

OMISSION

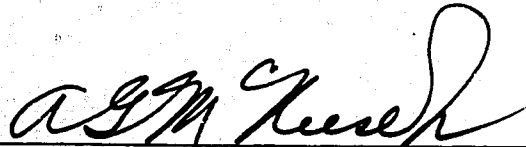
Pages 3249 - 3713


A. Ruth Baker


SIGNATURE OF OPERATOR

We, the undersigned members of the Board of Regents of The University of Texas System, hereby ratify and approve all actions taken at this meeting (June 14, 1974) to be reflected in the Minutes.

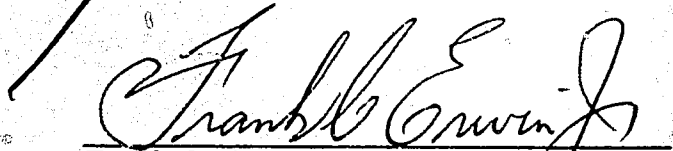
Signed this the 14th day of June 1974, A. D.

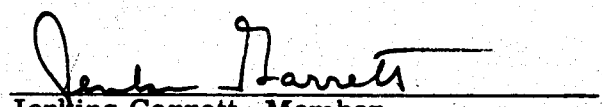

A. G. McNeese, Jr., Chairman

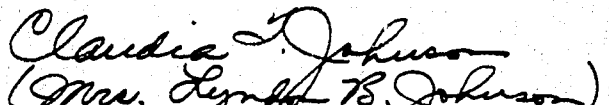

Dan Williams, Vice-Chairman



James E. Bauerle, D. D. S., Member


Edward Clark, Member


Frank C. Erwin, Jr., Member


Jenkins Garrett, Member


Mrs. Lyndon B. Johnson, Member


Joe F. Nelson, M. D., Member


Allan Shivers, Member

Meeting No. 722

THE MINUTES OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

Pages 1 - 58

June 14, 1974

Austin, Texas

' 6-14-74

MEETING NO. 722

FRIDAY, JUNE 14, 1974. --In Room 212, Main Building at The University of Texas at Austin, Austin, Texas, the Board of Regents of The University of Texas System convened in regular session at 9:00 a. m. on June 14, 1974, with the following in attendance:

ATTENDANCE. --

Present

Chairman McNeese, Presiding
 Vice-Chairman Williams
 Regent Bauerle
 Regent Clark
 Regent Erwin *
 Regent Garrett
 Regent (Mrs.) Johnson
 Regent Nelson
 Regent Shivers

Absent

Secretary Thedford

Chancellor LeMaistre
 Chancellor Emeritus Ransom
 Deputy Chancellor Walker

The meeting was called to order by Chairman McNeese.

APPROVAL OF MINUTES OF MAY 3, 1974. --The Minutes of the meeting of the Board of Regents of The University of Texas System held on May 3, 1974, were approved in the form distributed by Secretary Thedford upon motion of Regent Nelson, seconded by Vice-Chairman Williams. The official copy is in the Permanent Minutes, Volume XXI, beginning with Page 2506.

RECOGNITION OF GUESTS, PRESENTATION OF PORTRAIT OF ASHBEL SMITH AND CHAIRMAN'S RESPONSE. --Chairman McNeese announced that there would be a most important and unusual presentation, and he called on Chancellor LeMaistre. Chancellor LeMaistre expressed delight at having as guests Mrs. Dan C. Williams, Mrs. Joe T. Nelson, Mrs. LeMaistre, former Regent and Mrs. H. Frank Connally, Jr., and Mr. and Mrs. Tom Lea, stating that Sarah and Tom Lea had come from El Paso to present to the Board of Regents a portrait of Ashbel Smith and speaking in their behalf would be Dr. Connally of Waco.

Addressing the Chairman, the members of the Board of Regents and others at the meeting, Dr. Connally said that it was truly an honor to be at the meeting to represent Mr. Tom Lea of El Paso, Texas, who for some time had been a member of the Chancellor's Council and had been a very dedicated member. To the Board of Regents Dr. Connally then presented from Mr. Lea, a noted artist, a portrait of Ashbel Smith, the first President of The Board

* Regent Erwin arrived during the presentation of the Ashbel Smith portrait.

' 6-14-74

of Regents of The University of Texas System. He stated that Mr. Lea did the portrait for the Board of Regents but with the express wish that it go to the Galveston Medical Branch and specifically that it hang in the Moody Medical Library.

In response thereto, Chairman McNeese on behalf of the Board of Regents accepted the portrait and expressed gratitude to Mr. Lea for it and to Dr. Connally for his interest. He assured Mr. Lea that the portrait will be held in high regard and will be hung in a conspicuous place in the Medical Library at the Galveston Medical Branch. Chairman McNeese asserted that Ashbel Smith was a great man. Before he came to Texas he practiced medicine in North Carolina. He did not come to Texas until the latter stages of the war with Mexico. He served as Surgeon-General of the army of Texas and as Minister to both France and Great Britain. He helped negotiate the first treaty of Texas with the Comanche Indians. He administered to the Indians not only in bargaining with them but in making peace. The one thing of which he was most proud was the provision in the Constitution of 1876 that we would have a University of Texas at Austin and a Medical Branch at Galveston. Chairman McNeese concluded his remarks with these words to Mr. Lea, "We are deeply grateful."

Later in the meeting, Regent Bauerle was recognized and pointed out the following inscription on the ceiling of the Regents' Room: "Smite the Rocks with the Rod of Knowledge and Fountains of Unstinted Wealth Will Gush Forth... Ashbel Smith"

RECESS. --In order that the Standing Committees could meet and complete their business, the Board of Regents recessed at 9:15 a. m.

EXECUTIVE SESSION OF THE COMMITTEE OF THE WHOLE. --Immediately following the meeting of the Committee of the Whole in Open Session, Chairman McNeese asked that the Board of Regents retire to Room 209 and convene as a Committee of the Whole in Executive Session to consider contemplated litigation and personnel matters pursuant to Sections 2 (e) and (g), H. B. No. 3, 63rd Leg., R. S., 1973, to-wit:

1. U. T. System: Personnel Matters in 1974-75
Operating Budgets for the Component Institutions
2. U. T. System: Exceptions to Chancellor's Docket
No. 72 (Personnel Matters) Referred by Academic
and Developmental Affairs Committee
3. U. T. Arlington: Personnel Matters (Tenure Case)
4. Dallas Southwestern Medical School - Hoblitzelle
Building: Redesign of Air Conditioning System and
Animal Facilities (Phases II, III, IV and V) - Con-
sideration of Prospective Litigation Against Board of
Regents, Referred by Buildings and Grounds Committee
5. U. T. San Antonio: Report and Recommendations on
Possible Litigation Regarding Construction of Phase I
Campus Buildings

RECONVENE. --The Regents had lunch in Room 209 during and immediately following the meeting of the Committee of the Whole in Executive Session and thereafter at 1:20 p. m. reconvened as the Board of Regents in Room 212 with the same attendance as at the earlier session.

6-14-74

REPORTS OF STANDING COMMITTEES

Chairman McNeese called for the Reports of the Standing Committees. These committees had met in the same place at which the meeting of the Board of Regents was held (Main Building 212) and had considered all items in open session except as indicated in the reports.

REPORT OF SYSTEM ADMINISTRATION COMMITTEE (Pages 3-8). -- Vice-Chairman Williams, Chairman of the System Administration Committee, filed the following committee report which was adopted by unanimous vote and the actions therein were ratified:

Since the last report of the System Administration Committee on May 3, 1974, the following recommendations of the Administration were circulated to the members of the System Administration Committee and no exceptions were registered. These recommendations were formally approved by the System Administration Committee this morning in open meeting and are submitted for ratification by the Board of Regents:

U. T. Arlington, U. T. Austin, Galveston Medical Branch (Galveston Medical School) and San Antonio Health Science Center and its San Antonio Dental School: Amendments to the 1973-74 Budgets (7-B and 8-B-74). --It is recommended by the appropriate chief administrative officers, concurred in by System Administration, that the following amendments to the 1973-74 budgets for The University of Texas at Arlington, The University of Texas at Austin, The University of Texas Medical Branch at Galveston (Galveston Medical School) and The University of Texas Health Science Center at San Antonio and its San Antonio Dental School be approved (Pages 3-8):

All rates are full time rates: salary rate indicates a 12 months' full time rate and academic rate indicates a 9 months' full time rate:

The University of Texas at Arlington

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
3.	Auxiliary Enterprises - Athletics - Special Activities			
	Transfer of Funds	From: Athletics - Special Activities - Unappropriated Balance via Estimated Income	To: Athletics - Special Activities - Maintenance and Operation	
	Amount of Transfer	\$ 6,400	\$ 6,400	---

To provide within the Athletics program funds for the operation of the scuba diving and ice skating programs during the spring and summer terms.

6-14-74

The University of Texas at Austin

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
16	Auxiliary Enterprises - Intercollegiate Athletics			
	Transfer of Funds	From: Intercollegiate Athletics Unappropri- ated Balance via Estimated Income	To: Intercollegiate Athletics Operating Budget - NCAA Track Meet - \$36,900 American-Russian Meet - 36,600 Other Operating Expenses - 3,000	
	Amount of Transfer	\$ 76,500	\$76,500	---

The Athletics Council received approval for the establishment of a preliminary budget of \$500 for the NCAA Track and Field Championships scheduled for Austin June 6, 7, and 8, 1974.

The following is a complete income and expenditure budget that has been developed for this meet.

<u>Income</u>		
NCAA for expenses	\$35,000	
NCAA facility allowance	5,000	
Concessions	<u>3,000</u>	
Total Income		<u>\$43,000</u>
<u>Expenditures</u>		
Printing and supplies	4,500	
Postage	1,500	
Telephone and telegraph	500	
Coaches, officials, and press entertainment	4,000	
Wages (clerical, ticket takers, trainers, ushers, ticket sellers, police)	7,900	
Officials and committee expenses	2,150	
Awards and mementos	4,500	
Facility improvement and maintenance and cleanup	6,500	
Photography	2,000	
Laundry	250	
Programs	<u>3,600</u>	
Total Expenditures	37,400	
Amount of Preliminary Budget already approved		<u>500</u>
Amount needed to cover expenditures		<u>\$36,900</u>

The Athletics Council received approval for the establishment of a preliminary budget of \$500 for the U.S.-U.S.S.R. Junior Track Meet scheduled for Austin June 26-29, 1974.

The following is a complete income and expenditure budget that has been developed for this meet.

6-14-74

The University of Texas at Austin (Continued)Income

A.A.U. for Expenses	\$37,000
Share of Income after Expenses	4,000
Concessions	<u>3,000</u>
Total Income	<u>\$44,000</u>

Expenditures

Printing and supplies	5,100
Postage	1,000
Telephone and telegraph	500
Players, coaches, officials, and press hospitality	9,000
Wages (clerical, ticket takers, trainers, ushers, ticket sellers, police)	3,750
Directors, chairman, officials, and committee expense	4,000
Awards and mementos	4,500
Facilities improvement and maintenance	6,500
Film and photography	1,000
Laundry	250
Transportation	1,000
Equipment rental	<u>500</u>
Total Expenditures	37,100
Amount of Preliminary Budget already approved	<u>500</u>
Amount needed to cover expenditures	<u>\$36,600</u>

The \$3,000 increase in Other Operating Expenses is related to the swimming team and the baseball team, as follows:

An additional \$1,000 is needed for hotel, meals, and travel for the swimming team and an additional \$2,000 is needed for hotel, meals, and travel for the baseball team.

In the case of swimming, the boys had to be provided with meal allowance for twelve days while in Austin for daily workouts between the Fall and Spring Semesters. This expense was not taken into consideration when the 1973-74 budget was prepared.

In the case of baseball, it wasn't known at the time the budget was prepared that Arkansas would be added to the schedule and that this would be the year the Texas team would be scheduled to go to Fayetteville; hence, the \$2,000 is to cover the expenses of this trip to Arkansas.

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
7.	Auxiliary Enterprises - Texas Union			
	Transfer of Funds	From: Texas Union Unappropriated Balance	To: Texas Union - Major Improvements and Repairs	
	Amount of Transfer	\$ 9,950	\$ 9,950	---

For capital expenditures related to the construction of "The General Store."

6-14-74

The University of Texas at Austin (Continued)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
	Auxiliary Enterprises - Texas Student Publications			
	Transfer of Funds	From: TSP Unappropriated Balance via Estimated Income	To: General Overhead- Wages \$ 4,200 Other Operating Expense 3,900 Cactus - Other Operating Expense 3,950	
	Amount of Transfer	\$ 12,050	\$ 12,050	---

These funds are needed in the current expense budget for General Overhead in order to purchase additional typewriters, pay for site preparation for a new mini-computer expected to be installed in the TSP composing room, and to pay wages necessary for initial programming of the computer. Itemization is as follows:

Typewriters (2 for Pearl Office)	\$ 800
Refurbishing furniture	2,000
Computer-typesetting system:	
Wages	4,200
Site preparation	1,100

Cactus Yearbook - Other Operating Expenses: Printing - Increase of \$3,800 is requested to cover part of cost of 1973 Cactus which was charged against 1974 book; Supplies and Services - Increase of \$150 to allow for several miscellaneous expenses, such as awards for staffers, which were not originally planned.

Ernie D. Dotson Intercollegiate Athletics	Assistant Basketball Coach	Assistant Basketball Coach	
Salary Rate	\$ 10,000	\$ 14,000	4/1/74
Source of Funds: Allocation for Budget Adjustments			
Marc D. Adams Intercollegiate Athletics	Assistant Basketball Coach	Assistant Basketball Coach	
Salary Rate	\$ 7,200	\$ 12,000	4/1/74
Source of Funds: Allocation for Budget Adjustments			
William M. Miller Intercollegiate Athletics	Assistant Cross Country and Assistant Track Coach, Assistant Direc- tor of Texas Relays	Assistant Cross Country and Assistant Track Coach, Assistant Direc- tor of Texas Relays	
Salary Rate	\$ 10,900	\$ 13,000	5/1/74
Source of Funds: Allocation for Budget Adjustments			

6-14-74

The University of Texas at Austin (Continued)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
	Auxiliary Enterprises - Intercollegiate Athletics			
	Transfer of Funds	From: Intercollegiate Athletics - Unappropriated Balance	To: Intercollegiate Athletics - Operating Budget - Conference Championship Awards \$ 880 NCAA Track Meet 4,500 NCAA Baseball District VI Playoff and College World Series 16,000 Other Expenses 26,600	
	Amount of Transfer	\$ 47,980		<u>\$47,980</u>

Conference Championship Awards (\$880) - To cover the cost of the Conference championship award to basketball lettermen, basketball coaches, and senior manager (16 total awardees). Conference championship award is a choice of either ring, plaque, or charm.

NCAA Track Meet (\$4,500) - Facility Improvement, Maintenance, and Cleanup. The present budget is \$6,500, and it has been determined an additional \$4,500 is needed.

NCAA Baseball District VI Playoff and College World Series (\$16,000) - For the baseball team's participation in the District VI Playoff and the College World Series, due to the team's winning the Conference championship. Expense categories include team expenses of \$14,200; game expenses of \$1,300; and publicity expenses of \$500.

Other Expenses (\$26,600) - \$1,000 needed for Baseball: Hotel, Meals, and Travel. The current budget is \$9,000. This item was increased once this year by \$2,000 as a result of the Arkansas game at Fayetteville being added to the schedule after the 1973-74 budget was submitted. However, plane rates and other costs were higher than anticipated, and the additional \$2,000 was insufficient for the Arkansas trip by \$1,000.

\$1,500 needed for Football: Hotel, Meals, and Travel. The current budget of \$51,500 is inadequate by \$1,500.

\$17,000 for Football: Program Expense. The current budget appropriation for this item is \$32,000, and an additional \$17,000 is needed to cover the printing costs of the program. Von Boeckmann-Jones went out of the printing business, and the new printer's bid was substantially higher, and color advertising was a major factor in the higher costs.

\$1,600 for Basketball: Game Expense. The current budget for this item is \$15,000. An additional \$1,600 is needed to cover the cost of the clean-up crew, security guards, electricians, and sound crew.

\$1,000 for Basketball: Photography and Publicity. The current budget is \$3,250. Because of the higher printing costs, the color press book and brochure exceeded the estimate by \$1,000.

\$4,500 for Repairs and Maintenance. The present budget is \$32,500. An additional \$4,500 is needed for the relocation and construction of the discus and javelin facilities.

3. Plant Funds

Transfer of Funds	From: Unappropriated Balance - General Funds	To: Plant Funds - Balcones Research Center - Incinerator for Waste Material \$25,000
-------------------	---	---

6-14-74

The University of Texas at Austin (Continued)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
			McDonald Observatory - Acquisition of Vehicle	
	Amount of Transfer	\$ 48,000		<u>23,000</u> <u>\$48,000</u>

McDonald Observatory (\$23,000) - McDonald Observatory has leased a tank truck and a tractor since July of 1973 in order to supply supplementary water to the Observatory. Efforts to purchase a used tractor have been fruitless. We have located four new vehicles available from local dealers (Ford, GMC, International) which are quoted at about \$23,000 (\$23,000 to \$26,000).

It now appears that we cannot expect the new water system and an adequate water supply to be available for at least another year. In addition to needing a tractor of this size for hauling water, the Observatory needs such a tractor for long term use. Periodically, we need to transport our bulldozer up on the mountain.

Therefore, it is recommended not to continue to lease the tractor for another year, but to purchase a new tractor.

The University of Texas Medical Branch at Galveston

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
<u>Galveston Medical School</u>				
3.	Robert L. Suddith Human Biological Chemistry and Genetics	Postdoctoral Fellow	Postdoctoral Fellow	
	Salary Rate	\$ 8,000	\$ 10,400	5/1/74
	Source of Funds: HEW Grant			

The University of Texas Health Science Center at San Antonio

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
15.	Auxiliary Enterprises - Bookstore			
	Transfer of Funds	From: Bookstore Un- appropriated Balance via Estimated Income	To: Bookstore - Book Purchases for Resale	
	Amount of Transfer	\$ 30,000	\$ 30,000	---
16.	Auxiliary Enterprises - Bookstore			
	Transfer of Funds	From: Bookstore Unappropriated Balance via Estimated Income	To: Bookstore - Book Purchases for Resale	
	Amount of Transfer	\$ 80,000	\$ 80,000	---
<u>San Antonio Dental School</u>				
17.	Jose M. Garcia (Non-tenure) Dental Anatomy	Associate Professor	Associate Professor	
	Salary Rate	\$ 24,000	\$ 27,000	5/1/74
	Source of Funds: Unallocated - Resident Instruction			

6-14-74

REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (Pages 9 - 11). --Committee Chairman (Mrs.) Johnson filed the following Report of the Academic and Developmental Affairs Committee and moved its adoption and the ratification of the actions therein. She stated that all the business of the Academic and Developmental Affairs Committee was held in open session other than the exceptions to Chancellor's Docket No. 72 as indicated:

1. U. T. System: Chancellor's Docket No. 72 (Attachment No. 1). -- Since the responses to the exceptions to personnel matters in Chancellor's Docket No. 72 were not acceptable, the Docket was referred to the Executive Session pursuant to Section 2 (g), H. B. No. 3, 63rd Legislature, R. S., 1973. These exceptions were passed in Executive Session, and Chancellor's Docket No. 72 was approved in the form distributed by the Secretary prior to the meeting. It is attached (Attachment No. 1) following Page 58 and made a part of these Minutes.

2. U. T. Dallas: Authorization to Request Permission from Coordinating Board, Texas College and University System to Establish (a) Bachelor of Arts Degree Programs in Visual Arts, Theatre, Philosophy, Classics and Asian Studies for 1975-76, (b) Bachelor of General Studies Degree Program for 1975-76, (c) Bachelor of Arts Degree Program in Music for 1976-77, and (d) Graduate Degree Programs in Industrial Bio-sciences, Political Economy and General Studies for 1975-76. --Upon recommendation of President Jordan, approved by Chancellor LeMaistre, authorization was given to request permission from the Coordinating Board, Texas College and University System to establish at The University of Texas at Dallas the following degree programs:
 - a. Bachelor of Arts in the following areas for implementation in 1975-76:
 - (1) Visual Arts
 - (2) Theatre
 - (3) Philosophy
 - (4) Classics
 - (5) Asian Studies

 - b. Bachelor of General Studies for implementation in 1975-76

This program is to provide a general coordinated degree for persons who do not desire a specialized major.

 - c. Bachelor of Arts degree program in Music for implementation in 1976-77

Attention was called to the fact that the Bachelor of Arts degree programs in Art, Music, Philosophy and Theatre were included in the Precis of the Academic Plan approved by the Coordinating Board on April 21, 1972, for implementation in 1977-78. However, President Jordan reported that a large number of support courses in these areas will be required for majors in other areas; hence, he recommended that they be implemented at an earlier date.

6-14-74

d. Graduate degree programs as set out below for implementation in 1975-76

(1) M. S. and Ph. D. in Industrial Biosciences

It was noted that this program will need approximately \$250,000 for equipment but that President Jordan pledges his efforts to raise this amount from industries to be served by the degree. This program is geared toward the available market in those areas as food processing, fermentation, agriculture and waste treatment.

(2) M.A. and Ph.D. in Political Economy

This interdisciplinary program will deal with problems such as the energy crisis, government regulations of business, and environmental control.

(3) Master of General Studies programs for implementation in 1975-76

This is a program which will provide an opportunity for students with undergraduate degrees to have a broader range than the usual major allows and is geared to the needs of the urban community.

3. U. T. Permian Basin: Authorization to Request Permission from Coordinating Board, Texas College and University System to Establish Master's Degree Programs in Literature, History, Behavioral Science and Life Science and Master's Degree Concentrations in Educational Administration, Supervision and Reading. -- Based on President Amstead's statement of the need for additional Master programs and additional options to the Master of Arts in Education for which he had faculties and facilities available and on Chancellor LeMaistre's recommendation, authorization was given to request permission from the Coordinating Board, Texas College and University System to establish at The University of Texas of the Permian Basin:

a. the following degree programs:

- (1) Master of Arts in Literature
- (2) Master of Arts in History
- (3) Master of Arts in Behavioral Science
- (4) Master of Science in Life Science

b. the following additional options to the Master of Arts in Education:

- (1) Educational Administration
- (2) Supervision
- (3) Reading

6-14-74

4. U. T. San Antonio: Authorization to Request the Coordinating Board for Permission to Establish a Division of Special Programs in the College of Multidisciplinary Studies, and Programs Leading to Bachelor of Arts in Psychology and Criminal Justice and to Concentrations in Special Education, Guidance and Counseling in Master of Arts degree in Education. -- Upon President Flawn's recommendation, joined by Chancellor LeMaistre, authorization was given to request from the Coordinating Board, Texas College and University System permission to establish the following programs at The University of Texas at San Antonio:

- (a) Division of Special Programs in the College of Multidisciplinary Studies

It was noted that this Division of Special Programs will take care of those academic programs that do not fit into the usual disciplinary divisions and which are too small to justify a separate unit.

- (b) Bachelor of Arts in Psychology
- (c) Bachelor of Arts in Criminal Justice
- (d) Concentration in Educational Psychology/
Special Education under the present Master of Arts degree in Education (Areas limited to Mental Retardation, Language and Learning Disabilities and the Emotionally Disturbed)
- (e) Concentration in Educational Psychology/
Guidance and Counseling under the present Master of Arts degree

It was noted that the approval of these programs would round out the core of programs originally contemplated at U. T. San Antonio.

6-14-74

REPORT OF BUILDINGS AND GROUNDS COMMITTEE (PAGES 12 - 24). -- Regent Erwin, Chairman of the Buildings and Grounds Committee, reported that the recommendation to award a contract for Redesigning the Air Conditioning System and the Animal Facilities in the Hoblitzelle Building at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas had been referred to the Executive Session pursuant to Section 2(e) of House Bill No. 3, 63rd Legislature, R. S., 1973.

System Administration submitted to the Buildings and Grounds Committee a tabulation of the bids for Redesigning the Air Conditioning System and the Animal Facilities in the Hoblitzelle Building at the Dallas Southwestern Medical School. Based on the University Counsel's finding that the bid of Burden Brothers, Inc., is responsive to the invitation for bids, System Administration recommended that the contract be awarded to the low bidder, Burden Brothers, Inc.

In this connection, System Administration related that the low bidder, Burden Brothers, Inc., failed to acknowledge on the bid form receipt of Addenda 1, 2 and 3 to the bid documents. Subsequently, however, Burden Brothers, Inc., certified that Addenda 1, 2 and 3 had been received and that the firm's bid was in fact based upon the three addenda as well as the basic bid document. Moreover, the Engineer certified that the addenda were delivered to Burden Brothers, Inc., before the bids were opened and that prior to the bid opening Burden Brothers acknowledged in writing receipt of the three addenda.

With respect to the recommended award of a contract for this project, Attorney Bennett W. Cervin of the firm of Thompson, Knight, Simmons & Bullion of Dallas, Texas, had submitted a written argument in a letter to the Board of Regents on behalf of their client, Weatherby-Godbe Construction Co., Inc., supporting the position that the Weatherby-Godbe Construction Co., Inc., is the low responsive bidder since the low bidder did not acknowledge on his bid receipt of the addenda. (Copy of this letter is in the official files of the Secretary.)

Present at the meeting were Mr. Cervin and a representative of Weatherby-Godbe Construction Co., Inc., Mr. Peterson. Committee Chairman Erwin asked each if he wished to be heard, but they felt the written statement presented their case. However, both Messrs. Cervin and Peterson were given an opportunity to speak and they contended that Weatherby-Godbe was the low responsive bidder in that Burden Brothers, Inc., the low bidder, did not acknowledge receipt of the addenda on his bid and such defect was significant enough that it should not be waived by the Board.

In response to Committee Chairman Erwin, Mr. Landrum, Assistant Deputy Chancellor for Operations, said the Office of Facilities Planning and Construction had verified that the bidder did have the addenda. There is a letter from the bidder to that effect, and also a letter from the Engineer stating that he delivered the addenda to Burden Brothers, Inc., and got a signed receipt before the bids were opened.

Upon motion of Regent Garrett, duly seconded, the recommendation to award a contract to Burden Brothers, Inc., low bidder, Dallas, Texas, for Phases II, III, IV and V of the Redesign of the Air Conditioning System and of the

6-14-74

Animal Facilities in the Hoblitzelle Building at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas was unanimously approved as follows subject to the approval of federal granting agencies. (See Item No. 21, Page 22):

Bid No. 1 (Phase II)	\$ 243,000
Bid No. 2 (Phase III)	460,000
Bid No. 3 (Phase IV)	500,000
Bid No. 4 (Phase V)	480,000
	<hr/>
Total Contract Award	\$ 1,683,000

A total project cost of \$1,831,020 (formerly \$1,801,000) was approved. These funds had been previously appropriated to cover the contract award, air balancing, fees and miscellaneous expenses.

1. U. T. Arlington - Fine Arts Building: Award of Contracts for Furniture and Furnishings to Central Distributing Company, San Antonio, Texas (Library Equipment) and to Lato Sales Company, Dallas, Texas (Music Storage Equipment). --At the meeting on May 3, 1974, bids on Music Storage Equipment and on Library Equipment for the Fine Arts Building at The University of Texas at Arlington were rejected. New bids were called for and the tabulation thereof was presented at the meeting.

Upon recommendation of the Administration, contracts for this equipment for the Fine Arts Building at The University of Texas at Arlington were awarded to the low bidders as set out below:

Central Distributing Company
San Antonio, Texas

Base Bid "A" (Library Equipment) \$ 4,429.38

Lato Sales Company
Dallas, Texas

Base Bid "B" (Music Storage
Equipment) \$61,312.00

It was noted that funds necessary to cover these contract awards are available in the Furniture and Equipment Account for this project.

2. U. T. Arlington - Landscaping of Swift School Site and Undeveloped Area Thereabout to be Site of Recreation Facilities and Construction of Additional Parking Facilities: Award of Contract to Walker Construction Company, Fort Worth, Texas. --It was reported that the low bid received in connection with (1) the Landscaping of Swift School Site and Undeveloped Area Thereabout to be Site of Recreation Facilities and (2) Additional Parking Facilities (847 cars) at The University of Texas at Arlington would have resulted in a total project cost in excess of that previously authorized. However, through negotiations with the low bidder, eliminations and substitutions which would not appreciably alter the quality of the project were effected, thereby reducing the construction cost.

6-14-74

Upon recommendation of President Nedderman and System Administration, a contract for both projects was awarded to Walker Construction Company, Fort Worth, Texas, as follows:

Combined Base Bid	\$	1,393,000
Less Negotiated Reductions		<u>119,410</u>
Total Contract Award	\$	<u>1,273,590</u>

The total cost for both projects was authorized at \$1,379,462 from funds previously appropriated to cover the construction contract award, landscaping, fees and miscellaneous expenses. The amount of \$379,462 formerly appropriated for Additional Parking Facilities was transferred to the landscaping project which contract includes the contract for additional parking facilities.

For the record, it was noted that the appointed Committee was not utilized to award this contract due to the closeness of the Regents' meeting and the receipt of the bids on this project.

3. U. T. Arlington - Extension of Utilities Distribution System for Activities Building: Award of Contract to Empire Mechanical Contractors, Inc., Fort Worth, Texas. --With respect to the Extension of Utilities Distribution System for the Activities Building at The University of Texas at Arlington, only one bid was received for this project. This bid was from Empire Mechanical Contractors, Inc., Fort Worth, Texas, and was approximately \$80,000 under the Engineer's final estimate. Empire Mechanical Contractors, Inc., is presently constructing the same type of tunnels in adjacent areas on the campus and is the mechanical subcontractor on the Activities Building. The Administration considers this Company's work excellent.

Upon recommendation of President Nedderman and System Administration, a contract was awarded to Empire Mechanical Contractors, Inc., Fort Worth, Texas, for the Extension of Utilities Distribution System to serve the Activities Building at The University of Texas at Arlington in the amount of \$374,000.

A total project cost of \$481,440 was authorized to cover the contract award, fees and miscellaneous expenses. Previously the estimated total project cost was \$662,000 which had already been appropriated.

4. U. T. Arlington: Underground Utilities Easement to City of Arlington, Texas. --An underground utilities easement was granted to the City of Arlington in, upon and across a tract or parcel of land in Tarrant County, Texas, between Lot 1, Block 3 of the Kerby Addition and Lot 8, Block 6 of the Thurman Hill Addition and in the right-of-way of Athletic Drive. The easement is to be 15 feet in width and approximately 496 feet in length.

The Chairman of the Board of Regents was authorized to execute the easement when it has been approved as to content by Deputy Chancellor Walker and as to legal form by a University attorney.

6-14-74

5. U. T. Austin: Communication Building (Formerly Referred to as School of Communication Building and Student Publications Building): Acceptance of Revised Annual Interest Grant No. 5-7-00401-0. --
The following resolution was adopted:

WHEREAS, At the Regents' meeting held on October 23, 1970, Annual Interest Grant No. 5-7-00401-0 was accepted from the Department of Health Education and Welfare for the Communication Building at The University of Texas at Austin in the annual amount of \$149,857 for a period of thirty years, or a total of \$4,495,710;

WHEREAS, This grant was for the purpose of paying the excess of interest over and above a 3 percent interest rate on \$5,000,000 of Combined Fee Revenue Bonds issued for U. T. Austin and allocated to the construction of the Communication Building;

WHEREAS, The annual interest grant amount of \$149,857 was calculated on the basis of the net interest cost of the winning bid without regard to the purchase of accrued interest to the date of bond delivery, and

WHEREAS, The Department of Health, Education and Welfare has issued a "Notification of Reduction of Annual Interest Grant Commitment" which revises the annual amount to \$149,083 in order to reflect the lower net interest cost after the deduction of the accrued interest purchased:

BE IT RESOLVED, That the first revision of Annual Interest Grant No. 5-7-00401-0 be accepted.

6. U. T. Austin - College of Fine Arts and Performing Arts Center - Addition to Art Building and Remodeling of Existing Building: Report of Committee to Award Contract and Ratification of Award of Contract to B. L. McGee Construction Company and B. L. McGee, Inc., Joint Venture, Austin, Texas. --A report was received from the committee appointed on May 3, 1974 (consisting of President Spurr, Director Kristoferson, Deputy Chancellor Walker, Committee Chairman Erwin and Chairman McNeese) to award a contract for the Addition to the Art Building and Remodeling of the Existing Building in the College of Fine Arts and Performing Arts Center at The University of Texas at Austin within the authorized funds previously appropriated for the expansion of the College of Fine Arts. The committee awarded a contract to the low bidder, B. L. McGee Construction Company and B. L. McGee, Inc., Joint Venture, Austin, Texas, as follows:

Base Bid	\$ 3,418,000
Add Alternate No. 1 (Replace Elevator)	30,000
Total Contract Award	<u>\$ 3,448,000</u>

The Buildings and Grounds Committee ratified the action of the committee in the award of the contract set out herein.

6-14-74

7. U. T. Austin - College of Fine Arts and Performing Arts Center - Addition to Drama Building and Remodeling of Existing Building: Report of Committee to Award Contract and Ratification of Award of Contract to J. C. Evans Construction Company, Inc., Austin, Texas. --Within the authorized funds previously appropriated for the expansion of the College of Fine Arts at The University of Texas at Austin, a committee was appointed to award a contract for the Addition to the Drama Building and Remodeling of Existing Building in the College of Fine Arts and Performing Arts Center at The University of Texas at Austin. This committee (consisting of President Spurr, Director Kristoferson, Deputy Chancellor Walker, Committee Chairman Erwin and Board Chairman McNeese) reported that a contract had been awarded to the low bidder, J. C. Evans Construction Company, Inc., Austin, Texas, in the amount of \$4,500,500.

The Buildings and Grounds Committee ratified the action of the committee in the award of the contract set out herein.

8. U. T. Austin - Special Events Center: Report of Committee to Award Contracts and Ratification of Awards to H. A. Lott, Inc., Houston, Texas, Dallas Stage Scenery Company, Inc., Dallas, Texas, Hoffend and Sons, Inc., Rochester, New York, and Kliegl Brothers University Electric Stage Lighting Company, Inc., Long Island City, New York. --A report was received that the Office of Facilities Planning and Construction and the Project Architect, B. W. Crain, Jr., for the Special Events Center at The University of Texas at Austin had conducted negotiations with the low bidders to effect reductions in costs of the general construction and the theatrical equipment for this project pursuant to authorization given at the May 3, 1974, meeting.

After the completion of these negotiations, the committee appointed at the May 3 meeting to award contracts within \$29,500,000 (consisting of Board Chairman McNeese, Committee Chairman Erwin, Deputy Chancellor Walker, Assistant Deputy Chancellor Landrum and Director Kristoferson) awarded contracts to the low bidders as follows:

a. General Construction

H. A. Lott, Inc., Houston, Texas	
Base Bid	\$ 33,160,000
Less Negotiated Reductions	<u>4,350,684</u>
Total Contract Award	<u>\$ 28,809,316</u>

b. Theatrical Equipment

Base Bid 1	
Dallas Stage Scenery Company, Inc., Dallas, Texas	\$ 96,076
Less Negotiated Reductions	<u>32,476</u>
Total Base Bid 1	<u>\$ 63,600</u>

6-14-74

Base Bid 2

Hoffend and Sons, Inc., Rochester, New York	\$	181,188
Less Negotiated Reductions		43,823
Total Base Bid 2	\$	<u>137,365</u>

Base Bid 3

Kliegl Brothers University Electric Stage Lighting Company, Inc., Long Island City, New York	\$	289,248
Less Negotiated Reductions		40,844
Total Base Bid 3	\$	<u>248,404</u>

The Buildings and Grounds Committee ratified the action of the committee in the award of the contracts set out herein.

- 9 U. T. Austin - Disch-Falk Field: Approval of Inscription for Plaque. -- Approval was given to the plaque as set out below to be placed at Disch-Falk Field at The University of Texas at Austin. This inscription follows the standard pattern approved by the Board of Regents at its meeting held October 1, 1966:

DISCH-FALK FIELD
1973

BOARD OF REGENTS

A. G. McNeese, Jr., Chairman
Dan C. Williams, Vice-Chairman
James E. Bauerle, D.D.S.
Edward Clark
Frank C. Erwin, Jr.
Jenkins Garrett
Mrs. Lyndon B. Johnson
Joe T. Nelson, M.D.
Allan Shivers

Charles A. LeMaistre, M.D.,
Chancellor, The University
of Texas System
Stephen H. Spurr, President,
The University of Texas
at Austin

John E. Breen, Chairman,
Faculty Building Advisory
Committee, The University
of Texas at Austin

Marmon and Mok Associates,
Project Architect
J. C. Evans Construction
Company, Inc., Contractor

10. U. T. Austin - Faculty Office Building and Center: Approval of Inscription for Plaque. --Approval was given to the plaque as set out below to be placed on the Faculty Office Building and Center at The University of Texas at Austin. This inscription follows the standard pattern approved by the Board of Regents at its meeting held October 1, 1966:

FACULTY OFFICE BUILDING AND CENTER
1973

BOARD OF REGENTS

A. G. McNeese, Jr., Chairman
Dan C. Williams, Vice-Chairman
James E. Bauerle, D.D.S.
Edward Clark
Frank C. Erwin, Jr.
Jenkins Garrett
Mrs. Lyndon B. Johnson
Joe T. Nelson, M.D.
Allan Shivers

Charles A. LeMaistre, M.D.,
Chancellor, The University
of Texas System
Stephen H. Spurr, President,
The University of Texas
at Austin

William H. Wade, Chairman,
Faculty Building Advisory
Committee, The University
of Texas at Austin

Jessen Associates, Inc.,
Project Architect
Anken Construction Company,
Inc., Contractor

11. U. T. Austin - Hal C. Weaver Power Plant: Report on Study of Possibilities for Expansion of Power Plant by Stone and Webster, New York City, and Appointment of Power Systems Engineering, Inc., Houston, Texas, Project Engineer. --System Administration reported that the firm of Stone and Webster, Engineering Consultant, New York City, had finished the study (authorized by the Board of Regents on September 14, 1973) on additional electrical power to meet the present needs and those of new buildings authorized and under construction at The University of Texas at Austin. The report pointed out that the most economical method to supply the electrical needs for the new projects on the U. T. Austin campus, including the Graduate School of Business, Addition to the Chemistry Building, College of Education, Social Science and Humanities Library, 50 Meter Indoor Pool, Special Events Center and the College of Fine Arts and Performing Arts Center, would be to install a 30 megawatt generator in the Hal C. Weaver Plant. The study reflected that the existing building space, switch gear, foundation and available steam generating capacity will support the proposed installation. Whereupon, approval was given to appoint the firm of Power Systems Engineering, Inc., Houston, Texas, Project Engineer, to prepare final plans for the expansion of the generating capacity in the Hal C. Weaver Plant at a total estimated project cost for installation and auxiliary equipment of \$4,500,000. The final plans will be submitted to the Board of Regents at a later meeting for consideration.

6-14-74

12. U. T. Dallas: Underground Easement to Lone Star Gas Company, Dallas, Texas. --System Administration called the Committee's attention to the fact that as a result of the exchange of land among the City of Richardson, The University of Texas at Dallas and Ray B. Blanchard a portion of the eastern boundary line of the U. T. Dallas campus became an extension of Floyd Road and a portion of Martin Road was abandoned and became a part of the U. T. Dallas campus. A portion of Lone Star Gas Company's distribution pipelines which had previously been in the Martin Road dedication is now on the U. T. Dallas campus. Whereupon, an underground easement 10 feet in width and approximately 564 feet in length through and under a tract or parcel of land situated in the State of Texas, County of Dallas, and out of that certain 1.0416 acre tract of land out of the J. W. Curtis Survey, Abstract No. 345 (conveyed to the Board of Regents of The University of Texas System by Ray B. Blanchard by deed recorded in Volume 72096, Page 001, Deed Records of Dallas County, Texas) was granted to Lone Star Gas Company of Dallas, Texas.

The Chairman of the Board of Regents was authorized to execute the easement when it has been approved as to content by Deputy Chancellor Walker and as to legal form by a University attorney.

13. U. T. El Paso: Withdrawal of Request for Dedication of 87,330.4 Square Feet as a Public Road to the City of El Paso and County of El Paso, Texas, for Right-of-Way Purposes (Relocation of Sun Bowl Road). --The request to dedicate land for a public road to the City of El Paso and County of El Paso, Texas, for right-of-way purposes (relocation of Sun Bowl Road) was withdrawn.
14. U. T. El Paso - Holliday Hall: Award of Contract for Remodeling to Guldemann Construction and Engineering, Inc., El Paso, Texas. -- Upon recommendation of President Templeton, concurred in by System Administration, a construction contract for the remodeling of Holliday Hall at The University of Texas at El Paso was awarded to the low bidder, Guldemann Construction and Engineering, Inc., El Paso, Texas, as follows:

Base Bid	\$ 416,500
Add Alternate No. 1 (Exterior Stucco)	<u>10,500</u>
Total Contract Award	<u>\$ 427,000</u>

The remodeling project provides for approximately 20,156 gross square feet of facilities for Physical Education and Athletic programs at U. T. El Paso.

This contract award is within the estimated total project cost of \$580,000 which has been previously appropriated to cover the construction contract award, movable furnishings and equipment, air balancing, fees and miscellaneous expenses.

6-14-74

15. U. T. El Paso - Magoffin Auditorium: Award of Contract for Furniture and Furnishings to Norton Brothers, Inc., El Paso, Texas. --A contract was awarded to the low bidder, Norton Brothers, Inc., El Paso, Texas, for furniture and furnishings for Magoffin Auditorium at The University of Texas at El Paso as follows:

Base Bid "A" \$ 5,599

The funds necessary to cover this contract award are available in the Furniture and Equipment Account for this project.

16. U. T. San Antonio - Humanities-Business Building, Science-Education Building and Arts Building: Award of Contract for Furniture and Furnishings to Central Distributing Company, San Antonio, Texas. -- For furniture and furnishings of the Humanities-Business Building, Science-Education Building and Arts Building at The University of Texas at San Antonio, a contract was awarded to Central Distributing Company, San Antonio, Texas (the only bidder on Base Proposals "A" and "B" and the low bidder on Base Proposal "C") as follows:

Base Bid "A"(Foldaway Seating)	\$ 9,360.52
Add Alternate No. 1 to "A" (Substitution in Upholstery)	429.20
Base Bid "B" (Telescoping Platform)	21,105.55
Base Bid "C" (Auditorium/Classroom Seating)	142,491.81
Add Alternate No. 1 to "C" (Furnish chairs with plastic back)	1,384.32
Total Contract Award	\$ 174,771.40

It was noted that funds necessary to cover this contract award are available in the Furniture and Equipment Account for this project.

17. Dallas Health Science Center (Dallas Southwestern Medical School) - Faculty Center in Fred F. Florence Bioinformation Center: Approval of Final Plans and Specifications and Authorization to Advertise for Bids. --Approval was given to the final plans and specifications for the Faculty Center located in the Fred F. Florence Bioinformation Center at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas. These plans cover approximately 10,000 gross square feet of shelled space at an estimated total project cost of \$310,000 which has been previously appropriated.

The Director of the Office of Facilities Planning and Construction was authorized to advertise for bids subject to final review. These bids will be submitted to the Board of Regents for consideration at a future meeting.

6-14-74

18. Dallas Health Science Center (Dallas Southwestern Medical School) - Cecil H. and Ida Green Science Building (Formerly Called Basic Sciences Teaching Unit and Four Lecture Rooms): Authorization to Modify for Biohazard and Bioengineering Laboratories (Presently in Danciger Building); Appointment of Fisher and Spillman, Inc., Dallas, Texas, Project Architect, and Authorization to Advertise for Bids. --System Administration reported that the National Cancer Institute had indicated recently future research contracts or grants would require, as a prerequisite, special Biohazard containment laboratories for protection of research personnel and other activities. It was further reported that the construction of the buildings in the Phase I program, including the Cecil H. and Ida Green Science Building (formerly called the Basic Sciences Teaching Unit and Four Lecture Rooms) at The University of Texas Health Science Center at Dallas for the Dallas Southwestern Medical School, is nearing completion and that the areas are being occupied as they are completed. Upon a recommendation of President Sprague, joined in by System Administration, authorization was given to modify the Cecil H. and Ida Green Science Building for Biohazard and Bioengineering Laboratories at an estimated total project cost of \$75,000 to be funded from funds previously appropriated for this project.

It was noted that this will provide space for a Biohazard containment laboratory and that the Bioengineering Laboratory will move from the Danciger Building in order to provide for the urgently needed expansion of Radiology.

The Buildings and Grounds Committee appointed the firm of Fisher and Spillman, Inc., Dallas, Texas, Project Architect with authorization to prepare final plans and specifications; by the same action, the Director of the Office of Facilities Planning and Construction was authorized to advertise for bids to be presented to the Board of Regents for consideration at a future meeting.

19. Dallas Health Science Center (Dallas Southwestern Medical School): Remodeling of Cary Building - Rejection of Bids and Transfer of Appropriation. --After further study of the bids on the Remodeling of approximately 61,000 square feet of space in the Cary Building (Phases B and C) at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas for the Departments of Pathology, Pediatrics and Internal Medicine, President Sprague and System Administration were of the opinion that it would be to the best interest of the Dallas Health Science Center to reject all bids received on this project on April 30, 1974, and to transfer the appropriation for this project to the Harry S. Moss Clinical Science Building project.

After due consideration, upon motion of Regent Clark, duly seconded, approval was given to President Sprague's recommendation that all bids received on the Remodeling of the Cary Building on April 30, 1974, be rejected and that the appropriation of \$1,733,713 less any expenses yet to be paid on the Cary project be transferred to the Harry S. Moss Clinical Science Building project.

6-14-74

20. Dallas Health Science Center (Dallas Southwestern Medical School): Harry S. Moss Clinical Science Building - Report of Bidding and Investigation on Project Cost Reductions and Additional Appropriation. --Committee Chairman Erwin reported that there were only four bids received for the construction of the Harry S. Moss Clinical Science Building (Including Animal Facilities) at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas and that the bids ranged from \$11,444,000 to \$11,949,000. This building is an essential part of the enlargement program in order to provide facilities for an entering class of 200 medical students per year. An analysis of the bids indicates close competition and a reasonable test of the market. There is no money forthcoming to make up the additional 33% increase in cost for the construction of this building.

Since the bids received were substantially higher than the final construction cost estimate, System Administration prior to this committee meeting requested representatives from the Office of Facilities Planning and Construction and the Project Architects, Fisher and Spillman and Preston M. Geren and Associates, to meet with the apparent low bidder, LaRoe Building Company, Inc., of Terrell, Texas, to investigate cost reductions. Program reductions had been discussed with President Sprague.

After a discussion as to the possible reductions, action was delayed on the award of the contract on this project until the meeting on July 19, 1974, with the hope that funds from other sources could be found for this purpose.

It was noted that in the previous item the appropriation of \$1,733,713 less any expenses yet to be paid on the Remodeling of Cary Building was transferred to the Harry S. Moss Clinical Science Building project.

21. Dallas Health Science Center (Dallas Southwestern Medical School) - Hoblitzelle Building: Award of Contract for Phases III, IV and V of Redesign of Air Conditioning System and Animal Facilities to Burden Brothers, Inc., Dallas, Texas. --(See Page 13.)
22. Dallas Health Science Center (Dallas Southwestern Medical School) - Basic Science Research Building - Remodeling of Ground Floor Space for Department of Psychiatry: Award of Contract to Metropolitan Construction Company, Duncanville, Texas. --Approval was given to award a contract to the low bidder, Metropolitan Construction Company, Duncanville, Texas, in the amount of \$114,826 for the remodeling of the ground floor of the Basic Science Research Building at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas. This space is being remodeled for the Department of Psychiatry.

The project covers approximately 4,000 gross square feet of facilities at an estimated total project cost of \$145,000 which had been previously appropriated.

6-14-74

23. Dallas Health Science Center (Dallas Southwestern Medical School) - Campus Transverse Roadwork: Award of Contract to Texas Bitulithic Company, Dallas, Texas. --A construction contract for Campus Transverse Roadwork at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas was awarded to the low bidder, Texas Bitulithic Company, Dallas, Texas, within previously appropriated funds, as follows:

Base Bid	\$ 102,082
Add Alternates:	
No. 3 (Lighting)	14,700
No. 4 (Connection to Callier)	1,898
No. 5 (Water Line)	<u>9,555</u>
Total Contract Award	<u>\$ 128,235</u>

A total project cost of \$166,000 which has been previously appropriated was authorized to cover the construction contract award, fees and miscellaneous expenses.

This project provides for approximately 1,500 linear feet of campus roadwork connecting the Inner-Campus Drive with a new ingress-egress point on Inwood Road.

24. Galveston Medical Branch - Six Tennis Courts and Putting Greens: Rejection of Bids. --Upon recommendation of President Blocker, concurred in by System Administration, all bids for the construction of Six Tennis Courts and Putting Greens at The University of Texas Medical Branch at Galveston were rejected, all being considerably in excess of the estimated total project cost previously authorized by the Board of Regents at its meeting on December 7, 1973. It was ordered that the plans and specifications, prepared by the Physical Plant Staff at the Galveston Medical Branch, be revised to reduce the scope of the project.
25. Houston Health Science Center (Houston Dental Branch) - Houston Dental Branch Building - Expansion of Animal Facility on 5th Floor: Authorization to Increase Scope of Project. --The preliminary plans and specifications for the expansion of the animal facility on the 5th floor of the Houston Dental Branch Building and reroofing of the entire building at The University of Texas Health Science Center at Houston have been approved. However, President Berry recommended, System Administration concurred and the Buildings and Grounds Committee approved the following building modifications in connection therewith at a revised estimated total project cost of \$975,000. This amount includes escalation costs, increased scope, fees and miscellaneous expenses, and the funds for the project as revised have been appropriated.
- a. Increased space of approximately 2300 square feet for new mechanical equipment, storage areas for animal bedding and support facilities, a research-conference area and additional costs for building finishes at an estimated construction cost of \$215,000

- b. Provision for an after-hours Library entrance by modifying the west entrance lobby to permit access when remainder of building is closed at an estimated construction cost of \$80,000
 - c. Installation of a standby emergency system (including an emergency generator at an estimated construction cost of \$35,000 to insure emergency operation of air handling units to animal areas) one elevator and necessary corridor and exit lights
26. University Cancer Center (M. D. Anderson) - Environmental Science Park at Smithville - Two Metal Buildings: Approval of Final Plans and Specifications for Completion Thereof and Authorization to Advertise for Bids. -- Approval was given to the final plans and specifications for completion of two metal buildings that had been moved from the site of the Lutheran Hospital Addition and the Outpatient Clinic Expansion to the Environmental Science Park at Smithville of The University of Texas System Cancer Center. These plans had been prepared by the Project Engineer, Zumwalt and Vinther, Austin, Texas, at an estimated total project cost of \$575,000.

The Director of the Office of Facilities Planning and Construction was authorized to advertise for bids, which will be submitted to the Board of Regents for consideration at a future meeting.

REPORT OF LAND AND INVESTMENT COMMITTEE (Pages 24 - 32). -- Committee Chairman Garrett filed the following Report of the Land and Investment Committee and moved that the actions therein, all of which were taken in open session, be ratified. This motion was duly seconded and unanimously prevailed:

Though the Chairman of the Board of Regents has authority to execute any document authorized by the Board, either the Associate Deputy Chancellor for Investments, Trusts and Lands or the Deputy Chancellor for Administration may execute, unless otherwise indicated in the report, all necessary instruments authorized in this report that relate to real estate or mineral interests held or controlled by the Board of Regents as a part of the Permanent University Fund or as a part of any Trust or Special Fund when each has been approved as to form by a University attorney and as to content by an appropriate official.

I. PERMANENT UNIVERSITY FUND

A. INVESTMENT MATTERS

Report on Clearances of Monies to Permanent University Fund and Available University Fund.--The following report with respect to monies cleared by the General Land Office to the Permanent University Fund and the Available University Fund for the current fiscal year through April 1974 was received from the Auditor, Auditing Oil and Gas Production and made a part of this Committee's report:

<u>Permanent University Fund</u>	<u>April, 1974</u>	<u>Cumulative This Fiscal Year</u>	<u>Cumulative Preceding Fiscal Year (Averaged)</u>
<u>Royalty</u>			
Oil	\$2,284,844.25	\$14,331,037.10	\$10,098,294.24
Gas - Regular	727,280.45	3,418,197.60	2,521,947.20
- F. P. C.	1.47	20.20	27,315.12
Water	15,525.46	92,058.10	87,302.08
Salt Brine	1,575.09	13,802.82	9,232.96
Rental on Mineral Leases	17,709.20	234,751.78	296,698.16
Rental on Water Contracts	- 0 -	38,843.51	9,360.96
Rental on Brine Contracts	- 0 -	200.00	66.64
Amendments and Extensions of Mineral Leases	- 0 -	73,680.52	620,550.88
	<u>3,046,935.92</u>	<u>18,202,591.63</u>	<u>13,670,768.24</u>
Bonuses, Mineral Lease Sales, (actual)	- 0 -	11,124,800.00	6,035,200.00
Total, Permanent University Fund	<u>3,046,935.92</u>	<u>29,327,391.63</u>	<u>19,705,968.24</u>
 <u>Available University Fund</u>			
Rental on Easements	6,309.71	162,060.77	75,763.68
Interest on Easements and Royalty	752.84	2,465.45	3,497.92
Correction Fees-Easements	- 0 -	- 0 -	- 0 -
Transfer and Relinquishment Fees	1,317.73	4,161.07	2,524.56
Total, Available University Fund	<u>8,380.28</u>	<u>168,687.29</u>	<u>81,786.16</u>
Total, Permanent and Available University Funds	<u>\$3,055,316.20</u>	<u>\$29,496,078.92</u>	<u>\$19,787,754.40</u>
 <u>Oil and Gas Development - April 30, 1974</u>			
Acreage Under Lease	671,957		
Number of Producing Acres	324,147		
Number of Producing Leases	1,434		

Easements and Surface Leases Nos. 3728-3749, Assignment of Easements Nos. 1988, 2272, 2345, 2779, 3150 and 3328, Material Source Permits Nos. 447-450, Water Contract No. 150 and Grazing Leases Nos. 1176-1178.--Easements and Surface Leases Nos. 3728-3749, Assignment of Easements Nos. 1988, 2272, 2345, 2779, 3150 and 3328, Material Source Permits Nos. 447-450, Water Contract No. 150 and Grazing Leases Nos. 1176-1178 were approved as set out below. All are within the policies of the Board of Regents and all have been approved as to form by a University attorney and as to content by an appropriate official:

Easements and Surface Leases Nos. 3728-3749

Payment has been received in advance unless otherwise indicated on each of the easements and surface leases which are on the University's standard forms and are at the standard rates.

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
3728	Texas-New Mexico Pipe Line Company (renewal of 1844)	Pipe Line	Crockett	46	175 rds. 4½ inch	7/1/74- 6/30/84	\$ 131.25
3729	Jim's Service Company	Surface Lease (well servicing yard site)	Reagan	11	340' x 180'	4/1/74- 3/31/75*	350.00 (annually)
3730	Dorchester Gas Producing Company	Pipe Line	Reagan	9	880 rds. 2 inch	4/1/74- 3/31/84	660.00
3731	Shell Pipe Line Corporation	Surface Lease (cathodic protection unit site)	Crockett	14	less than ½ acre	4/15/74- 4/14/84	75.00 (full)
3732	Shell Pipe Line Corporation	Surface Lease (cathodic protection unit site)	Crockett	14	less than ½ acre	4/15/74- 4/14/84	75.00 (full)
3733	Rheinhardt Trust**	Surface Lease (business site)	Reagan	11	200' x 400'	6/1/74- 5/31/75*	1,000.00 (annually)

*Renewable from year to year, but not to exceed a period of ten years

**Lease No. 2801 originally made in favor of Pool Company is being cancelled as of May 31, 1974.

Land Matters - Continued--

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
3734	Texas Electric Service Company (renewal of 1878)	Power Line	Crane	31	693.81 rds. single pole	6/1/74-5/31/84	\$ 485.66
3735	Amoco Production Company (renewal of 1897)	Surface Lease (salt water disposal site)	Andrews	3	0.92 acre	6/1/74-5/31/75*	400.00 (annually)
3736	Delhi Gas Pipeline Corporation	Pipe Line	Ward	17	1,198.78 rds. 6-5/8 inch	4/1/74-3/31/84	1,798.17
3737	Delhi Gas Pipeline Corporation	Pipe Line	Ward	18	890.36 rds. 8-5/8 inch	4/1/74-3/31/84	1,335.54
3738	Delhi Gas Pipeline Corporation	Pipe Line	Ward	18	317.88 rds. 8-5/8 inch	4/1/74-3/31/84	476.82
3739	Delhi Gas Pipeline Corporation	Pipe Line	Ward	17, 18	246.42 rds. 6-5/8 inch	4/1/74-3/31/84	369.63
3740	Gulf Oil Corporation (renewal of 1937)	Pipe Line	Crane	30	234.8 rds. 2 inch	9/1/74-8/31/84	176.10
3741	Crown Central Pipe Line Company (renewal of 1914)	Pipe Line	Winkler, Ward	17, 18, 21	5,217 rds. 6-5/8 inch	8/1/74-7/31/84	7,826.00
3742	Amoco Production Company (renewal of 1898)	Pipe Line	Andrews	3, 8	294 rds. 3 1/2 inch	6/1/74-5/31/84	220.50

*Renewable from year to year, but not to exceed a period of five years

- 27 -

6-14-74

3217

Land Matters - Continued--

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
3743	Oasis Pipe Line Company	Pipe Line	Winkler	21	634.67 rds. 6 inch	5/1/74- 4/30/84	\$ 952.00
3744	Basin Tank Rental Company	Surface Lease (trucking yard site)	Reagan	11	140' x 200'	5/1/74- 4/30/75*	200.00 (annually)
3745	Texaco, Inc.	Pipe Line	Andrews	8	516.24 rds. 3 inch	6/1/74- 5/31/84	387.18
3746	El Paso Natural Gas Company (renewal of 1957)	Pipe Line	Andrews	1	87.273 rds. 4½ inch	12/1/74- 11/30/84	75.00 (min.)
3747	El Paso Natural Gas Company (renewal of 1958)	Pipe Line	Crockett	29	2.360 rds. 4½ inch	12/1/74- 11/30/84	75.00 (min.)
3748	El Paso Natural Gas Company (renewal of 1976)	Pipe Line	Upton	3	2.57 rds. 4½ inch	12/1/74- 11/30/84	75.00 (min.)
3749	Texaco, Inc.	Surface Lease (salt water disposal site)	Andrews	8	one acre	6/1/74- 5/31/75**	400.00 (annually)

*Renewable from year to year, but not to exceed a period of ten years
 **Renewable from year to year, but not to exceed a period of five years

Land Matters - Continued--

Assignment of Easements Nos. 1988, 2272, 2345, 2779, 3150 and 3328

Nos.	Assignor	Assignee	Type of Permit	County	Consideration
1988, 2272, 2345, 2779, 3150, 3328	Northwest Production Company	Pecos Company	Pipe Lines	Reagan and Crockett	\$ 450.00*

*Assignment Fee

Material Source Permits Nos. 447-450

No.	Grantee	County	Location	Quantity	Consideration
447	Lewallen and Wilson Construction Company	Winkler	Block 21	120 cubic yards caliche	\$ 75.00
448	Sylvistia Sims	Ward	Block 18	1,000 cubic yards crushed caliche	1,000.00
449	H. L. Roberts	Ward	Block 16	500 cubic yards crushed rock	500.00
450	Strain Brothers, Inc.	Pecos	Block 24	937,718 cubic yards borrow	37,508.72

Water Contract No. 150

No.	Grantee	County	Location	Period	Consideration
150	Atlantic Richfield Company (renewal of 39 and 40)	Crane	Block 31	8/1/74-7/31/79	**

**\$2,080 annual rental with royalty of ten cents (10¢) per each 1,000 gallons of water produced, but in no event shall the royalty be less than ten cents (10¢) per acre per month (\$208/month). Lessee may not use any water produced under this contract for irrigation or waterflooding.

Land Matters - Continued--

Grazing Leases Nos. 1176-1178

The following grazing leases are for the respective five-year terms as indicated with the right to extend for an additional five-year period at rental shown provided the Lessees carry out the range conservation and/or ranch improvement and practices specified in Exhibit B of the leases which shall be certified by the University Land Agent. The leases are on the University's standard forms with semi-annual payment of rental on January 1 and July 1 of each year in the amounts set out in the leases.

No.	Lessee	Location		Acreage	First Five Years			Second Five Years		
		County	Block		Per Acre		Semi-Annual Rental	Per Acre		Semi-Annual Rental
					G*	H*		G*	H*	
1176 ^a	Blake Bonham and Fulton Stephens	Lamar	Tracts 1-6	513.6	\$2.50	\$0.50	\$770.40	\$3.25	\$0.75	\$1,027.20
1177 ^b	Frank Owen	El Paso	L	5,073.21	0.05	0.02	177.56	0.07	0.02	228.30
1178 ^c	Jess Burner, Jr.	El Paso	L	5,668.44	0.05	0.02	198.40	0.07	0.02	255.08

*G Grazing Rental

*H Hunting Rental

^aTerm 1/1/74 to 12/31/78 and 1/1/79 to 12/31/83

^bTerm 1/1/75 to 12/31/79 and 1/1/80 to 12/31/84

^cTerm 1/1/75 to 12/31/79 and 1/1/80 to 12/31/84

2. PUF: Easement No. 3750 (a Renewal of Easement No. 549 and Increase of Acreage) to the Commissioner's Court of Reagan County, Texas, for Airport Purposes. --Associate Deputy Chancellor Lobb reported that the lease to the Commissioner's Court of Reagan County, Texas, for airport purposes (Easement No. 549) covering 197.2 acres, more or less, out of Section 7, Block 11, University Lands, Reagan County, Texas, expired on November 30, 1972. The Commissioner's Court has been using this acreage since the lease expired and has requested that the easement be renewed and increased to 227.55 acres. There was no charge made to the Commissioner's Court for this easement, and Reagan County had performed a lot of free work on University Lands, such as maintaining fire guards, roads, leveling old caliche pits and building fences along heavily traveled roads.

Approval was given to grant the request of the Commissioner's Court of Reagan County to renew the easement and to increase the acreage to 227.55 acres of land out of Sections 6 and 7, Block 11, University Lands, Reagan County, Texas, for an additional 20 year period to be retroactive from December 1, 1972, and to be numbered Easement No. 3750.

II. TRUST AND SPECIAL FUNDS

REAL ESTATE MATTERS

1. U. T. Austin - Hogg Foundation - Will C. Hogg Memorial Fund (Varner Property): Joinder in Oil and Gas Lease to Murphy H. Baxter on 25 Acres, Hogg Subdivision, Brazoria County, Texas. -- Upon the recommendation of Associate Deputy Chancellor Lobb, approval was given to join with Mrs. Alice Nicholson Hanszen and Miss Ima Hogg in an oil and gas lease to Murphy H. Baxter Houston, Texas, on 25 acres described as Lots 8, 26, 27, 30 and 31, Hogg Subdivision, West Columbia, Brazoria County, Texas (Varner Property). These minerals are owned 5/12ths by Mrs. Alice Nicholson Hanszen and 7/12ths by Miss Ima Hogg and the Hogg Foundation. Miss Ima Hogg in 1958 reserved to herself the minerals below depths then producing and these producing depths were established at 1,550 feet for Lot 8 and 3,728 feet for Lots 26, 27, 30 and 31.

The lease approved by the Committee is for a primary term of three years, bonus of \$50 per acre, annual delay rental of \$50 per acre, and 1/6th royalty. By agreement with Miss Hogg, bonus and delay rentals on the 7/12th interest will be divided equally between her and the Hogg Foundation.

2. Galveston Medical Branch: Extension of Agreement Between the Board of Regents of The University of Texas System and Mitchell Development Corporation of the Southwest Relating to Sale of 7,602.557 Acres, Montgomery County, Texas (The Sealy and Smith Foundation). --Associate Deputy Chancellor Lobb called to the Committee's attention that in connection with the sale of approximately 7,602.557 acres of land situated in Montgomery County, Texas, which was given to the Board of Regents of The University of Texas System by The Sealy & Smith Foundation for the John Sealy Hospital, the Board had entered into an earnest money contract dated January 30, 1973, with the Mitchell Development Corporation of the Southwest which contained the following covenant:

"Buyer agrees within four (4) years from the date of the conveyance of the Property to Buyer to expend at least One Million and no/100 (\$1,000,000) Dollars for on-site improvements to the Property, and Buyer further agrees that not more than ten (10%) percent of such sum may be allocated to overhead expenses of Buyer."

The property was conveyed by the Board to the Mitchell Development Corporation of the Southwest by Deed dated March 12, 1973, but the above quoted covenant survived the closing since it pertained to expenditures for on-site improvements during the term of the Note and Deed of Trust.

Mr. Lobb reported that the Mitchell Development Corporation had requested an extension of an additional two years in which to spend the \$1,000,000 for on-site improvements. This request was based on the fact that Mitchell Development Corporation needed additional time (1) to study the impact of the energy crisis upon the development of land in this area, including the subject property, and (2) to make certain that adequate plans are prepared for development of this land in accordance with its highest and best use.

After due consideration, the request of the Mitchell Development Corporation of the Southwest for an extension agreement was approved upon motion of Regent Erwin, seconded by Vice-Chairman Williams. The Chairman of the Board of Regents was authorized to execute an appropriate instrument when it has been approved as to content by Deputy Chancellor Walker and as to form by Trust Officer Long.

III. OTHER MATTERS

PUF and Trust and Special Funds: Report of Securities Transactions for the Months of March and April 1974. --The Report of Securities Transactions for Permanent University Fund and for Trust and Special Funds for March and April 1974, submitted by the Office of Investments, Trusts and Lands, was received. It is attached (Attachment No. 2) following Page N - 5 of Attachment No. 1 and made a part of these Minutes.

REPORT OF MEDICAL AFFAIRS COMMITTEE (Pages 33 - 34). -- Committee Chairman Nelson filed the following Report of the Medical Affairs Committee, all of which actions had been taken in open meeting, and moved that it be approved. The motion was seconded and unanimously prevailed:

1. Dallas Health Science Center (Dallas Allied Health Sciences School): Affiliation Agreements for Clinical Training of Allied Health Students with (a) Senior Citizens of Greater Dallas, (b) John Buist Chester Hospital, (c) Pilot Home for Girls and (d) Dallas County Juvenile Department, Each of Dallas, Texas, and (e) Easter Seal Society for Crippled Children and Adults of Tarrant County, Fort Worth, Texas. --Based on the standard affiliation agreement approved by the Board of Regents on March 6, 1970, and in accordance with the processing procedure approved on July 30, 1971, the following agreements for the clinical training of allied health students in the specialty indicated at the Dallas Allied Health Sciences School of The University of Texas Health Science Center at Dallas were approved:

<u>Clinical Facility</u>	<u>Location</u>	<u>Specialty</u>
(a) Senior Citizens of Greater Dallas	Dallas	Rehabilitation Science
(b) John Buist Chester Hospital	Dallas	Dietetics
(c) Pilot Home for Girls	Dallas	Rehabilitation Science
(d) Dallas County Juvenile Department	Dallas	Rehabilitation Science
(e) Easter Seal Society for Crippled Children and Adults of Tarrant County	Fort Worth	Physical Therapy

The Chairman of the Board of Regents was authorized to execute each of these agreements when it has been approved as to form by a University attorney and as to content by the Assistant to the Chancellor for Health Affairs and the Deputy Chancellor for Administration.

2. Galveston Medical Branch (Galveston Allied Health Sciences School): Affiliation Agreements for Clinical Training of Allied Health Students with Medical Center Hospital, Tyler, Texas, and Citizens Memorial Hospital, Victoria, Texas. --Based on the standard affiliation agreement approved by the Board of Regents on March 6, 1970, and in accordance with the processing procedure approved on July 30, 1971, the following agreements for the clinical training of allied health students in medical record administration at the Galveston

Allied Health Sciences School of The University of Texas Medical Branch at Galveston were approved:

<u>Clinical Facility</u>	<u>Location</u>	<u>Specialty</u>
Medical Center Hospital	Tyler	Medical Record Administration
Citizens Memorial Hospital	Victoria	Medical Record Administration

The Chairman of the Board of Regents was authorized to execute each of these agreements when it has been approved as to form by a University attorney and as to content by the Assistant to the Chancellor for Health Affairs and the Deputy Chancellor for Administration.

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS. --Regent Garrett, Vice-Chairman of the Board for Lease of University Lands, reported that the Board for Lease would meet at 3:30 p. m. following the Regents' meeting. At that time, tracts will be considered for a Public Auction of Oil and Gas Leases on University Lands to be held the latter part of September.

EXECUTIVE SESSION ITEMS
(Pages 34 - 40)

Chairman McNeese reported that all items referred to the Committee of the Whole had been considered in open session with the exception of (1) the 1974-75 Operating Budgets for The University of Texas System and (2) the Employment of a Tenured Member of the Faculty at The University of Texas at Arlington. He stated that these items were discussed in executive session and asked the Board to consider them at this time:

U. T. SYSTEM: ADOPTION OF 1974-75 OPERATING BUDGETS AND DEFERMENT OF BUDGET FOR RESIDENTS OF THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON. --Upon a motion duly made and seconded, the 1974-75 Operating Budgets for The University of Texas System (listed below) were adopted with the exception of the portion relating to residents of The University of Texas Health Science Center at Houston, and it was ordered that, that portion be resubmitted at the meeting on July 19, 1974:

- System Administration and Available University Fund
- The University of Texas at Arlington
- The University of Texas at Austin
- The University of Texas at Dallas
- The University of Texas at El Paso
- The University of Texas of the Permian Basin
- The University of Texas at San Antonio
- The University of Texas Health Science Center at Dallas
 - Medical Service Research and Development Plan
- The University of Texas Medical Branch at Galveston
 - Medical Service Research and Development Plan
- The University of Texas Health Science Center at Houston
 - Medical Service Research and Development Plan
 - (in accordance with modification set out above)
- The University of Texas Health Science Center at San Antonio
 - Medical Service Research and Development Plan
- The University of Texas System Cancer Center
 - Physicians Referral Service
- The University of Texas System School of Nursing

These budgets include Auxiliary Enterprises, Grants and Government Funds and Restricted Current Funds. The rules governing these Operating Budgets are included on pink sheets in each of the bound budgets. The Official Copy of these budgets is a part of the Minutes and will be in bound Volume XXIX entitled Annual Budgets for 1974-75.

U. T. ARLINGTON: TERMINATION OF EMPLOYMENT OF DR. RONALD C. ENGLE AS A TENURED MEMBER OF THE FACULTY. --The recommendation of the Hearing Tribunal of The University of Texas at Arlington that Dr. Ronald C. Engle be terminated as a tenured employee of The University of Texas at Arlington was unanimously approved as reflected in the following findings and conclusions of the Board of Regents:

Pursuant to the provisions of Subsection 6.34 of Section 6.3, Chapter III, Part One, of the Regents' Rules and Regulations, there came before the Board of Regents the matter of the termination of the employment of Dr. Ronald C. Engle as a tenured member of the faculty at The University of Texas at Arlington. After due consideration of the charges against Dr. Engle, the Transcript of the hearing conducted into such charges, the findings and recommendation of the Hearing Tribunal, and the briefs submitted on behalf of Dr. Engle and The University of Texas at Arlington, the Board of Regents voted unanimously to approve the recommendation of the Hearing Tribunal that Dr. Ronald C. Engle be terminated as a tenured employee of The University of Texas at Arlington.

Acting pursuant to its authority to amend the findings of the Hearing Tribunal and in response to the issues raised by the brief submitted on behalf of Dr. Engle, the Board of Regents hereby makes the following findings:

(1) Dr. Engle was not denied a fair and impartial hearing because of the presence of Dr. William McCrady on the hearing tribunal. Although Dr. McCrady stated that he had some knowledge of the facts relating to the case and perhaps had an opinion of the case in the back of his mind, he stated that he could "objectively weigh the evidence on both sides" and that if he saw evidence from the other side he "certainly could render an impartial judgment."

6-14-74

After those statements were made, no formal challenge was made to Dr. McCrady and the record contains no evidence to rebut his statement that he could serve as an objective and impartial member of the hearing tribunal. The law recognizes a presumption that members of a hearing body will divest themselves of prior conceptions and base their decision on the facts as they are developed at the hearing. The record does not reflect that Dr. McCrady did otherwise;

(2) The contention of Dr. Engle that the presence of Dr. McCrady on the hearing tribunal improperly placed the burden of proof upon Dr. Engle is without merit. The record reflects that at the close of the evidence counsel for The University of Texas at Arlington explained to the hearing tribunal that the University had the burden of proof, to which counsel for Dr. Engle replied: "I would agree to that, Mr. Chairman." Again, during argument to the hearing tribunal, counsel for The University explained that "the burden of proof in this matter on the charges which you have before you is upon the administration" Counsel for Dr. Engle reminded the hearing tribunal during his argument that counsel for the University "... talked to you about the burden of proof and how much evidence he has to bring forward to prove the charges against Dr. Engle." Three times the hearing tribunal was reminded where the burden of proof lay, there is nothing in the record to show that the statements of counsel went unheeded;

(3) No contention was made before the hearing tribunal that any charge against Dr. Engle was vague or indefinite other than the charge that he was guilty of "other general conduct in the classroom which has constituted a dereliction

of duty and a source of embarrassment to your students and your colleagues." Without passing upon whether this charge is vague or indefinite, the Board of Regents has disregarded this charge and all evidence in the record which relates to it and, in reaching its decision and in making its findings in this matter, the Board of Regents has considered only that evidence in the record which relates to those charges which were unchallenged before the hearing tribunal. Since no objection to the other charges was raised either prior to the hearing or at any point during the hearing, we must, and do, presume that the nature of those charges was understood and appreciated at that time. No reason has been presented as to why Dr. Engle is now unable to understand and appreciate the nature of those charges. They are couched in terms that are understandable to an ordinary person exercising ordinary common sense. That is all that is required;

(4) The facts relating to the charges which have been considered by the Board of Regents are for all practical purposes undisputed. Dr. Engle admitted that he is an alcoholic; that starting in the spring of 1972 he drank before going to class; that his teaching suffered very much because of his drinking and by the fall of 1973 he was "pretty much of a basket case." Dr. Engle's attorney admitted in his final argument that Dr. Engle's conduct had not been exemplary; that the main facts in the case are not disputed; that there was no dispute that because of "progressive alcoholism" Dr. Engle "came to a point where he was no longer capable of competently discharging his professional duties." Students from Dr. Engle's classes over the period from the spring of 1972 through the fall of 1973 testified that Dr. Engle was repeatedly 15 to 30 minutes late to class; that

6-14-74

he frequently failed to come to class at all; that his conduct in the classroom led them to conclude that he was intoxicated; that he failed to give a scheduled examination on November 9, 1973. Dr. Engle did not deny the testimony of these students; he merely commented that he felt that they had exaggerated. Dr. Lee Taylor, Chairman of the Sociology Department, testified that Dr. Engle failed to give a scheduled examination in August, 1973. Two of Dr. Engle's close colleagues testified that his excessive use of alcohol rendered him incapable of carrying out his professional responsibilities.

Based upon the undisputed testimony in the record and the admissions of Dr. Engle and his attorney, the Board of Regents find:

- (a) that during the period from the spring of 1972 through the fall of 1973, Dr. Engle was regularly late to class and frequently failed to meet classes;
- (b) that during the period from the spring of 1972 through the fall of 1973, Dr. Engle frequently came to class in a state of intoxication;
- (c) that Dr. Engle failed to give scheduled examinations in August, 1973, and on November 9, 1973;
- (d) that Dr. Engle is an alcoholic and his excessive use of alcohol has seriously deteriorated his capability of satisfactory performance as a member of the faculty at The University of Texas at Arlington;
- (e) that Dr. Engle's incompetent performance and behavior in the classroom is and has been detrimental to the Sociology Department and The University of Texas at Arlington;

' 6-14-74

(5) Dr. Engle's assertion that he has "taken all of the steps that a person in his position can take to insure that his treatment for alcoholism will be successful" and, therefore, his employment should not be terminated, is not borne out by the record. Although Dr. Engle was hospitalized and treated for alcoholism from November 26, 1973, to December 10, 1973, and from January 13, 1974, through January 26, 1974, he has not consulted or been treated by any physician or psychologist since that time. Dr. Engle has not taken the medication prescribed for him with the required regularity. Dr. Engle admits that he has been drinking sporadically over the entire period since January, 1974; that he cannot overcome his alcoholism as long as he drinks sporadically; that his efforts to quit drinking have been a "cop-out." Rufus Taylor, Chief of Police of The University of Texas at Arlington, testified that he saw Dr. Engle in a state of intoxication on the evening of March 7, 1974, on the campus. The undisputed expert testimony shows that the recovery from alcoholism requires complete abstention from alcohol; that recovery takes a prolonged period of up to two years with professional help. It is, therefore, clear that Dr. Engle has not adopted nor followed a course of action which is calculated to insure his recovery from the admitted state of alcoholism;

Upon the foregoing analysis of the record and the findings expressed herein, the Board of Regents is of the unanimous opinion that Dr. Ronald C. Engle cannot competently perform as a member of the faculty at The University of Texas at Arlington, and, therefore, pursuant to the authority vested by law in the Board of Regents, the tenure heretofore granted to Dr. Ronald C. Engle as a member of the faculty at The University of Texas at Arlington is hereby revoked and his employment as a member of the faculty at that institution is hereby terminated.

6-14-74

[As a matter of information, three other items were discussed in the Executive Session. They were:

1. Exceptions to Chancellor's Docket No. 72

These exceptions (personnel matters) were considered in the adoption of the Report of the Academic and Developmental Affairs Committee. (Page 9)

2. Consideration of Potential Litigation Regarding the Award of a Contract for the Redesign of the Air Conditioning System and the Animal Facilities of the Hoblitzelle Building at the Dallas Southwestern Medical School

The contract was awarded in Open Session when the Report of the Buildings and Grounds Committee was presented. (Page 12)

3. Discussion of Possible Litigation Regarding Construction Completion at U. T. San Antonio

This item was discussed in the Executive Session but no action was taken.]

6-14-74

REPORT OF THE COMMITTEE OF THE WHOLE
(Pages 41 - 55)

Chairman McNeese filed the following report of the Committee of the Whole all of which items had been considered in open session:

BOARD OF REGENTS - REGENTS' RULES AND REGULATIONS, PART ONE: AMENDMENTS TO (a) CHAPTER III, SECTION 1 AND (b) CHAPTER VI, SECTION 6. --The necessary rules were waived, and Chapters III and VI of Part One of the Regents' Rules and Regulations were unanimously amended as set out below to be effective immediately:

a. Subsection 1.84(c) of Subsection 1.8 of Section 1 of Chapter III was amended to read as follows:

- (c) Clinical Professor, Clinical Associate Professor, Clinical Assistant Professor, and Clinical Instructor. These titles may be used by the components to designate regular part-time service on the faculty while involved in a health professions clinical experience program and for which the incumbent may or may not receive compensation.

It was noted that the purpose of this is to permit the use in the general academic institutions of clinical faculty titles where it is appropriate to do so.

b. Subdivision (7) of Subsection 6.12 and Subsection 6.13 of Section 6 of Chapter VI were amended to read as follows:

- (7) The collection of membership fees or dues by registered student, faculty, or staff organizations at meetings of such organizations scheduled in accordance with the facilities use regulations of any component institution.

6.13 No solicitation shall be conducted on the grounds, sidewalks, or streets on the campus of any component institution of The University of Texas System, except by the agents, servants, or employees of that institution acting in the course and scope of their agency or employment, or by the Student's Association of that institution, or by a registered student, faculty, or staff organization at that institution.

BOARD OF REGENTS: REGENTAL-ADMINISTRATIVE COMMITTEE AUTHORIZED FOR NEGOTIATIONS WITH APPROPRIATE AGENCIES REGARDING REIMBURSEMENT PROCEDURES UNDER TITLE XVIII AND TITLE XIX OF THE SOCIAL SECURITY AMENDMENTS AND WITH TEXAS STATE DEPARTMENT OF HEALTH. --Upon recommendation of Regent Nelson, and upon motion of Regent Shivers, duly seconded, Chairman McNeese was authorized to appoint a Regental-Administrative Committee to negotiate with appropriate agencies regarding reimbursement procedures under Title XVIII and Title XIX of the Social Security Amendments and with the Texas State Department of Health.

6-14-74

Pursuant to this authorization, Chairman McNeese appointed the following Regental-Administrative Committee:

Regent Nelson
 Regent Erwin
 Chairman McNeese
 Deputy Chancellor Walker

BOARD OF REGENTS: REPORT OF SPECIAL REGENTAL COMMITTEE REGARDING PROPOSED NEW PATENT POLICY DEFERRED. --At the request of System Administration the Report of the Special Regental Committee with regard to the proposed new patent policy was deferred in order that this matter may be presented to the patent committees of the various institutions within the System and considered by the Board of Regents with such recommendations as the institutional patent committees and System Administration may make at the meeting September 20, 1974.

U. T. SYSTEM: RENEGOTIATION OF PROPOSED AIRPLANE LEASE WITH THE UNIVERSITY OF TEXAS FOUNDATION, INC., AUTHORIZED. --After a detailed discussion with respect to the lease agreement that had been negotiated by Regent Shivers with The University of Texas Foundation, Inc., for the lease of the King Aire A-100, Regent Shivers was requested to renegotiate with the Foundation with respect to the provision regarding insurance and report the results of his negotiations to the Board of Regents at the meeting on July 19, 1974.

U. T. SYSTEM: SALE OF KING AIR N912K (FORMERLY N100UT) TO QUINTANA PETROLEUM COMPANY, HOUSTON, TEXAS. --Regent Shivers reported that in accordance with authorization given at the meeting of the Board of Regents held on May 3, 1974, he and Deputy Chancellor Walker had called for bids on the King Air N912K (formerly N100UT) and were pleased to report that the airplane had been sold to the high bidder, Quintana Petroleum Company, Houston, Texas, for \$455,771. Deputy Chancellor Walker was authorized to execute the necessary papers in connection with this sale.

U. T. SYSTEM: RECOMMENDATIONS REGARDING PROCEDURES FOR COMMENCEMENT DEFERRED. --Recommendations regarding procedures for commencement were deferred until a later meeting.

U. T. AUSTIN: AMENDMENT TO CONTRACT WITH TRANSPORTATION ENTERPRISES, INC. (SHUTTLE BUS SERVICE). --The contract between the Board of Regents of The University of Texas System on behalf of The University of Texas at Austin and Transportation Enterprises, Inc., authorized on April 24, 1973, provides that the University will pay \$7.58 per operating hour over the three-year period of the contract.

System Administration reported that due to the unexpected and dramatic rise in the cost of diesel fuel as a result of the energy crisis, Transportation Enterprises, Inc., had requested a fuel cost adjustment. The original committee appointed to negotiate with Transportation Enterprises, Inc., with regard to their contract (composed of Regent Frank C. Erwin, Jr., Regent Edward Clark, Regent Allan Shivers, Deputy Chancellor E. D. Walker, President Stephen Spurr and Vice-President James Colvin) had met and recommended that the contract with

6-14-74

Transportation Enterprises, Inc., with respect to the Shuttle Bus Service at U. T. Austin, which extends through August 31, 1976, be amended as follows:

1. to require the contractor to document that he is purchasing fuel from the cheapest supplier
2. to require documentation of the actual cost of fuel purchased by contractor
3. to allow for an additional per hour charge to compensate for the excess fuel costs above the base rate of 27.0 cents per gallon
4. to provide for reimbursement for excess fuel costs beginning with February 1974, when the fuel costs rose to such an excessively high level that the contractor could no longer perform under the contract
5. to provide that if the fuel price shall ever drop below the base rate of 27.0 cents per gallon, the charges will revert to the original contract price of \$7.58 per hour

Regent Clark addressed himself to this question as outlined in the following memorandum, dated June 14, 1974, addressed to Mr. E. D. Walker and urged that this recommendation not be approved at this time.

MEMORANDUM

June 14, 1974

TO: Mr. E. D. Walker
Deputy Chancellor for Administration
The University of Texas System

FROM: Edward Clark

RE: Proposed Amendment to TEI Shuttle Bus Contract

You have received from Mr. Mike Hudson a memorandum which concludes that the Constitution of this State does not preclude the amendment of the shuttle bus contract to provide additional compensation to TEI. Two reported decisions are cited in the memorandum. The first is City of Beaumont v. Fertitta, 415 S. W. 2d 902 (1967), where the Court, with regard to a constitutional prohibition comparable with that controlling the University of Texas, pointed out that (415 S. W. 2d 906):

"Concerning this provision of the Constitution, we said in State v. City of Austin, 160 Tex. 348, 331 S. W. 2d 737, at page 742 (1960):

"After the occurrence of events which under the law then existing give rise to an obligation on the part of an individual or corporation to the state, the Legislature has no power to release or diminish the obligation without consideration. (Emphasis ours [the Court's])

6-14-74

"The 1933 amendment lowering the amount of rentals to be paid is without consideration and is invalid. It simply substituted a payment of \$5,000 annually from 1933 to 1938 for the ten-year period from 1928 to 1938. A definite value of \$130,000 for the property had been fixed in the 1928 lease. Six per cent of that value, or \$7,800, was the fixed annual rental for that ten-year period. A substitution of \$5,000 annually for the definite rental agreed to be paid for the years 1933 to 1938. For this partial release there is no consideration provided. Therefore the 1933 amendment is invalid by reason of the above constitutional provision."

There is obvious comparability between raising a price for services and lowering a rental charge, but the same case further holds that another amendment of the same contract was valid because supported by additional consideration. The presumption is made that the University would receive additional consideration upon the basis of a contract amendment which:

- "a. requires the contractor to document that he is purchasing fuel from the cheapest supplier;
- "b. requires documentation of the actual cost of fuel purchased by contractor;
- "c. allows for an additional per hour charge to compensate for the excess fuel costs above the base rate of 27.0 cents per gallon;
- "d. provides for reimbursement for excess fuel costs beginning with February 1974, when the fuel costs rose to such an excessively high level that the contractor could no longer perform under the contract;
- "e. provides that if the fuel price shall ever drop below the base rate of 27.0 cents per gallon, the charges will revert to the original contract price of \$7.58 per hour."

Whether the additional requirements imposed upon TEI would be of any real benefit - consideration - to the University of Texas seems highly debatable. Moreover, the final provision for return to the original contract price in the event that there is a drop in the price of gasoline is highly indicative of a major - if not only - purpose to award additional compensation to TEI because it entered into a contract which it no longer considers beneficial. If a Court were to conclude that that is the case, it would have no alternative other than to hold the amendment in violation of Article III, Section 44 and other provisions in the Texas Constitution dealing with gifts, grants, gratuities or releases of indebtedness by the State.

The other decision cited is Hicks v. Smith, 330 S.W. 2d 641 (Tex. Civ. App., Fort Worth, 1959, writ refused, n. r. e.). The holding there is that if unforeseen difficulties justifying a party's rescission of a contract exists, there is sufficient consideration for a promise of additional payment. The holding

' 6-14-74

does not appear applicable to the problem under consideration for two reasons. The contract there was between private parties, and an increase in gasoline prices would not appear to be an adequate ground for rescission of a contract.

Much more nearly in point here is the recent decision in City of Austin v. Cotten, No. B-4053, Opinion delivered March 20, 1974, rehearing denied June 12, 1974. The Opinion is not yet officially reported but is printed in the The Texas Supreme Court Journal, Vol. 17, p. 246. The respondent there, a consulting engineer, had in the trial court recovered judgment for an additional fee allegedly owed to him because the work which he performed under a contract with the City far exceeded in cost the estimate upon which his contract fee was based. The Court of Civil Appeals affirmed, but the Supreme Court reversed and held, in effect, that the respondent was entitled to no more than the amount provided for by the contract. Reformation or rescission was there sought on the ground of mutual mistake. The Supreme Court recognized that the contract price had been based upon an estimate which was the best guess of any of the contracting parties. It pointed out, however, that:

"Obviously it was a mistaken guess. However, an error in predicting a future fact known to be uncertain is not the kind of mistake which will relieve a party from a contract. Houston & T. C. R. Co. v. McCarty, 94 Tex. 298, 60 S. W. 429 (1901); Crandall v. Moss 252 S. W. 2d 491, 494 (Tex. Civ. App. 1952, writ ref'd n. r. e.); Walton v. Steffens, 170 S. W. 2d 534 (Tex. Civ. App. 1942, writ ref'd w. o. m.).

"The Restatement of Contracts says:

" 'Where the parties know there is doubt in regard to a certain matter and contract on that assumption, the contract is not rendered voidable because one is disappointed in the hope that the facts accord with his wishes.' Restatement of Contracts, § 502, comment f (1932)."

It can similarly be assumed that at the time the University and TEI entered into the shuttle bus contract, all parties assumed that the price of gasoline would remain relatively stable. That too was a mistaken guess. The parties, however, contracted for a fixed price. The risk of price increase was, therefore, placed upon TEI. That is the manner in which the Supreme Court construed the contract there before it, writing:

"Rather, we rely upon the undisputed fact that, in this case, the parties bargained on the assumption and realization that the 'future fact,' the ultimate total cost of the project, was uncertain. Recognizing this uncertainty, the parties contracted against the possibility of mistake, deliberately placing the risk of mistake upon Cotten."

6-14-74

The University's contract with TEI is fixed fee - not cost plus. In the reported case, the Court held that:

"No reason is perceived why the City would have insisted that plaintiff's proposal be qualified by a stated maximum fee except that the City foresaw that construction costs might exceed the estimate and was unwilling to assume the risk of higher engineer's fees. As stated in Williston on Contracts, 'The courts have recognized that where a party has agreed to be bound regardless of any mistake that may be made and "assumes the risk of every chance occurrence," there will be neither reformation nor rescission.' 13 Jaeger, Williston on Contracts, § 1543A at 85 (3d Ed. 1970)."

In response to the contractor's contention to the effect that the additional fee was justified because of difficulties and complications encountered in the work, the Supreme Court held that:

"Many of the complications to which Cotten testified were the very problems plaintiff was hired to solve. He testified in detail concerning the difficulties he encountered in designing the project. These difficulties, however, related to 'drainage systems and structures, curbs, walks, approaches, turnouts, provisions for lighting and traffic control, landscaping' and other 'appurtenances necessary' to construct an arterial street which the contract called for. Thus all of the work he did was included within the contract description of what he promised to do for the fee provided in the contract.

"The judgments of the courts below are reversed, and the cause is remanded to the trial court for the entry of a judgment in accordance with this opinion."

It would appear to be equally true that TEI would, in substance, do under the amendment only that which it agreed to do under the original contract. The Supreme Court Opinion is supported by numerous earlier decisions discussed therein and unquestionably constitutes authority for the proposition that TEI could not successfully bring even an authorized action against the University of Texas for additional recovery. It logically follows, therefore, that since the University could not be forced to pay more than its contract price for the bus service rendered, the University's entering into an agreement to make additional compensation would be an unconstitutional gift or payment to TEI.

Respectfully submitted,

/s/ Edward Clark

Edward Clark

EC:sfb

cc: Mr. Burnell Waldrep
Mr. Mike Hudson

6-14-74

June 12, 1974

MEMORANDUM OF LAW

To: Mr. E. D. Walker
Deputy Chancellor for
Administration

From: Mike Hudson

Subject: Amendment to TEI Shuttle Bus Contract

You have asked for a legal opinion concerning the proposed amendment to the Shuttle Bus Service Contract for U. T. Austin. Specifically, you have asked whether the proposal to increase the compensation paid to Transportation Enterprises, Inc. for the services rendered violates Article 3, Section 44 of the Texas Constitution. Stated differently, the question is whether the excess fuel cost payment would be a grant of "extra compensation" to a public contractor.

Article 3, Section 44 provides, in part:

The Legislature... shall not grant extra compensation to any officer, agent, servant, or public contractors, after such public service shall have been performed or contract entered into, for the performance of the same; not grant, by appropriation or otherwise, any amount of money out of the Treasury of the State, to any individual, on a claim, real or pretended, when the same shall not have been provided for by pre-existing law; nor employ any one in the name of the State, unless authorized by pre-existing law.

The interpretive comment further explains the meaning of this section. It reads as follows:

Prohibition of extra compensation after the rendition of services is provided to prevent payments in the nature of gratuities for services previously performed. It is sought to prohibit the legislature from freely giving away the people's money for services previously rendered, for which disbursement the people would receive no return whatsoever.

We have researched the case law on this provision and can find no reported decision or Attorney General's opinion that speaks to this precise issue.

It is our opinion, however, that neither Section 44 of Article 3, or any other Constitutional provision dealing with gifts, grants, gratuities, or releases of indebtedness by the State prohibit the contract amendment.

There are several closely related provisions in the Texas Constitution, namely Article 3, Sections 44, 51, 52, and 55. The underlying premise for all these sections, and the cases that have interpreted them, is that the State may not give away something of value without receiving some corresponding valuable consideration in return. This is true whether the State is

6-14-74

making a grant of money or releasing a party from an indebtedness or binding obligation. Or, to relate this theory to the present issue, the State cannot increase a previously agreed compensation for services unless the new agreement is based on a new and valuable consideration. City of Beaumont v. Fertitta, 415 S. W. 2d 902 (Sup. 1967).

In the shuttle bus contract amendment, the additional compensation is not to be paid for the identical services set out in the original agreement, or for services previously performed. The amendment contains several clauses which alter and materially increase the services TEI is to perform.

Additional requirements on TEI include: the documentation that fuel was purchased from the cheapest supplier each month; the submission of additional fuel statements showing the actual cost of purchased fuel for the billing month; the submission of daily time/route reports; and the calculation of separate billing statements each month. None of these requirements were imposed on TEI in the original agreement.

Additionally, the nature of the bus service to be provided is substantially altered from that contemplated at the time of the original contract. Economic conditions, unforeseen at the time of the contract and brought about by the "Energy Crisis," have changed drastically. So drastic was this change that the contractor is economically unable to continue to perform under the original agreement.

It is at least arguable that when one party to a contract, relying on stable and previously foreseeable economic conditions, later encounters conditions totally beyond the contemplation of the parties at the time of the agreement, the law may relieve that party from his obligation. Therefore, it is possible that continued performance in the face of such altered conditions is, in itself, sufficient consideration for a contract amendment which provides for additional compensation. See Hicks v. Smith, 330 S. W. 2d 641 (1960).

In conclusion, we find that the Constitution does not preclude the amendment of contracts for the good of both parties, even where such amendment includes additional compensation. The Constitution only requires that the public agency receive some altered and additional consideration in return. We think it clear that in the amendment the University is to receive valuable consideration in addition to that set out in the original contract. And, this consideration is sufficient to bring the agreement for increased compensation into harmony with State Constitutional requirements.

OPINION CONCURRED IN

Respectfully submitted,

/s/ Burnell Waldrep

/s/ Mike Hudson

Burnell Waldrep
University Attorney

Mike Hudson
Assistant to the Deputy
Chancellor for Administration

kc

6-14-74

Upon motion of Regent Garrett, seconded by both Regents Erwin and Shivers, the foregoing amendment was adopted. Regent Clark voted "No" and requested that the brief which he had submitted and the memorandum to Mr. Walker from Mr. Hudson be incorporated in the Minute Order of this item.

Chairman McNeese was authorized to execute the amendment when it has been approved as to form by a University attorney and as to content by Deputy Chancellor Walker.

U. T. AUSTIN: AUTHORIZATION FOR AGREEMENTS WITH (1) ELECTRICAL POWER RESEARCH INSTITUTE (JOINT OWNERSHIP OF ANY RESULTING PATENTS) AND (2) AMERICAN GAS ASSOCIATION (POSSIBLE GRANT OF EXCLUSIVE PATENT RIGHTS). --Deputy Chancellor Walker reported that President Spurr had requested authorization to execute the following agreements relating to patents. Normally, research agreements are reported in the docket but the provisions of the "Inventions and Patent" article of Agreement No. 1 requires prior approval of the Board of Regents:

1. An agreement between U. T. Austin and the Electrical Power Research Institute whereby EPRI proposes to support certain research in methods of producing electrical energy for commercial use from fusion reaction. The research is to be performed at U. T. Austin under the direction of Dr. William E. Drummond. With respect to inventions and patents, the agreement provides:
 - a. The University and EPRI will jointly own any inventions or discoveries made in performance of the work under the agreement, on the basis of joint patent applications.
 - b. Each party is free to grant nonexclusive licenses under the patents.
 - c. The University will comply with Atomic Energy Act of 1954 regarding inventions and discoveries, when applicable.
 - d. Approval will be secured by each party from the other before release for publication of information which may affect patent interests.
2. An Agreement between U. T. Austin and the American Gas Association whereby A. G. A. proposes to support certain research in the more effective use of gas. The research is to be performed at U. T. Austin under the direction of Professor R. S. Schechter.

The patent provisions of the proposed agreement require that complete information must be furnished A. G. A. on any invention conceived during the course of the research, and that A. G. A. shall have the right to determine whether or not a patent application shall be filed and to determine the disposition of the invention and title to any patents that may be obtained. This provision is agreeable to Professor Schechter and U. T. Austin Administration, but because it could possibly require assignment of exclusive patent rights to other than the inventor, requires prior Board of Regents' approval.

6-14-74

The requests of President Spurr were granted and these two agreements will be reported in the routine manner in the September docket with the indication following each "(patent involvement)." All documents in the docket are executed by administrative officers, and those in the Minutes are executed by the Chairman of the Board of Regents unless otherwise provided in the Regents' Rules and Regulations.

U. T. SAN ANTONIO AND UNIVERSITY CANCER CENTER: SALE TO PHILLIP M. TIMMONS OF SAN ANTONIO DBA T. M. INVESTMENTS, INC., OF 105.676 (UNTIL SURVEYED QUOTED 108.5) ACRES G. B. & C. N. G. R. R. Co. SURVEY NO. 23, PEDRO HERRERA SURVEY NO. 202 and H. GRAHAM SURVEY NO. 24, KENDALL COUNTY, TEXAS (GIFT OF MR. AND MRS. KEN MULLER). ---Associate Deputy Chancellor Lobb reported that he had received an offer from Phillip M. Timmons of San Antonio DBA T. M. Investments, Inc., to purchase the land donated by Mr. and Mrs. Ken Muller and accepted by the Board of Regents on December 7, 1973. This gift designated the University to act as trustee with sole discretion as to the disposition and management for the following beneficiaries and their respective undivided interests:

The University of Texas M. D. Anderson and Tumor Institute at Houston *	40%
The University of Texas at San Antonio	25%
St. Luke Hospital for the Texas Heart Institute *	25%
The National Council on Alcoholism - San Antonio Area	10%

After discussion of Mr. Timmons' offer, approval was given to authorize Associate Deputy Chancellor Lobb to sell the 105.676 acres as set out below on the following conditions:

1. Purchase price - \$185,000
2. Down Payment - 20% - \$37,000
3. Balance of \$148,000 evidenced by a note and deed of trust
4. Note term is twenty-three years at 9% interest - first three years interest only followed by level semi-annual payments of principal and interest with no prepayment penalties.

The land is more particularly described as follows:

105.676 acres four miles northwest of Boerne fronting on F-M 1376, being 98.584 acres out of the G. B. & C. N. G. R. R. Co. Survey No. 23, 0.160 acres out of the Pedro Herrera Survey No. 202 and 6.932 acres out of the H. Graham Survey No. 24, Kendall County, Texas, located about 3.2 miles N 8° W of the county seat in Boerne, Texas, being a southern portion of a tract as described in Vol. 106, Page 439, Kendall County Deed Records.

* Previously the offer was taken by telephone and reported by the Administration as American Cancer Society and The National Kidney Foundation, respectively.

6-14-74

DALLAS HEALTH SCIENCE CENTER (DALLAS SOUTHWESTERN MEDICAL SCHOOL): AUTHORIZATION TO PETITION DEPARTMENT OF HEALTH, EDUCATION AND WELFARE WITH RESPECT TO CERTAIN PATENT APPLICATIONS ON BEHALF OF DR. SAMI I. SAID. --It was reported that Sami I. Said, M.D., Professor of Internal Medicine and Pharmacology at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas, had been negotiating for the prospective development of inventions made by Dr. Said and three colleagues under a research grant funded by the Department of Health, Education and Welfare while Dr. Said and his colleagues were on the faculty of another institution. The inventions involved cover various aspects of Vasoactive Intestinal Peptide (V.I.P.) and the prospective pharmaceutical developer is Merck and Company, Inc., of Rahway, New Jersey. Government regulations require that the Government control disposition of patent applications for inventions resulting from work under government grants and one of the procedures which is acceptable to the Department of Health, Education and Welfare is for the patent applications to be assigned to the University, which may then negotiate with a pharmaceutical manufacturer for the testing and development of the product for commercial and consumer use.

Upon recommendation of the Dallas Health Science Center Administration, concurred in by System Administration, authorization was given to file a petition, in accordance with DHEW regulations, whereby DHEW would authorize the patent rights with respect to certain patent applications on behalf of Dr. Sami I. Said to be assigned to the University and would further authorize the University to negotiate with a pharmaceutical manufacturer for limited licensing of the patent rights. In the event the petition is granted, authorization was given Deputy Chancellor Walker to enter into negotiations with Merck and Company, Inc., of Rahway, New Jersey, with respect to the limited licensing of the patent rights. Deputy Chancellor Walker was authorized to act for The University of Texas System in the negotiations with DHEW and any subsequent negotiations with the prospective developer.

It was understood that there will be no expenditure of University funds in initiating the patent or product development and that the terms of any prospective agreement for patenting and licensing will be reported to the Board of Regents for approval.

RATIFICATION (AFFILIATION AGREEMENTS). --The following affiliation agreements were ratified:

System Nursing School: Affiliation Agreements with Visiting Nurse Association of Houston, Board of Health, Texas State Department of Health and Saint Joseph Hospital, Fort Worth. --
Based on the model agreement for clinical training of nursing students approved by the Board of Regents on September 20, 1970, affiliation agreements between the Board of Regents of The University of Texas System on behalf of The University of Texas System School of Nursing and the following facilities were ratified:

Visiting Nurse Association of Houston
Board of Health, Texas State Department
of Health
Saint Joseph Hospital, Fort Worth

6-14-74

The Chairman of the Board of Regents was authorized to execute these agreements when they have been approved as to form by a University attorney and as to content by the Assistant to the Chancellor for Health Affairs and the Deputy Chancellor for Administration.

ITEMS FOR THE RECORD. --The following items are reported for the record:

- A. Memorial Resolution to Erin Bain Jones (Mrs. John Leddy Jones). -- The following resolution was presented by Vice-Chairman Williams at the Regents' meeting on May 3, 1974, and was adopted by unanimous vote. It is reported here as an item for the record:

WHEREAS, The Board of Regents of The University of Texas System records with profound sorrow the untimely death of a cherished friend of the University, Mrs. John Leddy Jones, on April 30, 1974, and wishes to honor her memory; and

WHEREAS, Erin Bain Jones was a person of extraordinary qualities. Her great intelligence and wide-ranging interests, combined with enthusiasm and empathy, guided her philanthropic purposes. She served with distinction on many University of Texas boards and councils and gave generously of herself and her resources to support academic programs throughout the University System; and

WHEREAS, Erin Jones was a devoted ex-student of The University of Texas and, by her splendid example, inspired others to give of themselves and their possessions to the University:

NOW, THEREFORE, BE IT RESOLVED; That the Members of the Board of Regents acknowledge with deep affection, respect, and appreciation Erin Jones' devotion to the University, her magnificent record of benefactions and the wonderful influence that she was in the University and in the State;

BE IT FURTHER RESOLVED, That the Board of Regents joins with her family and friends in mourning her death, that this resolution be spread on the minutes and that appropriate copies be sent to Mrs. Jones' family.

- B. Presentation of Santa Rita Award to Cecil H. Green, Dallas, and to John W. McCullough, Galveston. --Chairman McNeese reported that in accordance with previous authorization of the Board of Regents of The University of Texas System the Santa Rita Award had been presented to the Honorable Cecil H. Green, Dallas, Texas, and to the Honorable John W. McCullough, Galveston, Texas.

The remarks of Chancellor LeMaistre in presenting the award to Cecil H. Green in Dallas, and of Regent Erwin in presenting

6-14-74

the award to John W. McCullough in Galveston, respectively, are set out below:

Presentation of Santa Rita Award
to Mr. Cecil Green
U. T. Dallas Commencement
Saturday, May 18, 1974, 10:00 a. m.
by
Charles A. LeMaistre, M. D.

The highest award of The University of Texas System is reserved for those who further enhance the realization of the "Texian" Father's dream of "a University of the First Class." Only 4 have achieved such recognition prior to this date.

Santa Rita, the discovery oil well whose resources transformed the University of Texas, was named for the patron saint of the impossible. The recipients of the Santa Rita Award have in their own way overcome the impossible as they furthered the transformation of The University of Texas as a University of the first class.

I am indebted to the always thoughtful Jenkins Garrett for allowing me to bestow this Santa Rita Medallion. This occasion has particular significance to Cecil Green and myself--for the ceremony actually had its high point last summer. Cecil Green's dearest friend--the late Mr. Eugene McDermott, first told Cecil of his selection as he gazed upon his own Santa Rita Award. No words I can speak today could match those of Eugene McDermott's in the heart of Cecil Green. My role is to complete this award ceremony--perhaps the longest in Santa Rita history by presenting the medallion--with all the heartfelt appreciation that can be evinced, to Cecil H. Green.

Presentation of Santa Rita Award
to Mr. John W. McCullough
Galveston Medical Branch Commencement
Saturday, June 8, 1974, 7:30 p. m.
by
Regent Frank C. Erwin, Jr.

John W. McCullough was born December 15, 1892, in Brownwood, Texas, from which he moved to Galveston 59 years ago in 1915. Building on his earlier banking experience in Brownwood, Mr. McCullough rose steadily in Galveston to become President of First Hutchings-Sealy National Bank which is the oldest bank in Texas.

In Galveston Mr. McCullough has long been active in all civic and charitable efforts and has served as director of:

Galveston Corporation
Cotton Concentration Company
Bay Cotton and Bagging Company
Gulf Transfer Company
Texas Investment Company
Gulf, Colorado, Santa Fe Railroad Company
Galveston Cotton Exchange

6-14-74

The Board of Trade
First Hutchings-Sealy National Bank
Rosenberg Library
Galveston Orphans Home

At the outbreak of World War I, Mr. McCullough was among the first to enlist and among the first to go overseas as a first lieutenant with the 90th Division. He was awarded the Silver Star for gallantry in action with the American Expeditionary Force in Germany.

In 1936 Mr. McCullough became a director of The Sealy and Smith Foundation for the John Sealy Hospital and has served continuously since that time. He was appointed vice-president in 1946 and became president of the Board in 1949. His primary goal with the Foundation has been to expand John Sealy Hospital and allied Medical Branch projects to better serve the people of Galveston and the State of Texas.

Since its inception in 1922, the Foundation has contributed and pledged more than \$100 million to the Medical Branch and most of that huge sum has been committed during Mr. McCullough's presidency. These monies have been used for expansion of patient care facilities. The latest gift of \$34.5 million from the Foundation has provided funding for The John Sealy Tower, a 12-story 600 bed ultra-modern hospital. Construction has begun and this latest addition to the John Sealy complex will be completed in 1977.

Mr. McCullough's long service to the U. T. Medical Branch has been previously recognized by the Board of Regents. In May 1966 the Board named the new \$6 million 6-story out-patient clinic the John W. McCullough Out-Patient Clinic and dedicated the building on March 10, 1967. There are many other facilities on this campus which do not bear his name but for which he deserves much credit. In 1972 Mr. McCullough personally endowed the Malcolm McCullough Lectureship in memory of his brother, a graduate of our School of Medicine.

Mr. McCullough is distinctly a part of Galveston's rich heritage. His paternal grandfather, a minister, (for whom he was named) founded the city's First Presbyterian Church in 1840; and his maternal grandfather, a surgeon in the Confederate Army, established his practice in Galveston after the War between the States.

Mr. McCullough is married to the former Marjorie Trueheart Williams of Galveston. The McCulloughs have two daughters, one son, and six grandchildren.

John McCullough once stated that through the efforts of The Sealy and Smith Foundation "a degree of excellence is being sought which will be a source of pride to the Foundation, the Medical Branch, alumni, citizens of Galveston and others throughout the State." As a philanthropic supporter of medical care, John McCullough HAS himself established a "degree of excellence" which will not soon be equalled.

6-14-74

SCHEDULED MEETINGS AND EVENTS. --The following dates were scheduled for the meetings of the Board of Regents:

July 19, 1974, in Austin
 September 20, 1974, in Austin
 November 1, 1974, in Austin
 December 13, 1974, in Austin

ADOPTION OF REPORT. --The foregoing Report of the Committee of the Whole was unanimously adopted upon motion of Regent Erwin, seconded by Vice-Chairman Williams.

REPORT OF SPECIAL COMMITTEE

REPORT OF REGENTAL-ADMINISTRATIVE COMMITTEE TO ESTABLISH DOLLAR FEES FOR STUDENT SERVICES FEE (OPTIONAL) for 1974-75 AT THE UNIVERSITY OF TEXAS AT AUSTIN. --At the Regents' meeting on March 15, 1974, U. T. Austin was instructed to develop recommendations for the dollar amounts of the fees necessary to fund the activities included in the optional fee category.

Chairman McNeese was authorized to appoint a Regental-Administrative committee to establish the individual fees to be collected at the beginning of the 1974 Fall Semester for the optional activities. Pursuant thereto, Chairman McNeese named the following committee:

Regent Erwin, Chairman
 Deputy Chancellor Walker
 President Spurr

Committee Chairman Erwin presented the following report of that committee with the recommendation that the report be adopted and the actions therein ratified:

The Committee met in open meeting at 3:00 p.m. on April 12, 1974, in the Regents' Room with all three members of the Committee present. In addition thereto, were representatives from the Board of Operating Trustees of Student Publications of The University of Texas at Austin, Mr. Lloyd Edmonds, General Manager of Student Publications, Dr. Michael L. Moore, President of Board of Operating Trustees of Student Publications, Mr. Sidney G. Singer, Associate Professor of Journalism at U. T. Austin, and Mr. Frank Fleming, newly elected President of Students' Association.

As instructed, President Spurr had developed the dollar amounts of the fees necessary to fund the activities in the optional fee category and at this meeting recommended the following:

1. That a voluntary student services fee of \$34 for the entire academic year be offered to all students registered for the fall semester and \$14.35 for those students registered only for the second semester to be detailed as follows:

	Academic Year	2nd Semester only
Cultural Entertainment Committee	\$ 10.00	\$ 5.00
Intercollegiate Athletics for Men	16.00	5.35
Intercollegiate Athletics for Women	2.00	1.00
Student Government (includes Students' Association, Election Commission, Senior Cabinet & Student Councils)	2.70	1.35
The Daily Texan	3.30	1.65
	<u>\$ 34.00</u>	<u>\$ 14.35</u>

6-14-74

With respect to items included under the general term of Student Government, President Spurr related:

"I have previously approved a budget of \$19,424 for the Students' Association, and \$1,897 for the Election Commission. In addition, we currently pay the salary of one secretary who works for the Students' Association at a level of \$6,900. The total approved budget of the Students' Association and the Election Commission, therefore, is \$28,221. I have also approved a budget for the Senior Cabinet and College Councils of \$11,490. I recommend that income received by the voluntary fee for Student Government be split 70 percent to the Students' Association and Election Commission, and 30 percent to the Senior Cabinet and College Councils, this being the ratio of the budgets approved. If the income from the voluntary fee falls short of the approved budget, I will provide additional funding up to the level of the approved budgets. If, on the other hand, voluntary fees exceed the approved budgets, the additional funds over the budget will be placed in reserve for use either to fund additional budget items approved by the President and the Board of Regents or to be carried over to the following year."

2. That the optional spouse fee for Intercollegiate Athletics for Men be established at \$28 for the academic year and \$9.35 for the second semester only, that the optional spouse fee for Intercollegiate Athletics for Women be established at \$2 for the academic year and \$1 for the second semester only, and that the optional spouse fee for Cultural Entertainment Committee be \$10 for the academic year and \$5 for the second semester only.
3. That the first option given to a student would be to pay the total voluntary student services fee and those students who do not wish to pay the entire total voluntary student services fee be given the option to exclude any items they wish and that they be billed and pay only for those items they do not check off.
4. That Intercollegiate Athletics for Men and Intercollegiate Athletics for Women be listed separately but that only a single box be provided for the exclusion of these two items, thus in effect coupling the two units as a single choice for students.

However, upon motion of Deputy Chancellor Walker, seconded by Regent Erwin, the recommendation that Intercollegiate Athletics for Men and Intercollegiate Athletics for Women be listed separately with only a single box provided for the exclusion of these two items was amended to read:

4. That Intercollegiate Athletics for Men and Intercollegiate Athletics for Women be listed separately and that a box be provided for each of the two items, thus in effect giving the student a choice of either or both.

President Spurr voted "No" on the amendment.

6-14-74

In addition to carrying out mandates of the Board of Regents by setting the amounts for the optional fees, the meeting had been called also in response to the request of members of the Board of Operating Trustees of Student Publications at The University of Texas at Austin. Prior to taking action on The Daily Texan fee, Dr. Michael Moore, President of the Board of Operating Trustees, Mr. Lloyd Edmonds, General Manager of Student Publications, and Mr. Sidney G. Singer, Associate Professor of Journalism, each appeared before the Committee and requested the Committee to reconsider the Regents' decision and make The Daily Texan fee mandatory or provide guaranteed funding. However, Committee Chairman Erwin told them that the Committee had no authority to reconsider the question of whether or not The Daily Texan is to have a mandatory fee for the next year but only to determine the amount of optional fees that shall be printed on the registration materials. After hearing the financial picture presented by Mr. Edmonds, it was the consensus of the Committee that The Daily Texan was assured funds to operate at its present level for the next 16 months.

Mr. Frank Fleming inquired if it were not possible to again look at those items on the mandatory fee list and make some changes. To which, Committee Chairman Erwin reiterated that the Committee had no authority to reconsider the question of mandatory fees for the next year but only to determine the amount of optional fees that shall be printed on the registration materials.

During the course of the discussion of the Texan's financial picture by Mr. Edmonds, it was the consensus of the Committee that with no voluntary funds whatever next year the Texan could continue to publish its editions with no significant change for the next 16 months until September 1, 1975. During that 16 month period, the Attorney General's opinion will be received, the optional fee for the Texan will have one year's experience, and full consideration of future funding for the Texan can be given by the Board after receiving all student and administrative suggestions relative to that matter.

There being no further discussion of the proposed fees, the recommendations of President Spurr, as amended, were adopted as set out below with the understanding (1) that Intercollegiate Athletics for Men and Intercollegiate Athletics for Women would be listed separately and a box provided for each of the two items and (2) that the form for paying the fees will provide the opportunity for paying for The Cactus, for gym lockers, and for parking:

	Academic Year	2nd Semester only
<u>Student Services Fee (Optional)</u>		
Cultural Entertainment Committee	\$ 10.00	\$ 5.00
Intercollegiate Athletics for Men	16.00	5.35
Intercollegiate Athletics for Women	2.00	1.00
Student Government (includes Students' Association, Election Commission, Senior Cabinet & Student Councils)	2.70	1.35
The Daily Texan	3.30	1.65
	<u>\$ 34.00</u>	<u>\$ 14.35</u>
<u>Student Spouse Services Fee (Optional)</u>	Academic Year	2nd Semester only
Intercollegiate Athletics for Men	\$ 28.00	\$ 9.35
Intercollegiate Athletics for Women	2.00	1.00
Cultural Entertainment Committee	10.00	5.00

6-14-74

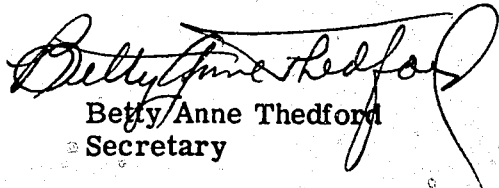
The foregoing report was received and the actions therein ratified by unanimous vote upon motion of Regent Erwin, duly seconded.

Regent Erwin pointed out that the fee for student government was set at a higher level than it would have been if it had been a mandatory fee and that one-half of those students that have pre-registered for 1974-75 Fall semester have signed up for this service and student government already has as much as it would have had under the mandatory fee. He also pointed out that The Daily Texan chose not to charge more than under the mandatory fee so that anything less than 100% would give them less, but as previously pointed out the Texan is financed for the next 16 months. At least student government is in good shape.

ADJOURNMENT. --Prior to adjourning, Chairman McNeese was pleased to report that President Spurr is now home from the hospital in Houston and apparently recovering very nicely from his operation. He will be back at his work within a short time.

The Board of Regents was adjourned at 1:35 p. m.

June 21, 1974


Betty Anne Thedford
Secretary