Texas

Mr. Joe E. Boyd, Jr., Finance Officer
M. D. Anderson Hospital for Cancer Research
6723 Bertner Avenue
Houston, Texas

(For the M. D. Anderson
Hospital for Cancer Re-
search and for the Post-
graduate School of Medicine)

Mr. E. A. Gell, Business Manager
Southwestern Medical School of
The University of Texas
2211 Oak Lawn Avenue
Dallas, Texas

Mr. A. A. Smith, Business Manager
Texas Western College of
The University of Texas
El Paso, Texas

Mr. G. W. Landrum, Auditor
The University of Texas
Austin, Texas

(For Main University and
Central Administration)

Subject: PROPOSED BLANKET POSITION FIDELITY BOND
FOR THE ENTIRE UNIVERSITY OF TEXAS SYSTEM

Mrs. Birath and Gentlemen:

As most of you know, this office has for some time been considering the advisability of putting into effect a Blanket Position Fidelity Bond for the entire University system. At the meeting of the Board of Regents on September 18, 1954 I was authorized and instructed to proceed with all necessary steps toward putting this plan into effect as soon as possible, including getting the necessary detailed information for such a Blanket Bond from the branch business managers.

III - 2 - 2

FOR ACTION OF
Regents
SEE MINUTES OF
SEP 18 1954

September 29, 1954, Page Two.

I am sending each of you herewith copies of the following documents:

- 1. "Handy Classifier" of Positions for use with Blanket Position Bonds, Form 459 put out by U. S. Fidelity and Guaranty Company
- 2. Standard Form of Application to the National Surety Corporation, New York, Fidelity Department, for Blanket Honesty Insurance or Group Honesty Insurance - Form F 4375.

We are also sending to Mr. Cappleman and Mr. Boyd photostatic copies of page F-24, from the Insurance Commission manual, entitled "Fidelity-- Blanket Bonds - Classification of Employees - Classifications for Hospitals".

The sample form of application from the National Surety Corporation sent to you is almost exactly the same as similar forms used by other major companies.

We should like to have from each of you, not later than November 1, 1954, the following information:

A classification, as at October 1, 1954, of all regular, permanent employees of your institution, both part-time and full-time, divided into classes A, B, and C, as indicated on page 2 of the attached application blank from National Surety Corporation. It is our desire to have all employees of your institution listed by classes and number of occupants, as accurately as you can from the information furnished you, under the classes indicated; within each class, however, after the classification is determined by you, list the titles and sub-totals of numbers of occupants by your regular budget titles or classifications, rather than by the sub-titles shown on the form under classes A, B, and C.

To aid you further in this classification task, we are also sending each of you herewith a list of titles taken from our Regents' Budgets which have been classified, as we think they should be, into classes A, B, and C. This sample classification of our budget titles has been checked with Mr. A. W. Penn of the State Insurance Commission.

Unless later developments, including premium calculations and checking of our classifications by the State Insurance Commission, change our plans, we shall ask several of the companies with which we are now doing business to submit proposals on the basis of a three-year bond with a \$5,000.00

September 29, 1954, Page Three.

coverage for each and every employee of the system. We should like, therefore, for you to submit to us also your recommendations as to what the excess coverages above \$5,000.00 should be, including the name of the employees, location, and title of each position on which excess coverage is desired. As I understand it, the name will not be included in the Blanket Position Bond.

When the new Blanket Position Fidelity Bond is worked out, the total premium charge will, of course, be prorated for payment among the component institutions and budgetary units involved. Furthermore, we have been told that although all of the business will have to go to one company, the premiums can be divided in proper proportion among the insurance agents in the various cities, according to our wishes. Bonds now in force will, of course, have to be cancelled, after proper notice, when the new plan goes into effect.

Please let us know if any additional information or explanation is needed or desired.

Very truly yours

Charles H. Sparenberg
Charles H. Sparenberg
Comptroller

CHS:ab

Copies of this letter to:

- Mr. Tom Sealy
- Regents' Special Committee to
- Study Insurance and Surety Bonds:
 - Mr. Leroy Jeffers, Chairman
 - Mr. Lee Lockwood
 - Mr. J. R. Sorrell
 - Mr. David Warren
 - Dr. L. S. Oates
- Mr. Claude W. Voyles
- Dr. Logan Wilson
- Dr. John V. Olson
- Dr. Chauncey D. Leake
- Dr. R. Lee Clark, Jr.
- Dr. Grant Taylor
- Dr. A. J. Gill
- Mr. A. A. Smith, Acting President
- Texas Western College
- Miss Betty Anne Thedford, Secretary
- Board of Regents
- Mr. Carl J. Eckhardt
- Mrs. Missy K. Doss
- Mr. John L. Carter, Jr.

THE UNIVERSITY OF TEXAS
Office of the Comptroller
Austin 12

Memorandum

July 12, 1954

To: Dr. Logan Wilson, Acting Chancellor

Subject: PROPOSALS FOR MAKING THE INSURANCE SURVEY
FOR THE UNIVERSITY OF TEXAS SYSTEM

As authorized by the Board of Regents at its meeting May 28, 1954, my letter of May 31, 1954, inviting proposals for the making of the proposed insurance survey for The University of Texas system, was sent to the following companies or firms:

Insurance Audit and Inspection Company, Indianapolis, Indiana
(Copy also sent to their representative, Mr. A. R. Massey
in Dallas, Texas)

Marshall and Stevens, Chicago, Illinois
(Copy also sent to Mr. Marvin Olson, District Manager
for this firm at Dallas)

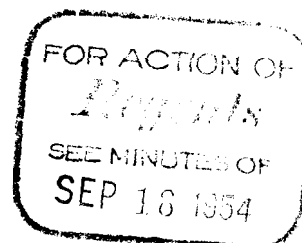
American Appraisal Company, Chicago, Illinois

Fidelity Appraisal Company, Milwaukee, Wisconsin.

Replies received are summarized in the following paragraphs:

The first letter from the Insurance Audit and Inspection Company came from Mr. Alvin T. Coate, President, Indianapolis. He stated that upon the basis of the information which I had furnished them, he would estimate that the work could be done for not less than \$2,500 nor more than \$4,500, including the field survey described in his letter, the formal bound report, and continuing consulting services for one year. He also advised that Mr. Massey would confer with me later and give me a firm quotation for this work. Mr. Massey conferred with me in my office at some length on June 29, 1954, and then wrote a confirming letter from Dallas on June 30, 1954, in which he proposed a flat fee of \$3,500 for the work to be done during the first twelve months, and also proposed an annual fee of \$1,500 for their continuing services thereafter. The continuing services would be covered by their regular printed form of service agreement, plus, of course, related correspondence.

No answer was received from Marshall and Stevens.



Dr. Logan Wilson, July 12, 1954, Page Two

The answer from the American Appraisal Company came from Milwaukee, which apparently is their home office rather than Chicago. They sent quite a bit of information about their appraisal services but stated: "If only an insurance survey is contemplated, this would be beyond the scope of our service which is limited entirely to valuation service."

The Fidelity Appraisal Company of Milwaukee in their letter stated: "As an appraisal company our services are limited to the field of property valuations, and do not include insurance counseling. We are therefore taking the liberty of forwarding this request and enclosed data to the firm of Strauss-Zahn Company, Milwaukee, Wisconsin. The Strauss-Zahn Company is one of Milwaukee's foremost authorities in the field of insurance counseling, and we can recommend their services highly." They also recommended two other Milwaukee insurance counselors and stated that in the event appraisal service only was desired for our properties, they would be glad to submit a proposal.

A few days later I received a letter from Mr. I. G. Strauss of Strauss, Zahn Company, Milwaukee. He stated: that their clients engage them under a five year retainer plan payable annually; that if the work was done spasmodically, it would begin from scratch and the cost would be considerably more than continuous service; that their per diem charge is \$75.00 per day plus traveling and hotel expenses; and that, although it was difficult to estimate the total cost without seeing the properties, they would judge it would run "about from five to ten percent of the annual coinsurance premium outlay". I don't know just exactly what this means, but ten per cent of our total premiums on an annual basis would be approximately \$3,700.00. I assume that, from the wording of their letter, the estimated charges would be on an annual basis. The letter from Strauss, Zahn Company is a good letter and indicates that they know what they are talking about; apparently, however, their charges would be somewhat higher than the fees proposed by the Insurance Audit & Inspection Company.

I also received two unsolicited letters from The Max Scheid Agency of Dallas and Garland, Texas, which apparently is a new agency engaged in selling as well as counseling. After receiving the second letter, I wrote Mr. Scheid and told him that unless the Regents change their minds, I did not think he was eligible for this survey.

I shall not reproduce copies of all of these letters from these various companies or firms for you and the Regents unless you consider it necessary and/or advisable. I am sending you herewith, however, enough copies of my letter to provide copies for you and all members of the Board of Regents.

All the information in our files and the references that we have checked indicate that the Insurance Audit and Inspection Company of Indianapolis and their Texas representative, Mr. A. R. Massey of Dallas, not only have

Dr. Logan Wilson, July 12, 1954, Page Three.

done more work of this kind in Texas than anybody else, but also that they are a fine, outstanding concern and have rendered excellent service to their clients. Apparently, the Insurance Audit and Inspection Company of Indianapolis is one of the three leaders in this field in the United States. The other two are reported to be John Blades of New York and Mund, McLaurin of Los Angeles.

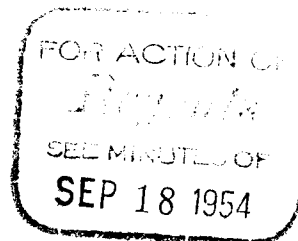
I recommend, therefore, that we accept the offer of the Insurance Audit and Inspection Company of Indianapolis, Indiana, to do the original survey and render continuing consulting services for a period of one year, for a flat fee of \$3,500.00. I further recommend that if things work out satisfactorily on the original survey, we be authorized to sign a service agreement with the Insurance Audit and Inspection Company for their continuing services after the first year, with the understanding that the annual fee will not be more than \$1,500.00.

C. H. Sparenberg
 Charles H. Sparenberg, Comptroller

CHS:ab

Copies enclosed for the following:

Mr. Tom Sealy
 Regents' Special Committee to Study
 Insurance and Surety Bonds:
 Mr. Leroy Jeffers, Chairman
 Mr. Lee Lockwood
 Mr. J. R. Sorrell
 Mr. David Warren
 Dr. L. S. Oates
 Mrs. Edgar Tobin
 Judge D. K. Woodward, Jr.
 Mr. Claude W. Voyles
 Mrs. Maryvenice E. Stewart



P. S. - July 13, 1954:

We have just received a letter from Marshall and Stevens of Texas, Inc., Dallas, Texas, proposing a joint appraisal and insurance survey, to be handled by them and Mr. Max Scheid of Dallas. Based on the book values shown by our latest Financial Report, I estimate that their total joint fees would be well over \$20,000.00. This late arrival does not change the recommendation included above in my original memorandum.

C. H. S.