

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

Signed this the 14<sup>th</sup> day of November, 1959, A. D.

Merton M. Minter  
Chairman Merton M. Minter, M. D.

J. Lee Johnson III  
Vice-Chairman J. Lee Johnson, III

Member, J. P. Bryan

Mrs. Charles Devall  
Member, (Mrs.) Charles Devall

Thornton Hardie  
Member, Thornton Hardie

W. W. Heath  
Member, W. W. Heath

Wales H. Madden Jr.  
Member, Wales H. Madden, Jr.

A. G. McNeese Jr.  
Member, A. G. McNeese, Jr.

Joe C. Thompson  
Member, Joe C. Thompson

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## MEETING NO. 585

NOVEMBER 13, 1959. -- The Board of Regents of The University of Texas convened in regular session on Saturday, November 14, 1959, at 9:15 a. m., in the Regents' Room (Main Building 209), Austin, Texas.

## ATTENDANCE. --

<u>Present</u>	<u>Absent</u>
Chairman Minter, presiding	Regent Bryan--excused
Vice-Chairman Johnson	
Regent (Mrs.) Devall	
Regent Hardie	
Regent Heath	
Regent Madden	
Regent McNeese	
Regent Thompson	
President Wilson	
Secretary Thedford	

## Also present among University personnel were:

Mr. Lanier Cox, Vice-President for Administrative Services  
 Doctor J. C. Dolley, Vice-President for Fiscal Affairs  
 Doctor L. D. Haskew, Vice-President for Developmental Services  
 Mr. W. E. Keys, Director of the University News and Information Service  
 Doctor Harry H. Ransom, Vice-President and Provost  
 Mr. C. H. Sparenberg, Comptroller  
 Mr. W. W. Stewart, Endowment Officer  
 Mr. Burnell Waldrep, Land and Trust Attorney

Mr. Carl Howard, Editor of The Daily Texan

(In addition to the above present at the meeting, the following Institutional Heads were in attendance for the meetings of the Standing Committees on Friday, November 13:

Doctor A. J. Gill, Dean of Southwestern Medical School  
 Doctor John V. Olson, Dean of the Dental Branch  
 Doctor J. R. Smiley, President of the Texas Western College  
 Doctor John Truslow, Executive Dean and Director of the Medical Branch)

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COMMITTEE OF THE WHOLE

(The Standing Committees, the Special Committee on Board Procedures, and the Committee of the Whole met on Friday, November 13.)

The following is a report of the Committee of the Whole:

FIRST ANNIVERSARY MEETING OF THE COMMITTEE OF 75, DECEMBER 12, 1959; VICE-CHAIRMAN JOHNSON TO ACT FOR CHAIRMAN MINTER. --The Board of Regents endorsed the proposal that there be a first anniversary meeting of the Committee of 75 on December 12, 1959, to report upon progress to date and to secure advice upon the next steps. Because of a conflicting engagement, Chairman Minter cannot attend; Vice-Chairman Johnson will act in his stead.

The plans for this meeting have been discussed among others by Mr. Rex Baker, Chairman of the Committee of 75, Central Administration officers, and representatives of the University Development Board and of the Ex-Students' Association.

This meeting will be reported for the record in the Board of Regents' Minutes for January 22-23, 1960.

VENDING MACHINES, MAIN UNIVERSITY. --The Board approved the Administration's recommendations relating to vending machines at the Main University as presented in the Material Supporting the Agenda, to wit:

1. Under adequate safeguards, vending by machines is to be conducted vigorously and efficiently.
2. There is to be a single concession to operate all vending machines on the campus, and this concession is to be awarded by contract to the Ex-Students' Association.
3. A contract will be negotiated and submitted to the Board of Regents for final approval.

REGENT W. W. HEATH, COMMITTEE OF GOVERNING BOARDS; REGENT JOE C. THOMPSON, MEMBER OF THE BOARD OF DIRECTORS, SELLS PETROLEUM, INC. --At the request of Mr. Johnson, Chairman Minter named replacements for Mr. Johnson on The Committee of Governing Boards of State Colleges and Universities and on the Board of Directors of Sells Petroleum, Inc.

The Committee of Governing Boards of State Colleges and Universities. --Mr. W. W. Heath was named to replace Mr. J. Lee Johnson, III, as representative of the Board of Regents on The Committee of Governing Boards of State Colleges and Universities.

Representative of Sells Petroleum, Inc. --Mr. Joe C. Thompson was named to replace Mr. J. Lee Johnson, III, as a member on the Board of Directors of Sells Petroleum, Inc.

REQUEST FOR ATTORNEY GENERAL'S OPINION RE USE OF AVAILABLE FUND UNDER EXISTING CONSTITUTIONAL PROVISIONS. --Upon recommendation of the Administration, the Board authorized the Chairman of the Board to request of the Attorney General an opinion relating to the use of the Available University Fund under existing constitutional provisions.

(As a matter of information, each administrative head present was given an opportunity to appear before the Board to present urgent matters that might have arisen since the preparation of the agenda. All such matters were to have been cleared through President Wilson.)

#### REPORTS OF COMMITTEES

Chairman Minter asked the committee chairmen to present reports of their respective committees - Standing Committees and Special Committees.

REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (See Page 5 for adoption.) --Committee Chairman Devall presented the following report of the Academic and Developmental Affairs Committee:

Budget Policies to be Followed in Preparing the 1960-61 Annual Budgets. --The Academic and Developmental Affairs Committee recommends that the budget policies to be followed in the preparation of the 1960-61 annual budgets as presented by the Administration in the Material Supporting the Agenda and as set out below be approved.

#### BUDGET POLICIES TO BE FOLLOWED IN PREPARING THE 1960-61 ANNUAL BUDGETS

The second year of the biennium affords relatively little opportunity for additional improvement of salaries or expansion of services. Within funds available, institutional heads may recommend a few merit advances for members of the teaching and professional staff and these recommended advances should be relatively modest in amount. Merit advances recommended for classified personnel should not exceed a maximum of one-third of the total institutional classified staff, and such recommendations should be limited to one step in the promotional scale. Only in the most exceptional situations should salary advances in excess of these limits be recommended.

In applying the general budget policy in the preparation of annual budgets for 1960-61, the merit system of promotion and salary increases for both academic and non-academic personnel will be continued. All divisions are to take into account the "up-or-out" rule and any other tenure considerations which are pertinent.

For non-academic or classified personnel, changes in job classifications should be recommended only when thoroughly justified. Necessary revisions in the pay ranges in certain areas of the classified personnel pay plans required to keep abreast of local market conditions should be processed for advance approval of the President and subsequent approval of the Board of Regents through the regular docket. Neither changes in job classifications nor scale adjustments will be considered as merit increases, and such advances will not apply to the one-third limitation on salary increases.

The maintenance and equipment recommendation should remain divided and "Equipment" should be shown as a separate budget item. Increases in the maintenance and operation items should be nominal in amount. Equipment requests must be individually justified through supporting schedules.

Calendar for Preparation of 1960-61 Annual Budgets. --The Academic and Developmental Affairs Committee further recommends that the following calendar, as proposed by the Administration, to be followed in the preparation of the 1960-61 annual budgets be adopted:

#### BUDGET CALENDAR

<u>Time Schedule</u>	<u>Annual Budget 1960-61</u>
Nov. 14, 1959	Board approval of policies
Dec. 1	Draft of Budget Instructions
Jan. 8, 1960	Budget detail <u>due from Departmental Chairmen to academic Dean (or Division Head)</u>
Feb. 2	Recommendations <u>due from Dean (or Division Head) to Executive Head of institution</u>
Mar. 1	Draft copy (including summaries) of budget due from Executive Head to Central Administration
Mar. 21-25	Budget Hearings with Central Administration
May 1	To Board of Regents
May 16	Auxiliary Enterprises Budgets due to Central Administration
June	Auxiliary Enterprises Budgets to Board of Regents

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Science Development Program, Main University. -- Vice-President and Provost Ransom presented a brief report of progress concerning the proposal for a Science Development Program at the Main University. The Academic and Developmental Affairs Committee recommends that the Administration's request that the preliminary study of the Science Development Program be extended and made more specific and that the Administration's recommendation be postponed until the meeting of January 22-23, 1960.

Request to Texas Commission on Higher Education for Separate Department of Speech and Drama, Texas Western College. -- The Academic and Developmental Affairs Committee considered the report of courses and activities of Speech and Drama since 1949 at Texas Western College as furnished to each Regent prior to the meeting. The courses in these two subjects are currently in the Department of English and Speech. In light of the fact that there would be no substantial budgetary implications if a separate department of Speech and Drama were created, it is recommended by the Committee that the Board approve for submission to the Texas Commission on Higher Education the separation of Speech from the Department of English and Speech and the establishment of a Department of Speech and Drama in the School of Arts and Sciences at the Texas Western College.

Campaign for Private Funds for Salary Supplementation and Other Improvements, Texas Western College. -- The Academic and Developmental Affairs Committee recommends that the President of the University be instructed to seek the concurrence of the Development Board in an effort to raise private funds in El Paso for faculty supplementation and for other improvements at Texas Western College. It is further recommended that subject to obtaining such concurrence a solicitation of said funds be made by El Pasoans under the general supervision of President Wilson, the funds to be disbursed in accordance with recommendations of Doctor Smiley approved by the President of the University.

Additional Housing, Main University. -- It is recommended by the Academic and Developmental Affairs Committee that additional suitable housing be provided for Negro students, pending the working out of details at a later date.

Adoption of report. -- Mrs. Devall moved the adoption of the foregoing report; Mr. Hardie seconded the motion which prevailed.

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE; AUDIT COMMITTEE, UTILIZATION OF SPACE (See Page 15 for adoption). --Committee Chairman Thompson presented the Report of the Buildings and Grounds Committee as set out below. This report included:

- (1) The recommendations of the Administration as presented in the Material Supporting the Agenda. The last paragraph of each of the following three items were added by the Committee as amendments to the proposed recommendations:
  - a. Main University--Allocation of Appropriation for Major Repair and Rehabilitation Projects (Page 7 )
  - b. Texas Western College--Appointment of Committee to Approve Preliminary Plans for Warehouse-Shops Building and Appointment of Associate Architect (Page 12 )
  - c. Texas Western College--Authorization to File Applications for Housing for Married Students and a Dormitory for Men (Page 12 )
  
- (2) Additional Items
  - a. Main University--Extension of Power Distribution System East of Red River Street to Serve University Press and New Printing Division Building (Page 13 )
  - b. Main University--Award of Contract for Movable Furniture and Equipment and Transfer of Funds for New Engineering Building (Page 14 )
  - c. Texas Western College--Cancellation of Ground Lease with Delta Gamma Sorority and Payment for Delta Gamma Lodge Building (Page 15 )

Main University--Ratification of Approval of Preliminary Plans for New Buildings and Other Improvements at McDonald Observatory. --At the Regents' Meeting held August 1, 1959, a Committee was appointed, consisting of Vice-President Ransom, Comptroller Sparenberg, Vice-President Dolley, and President Wilson, to approve the preliminary plans for the new buildings and other improvements to be constructed at McDonald Observatory. The preliminary plans have now been completed and approved by Dr. Kuiper, Director of the Observatory, Main University Faculty Building Committee, and the Special Committee listed above. According to further authorization given at the Regents' Meeting held August 1, 1959, the Associate Architects, Garland and Hilles, have been instructed to proceed with the preparation of working drawings and specifications to be presented to the Board for approval at a later meeting.

It is recommended that the actions taken as listed above be ratified by the Board.

Main University--Allocation of Appropriation for Major Repair and Rehabilitation Projects. --In the Available

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University Fund budget for 1959-60, there is an item of \$200,000.00 for Major Repair and Rehabilitation Projects for the Main University. It is recommended that this \$200,000.00 be allocated to projects as indicated below:

APPROPRIATIONS TO BE CARRIED IN CENTRAL  
ADMINISTRATION ACCOUNTS, TO BE HANDLED BY COMP-  
TROLLER THROUGH PRESIDENT AND REGENTS' BUILDINGS  
AND GROUNDS COMMITTEE

1. Main Building - Repair of roofs and roof decks	\$ 25,000.00
2. Garrison Hall - Repair of cornice and roof	25,000.00
3. Biological Laboratories - Repair of cornice and roof	25,000.00
4. Women's Gymnasium - Replacement of filtration system and modernization of swimming pool	35,000.00
5. Patching and sealing streets and drives	<u>30,000.00</u>

Subtotal \$140,000.00

APPROPRIATIONS TO BE CARRIED IN MAIN UNIVERSITY  
ACCOUNTS, TO BE HANDLED BY MAIN UNIVERSITY DIREC-  
TOR OF PHYSICAL PLANT AND BUSINESS MANAGER

6. Home Economics Building - Repair of roof decks	\$ 10,000.00
7. Gregory Gymnasium - Refurbishing swimming pool area	10,000.00
8. Speech Building - Replacement of inadequate lighting	15,000.00
9. Tree surgery	10,000.00
10. Rerouting, cleaning and lining water mains	<u>15,000.00</u>

Subtotal \$ 60,000.00

Total \$200,000.00

The specific projects shown above are the same projects included in The University of Texas Available University Fund Budget Submission for this biennium, as submitted for the consideration of the Texas Commission on Higher Education, the Legislative Budget Board, and the Governor's Office, except that the item for "Rehabilitation of parking lots and areas - \$15,000.00" has been eliminated and the item "Patching and sealing streets and drives - \$15,000.00" has been increased by \$15,000.00. Since we no longer are authorized to construct or maintain parking lots except from fees, the parking lot item has been eliminated; however, the amount of work which is needed for patching and sealing streets and drives would probably exceed the requested \$30,000.00 if all of the improvements needed are made.



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These recommendations were made by Mr. Eckhardt and Mr. Landrum and have been approved by Vice-President Ransom, Vice-President Dolley, and Comptroller Sparenberg.

In regard to Item 5 in list of appropriations, Patching and sealing streets and drives - \$30,000.00, this appropriation was approved with the understanding that no work would be done until the Comptroller's Office and Dr. Dolley have checked with the Highway Department to see whether or not they will enter into an Interagency Contract to do this work and other work of a similar nature for The University of Texas, in exchange for the value of various and sundry easements which the Highway Department has received and will receive from The University of Texas.

Main University--Authorization to Consulting Architect to Prepare Preliminary Plans for Remodeling of Old Printing Division Building. --At the meeting of the Regents' Buildings and Grounds Committee held October 2, 1959, a discussion was held to ascertain the feeling of the Committee toward the expenditure of approximately \$125,000.00 for the purpose of remodeling the Old Printing Division Building for the use of Radio-Television after it has been vacated by the Printing Division. The Committee did not express any definite feeling against spending considerable money in remodeling this old building and asked that the administration come in with a definite recommendation on the matter.

It is now recommended by Vice-President Ransom, Vice-President Haske, Vice-President Dolley, and President Wilson that the Consulting Architect be authorized to proceed with the preparation of preliminary plans for Remodeling of the Old Printing Division Building, this remodeling to include air conditioning of an inexpensive type and some partitioning of offices, on the basis that the whole project is not to exceed \$125,000.00 in cost.

Those making this recommendation are not unmindful of the fact that the Regents on October 3, 1959, adopted a motion that no new building or major repair projects be approved until the ten-year projection is presented at the April, 1960 meeting and approved. Dr. Haske and others, however, agree with Mr. Schenkkan's feeling that this proposed Radio-Television facility represents a very urgent need.

It is contemplated that if the Old Printing Division Building is remodeled and air conditioned so that it may be used by Radio-Television, it would probably be used for this purpose for the next eight to ten years. Eventually, of course, the old building would be torn down to make room for a major structure. According to the number of years the building is occupied by Radio-Television, it would mean that the University would be paying \$12,000.00 to \$15,000.00 a year in terms of expense for the occupancy of these quarters plus, of course, the usual operation and maintenance expenses.

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Main University--Ratification of Approval of Preliminary Plans for New Central Water Chilling Station Building. --At the Regents' Meeting held June 13, 1959, a Committee, consisting of Comptroller Sparenberg, Vice-President Dolley, Vice-President Ransom, President Wilson, and Mr. Joe C. Thompson, was appointed to approve the preliminary plans for the New Central Water Chilling Station Building at the Main University after their completion by Page, Southerland, and Page, as Consulting Architects. These preliminary plans have now been completed and approved by the Main University Faculty Building Committee and the Special Committee listed above. The Associate Architect on the project, Grayson Gill of Dallas, has been instructed to proceed with the preparation of working drawings and specifications to be presented to the Board for approval at a later meeting.

It is recommended that the action taken as outlined above be ratified by the Board.

Main University--Approval to Purchase Items by Purchase Order Out of \$800,000.00 Appropriation for Expansion of Utilities Distribution Systems. --At the Regents' Meeting held June 13, 1959, approval was given to the preparation of plans and specifications by the Main University Physical Plant staff for the electrical work involved in the overall project of Expansion of Utilities Distribution Systems at the Main University.

The latest estimate of the total cost of the electrical work involved is \$130,000.00. After study of the problems involved in this work, the Physical Plant staff is of the opinion that much of the work can be handled more expeditiously by the purchase of materials and equipment through purchase orders, with the installations to be handled by the Physical Plant staff, than through contracts with outside agencies. It is, therefore, recommended that Comptroller Sparenberg be given authority to sign requisitions for this project as prepared by the Main University Physical Plant staff, when deemed advisable, with bids to be taken by the Main University Purchasing Office and purchase orders issued by that office. Awards above \$1,000.00 will be approved by the Comptroller before purchase orders are issued. Any purchase orders in the amount of \$5,000.00 or over will subsequently be reported to the Board for ratification.

Main University--Approval of Final Plans and Specifications for Sanitary Sewer Improvements Project. --At the Regents' Meeting held June 13, 1959, Julian Montgomery, Consulting Engineer, was appointed to prepare plans and specifications for the Sanitary Sewers portion of the Expansion of the Utilities Distribution Systems project. These plans and specifications have been prepared and approved by the Main University Physical Plant staff, the Comptroller's Office, Vice-President Ransom, and Vice-President Dolley. It is

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recommended that they be approved by the Board and that Comptroller Sparenberg be authorized to call for bids to be presented to the Board at the next meeting.

Main University--Approval of Specifications for Rehabilitation and Modernization of Home Economics Building Elevator and Authorization to Award Contract Within Appropriation of \$22,500.00. --Out of the appropriation for 1958-59 for Major Repair and Rehabilitation Projects at the Main University there was an allocation of \$22,500.00 for Rehabilitation and Modernization of Home Economics Building Elevator. Specifications for this project have been prepared by the Main University Physical Plant staff and approved by the Comptroller's Office. It is recommended that they be approved by the Board.

This elevator was manufactured by Otis Elevator Company, and as has been pointed out in other cases of this kind, it has been agreed by all concerned that any changes or replacements of parts of this elevator installation should be made by Otis for several reasons, particularly because of the desirability of avoiding a division of responsibility in the future for anything that might need correction. In view of this fact, it is recommended that Mr. Eckhardt be given authority to call for a bid from Otis Elevator Company on the basis of the approved specifications, and that Comptroller Sparenberg, with the concurrence of Dr. Dolley and Dr. Wilson, be given authority to award a contract to Otis Elevator Company within the appropriation of \$22,500.00.

Main University--Progress Report rePurchase of Archway Properties. --It is expected that the appraisals to be prepared by Mr. Harold Legge on the Archway Properties, pursuant to the Board's authorization at the meeting held June 13, 1959, will be received no later than November 6, 1959. The administrative staff will review the appraisals made by Mr. Legge, and one set of the appraisals will be turned over to Mr. Forest Pearson, the negotiator, for his review. It is contemplated that Mr. Pearson will be able to start negotiations for the purchase of properties in the near future.

Medical Branch--Approval of Employment of Architects and Engineers on a Per Diem Basis. --In connection with various planning and remodeling projects at the Medical Branch, there is a definite need for the occasional services of architects and/or engineers on a consulting basis, at times when the members of the Physical Plant staff are too involved in other projects to give the attention necessary to the problems, or when there is no one available on the Physical Plant staff with the training necessary to give the particular type of service needed.

In order that expert advice may be secured with reasonable promptness when needed, it is recommended by Dr. Truslow, Mr. Walker, and Comptroller Sparenberg, which recommendation is concurred in by Vice-President Dolley and

President Wilson, that approval be given for the employment at the Medical Branch of architects and engineers for consulting purposes on a per diem basis, the per diem rate not to exceed \$50.00, and the total annual expenditure not to exceed \$3,000.00. It is understood that the particular architects or engineers to be employed must have the advance approval of the Comptroller as well as the rate of compensation to be paid in each case. It is contemplated that in nearly all cases these architects and engineers will be from Houston or Galveston. 11-13-59

Medical Branch--Transfer of \$12,500.00 to Appropriation for Temporary Repairs and Remodeling of Rebecca Sealy Nurses' Residence and Old John Sealy Hospital. --At the Regents' Meeting held March 14, 1959, an appropriation of \$75,000.00 was set up for Temporary Repairs and Remodeling of the Rebecca Sealy Nurses' Residence and Old John Sealy Hospital at the Medical Branch, for use during the repair and remodeling of the Out-Patient Department Building, and work is now in progress on the temporary repair and remodeling of the Rebecca Sealy Nurses' Residence. In view of the fact that the work on plans and specifications for the remodeling of the Out-Patient Department Building has been temporarily stopped, it appears that the Rebecca Sealy Nurses' Residence and Old John Sealy Hospital will have to be used for a longer period of time than originally contemplated, and consequently somewhat more extensive remodeling needs to be done. In order to take care of this additional work, it is recommended that the sum of \$12,500.00 be transferred from Account No. 93230, Allotment Account for Major Repair and Rehabilitation of Buildings and Facilities at the Medical Branch, to Account No. 93240, Temporary Repairs and Remodeling of Rebecca Sealy Nurses' Residence and Old John Sealy Hospital.

M. D. Anderson Hospital and Tumor Institute - Proposed Additions to Present Building - Source of Funds for Payment of Consulting Architects' Fees. --At the Regents' Meeting held October 3, 1959, authorization was given for Consulting Architects Jessen, Jessen, Millhouse, and Greeven to prepare the preliminary plans for certain proposed additions to M. D. Anderson Hospital and Tumor Institute, with the understanding that "Dr. Clark will recommend later, for the approval of the President and the Board of Regents, the source of funds for payment of the Consulting Architects' fees for the preliminary plans, such funds to be from other than State sources."

The recommendation of Dr. Clark as to the sources of these funds has now been approved by the President, and

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it is recommended that the Board approve these sources, as listed below:

Current Restricted Funds:	
Unallocated Interest on (Trust Fund) Time Deposits	\$17,500.00
University Cancer Foundation (From Various Donors)	1,831.09
Unappropriated Surplus - Plant Funds (Originally appropriated to Plant Funds from Gift Funds)	<u>6,618.91</u>
Total	<u>\$25,950.00</u>

Texas Western College--Appointment of Committee to Approve Preliminary Plans for Warehouse-Shops Building and Appointment of Associate Architect. --At the Regents' Meeting held October 3, 1959, authorization was given for the Consulting Architect to prepare preliminary plans for a Warehouse-Shops Building at Texas Western College. This building is to be a very simple type of structure, and it is believed that, although the preliminary plans are not ready for submission to the Board at this meeting, they will be ready shortly thereafter. Since the need for this building is very great, it is recommended that a Committee be appointed, consisting of President Smiley, Comptroller Sparenberg, Vice-President Dolley, and President Wilson to approve the preliminary plans. It is further recommended that an Associate Architect be appointed to prepare the working drawings and specifications after approval of the preliminary plans.

On the joint recommendation of the Comptroller and the Consulting Architect, the Regents' Buildings and Grounds Committee recommends the firm of Davis, Foster, Thorpe, and Associates, El Paso, Texas, as Associate Architect for this project.

Texas Western College--Authorization to File Applications With Housing and Home Finance Agency for Housing for Married Students and a Dormitory for Men. --Texas Western College is considered at this time to have a definite need of permanent housing for married students and a new dormitory for men. Although definite plans for these structures have not been formalized as yet, it is felt by Mr. Smith and Dr. Smiley that 150 apartment units with an estimated cost of \$1,200,000.00 and a men's dormitory to house 250 students with an estimated cost of \$800,000.00 would be needed. A loan through Housing and Home Finance Agency, if possible, seems to be the best means of financing these projects. It is, therefore, recommended that authorization be given to file an application or applications to Housing and Home Finance Agency to cover projects of approximately the scope as outlined above. It is contemplated that all material necessary for the preparation and filing of these applications, both preliminary and final, will be forwarded from Texas

Western College to the Endowment Office and will be approved by Endowment Officer Stewart, Comptroller Sparenberg, and Vice-President Dolley before being forwarded from Austin to Housing and Home Finance Agency in Fort Worth. Dr. Dolley has designated Comptroller Sparenberg as the officer to sign the applications.

This recommendation was approved by the Regents' Buildings and Grounds Committee with the understanding that the amount of the application will be reduced to approximately \$1,000,000.00 (to cover an estimated 60 Apartment Units and a Men's Dormitory to house an estimated 180 students), and with the further understanding that the filing of this application involves no final commitment on the part of the Board of Regents, either express or implied, to build these buildings.

Main University--Extension of Power Distribution System East of Red River Street to Serve University Press and New Printing Division Building. --At this time the property owned by the University known as the K. C. Miller property, on which is located the University Press and on which is to be constructed the New Printing Division Building, is not connected to the University's power distribution system, and power to serve this property is being purchased from the City of Austin. Comparison of the charges for power purchased from the City of Austin and the cost of the University-distributed power shows that the cost of the extension of the University's service to this property could probably be paid for in two years, in savings which would be effected in furnishing power to the present facility and the new one to be constructed.

It is, therefore, recommended that authorization be given to extend the University's power distribution system east of Red River Street to serve the University Press and the New Printing Division Building at an estimated cost of \$11,000.00. Since this is new construction in excess of \$5,000.00, it is understood that this project will be handled through the Comptroller's Office in accordance with the Regents' Rules and Regulations. It is further recommended that the Main University Physical Plant staff be authorized to prepare the plans and specifications for this project, with Comptroller Sparenberg to approve the plans and specifications and award whatever contracts are deemed necessary, with the concurrence of Vice-President Dolley and President Wilson, it being understood that part or all of the work may be performed by the Main University Physical Plant staff, should this appear to be to the best interests of the University.

It is further recommended that an appropriation of \$11,000.00 be allocated to this project from Main University Account No. 27200, "Improvements, Remodeling, and Major Repairs - Allotment Account".

These recommendations are made by Mr. Landrum and Dr. Ransom, and concurred in by Messrs. Sparenberg and Dolley.

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Main University--Award of Contract for Movable Furniture and Equipment and Transfer of Funds for New Engineering Building. --At the Regents' Meeting held June 13, 1959, authorization was given to Comptroller Sparenberg to advertise for bids for movable furniture and equipment for the New Engineering Building at the Main University, after approval of the specifications by a Committee consisting of Professor M. J. Thompson, the Dean of the College of Engineering, Comptroller Sparenberg, and Vice-President Ransom. These specifications have been approved, and bids were received, opened, and tabulated on November 11, 1959, as shown on Page 32. After consideration of the bids received, it is recommended that award of a contract be made to the low bidder, The Abel Stationers, Austin, Texas, as follows:

Combined Bids Nos. 1 and 2	\$56,497.00
Add Alternate No. 1a	<u>1,862.00</u>
 Total Recommended Contract Award	 <u>\$58,359.00</u>

The amount of money available at this time in the allotment account for the New Engineering Building is not sufficient to cover the amount of this recommended contract award; however, there is money still available in the allotment account for the Utility Tunnel on Twenty-fourth Street. As you will recall, the contractors actually bid the New Engineering Building and the tunnel work together as integral parts of the same contracts. Included with the plans and specifications for the New Engineering Building was the utility tunnel, which was necessary to bring utilities to this new building and to serve any other new buildings which may be constructed north of Twenty-fourth Street. These two projects were bid as one project, with each contractor requested to state in his bid the amount which he would consider applicable to the Tunnel portion of the bid. In most cases, it was considered that the Contractor quoted too low a figure in the amount which he allocated to the Tunnel project, with the result that the amount left in the Engineering Building allotment account was thought to be lower than it should be, while the amount left in the Utility Tunnel allotment account was higher than it should be.

It is, therefore, further recommended that the amount of \$35,000.00 be transferred from Account No. 90780, Construction of Utility Tunnel on Twenty-fourth Street, to Account No. 94105, New Engineering Building, in order that sufficient money will be available in Account No. 94105 to make the recommended contract award and to cover other additional costs incurred during the construction of this building. Change orders exceeding the contract awards by \$17,495.86, but within the amounts appropriated for the New Engineering Building and the Utility Tunnel, have been submitted by the Architects Jessen, Jessen, Millhouse, and Greeven. Most of this amount was caused by additional

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rock excavation, over and above that shown by the original test hole reports, plans, and specifications. It is recommended that Comptroller Sparenberg be authorized to approve change orders on all this work as recommended by the Architects, within the amounts of money already appropriated by the Board of Regents.

Texas Western College--Cancellation of Ground Lease with Delta Gamma Sorority and Payment for Delta Gamma Lodge Building. --It is reported that, due to financial difficulties in the Texas Western College Chapter, the National Office of Delta Gamma Sorority has withdrawn its charter. The House Association of the Texas Western College Chapter of Delta Gamma Sorority has agreed to sell to The University of Texas for \$10,000.00 their chapter lodge which was built on land owned by Texas Western College. The president of the House Association of Delta Gamma Sorority reports that they have an investment in this lodge of over \$25,000.00. It is recommended by Dr. Smiley and Mr. Smith, which recommendation is concurred in by the President's Office, the Comptroller's Office, and the Regents' Buildings and Grounds Committee, that the lease with the Gamma Gamma House Association of Delta Gamma Sorority for this land, effective September 1, 1947, be cancelled, and that the University pay them \$10,000.00 for the lodge building which is now situated on this land. It is further recommended that the \$10,000.00 to cover this payment come from the balance remaining in the Constitutional Tax Construction Funds.

These recommendations are made with the understanding that, for a sum estimated to be less than \$5,000.00, Texas Western College Physical Plant staff will remodel this sorority lodge building, for use as offices and laboratories by government-sponsored and other research activities.

These recommendations are made with the further understanding that all related legal matters will be approved by Attorney Waldrep, and that it can be satisfactorily established that there is no lien of any kind on the lodge building.

Adoption of Report. --It was moved by Mr. Thompson that the foregoing report of the Buildings and Grounds Committee be adopted. Mr. Hardie seconded this motion which carried.

Audit of Space Utilization. --The item relating to the audit of space utilization at the Main University was deferred until the January meeting with the recommendation thereon to be made by Regent Joe C. Thompson and Vice-President Haskew through the Buildings and Grounds Committee to the Board.



REPORT OF THE LAND AND INVESTMENT COMMITTEE (See Page 19 for adoption. ). --Vice-Chairman Johnson reported that the Land and Investment Committee approved with the changes and additions as listed below the recommendations of the Administration (Attachment No. 1) as distributed to each Regent prior to the meeting.

Allocation of University Deposit Balances in Depository Banks in Austin. --It is recommended that the allocation of University deposit balances in depository banks in Austin be established as follows:

1. That the deposit balances of the University which are carried in Austin be allocated to each of the five depository banks in the proportion that the total resources of each bank bears to the aggregate of the total resources of all five banks.
2. That, for the purpose of determining this deposit allocation, for each following twelve months, total resource figures should be those published pursuant to the third quarterly call for statement of condition reports, which call is usually issued for some day in September or early October.
3. That, after the deposit allocations have been thus determined, the Comptroller of the University be directed once each week to make such transfers between the five Austin depository banks as will maintain the deposit totals in each bank in accordance with the established proportions.

(See adoption on Page 19 .)

Texas Highway Department - Right of Way (No. 1421) and Channel Easement (No. 1421-A) for Controlled Access Highway No. 20, Ward County, Under Interstate Highway Program. --Delete the last sentence of the write-up in Attachment No. 1, Page L-8, and substitute the following:

Due primarily to questions of access to the T. & P. Railroad in connection with the warehouse operations on part of the University's property, it is recommended that the Board of Regents authorize the execution by its Chairman of an appropriate right of entry instrument if the Highway Department needs this to proceed with contract letting prior to the January meeting, and that the actual grant of the right of way be presented at the January meeting of the Board of Regents after further work by the staff.

Texas Western College - Frank B. Cotton Trust - Proposal for Exchange of Small Tract in Cotton Addition, El Paso, with El Paso Independent School District for Same Amount of Acreage. --Since the docket material was prepared, the El Paso Independent School District has approved the proposed exchange. Therefore the last three sentences in the

second paragraph, Page L-12, Attachment No. 1, should be deleted and the following substituted:

The exchange has been approved by the School District and it is recommended that the Chairman of the Board of Regents be authorized to sign the appropriate instruments to effectuate the exchange when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

Detailed description of the tract to be conveyed by the El Paso Independent School District is:

BEGINNING at a concrete monument on the west bank of the Franklin Canal at the intersection of Sixth Street and the Franklin Canal, which monument lies N 45° 59' 57" E a distance of 37.30 feet from an existing chain link fence corner, and which monument marks the northeast corner of this tract and the beginning point of this survey;

THENCE S 19° 02' 45" W along the west bank of the Franklin Canal for a distance of 202.97 feet to an iron pipe marking the point of curvature of a 597.98 foot radius curve to the left;

THENCE along the curve to the left for an arc distance of 123.58 feet, a long chord distance of 123.28 feet and a long chord bearing of S 13° 07' 05" W to an iron pipe in the canal bank marking the point of tangency of the curve;

THENCE S 7° 12' 45" W along the canal bank for a distance of 205.07 feet to an iron pipe marking the point of curvature of a 224.07 foot radius curve to the right;

THENCE along the curve to the right for an arc distance of 208.49 feet, a long chord distance of 201.05 feet, and a long chord bearing of S 33° 52' 08" W to an iron pipe marking the southernmost corner of this tract, and being 11.80 feet north of a chain link fence on the north bank of the Franklin Canal;

THENCE N 11° 34' 00" W for a distance of 578.96 feet to a chain link fence which marks the south line of Sixth Street;

THENCE continuing N 11° 34' 00" W for a distance of 17.15 feet to an iron pipe marking the northwest corner of this tract;

THENCE N 74° 22' 35" E for a distance of 365.03 feet to the point of beginning.

The north 17.5 foot strip of this tract lying between the north chain link fence and the north property line consists of 0.14 acre and is a street easement.

Said tract of land contains 2.835 acres more or less.

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Detailed description of the tract to be conveyed by the Board of Regents of The University of Texas is:

BEGINNING at a point marked by an iron pipe, which point lies 29.0 feet east of the rock wall marking the east boundary line of Hart Elementary School, and 12.5 feet south of the chain link fence along the south bank of the Franklin Canal, and which point marks the northwest corner of this tract and beginning point of this survey;

THENCE N 74° 24' 45" E for a distance of 120.45 feet to an iron pipe marking the point of curvature of a 3149.96 foot radius curve to the left;

THENCE around the curve to the left, the long chord of which curve has a bearing of N 73° 29' 45" E and a length of 100.79 feet, to an iron pipe marking the P. T. of said curve;

THENCE N 72° 34' 45" E for a distance of 136.28 feet to an iron pipe marking the northeast corner of this tract;

THENCE S 15° 51' 32" E for a distance of 317.17 feet to an iron pipe marking the southeast corner of this tract;

THENCE S 74° 08' 45" W for a distance of 39.72 feet to an existing chain link fence corner;

THENCE continuing S 74° 08' 45" W along the existing fence for a distance of 368.80 feet to an existing fence corner marking the southwest corner of this tract;

THENCE N 14° 57' 43" W for a distance of 150.00 feet to an iron pipe set in the east Right-of-Way line of 10th Street extended;

THENCE N 02° 02' 42" W for a distance of 43.08 feet to an iron pipe; the chord of a curve of radius 733.78 feet;

THENCE N 0° 21' 45" E 126.91 feet to the point of beginning.

Said tract of land contains 2.835 acres more or less.

Main University - Approval of Assignment of Bennett Boat Dock Lease by W. W. Bennett to TwinStar Industries, Inc. -- The renewal of the lease to Mr. W. W. Bennett on the boat dock property in the Brackenridge Tract on Lake Austin was renewed at the June 13, 1959 meeting of the Board of Regents for the period July 1, 1959 through December 31, 1969, subject to certain improvements to be undertaken by Mr. Bennett. Under the terms of the lease, any assignment or sub-letting is subject to approval of the Board of Regents.

Mr. Bennett wishes to sell and assign the lease and sell his stock of merchandise to Twin Star Industries, Inc., a Texas corporation with principal office at Austin, Texas.

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Mr. W. B. Pratt is President of the corporation. After investigation by the staff as to the responsibility of the sublessee and their earnest desire to proceed immediately with the improvements required in the lease, and approval of the Land and Investment Committee, it is recommended that the Board of Regents approve the assignment of the lease and its signature by the Chairman after approval as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

Adoption of Report. --It was moved by Vice-Chairman Johnson, duly seconded, and approved that the report of the Land and Investment Committee (Attachment No. 1, Pages L-1 through L-13), as attached following Page 32 of the Minutes, plus the foregoing changes and additional items be approved. Mr. Heath asked to be recorded "present and not voting" stating that he did not think it would be proper for him to cast a vote on "Allocation of University Deposit Balances in Depository Banks in Austin," since he is a member of the Board of Directors of one of the banks involved.

**TRUST AND SPECIAL FUNDS - REVENUE BOND FINANCING MATTERS.** --(The item as set out below was also included in the recommendations to the Land and Investment Committee submitted to the Regents prior to the meeting.)

Main University - Student Union Revenue Bonds, Series 1958-B, \$1,500,000 Project No. TEX 41-CH-62(S) - Cancellation of \$280,000 of Undelivered Bonds. --Several months ago a request was received from the Regional Office of the Housing and Home Finance Agency in Fort Worth asking if it would not be possible, since the construction bids on this project were lower than the estimates, for the University to release some of the funds committed for this issue of the Student Union Revenue Bonds. The applications for Housing and Home Finance Agency assistance far exceeded the funds available and the Agency was making a canvass of projects still under construction to ascertain if some funds could be released and thereby allocated to projects of other institutions.

After conferences among the staff it was determined \$280,000 could be released from the Series-B bonds and HHFA was so advised. It was the suggestion and desire of the HHFA officials in Fort Worth that the sum which could be released be done by the cancellation of that amount of bonds, which method was approved by our bond counsel, McCall, Parkhurst, Crowe, McCall and Horton of Dallas. A modifying resolution has been drawn by the attorneys providing that bonds numbered B-1221 through B-1500 (\$280,000) be cancelled and giving assurance to the United States of America that such bonds numbers shall never be issued or outstanding.

Mr. Johnson introduced a resolution which was read by the Secretary. Mr. Johnson moved that the resolution be adopted. Mr. Thompson seconded the motion.

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The motion carrying with it the adoption of the resolution prevailed by the following vote:

AYES: Messrs. Minter, Johnson, Hardie, Thompson, Heath, Madden and McNeese, and Mrs. Devall.

NOES: None.

The resolution as adopted is as follows:

#### RESOLUTION

MODIFYING A RESOLUTION ADOPTED THE 12TH DAY OF DECEMBER, 1958, AWARDING THE SALE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS STUDENT UNION REVENUE BONDS, SERIES 1958-B, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,500,000.00 TO THE UNITED STATES OF AMERICA, AND AUTHORIZING THE OFFICERS OF THE BOARD TO CAUSE TO HAVE CANCELLED BONDS NUMBERS B1221 THROUGH B1500 OF SUCH ISSUE, AND GIVING ASSURANCE TO THE UNITED STATES OF AMERICA THAT SUCH BONDS NUMBERS B1221 THROUGH B1500 SHALL NEVER BE ISSUED OR OUTSTANDING.

WHEREAS, on the 12th day of December, 1958, the Board of Regents of The University of Texas authorized the sale of its Board of Regents of The University of Texas Student Union Revenue Bonds, Series 1958-B, in the principal amount of \$1,500,000.00, to the United States of America; and

WHEREAS, since the authorization of such bonds and awarding the sale of such bonds to the United States of America, it has been determined that the cost of the improvements to be made with the proceeds of such bonds will be less than that anticipated at the time of such authorization and sale; and

WHEREAS, it is the desire of the Board of Regents to deliver to the purchaser only \$1,220,000.00 in principal amount of said bonds; and

WHEREAS, said purchaser, pursuant to request therefor by this Board, has agreed to such lesser delivery; and

WHEREAS, in order to assure said purchaser that the excess bonds no longer needed, aggregating \$280,000.00 in principal amount, will never be issued or outstanding, it is necessary to arrange for the cancellation of such bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF  
REGENTS OF THE UNIVERSITY OF TEXAS:

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1. That the resolution adopted on the 12th day of December, 1958, by the Board of Regents of The University of Texas awarding the sale of its Board of Regents of The University of Texas Student Union Revenue Bonds, Series 1958-B, being Bonds Numbers B1 through B1,500, both inclusive, in the denomination of \$1,000.00 each, in the aggregate principal amount of \$1,500,000.00, to the United States of America is hereby superseded to the extent that it is in conflict herewith.
2. That the officers of the Board of Regents of The University of Texas are hereby ordered and directed to do any and all things necessary to complete the delivery to said purchaser of the Bonds of said issue numbered B1 through B1,220, both inclusive.
3. That the officers of the Board of Regents of The University of Texas are hereby authorized, ordered and directed to cause Bonds Numbers B1,221, through B1,500, both inclusive, of such issue, to be cancelled.
4. That said Bonds Numbers B1,221, through B1,500 shall never be issued, delivered or outstanding and shall be regarded as never having been issued.
5. That the officers of the Board of Regents of The University of Texas are hereby authorized to furnish the United States of America a certified copy of this resolution, and such other showings as shall be required or requested by the United States of America to assure it that such Bonds Numbers B1,221 through B1,500 have been duly cancelled and will never be issued and outstanding.

Permanent University Fund Investment Program and Houston Property. -- Following the report of the Land and Investment Committee, Vice-Chairman Johnson commented that the Land and Investment Committee at its meeting received a fine report of the extent of research done by the University Staff Investment Committee. The members of this Committee use their own information with the aid of Lionel D. Edie and Company and of the Investment Advisory Committee. Vice-Chairman Johnson stated that he personally was pleased with the manner in which this program is operating.

At the same time, Vice-Chairman Johnson told the Board that the Endowment Office is assembling material on the Houston property in order that the Committee may get an over-all picture of the University's holdings there.

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REPORT OF MEDICAL AFFAIRS COMMITTEE (See Page 23 for adoption. ) --In the absence of Committee Chairman Bryan, Chairman Minter presented the following report of the Medical Affairs Committee:

The South Texas Medical School: Reconsideration of Site Selection Postponed. --The Medical Affairs Committee received a letter through Chairman Minter from Mr. R. L. B. Tobin, Chairman of the Board of Managers of the Bexar County Hospital District, requesting that the petition of the Bexar County Hospital District for reconsideration of the site selected for The South Texas Medical School not be considered at this meeting, but be postponed until such time as the Committee appointed by the San Antonio Medical Foundation has made known its findings. The committee acquiesced in this request. (The official copy of the request is in the Secretary's Files, Volume VII, Page 29 .)

Medical Branch: Commendation of Doctor Truslow and Mr. Walker. --The Medical Affairs Committee noted from the Summary Financial Statements for the twelve months ending August 31, 1959, that there was an over-realization of the estimated income for 1958-59 for the John Sealy Hospital in the amount of \$392,673.06. Doctor Truslow and Mr. Walker were commended for improvements in changes of policies and operations that resulted in the increase of this income.

Medical Branch: Report on Program in Gerontology. -- Doctor Truslow reported to the Medical Affairs Committee definite plans to institute a program in gerontology at the Medical Branch. Application has been made to the National Institute of Health for a five year grant in this major area of research. If and when this grant has been awarded, the details of the program will be reported to the Board. (See Secretary's Files, Volume VII, Page 33a, for the outline of the program presented to the Medical Affairs Committee.)

Medical Branch: Teaching Program of Nursing. --Upon the recommendation of the Administration, the Medical Affairs Committee recommends that there be submitted to the Texas Commission on Higher Education for approval the following revision in the curriculum of the School of Nursing leading to the degree of Bachelor of Science in Nursing, effective September 1, 1960:

1. Shorten the curriculum from four calendar years to four academic years and two summer sessions.
2. Move the second academic year from the Medical Branch campus to the Main University campus, thereby adding 33 semester credit hours to the nursing curriculum on the Main University campus. Of the 33 semester credit hours, 13 will

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be nursing courses taught by members of the Nursing School from Galveston whose salaries will continue to appear on the budget of the Nursing School.

3. The second year will also continue to be offered at the Galveston campus until the sophomore year on the Austin campus reaches an enrollment of 70.

(A copy of the curriculum of the Baccalaureate in Nursing is in the Secretary's Files, Volume VII, Page 30.)

Southwestern Medical School: (1) Negotiations with Southwestern Foundation regarding Student Housing, (2) Interest in Primate Colony. --Dean Gill appeared before the Medical Affairs Committee and presented a progress report on his negotiations with Southwestern Medical Foundation regarding their interest in student housing on the campus of Southwestern Medical School. As soon as formal recommendations can be formulated, they will be presented to the Board for consideration.

Dean Gill reported the request of Doctor Elbert DeCoursey, Director of the Southwest Research Institute, for an expression of interest in the establishment of a primate colony in San Antonio. There is a strong possibility that two primate colonies will be established in the United States. Since San Antonio may be selected as one of these sites, Dean Gill requested permission to endorse this request and Doctor Truslow also agreed to endorse it separately, pointing out that the proximity of such a colony would be an asset to research in medical education in the Southwest.

Adoption of Report. --Upon a motion duly made and seconded, the Board approved the foregoing report of the Medical Affairs Committee.

**JOINT REPORT OF SPECIAL COMMITTEES OF THE BOARD OF REGENTS AND OF THE UNIVERSITY DEVELOPMENT BOARD; AMENDMENTS TO THE RULES AND REGULATIONS OF THE BOARD OF REGENTS FOR THE GOVERNMENT OF THE UNIVERSITY OF TEXAS (FINAL APPROVAL AT JANUARY 1960 MEETING) (See Page 28 for adoption.)** --Following the resignation of Mr. Hulon Black, Director of the University Development Board, the University Development Board appointed a nominating committee to select a successor to Mr. Black. This committee is composed of Messrs. Dan C. Williams, Hines H. Baker, Ernest Cockrell, Jr., Page Keeton, and J. M. Odom. The Board of Regents accepted Mr. Black's resignation at the October meeting in San Antonio and in turn named Regents Thompson, Chairman, Devall, and McNeese, as a Special Committee to Work with the Development Board Nominating Committee.

Special Committee Chairman Thompson presented the joint report as unanimously approved by the special committees of the Board of Regents and of the University Development Board. In the presentation of the report, Mr. Thompson stated that the special committees first agreed the entire structure and functions of the Development



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Board should undergo a review prior to the appointment of a successor to Mr. Black, in order that a clear idea might be had regarding the qualifications in the individual to be named to this position. Each member of the Board of Regents and of the University Development Board was furnished under date of November 10 with a copy of the joint report of the Special Committees. This report is as follows:

#### Basic Principles

1. The private fund needs of The University of Texas during the next decade are great, and meeting those needs is a matter of high priority.
2. To meet these needs the University Development Board will be called upon to enter a new era of greatly-expanded activity and of even greater importance.
3. The Development Board must be so staffed and so supported that it becomes a major activity of The University of Texas.
4. While some clarification of responsibilities and the flow of authority is necessary, the really important necessity is for vigorous, professionally-directed, and successful fund-development activity. This will flow most satisfactorily from an employed official of outstanding ability and drive who has the full backing and active cooperation of the Board of Regents, the University Development Board, the Office of the President, the head of each component unit, and the faculties.

The next section of the memorandum, intended to propose an effective organizational structure, is written as a substitute for the Rules and Regulations of the Board of Regents now in effect for fund development. It is followed by an explanatory Addendum.

#### THE UNIVERSITY OF TEXAS DEVELOPMENT BOARD

Section 1. Responsibilities of the Board of Regents and Administrative Officials of The University of Texas in Private Fund Development. Among the most important responsibilities of the Board of Regents are those of establishing policies and procedures by which the developmental needs of The University of Texas can be determined and approved, and of directing vigorous efforts to attract private fund support for meeting these needs. For discharge of these responsibilities, as is true for other responsibilities of the Board of Regents, the President is to serve as the chief executive agent, with fund development a major obligation, and the head of each component unit is to serve as chief executive officer in this regard for that component unit as set forth in the manual of administrative organization for The University of Texas System.

Section 2. Responsibilities and Duties of The University of Texas Development Board. (a) There is hereby established The University of Texas Development Board, which is the agency responsible to the President, and through him to the Board of Regents, for all private fund development for the entire University system.

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(b) The Development Board shall, after conference with the President, recommend to the Board of Regents policies which shall govern activities and responsibilities in cultivating and securing private funds for the University, including such activities and responsibilities of employees of the University.

(c) No major fund development effort or decision not covered by previously-adopted regulations of the Board of Regents shall be recommended by the President to the Board of Regents without prior advice thereupon by the Development Board, which advice shall be transmitted to the Board of Regents.

(d) All fund-development agencies and organized fund development enterprises of the University shall be under the jurisdiction of the Development Board and shall operate under policies adopted by it and approved by the President.

(e) The Development Board shall have particular responsibility for formulating and actively promoting support for both current and long-term programs designed to meet developmental needs of the University. The President shall lay before the Development Board at periodic intervals descriptions of current needs as determined by the Board of Regents, the University administration and the faculties, taking into account any such needs as the Development Board has recommended for consideration. The Development Board should also be continuously alert to gift possibilities not necessarily related to predetermined projects. The programs of activities formulated by the Development Board shall be submitted to the President and Board of Regents for information, and periodic reports of progress shall be made. It is expected that the continuing program of the Development Board will include vigorous cultivation and dissemination of information supporting gifts and endowments for the University.

Section 3. Development Board Executive Office. (a) Within the Office of the President there shall be an officer responsible to the President and to the Development Board as its executive officer. He shall be appointed by the President only upon recommendation of the Development Board. He is to be an officer of Central Administration, charged solely with fund development activity, and subject to supervision, evaluation, and termination of employment by the President. The President, however, shall secure periodic evaluations of this officer's services from the Development

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Board and take these into full account in continuing employment and in according recognition for accomplishment. He shall have such title and rank as established by the Board of Regents upon recommendation of the President and the Development Board.

(b) The Development Board executive officer shall have such staff and such operating funds as shall be determined from time to time by budgets recommended by him and the Board, endorsed by the President, and adopted by the Board of Regents. Duties of staff members shall be established by the executive officer.

Section 4. Finances. Financial support of The University of Texas Development Board and the executive office shall be provided exclusively by appropriation of the Board of Regents. Such appropriation will be made by established budgetary procedures. The Board of Regents may accept gifts designated for use by the Development Board and make such funds available for Development Board expenditure.

Section 5. General Policies. (a) The Development Board will seek to enlist the aid of numerous friends of the University in fund development efforts, and may establish such committees and other groups as seem desirable in carrying out its program.

(b) The Development Board is to serve all component units of The University of Texas. It may establish advisory and action groups for each component unit with the advice and approval of the head of that component unit.

(c) The Development Board will have jurisdiction over all internal foundations, and no such foundation shall be established or continued in existence except with the approval of the President. The executive officer of the Development Board shall be responsible for stimulating, guiding, and assisting the internal foundations and shall require suitable annual reports from each.

(d) From time to time, special campaigns for specific objects may be conducted, with or without the assistance of private fund-raising counsel. Such campaign may originate with recommendation by the Board of Regents, the President, or The University of Texas Development Board. No such campaign shall be authorized or undertaken, however, until the Development Board has recommended concerning it and those recommendations have been considered by the Board of Regents.

When a special campaign is to be conducted with funds as previously appropriated by the Board of Regents, joint approval by the Development Board and the President is sufficient authorization. Campaigns which require the expenditure of funds other than those appropriated, regardless of source, shall be authorized only by the Board of Regents.

When the Regents authorize a special campaign, it shall be under the direction of the Development Board, and any private fund-raising counsel employed shall be administratively responsible to the executive officer of the Development Board.

(e) The Development Board shall be responsible for and conduct all fund-raising activities (as distinguished from membership enrollments) directed at ex-students of the University or for Ex-Students' Association purposes. It may delegate executive management of such activities to the Ex-Students' Association, under mutually agreeable guiding policies.

(f) The Development Board shall recommend, and upon authorization of the Board of Regents, execute such recognitions of donors as appear wise.

Section 6. Composition and Operation of The University of Texas Development Board. (a) The University of Texas Development Board shall consist of one member of the Board of Regents designated biennially by the Chairman, the President of the University, six members named by the Executive Council of The University of Texas Ex-Students' Association, and seven members named by the Board of Regents.

Members other than those by virtue of office held shall serve for six-year terms, so staggered that the terms of two members appointed by the Executive Council of the Ex-Students' Association, and of two members appointed by the Board of Regents, shall expire on August 31 of each even-numbered year (on each third odd-numbered year, three instead of two Regental appointments shall be made). In selecting members, the Board of Regents and the Executive Council of the Ex-Students' Association shall give due consideration to geographical and component unit factors. Vacancies shall be filled by the original appointing agency.

(b) The Development Board shall designate one of its members as Chairman, and shall provide for such other officers as it deems necessary. It shall adopt By-Laws governing its operations and shall file them, and subsequent amendments thereto, with the Secretary of the Board of Regents. It shall cause accurate minutes of its proceedings to be kept, and file copies with the Secretary of the Board of Regents. It shall prepare an annual evaluation report on its activities, incorporating such recommendations as it cares to make, and transmit this report to the President and to the Secretary of the Board of Regents.

(c) The Development Board shall conduct its operations to accord with policies and regulations of the Board of Regents, and shall make recommendations concerning modifications and additions to those policies through the President to the Board of Regents.

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## ADDENDUM

Among the subjects for policies governing activities of the University employees are:

- (1) Authorization to deans to conduct personal cultivation and solicitation for support of their units.
- (2) Authorizations to proceed, with proper information to fund development office, with negotiations with such foundations and trusts as Sealy and Smith, Southwestern Medical, etc.
- (3) Authorizations to proceed, with proper information to fund development office, with negotiations with educational foundations (where project-submission is key procedure).
- (4) Clarification of freedom of component unit heads to proceed in areas such as library development.
- (5) Clear statement that negotiations with governmental agencies are not part of private fund development.

Adoption of Report. --It was moved by Mr. Thompson, seconded by Mrs. Devall, and unanimously adopted that the foregoing joint report of the Special Committees be approved and that by the adoption of this report the portion entitled "The University of Texas Development Board" (Pages 24-27) also be approved as a complete substitution for all existing Rules and Regulations of the Board of Regents pertaining to the Development Board.

In accordance with the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Sixth Edition, adopted by the Board of Regents March 14, 1936 (with amendments to August 1, 1943), Part I, Second Printing, Chapter V, Section 2, the foregoing amendment will be presented for final approval at the meeting January 22-23, 1960, and final action will be taken thereon provided the University Development Board has at that time adopted the joint report.

REPORT OF SPECIAL COMMITTEE ON BOARD PROCEDURES: ADOPTION OF PART TWO OF BOARD'S RULES AND REGULATIONS FOR THE GOVERNMENT OF THE UNIVERSITY OF TEXAS (FISCAL REGULATIONS, SYSTEM-WIDE). --Special Committee Chairman Hardie moved the adoption of the System-Wide Fiscal Regulations, recommended by the Administration, which will constitute Part Two of the Rules and Regulations of the Board of Regents for the Government of The University of Texas in the published revision approved at the January meeting. Mr. Heath seconded this motion which carried.

A copy of Part Two Fiscal Regulations in the form as adopted is in the Secretary's Files, Volume VII, Page 1\*. (Each Regent had been furnished prior to the meeting a proposed copy of Part Two. At the Committee of the Whole a few changes were made in the proposed recommendations. These changes are incorporated in the copy filed.) \*Legal size volume

REPORT OF EXECUTIVE COMMITTEE. --Upon motion of Committee Chairman Hardie, duly seconded, the Board ratified the interim actions of the Executive Committee as set out in the report below:

Report of Executive Committee - Interim Actions (September 18, 1959 - October 27, 1959). --The Executive Committee during the period September 18, 1959 - October 27, 1959, approved by mail vote, upon recommendation of Doctor Gill, concurred in by President Wilson, one budgetary item for the Southwestern Medical School. This item is listed in the Southwestern Medical School portion of the docket for the November 13-14, 1959, meeting as No. 30, Page S-3.

#### CENTRAL ADMINISTRATION

APPROVAL OF MINUTES, OCTOBER 1-3, 1959. --Upon motion of Mrs. Devall, seconded by Vice-Chairman Johnson, the Board approved the Minutes of the meeting of the Board of Regents held in San Antonio on October 1-3, 1959, in the form as distributed to each Regent by the Secretary.

APPROVAL OF DOCKET. --On November 4, 1959, each Regent was mailed a docket (Attachment No. 2) for Central Administration to which President Wilson had attached and incorporated the dockets from each of the component institutions of The University of Texas.

After consideration by the Board, it was moved by Vice-Chairman Johnson, seconded by Mr. Thompson, and adopted that the dockets in the form as attached be approved. (See on Page 31 "Items for Referral to Academic and Developmental Affairs Committee".)

The approved docket is labeled Attachment No. 2 and is attached following Page L-13 of Attachment No. 1.

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MAIN UNIVERSITY AND TEXAS WESTERN COLLEGE

SMALL CLASS REPORTS, 1959 FALL SEMESTER: MAIN UNIVERSITY AND TEXAS WESTERN COLLEGE (HOUSE BILL NO. 133, 55TH LEGISLATURE, R. S., ARTICLE V, SECTION 6). --The small class reports of the Fall Semester for the Main University and Texas Western College were distributed at the meeting. These reports had been prepared in accordance with House Bill No. 133, 55th Legislature, R. S., Article V, Section 6 of the Special Provisions.

Main University. --The small classes for the 1959 Fall Semester at the Main University fall within Categories Nos. 1-4, 6-9 as listed below.

1. Required course for graduation in one or more baccalaureate degree programs. The course is not offered each semester or term, and if cancelled, may affect date of graduation of those enrolled.
2. Required course for graduating seniors in one or more degree programs.
3. Required course for majors in this field and should be completed this semester (or term) to keep proper sequence in courses.
4. Course for which students pay a supplementary fee, and the usual requirements of class size are not considered applicable. (Example: Class Instruction in Applied Music or Applied Art.)
5. Limited laboratory facilities make it necessary to establish an additional section of this course.
6.
  - a. Course in a small department which offers the minimum number of courses consistent with the maintenance of a balanced departmental program.
  - b. Courses in a large department necessary to maintain a well-balanced departmental program.
7. Graduate course that is required for completion of an advanced degree.
8.
  - a. Interdepartmental course meeting with same course in another department.
  - b. Intradepartmental course meeting with another course in same department.
9. Others: Adds, drops, and transfers in transit between departments and the Registrar's Office as of the twelfth class day.

11-13-59

Texas Western College. --The small classes for the 1959 Fall Semester at Texas Western College are in Categories Nos. 1-4, 6, 8-9 as set out on Page 30 under Main University.

Adoption: It was moved by Mrs. Devall, seconded by Mr. Heath, and approved by the Board that the foregoing small class reports be approved. It was, however, understood that these reports would be reviewed by the Academic and Developmental Affairs Committee at the January meeting. Secretary's Files, Vol. VII, Page 46

#### CENTRAL ADMINISTRATION

ITEMS FOR REFERRAL TO ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE. --It was suggested, and no objection was registered, that the Docket and Small Class Reports hereafter be referred to the Academic and Developmental Affairs Committee, which Committee in turn would recommend to the Board.

#### MAIN UNIVERSITY

PROGRESS REPORT ON BUILDINGS AND GROUNDS MATTERS. -- In answer to an inquiry of Mr. Hardie, Comptroller Sparenberg reported that he thinks the plans for air conditioning of Memorial Museum will be ready for the January meeting. It is a small project and it should be completed for next summer's use.

In response to Mr. Thompson's inquiry and at the request of Comptroller Sparenberg, Mr. Walter C. Moore, Architect and Assistant to the Comptroller, indicated that final plans for the Undergraduate Library and Academic Center should be ready in three or four months and it is anticipated the ground breaking will be in May, 1960.

#### M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE AND DENTAL BRANCH

PARKING: M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE AND THE DENTAL BRANCH. --The October Minutes reflected that "Parking Budgets in conformity with such agreements and with legislative restrictions will be presented for Board approval at the November meeting" for the M. D. Anderson Hospital and Tumor Institute (Houston) and the Dental Branch, Permanent Minutes, Volume VII, Page 38.

The Administration reported to the Board that there would be no necessity for a 1959-60 Budget for Parking and for Parking Regulations at the M. D. Anderson Hospital and Tumor Institute and the Dental Branch, because neither of these institutions will expend any State funds during the current year for parking.



CENTRAL ADMINISTRATION

11-13-59

SCHEDULED MEETINGS OF THE BOARD (JANUARY 22-23, 1960 AND MARCH 11-12, 1960). --The Board has scheduled the following meetings in Austin:

January 22-23, 1960, (approved at the meeting on October 3, 1959, in San Antonio)

March 11-12, 1960

SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDING AUGUST 31, 1959. --Each Regent was furnished in the Material Supporting the Agenda a copy of the Summary Financial Statements for the Twelve Months Ending August 31, 1959. A copy is in the Secretary's Files, Volume VII, Pages 50.

ADJOURNMENT. --The Board adjourned at 11:15 a. m. on Saturday, November 14, 1959.

*Betty Anne Thedford*  
Betty Anne Thedford  
Secretary

BID TABULATION

NEW ENGINEERING BUILDING, Furniture and Equipment, Main University, Austin, Texas.

Bids Received: 10:30 a. m., November 11, 1959  
Austin, Texas

<u>Bidder</u>	<u>Check or Bond</u>	<u>Bid No. 1</u>	<u>Alternate No. 1A</u>
1. Abel Stationers Austin, Texas	5% Bond	\$48,464.00	Add \$1,862.00
2. American Seating Company Dallas, Texas	5% Bond	- - - - -	- - - - -
<u>Bidder</u>	<u>Bid No. 2</u>	<u>Alternate No. 2A</u> <u>Deduct</u>	<u>Combination Bid 1 &amp; 2</u>
1. Abel Stationers	\$8,356.53	\$ 2,152.80	\$56,497.00
2. American Seating Company	\$9,335.72	Deduct \$ 2,442.24	- - - - -

# ATTACHMENT NO. 1

PERMANENT UNIVERSITY FUND -- INVESTMENT MATTERS.--

11-13-59

REPORT OF PURCHASES, SALES AND EXCHANGES OF SECURITIES.--The following purchases, exchanges of securities have been made for the Permanent University Fund since the October 2, 1959. We ask that the Board ratify and approve these transactions:

## PURCHASE OF SECURITIES

### CORPORATE BONDS

Security	Par Value of Bonds Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
New England Tel. & Tel. Co. 5-3/4% Debentures, dated 9/1/59, due 9/1/94	\$250,000	101.90 Net	\$ 254,750.00	5.625%
Southern Bell Tel. & Tel. Co. 5-1/2% Debentures, dated 10/1/59, due 10/1/94	500,000	102.36 Net	511,800.00	5.35
Total Corporate Bonds Purchased	<u>\$750,000</u>		<u>766,550.00</u>	<u>5.44</u>

### PREFERRED STOCKS

Security	No. of Shares Purchased	Market Price	Total Principal Cost*	Indicated Current Yield on Cost**
R. J. Reynolds Tobacco Company 3.60% Cumulative Preferred Stock	500	81 Net	\$ 40,500.00	4.44%
R. J. Reynolds Tobacco Company 3.60% Cumulative Preferred Stock	500	80-3/4 Net	40,375.00	4.46
Total Preferred Stocks Purchased	<u>1,000</u>		<u>80,875.00</u>	<u>4.45</u>

### COMMON STOCKS

Armstrong Cork Company Common Stock	1,200	43-3/4(200) 43-5/8(300) 43-1/2(300) 43-3/8(200) 43-1/4(200)	\$ 52,701.58	3.19%
Minneapolis-Honeywell Regulator Company Common Stock	400	128-1/2(200) 128 (100) 127-1/2(100)	51,457.25	1.36
Corn Products Company Common Stock	900	52-5/8	47,760.84	3.77
The B. F. Goodrich Company Common Stock	500	88 (100) 87-3/4(200) 87-1/2(100) 87-3/8(100)	44,076.35	2.50
Armco Steel Corporation Common Stock	600	78-1/4	47,230.98	3.81

Includes brokerage commissions paid.  
Yield to maturity for bonds; yield at present indicated dividend rate for stocks.

## COMMON STOCKS (Continued)

Security	No. Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
Sears, Roebuck & Company Common Stock	1,000	48-1/4(200) 48-1/2(800)	\$ 48,882.26	2.45%
Public Service Company of Colo- rado Common Stock	1,000	49-1/4(200) 49-1/8(200) 49 (300) 48-3/4(300)	49,435.02	3.84
Texas Utilities Company Common Stock	700	67 (200) 66-3/4(200) 66-1/2(300)	47,019.71	2.62
Houston Lighting & Power Company Common Stock	700	67 (100) 66-1/2(100) 66 (500)	46,669.35	2.40
Sinclair Oil Corporation Common Stock	900	53-3/4(100) 53-1/2(200) 53-1/4(100) 53 (200) 52-3/4(300)	48,223.85	5.60
Commonwealth Edison Company Common Stock	800	58-1/2(400) 58-3/8(300) 58-1/4(100)	47,096.25	3.40
R. J. Reynolds Tobacco Company Common Stock	800	55 (300) 54-7/8(200) 54-3/4(100) 54-5/8(200)	44,230.88	3.98
Addressograph-Multigraph Cor- poration Common Stock	400	105 (300) 103 (100)	41,997.80	1.43
Insurance Company of North America Capital Stock	200	119-3/4	24,051.96	2.49
Utah Power & Light Company Common Stock	1,400	32-3/4(1100) 32-1/2( 200) 32-3/8( 100)	46,257.37	4.00
C. I. T. Financial Corporation Common Stock	900	56-5/8	51,364.44	4.56
The Dow Chemical Company Common Stock	600	79-3/4(500) 79-1/2(100)	48,106.85	1.50
American Telegraph & Telephone Company Capital Stock	600	78-7/8	47,606.34	4.16
Parke, Davis & Company Capital Stock	1,000	43-1/2(900) 43-1/8(100)	43,869.81	2.96
Republic National Bank of Dallas Common Capital Stock	200	89 Net	17,800.00	2.16
Aetna Life Insurance Company Capital Stock	60	251 Net	15,060.00	1.43

\*Includes brokerage commissions paid.  
\*\*Yield based on present indicated dividend rate.

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COMMON STOCKS (Continued)

Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
Libbey-Owens-Ford Glass Company Common Stock	700	69-1/2(500) 69 (200)	\$ 48,871.55	3.65%
Owens-Illinois Glass Company Common Stock	600	92-1/2	55,789.50	2.69
American Cyanamid Company Common Stock	800	58 (300) 58-1/4(500)	46,883.55	2.73
General Foods Corporation Common Stock	500	95-3/4	48,117.90	2.70
Scott Paper Company Common Stock	600	80-7/8(400) 81 (200)	48,832.56	2.70
Texaco Inc. Capital Stock	700	74 (300) 73 (200) 72-5/8(200)	51,649.32	3.52
Florida Power & Light Company Common Stock	1,000	51 (200) 50-3/4(200) 50-1/4(100) 50 (500)	50,815.39	1.73
Cleveland Electric Illuminating Company Common Stock	1,000	48-1/8(200) 48 (600) 47-7/8(200)	48,430.00	3.72
Westinghouse Electric Corpora- tion Common Stock	500	94-3/4(200) 94 (100) 93-7/8(200)	47,367.14	2.11
Chemical Bank New York Trust Company Capital Stock	300	61-1/8 Net	18,337.50	3.93
Continental Illinois NB & Trust Company of Chicago Common Capital Stock	200	121 Net	24,200.00	3.31
Total Common Stocks Purchased	<u>21,760</u>		<u>1,400,193.30</u>	<u>3.06</u>
Total Corporate Securities Purchased			<u>\$2,247,618.30</u>	<u>3.92%</u>

Includes brokerage commissions paid.  
Yield at present indicated dividend rate.

## SALES AND EXCHANGES OF SECURITIES

U. S. TREASURY SECURITIES

Book Value  
Treas. 3-1/4s  
of 5/15/85

Following U. S. 2-3/4% Treasury Bonds, Investment Series B, due 4/1/80-75, switched into marketable 1-1/2% Treasury Notes, due 4/1/64, which were sold and the proceeds used to purchase like par amounts of U. S. 3-1/4% Treasury Bonds, due 5/15/85, with principal adjustments as indicated:

\$2,000,000 par value, principal cash adjustment paid to University in amount of \$2,500.00	\$2,008,479.68
\$1,000,000 par value, principal cash adjustment paid to University in amount of \$1,250.00	1,004,239.84
\$2,000,000 par value, principal cash adjustment paid to University in amount of \$3,750.00	2,007,229.68

REPORT ON PERMANENT UNIVERSITY FUND INVESTMENTS FOR FISCAL YEAR ENDED AUGUST 31, 1959. Under separate bound cover, the Land and Investment Committee presents a report on Permanent University Fund Investments for the fiscal year ended August 31, 1959. During the year, the Committee has made periodic reports of purchases and sales made for the fund, all of which transactions have been duly approved by the Board of Regents. The present report is intended to summarize the investment transactions for the fiscal year and to indicate the status of the Fund's investment portfolio as of August 31, 1959.

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED CHANGES IN POLICIES GOVERNING ELIGIBILITY FOR PURCHASE OF CORPORATE SECURITIES.--In the Policies Governing Permanent University Fund Investment Program, as amended, it is recommended that Section IV under "Policies Governing Investment in Corporate Securities" be amended as follows:

A. Be Eligible for Purchase:

1. Corporate stocks and bonds must be issued by corporations which have been formally approved by the Regents' Land and Investment Committee and by the Board of Regents except as noted in B. following:
2. Corporate bonds issued by corporations not on the approved list as outlined in IV. A. above must meet both the requirements of the Constitutional Amendment and the financial statement ratio standards and price requirement of the policy as formally approved by the Regents' Land and Investment Committee and the Board of Regents as detailed below:

(Ratio standards and price requirement to remain as already approved by the Board of Regents)

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED CHANGES IN POLICIES GOVERNING PRICE REQUIREMENTS.--In the Policies Governing the Permanent University Fund Investment Program, as amended, it is recommended that Section II under "Investment Standards to Determine Eligibility for Purchase" be amended as follows:

A. Price:

1. As a general rule, corporate bonds and preferred stocks will be purchased to the extent possible at yields to exceed the yield on the longest term Treasury Bond by the following minimum margins:

Corporate Bonds - 1/4%  
Preferred Stocks - 1/2%

2. Delete price-earnings multiples requirement.

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED CHANGES  
 DIVERSIFICATION PATTERNS.--The following table gives the present industry per-  
 centage allocations, based on per cent of total common stocks, and the recommended  
 changes in such allocations. It is recommended that approval be given to the pro-  
 posed percentage allocation changes as shown on the table.

PROPOSED CHANGES IN INDUSTRY PERCENTAGE ALLOCATIONS  
 (Dollar Allocations Based on \$150,000,000 in Common Stocks)

Corporations by Industry Groups	% of Total Common Stocks		Dollar Group Allocation	
	Present	Recommended	Present	Recommended
<u>A. INDUSTRIALS</u>				
Food and Household . . . . .	6.0%	6.0%	\$ 9,000,000	\$ 9,000,000
Chemical Products . . . . .	5.0	5.0	7,500,000	7,500,000
Automobiles . . . . .	2.5	2.0*	3,750,000	3,000,000
Electrical Products . . . . .	3.5	3.0*	5,250,000	4,500,000
Wholesale Trade . . . . .	3.0	3.0	4,500,000	4,500,000
Consumer Products . . . . .	1.5	1.5	2,250,000	2,250,000
Other . . . . .	3.5	4.0#	5,250,000	6,000,000
<u>Total Group I . . . . .</u>	<u>25.0</u>	<u>24.5</u>	<u>37,500,000</u>	<u>36,750,000</u>
Transport . . . . .	-0-	-0-	-0-	-0-
Building Materials . . . . .	4.5	4.5	6,750,000	6,750,000
Chemical - Electronic . . . . .	4.0	4.5#	6,000,000	6,750,000
Construction Equipment . . . . .	3.0	3.0	4,500,000	4,500,000
Chemical Products . . . . .	8.0	8.0	12,000,000	12,000,000
Plastic Fibres & Textiles . . . . .	-0-	-0-	-0-	-0-
Leather & Rubber . . . . .	2.0	2.0	3,000,000	3,000,000
Trucks & Auto Parts (moved to Group III) . . . . .	2.5	( 2.5)	3,750,000	( 3,750,000)
<u>Total Group II . . . . .</u>	<u>24.0</u>	<u>22.0</u>	<u>36,000,000</u>	<u>33,000,000</u>
<u>III:</u>				
Trucks & Auto Parts (moved from Group II) . . . . .	( 2.5)	2.5	( 3,750,000)	3,750,000
Machinery & Equipment . . . . .	2.5	2.5	3,750,000	3,750,000
Metals - Nonferrous . . . . .	2.5	2.0*	3,750,000	3,000,000
Metals & Iron . . . . .	4.5	5.0#	6,750,000	7,500,000
<u>Total Group III . . . . .</u>	<u>9.5</u>	<u>12.0</u>	<u>14,250,000</u>	<u>18,000,000</u>
<u>IV - Miscellaneous: . . . . .</u>	<u>3.5</u>	<u>4.0#</u>	<u>5,250,000</u>	<u>6,000,000</u>
<u>TOTALS - INDUSTRIALS . . . . .</u>	<u>62.0</u>	<u>62.5#</u>	<u>93,000,000</u>	<u>93,750,000</u>
<u>B. PUBLIC UTILITIES</u>				
Electricity and Power . . . . .	21.0	21.0	31,500,000	31,500,000
Water Service & Gas Transmission . . . . .	2.5	2.0*	3,750,000	3,000,000
Telephone . . . . .	1.5	2.0#	2,250,000	3,000,000
<u>TOTALS - PUBLIC UTILITIES . . . . .</u>	<u>25.0</u>	<u>25.0</u>	<u>37,500,000</u>	<u>37,500,000</u>
<u>RAILS (Rail Equipment moved to Industrials, Group IV, Miscl.) . . . . .</u>	<u>2.5</u>	<u>2.0*</u>	<u>3,750,000</u>	<u>3,000,000</u>
<u>FINANCIAL CORPORATIONS</u>				
Insurance . . . . .	5.5	5.5	8,250,000	8,250,000
Insurance - Fire & Casualty . . . . .	1.5	1.5	2,250,000	2,250,000
Insurance - Life . . . . .	1.5	1.5	2,250,000	2,250,000
Finance Companies . . . . .	2.0	2.0	3,000,000	3,000,000
<u>TOTALS - FINANCIAL CORPORATIONS . . . . .</u>	<u>10.5</u>	<u>10.5</u>	<u>15,750,000</u>	<u>15,750,000</u>
<u>TOTALS . . . . .</u>	<u>100.0%</u>	<u>100.0%</u>	<u>\$150,000,000</u>	<u>\$150,000,000</u>

Recommended decrease in allocation. #Recommended increase in allocation.  
 Recommended increase in A. Industrials, Group IV - Miscellaneous, and corresponding decrease  
 in RAILS due to transfer of Rail Equipment to Group IV - Miscellaneous from RAILS and  
 Equipment.

## PERMANENT UNIVERSITY FUND--LAND MATTERS.--

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

**BUSINESS SITE EASEMENT NO. 1411, H. B. ZACHRY COMPANY, EL PASO COUNTY.**-- This application for a business site easement to H. B. Zachry Company covers a tract of 11.623 acres in Block L, Survey 24, University Lands, El Paso County, to be used as an equipment yard and asphalt mixing plant. This easement is for one year beginning July 1, 1959 and ending June 30, 1960, with option to extend and renew from year to year, but not to exceed a period of 10 years from July 1, 1959, upon payment in advance of annual rental of \$116.23. Consideration of \$116.23 for the first year's rental has been received.

**PIPE LINE EASEMENT NO. 1412, THE ATLANTIC REFINING COMPANY, WARD COUNTY.**-- This application for a pipe line easement to The Atlantic Refining Company covers 145 rods of 4½-inch line at \$0.50 per rod for a 10-year period beginning October 1, 1959 and ending September 30, 1969, located in Section 13, Block 16, University Lands, Ward County. Consideration of \$72.50 for the 10-year period has been received.

**PIPE LINE EASEMENT NO. 1413, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY.**-- This application for a pipe line easement to Phillips Petroleum Company covers 50.2 rods of 2-3/8 - inch line and 153.0 rods of 3½-inch line at \$0.25 per rod, and 394.6 rods of 4½-inch line at \$0.50 per rod, for a 10-year period beginning September 1, 1959 and ending August 31, 1969, located in Section 4, Block 1, Sections 28 and 33, Block 9, Section 23, Block 10, and Sections 1 and 2, Block 13, University Lands, Andrews County. Consideration of \$248.10 for the 10-year period has been received.

**PIPE LINE EASEMENT NO. 1414, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY.**-- This application for a pipe line easement to Phillips Petroleum Company covers 164.8 rods of 4½-inch line at \$0.50 per rod for a 10-year period beginning September 1, 1959 and ending August 31, 1969, located in Sections 7 and 18, Block 5, University Lands, Andrews County. Consideration of \$82.40 for the 10-year period has been received.

**TELEPHONE BUILDING SITE EASEMENT NO. 1415, SOUTHWESTERN BELL TELEPHONE COMPANY, WARD COUNTY.**--This application for a building site to Southwestern Bell Telephone Company covers a .23-acre tract in the NW/4 of Section 34, Block 16, University Lands, Ward County, on which will be erected a small building for use in telephone service operations. This easement is for a 10-year period beginning August 1, 1959 and ending July 31, 1969. Consideration of \$500.00 for the 10-year period has been received.

**PIPE LINE EASEMENT NO. 1416, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY.**-- This application for a pipe line easement to El Paso Natural Gas Company covers 329.727 rods of 4½-inch line at \$0.50 per rod for a 10-year period beginning November 1, 1959 and ending October 31, 1969, located in Section 27, Block 1, and Section 36, Block 9, University Lands, Andrews County. Consideration of \$164.86 for the 10-year period has been received.

**PIPE LINE EASEMENT NO. 1417, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, (RENEWAL OF EASEMENT NO. 436).**--This application for a pipe line easement to Phillips Petroleum Company covers the following lines in Sections 3, 4, 5, 10, 11, 13, 14, 24, 25 and 36, Block 13, and Sections 1, 2 and 14, Block 14, University Lands, Andrews County, for a period of 10 years beginning January 1, 1960 and ending December 31, 1969: 1,789.5 rods of 24-inch line, 160.5 rods of 22-inch line, 103.5 rods of 20-inch line and 222.2 rods of 16-inch line at \$1.50 per rod; 225.9 rods of 10-3/4 - inch line and 1,881.8 rods of 8-5/8 - inch line at \$1.00 per rod; 832.3 rods of 6-5/8 inch line at \$0.75 per rod; 416.6 rods of 4½-inch line at \$0.50 per rod; 251.1 rods of 3½-inch line and 381.2 rods of 2-3/8 - inch line at \$0.25 per rod. The number of rods and size of lines differ from those under Easement No. 436, of which this is a renewal, due to removal and changes of certain lines. Consideration of \$6,511.83 for the 10-year period has been received.

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CATHODIC PROTECTION UNIT EASEMENT NO. 1418, EL PASO PRODUCTS PIPELINE COMPANY, HUDSPETH COUNTY.--This application for a cathodic protection unit to Paso Products Pipeline Company covers a site in the NE/4 of the NW/4 of Section 1, Block J, University Lands, Hudspeth County, on which will be located a cathodic protection unit or station for the purpose of servicing pipe lines covered by Pipe Line Easement No. 991. This easement is for a period of 8 years beginning September 1, 1959 and ending August 31, 1967, so as to coincide with the expiration date of Pipe Line Easement No. 991, August 31, 1967. Consideration of \$50.00 for the 8-year period has been received.

PIPE LINE EASEMENT NO. 1419, WARREN PETROLEUM CORPORATION, CRANE COUNTY RENEWAL OF EASEMENT NO. 428).--This application for a pipe line easement to Warren Petroleum Corporation covers 163.64 rods of 4-inch line at \$0.25 per rod and 466.67 rods of 6-inch line at \$0.50 per rod for a 10-year period beginning November 1, 1959 and ending October 31, 1969, located in Sections 5 and 6, Block 30, University Lands, Crane County. The number of rods and size of lines covered by this easement are a revision of those covered by Easement No. 428, which also covered lines in Section 8, Block 30, Crane County. Consideration of \$274.24 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1420, CONTINENTAL PIPE LINE COMPANY, HUDSPETH COUNTY.--This application for a pipe line easement to Continental Pipe Line Company covers 672.06 rods of 6-5/8 - inch line at \$0.75 per rod for a 10-year period beginning October 1, 1959 and ending September 30, 1969, located in Sections 5, 6, 7, Block A, University Lands, Hudspeth County. Consideration of \$504.05 for the 10-year period has been received.

ASSIGNMENT OF EASEMENTS NO. 418, 496, 911, 1364 AND 1395 FROM HUMBLE OIL & REFINING COMPANY, A TEXAS CORPORATION, TO HUMBLE OIL & REFINING COMPANY OF DELAWARE.--Approval has been requested for assignment of the following easements, issued to Humble Oil & Refining Company of Texas over a period of years, to Humble Oil & Refining Company of Delaware:

- Easement No. 418 - Right of Way for Private Road, Section 4, Block 11, University Lands, Andrews County;
- Easement No. 496 - Electric Power Line, Sections 1 and 2, Block 16, University Lands, Ward County;
- Easement No. 911 - Camp Site Easement, Section 1, Block 16, Ward County;
- Easement No. 1364 - Pipe Line Easement, Section 4, Block 11, Andrews County;
- Easement No. 1395 - Pipe Line Easement, Section 1, Block 16, Ward County.

Assignment fee of \$25 and General Land Office filing fee of \$1 will be received.

TEXAS HIGHWAY DEPARTMENT - RIGHT OF WAY (NO. 1421) AND CHANNEL EASEMENT (NO. 1421-A) FOR CONTROLLED ACCESS HIGHWAY NO. 20, WARD COUNTY, UNDER INTERSTATE HIGHWAY PROGRAM.--The Texas Highway Department proposes to acquire from the Board of Regents 374.38 acres of University Lands for actual right of way and a channel easement covering 2.261 acres for construction of the Monahans-Pyote section of Interstate Highway No. 20. The right of way and channel easement are out of Block 16, University Lands, Ward County.

This construction being part of the Interstate Highway System, the Highway Department is in a position to pay the University for the right of way and for the channel easements. Proposed price, based on independent appraisals obtained by the Highway Department for the right of way is \$19,527.00, and payment for the channel easement will be \$57.00. The amount of \$19,527.00 is made up of approximately \$11,500.00 valuation on the acreage going into the right of way and approximately \$8,000.00 for damages to approximately 2,000 acres of land North of the route of the new highway and South of present Highway No. 80, which 2,000 acres will then be somewhat wedge-shaped, approximately nine miles long and about one-half mile at the wide end. This strip of land has had no surface use other than for grazing, present current rental rate being around \$0.15 per acre annually. The price to be paid to the University does not include cost of fencing,



each fencing to be constructed by the Highway Department or compensated for to the University's tenants or to the University, which will be determined at a later date prior to delivery of the right of way instrument.

The proposed payment to the University will, however, cover all other damages to the strip, including any expense for providing water for the strip. It appears that it may be necessary to drill another water well on the strip, and the University hopes to arrange this through a tenant.

Tenants of the University on the land to be acquired for the right of way are to be settled with by the Highway Department entirely separate from the payment to the University, and the right of way instrument will not be delivered until the Highway Department has settled with the tenants, or, if necessary, condemned any remaining leasehold interests.

As was the case when right of way across University lands in El Paso County was acquired by the Highway Department for Interstate Highway No. 10, it is the policy of the Texas Highway Commission to acquire fee simple title for such right of way, whereas the policy of the Board of Regents on highway construction in general has been to grant only an easement. It was finally agreed (Minutes of July 9, 1959) to handle the El Paso Co. right of way on determinable fee basis with reversion of the land to the University if and when the highway is abandoned, and with reservation of all minerals. It is recommended that the proposal from the Highway Department for Ward County right of way be accepted; and that the Chairman of the Board of Regents be authorized to execute a determinable fee instrument as to the right of way and an easement instrument as to channel easement when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

CALICHE PERMIT NO. 159, R. & R. INC., ANDREWS COUNTY.--This application for a caliche permit to R. & R., Inc., provides for the removal of 612 cubic yards of caliche from Section 36, Block 9, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. Consideration of \$153.00 has been received.

CALICHE PERMIT NO. 160, W. A. "BILL" FARMER CONSTRUCTION COMPANY, ANDREWS COUNTY.--This application for a caliche permit to W. A. "Bill" Farmer Construction Company provides for the removal of 252 cubic yards of caliche from Block 9, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. Consideration of \$63.00 has been received.

CALICHE PERMIT NO. 161, PARKER & PARKER, INC., ANDREWS COUNTY.--This application for a caliche permit to Parker & Parker, Inc., provides for the removal of 1,848 cubic yards of caliche from Section 46, Block 9, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. Consideration of \$462.00 has been received.

GRAZING LEASE NO. 788, THORNTON & SON, WARD COUNTY (RENEWAL OF GRAZING LEASE NO. 687).--This application for renewal of a grazing lease to Thornton & Son covers 18,645.77 acres in Block 16, University Lands, Ward County, for a period of 5 years beginning January 1, 1960 and ending December 31, 1964, with the right to renew the lease for another period of 5 years at renegotiated terms. Rental is at the rate of \$0.15 per acre annually, the aggregate sum of which is \$13,984.30, to be paid in semiannual installments of \$1,398.43 on the first day of January and July during the term of the lease. Grazing Lease No. 687, of which this is a renewal, contained 20,754.5 acres. The new lease excludes acreage in and north of Interstate Highway No. 20, under construction.

GRAZING LEASE NO. 789, ESCONDIDO RANCH, INC., PECOS COUNTY (RENEWAL OF GRAZING LEASES NO. 642 HELD BY C. R. MCKENZIE AND NO. 640 HELD BY MRS. MARY LEA MCKENZIE & SONS).--This application for a grazing lease to Escondido Ranch, Inc., covers 13,224.3 acres in Block 19, University Lands, Pecos County, for a period of 5 years beginning January 1, 1960 and ending December 31, 1964. Rental is at the rate of \$0.35 per acre annually, the aggregate sum of which is \$23,142.50. Since 1,282.7 acres of this lease, located in Sections 19 and 21, are in dispute as to the survey, it is recommended that, in accordance with past procedure, rental be waived on that acreage until it can be delivered. The Frank Friend survey includes Sections 19 and 21, Block 19, Pecos County, but such inclusion is not recognized by the adjacent land owner. On the basis of such waiver, semiannual installments of \$2,089.77 will be due on the first day of January and July during the term of the lease on aggregate sum of \$20,897.70 for the 5 years unless the dispute is resolved before the end of the term of the lease. This renewal of Grazing Leases

640 and 642, and the assignment of Grazing Leases Nos. 695 and 765, below, will consolidate the holdings of Mrs. Mary Lea McKenzie and her children into one operation under the name of Escondido Ranch, Inc.

ASSIGNMENT OF GRAZING LEASE NO. 695 TO ESCONDIDO RANCH, INC., FROM MRS. MARY LEA MCKENZIE & SONS, PECOS COUNTY.--This assignment of Grazing Lease No. 695, from Mrs. Mary Lea McKenzie & Sons, to Escondido Ranch, Inc., covers 20,587.76 acres in Blocks 16 and 20, University Lands, Pecos County, for a period of 5 years beginning July 1, 1955 and ending June 30, 1960, with option to renew the lease for another period of 5 years at negotiated terms. Rental for the remaining period of this lease is at the rate of \$0.35 per acre annually, payable in semiannual installments of \$3,602.86 on the first day of January and July during the term of the lease. This assignment, and the assignment of Grazing Lease No. 765, below, and Grazing Lease No. 789, above, will consolidate the holdings of Mrs. Mary Lea McKenzie and her children into one operation under the name of Escondido Ranch, Inc. No consideration is involved in this assignment. The standard assignment fee of \$25.00 and the \$1.00 General Land Office filing fee have been received.

ASSIGNMENT OF GRAZING LEASE NO. 765 TO ESCONDIDO RANCH, INC., FROM BILL ED MCKENZIE, ET AL, PECOS COUNTY.--This assignment of Grazing Lease No. 765 to Escondido Ranch, Inc., from Bill Ed McKenzie, Lawrence B. McKenzie, Richard G. McKenzie, Bruce T. McKenzie, C. R. McKenzie, Roy N. McKenzie, Virginia L. Chapman and her husband, W. B. Chapman, covers 30,736.7 acres in Blocks 24, 25 and 26, University Lands, Pecos County, for a period of 5 years beginning January 1, 1959 and ending December 31, 1963. Rental is at the rate of \$0.30 per acre annually, the aggregate sum of which is \$46,105.10, payable in semiannual installments of \$4,610.51 on the first day of January and July during the term of the lease. This assignment, and Grazing Lease No. 789 and assignment of Grazing Lease No. 695, above, will consolidate the holdings of Mrs. Mary Lea McKenzie and her children into one operation under the name of Escondido Ranch, Inc. No consideration is involved in this assignment. The standard assignment fee of \$25.00 and the \$1.00 General Land Office filing fee have been received.

GRAZING LEASE NO. 790, BLEVINS MCKENZIE, ET AL, PECOS COUNTY (RENEWAL OF GRAZING LEASE NO. 641).--This application for renewal of a grazing lease to Blevins McKenzie, Eugene McKenzie, Jr., Iaro McKenzie Thompson (wife of William A. Thompson) and Mrs. Iaro B. McKenzie, their mother, covers 18,634.9 acres in Blocks 21, 22, 23, 24 and 25, University Lands, Pecos County, for a period of 5 years beginning January 1, 1960 and ending December 31, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.35 per acre annually, the aggregate sum of which is \$32,611.00, to be paid in semiannual installments of \$3,261.10 on the first day of January and July during the term of the lease.

WATER CONTRACT NO. 85 TO PAN AMERICAN PETROLEUM CORPORATION - (McFARLAND-QUEEN FIELD PROJECT).--Water Contract No. 85 is the identification assigned to a permit granted by the Board of Regents October 3, 1959 on behalf of Pan American Petroleum Corporation, providing for recompletion of its University "BV" Well No. 1 as a water well in the Santa Rosa formation for the purpose of a pilot water-flood project. Permission has been obtained by Pan American from the City of Andrews inasmuch as the "BV" Well No. 1 is located in the N/2 of Sec. 8, Blk. 4, Andrews County, on which tract the Board of Regents granted certain water rights to the City of Andrews.

## TRUST AND SPECIAL FUNDS -- INVESTMENT MATTERS.--

REPORT OF PURCHASES, CALL AND SALE OF SECURITIES.--The following purchases, call and sale of securities have been made for the Trust and Special Funds since the report of October 2, 1959. We ask that the Board ratify and approve these transactions:

## PURCHASE OF SECURITIES

<u>Date</u>	<u>Security</u>	<u>Principal Cost</u>
10/1/59	\$8,000 par value U. S. 4-3/4% Treasury Notes of Series C-1960, dated 8/1/59, due 8/15/60, purchased at 99.96875 to yield 4.77% to maturity (Toreador Trust Fund for Salary Supplementation of the School of Law - Temporary Investment)	\$ 7,997.50
	\$50,000 par value Boston Edison Company First Mortgage Bonds, Series G, 5-1/4%, dated 10/1/59, due 10/1/89, purchased at 101.21 to yield 5.17% to maturity (Funds Grouped for Investment)	50,605.00
10/7/59	\$38,000 par value U. S. 5% Treasury Notes of Series B-1964, dated 10/15/59, due 8/15/64, purchased at 100.6875 to yield 4.84% to maturity (Dormitory Revenue Bond Fund, Series 1956 - Bond and Interest Sinking Fund)	38,261.25

## CALL OF SECURITIES

<u>Date</u>	<u>Security</u>	<u>Net Proceeds</u>
10/1/59	\$1,000 par value Consumers Power Company First Mortgage Bond, 4-3/4% Series, due October 1, 1987, called at 100.62 plus accrued interest (Held as part of \$10,000 par value of this issue by Funds Grouped for Investment)	\$1,006.20

## SALE OF SECURITIES

<u>Date</u>	<u>Security</u>	<u>Net Proceeds</u>
9/30/59	22 Shares Addressograph-Multigraph Corporation Common Stock, sold at 104-3/4	\$ 2,274.60
10/5/59	200 Shares Ditto, sold at 109-1/2 (Temporary Investments - Current Restricted Funds - Human Genetics Fund Grant)	21,782.90

REPORT ON TRUST AND SPECIAL FUNDS INVESTMENTS FOR THE FISCAL YEAR ENDED AUGUST 31, 1959.--Under separate bound cover, the Land and Investment Committee presents a report on Trust and Special Funds Investments for the fiscal year ended August 31, 1959. During the year, the Committee has made periodic reports of purchases, sales and other transactions for the various funds, all of which have been duly approved by the Board of Regents. The present report is intended to give a summary of the investments held for the various funds as of August 31, 1959.

DEPARTMENT OF PSYCHOLOGY - RATIFICATION OF SALE OF ADDRESSOGRAPH-MULTIGRAPH CORPORATION COMMON STOCK TO PROVIDE CASH FOR SPECIAL 1960 BUDGET.--Upon application of the University, Mr. Richard Arens had agreed to furnish the funds required to carry on a program of study by the Department of Psychology on levels of intelligence as related to learning abilities, under the immediate supervision of Dr. Ira Iscoe, the funds required for the year beginning January 1, 1960, being in the total approximate amount of \$5,940.00. To furnish the cash required for this special budget, Mr. Arens forwarded through the Morgan Guaranty Trust Company 59 shares of Addressograph-Multigraph Corporation Common Stock. The stock has been sold by the Endowment Officer upon request of Dr. Iscoe, in order to provide the cash necessary for the study, in the net amount of \$6,338.31. It is recommended that the Board ratify and approve the sale of the stock.

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

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE - REPORT ON BEQUEST UNDER WILL OF CECIL P. SIMPSON, DECEASED, AND SUIT IN CONTEST OF WILL.--The University has now been notified, and has been furnished a copy of the will and of the inventory of the estate, of the bequest under the will of Mr. Cecil P. Simpson who died in Houston on September 13, 1955. The will was admitted to probate in Harris County on October 4, 1955, but just recently a suit in contest of the will has been filed in the Probate Court of Harris County on behalf on certain relatives of Mr. Simpson. Mr. Simpson's widow, Mrs. Anna Crouchet Simpson, who serves as independent co-executor and as co-trustee with Texas National Bank of Houston, is named as one of the defendants in the suit, as well as the Board of Regents.

After certain specific bequests, the will which is dated December 9, 1954, provides for the residue estate to remain in trust during the life of Mrs. Simpson with income to be paid to her, and upon the death of Mrs. Simpson the principal of the trust fund is to be delivered to the Board of Regents of The University of Texas "for the use and benefit of the M. D. Anderson Hospital for Cancer Research in Houston, Texas to be used only in the state of Texas." The Inventory and Appraisal of the estate shows total community property at a value of \$1,727,873, Mr. Simpson's one-half of the community amounting to \$863,936. No separate property is shown. No current report on the estate has yet been received, but it is understood that the trust fund comprised of the residue estate may be worth around \$1,000,000.

Mr. Paul Port, a reputable attorney of Houston, drew the will for Mr. Simpson and represents the bank and Mrs. Simpson as executors and trustees of the estate. The Attorney General of the state of Texas is representing the State and the Board of Regents in the suit, and the University's Attorney will cooperate with the Attorney General and with Mr. Port.

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

ARCHER M. HUNTINGTON MUSEUM FUND - OIL AND GAS LEASE TO PAN AMERICAN PETROLEUM CORPORATION.--Approval was given by the Board of Regents at its meeting of August 1, 1959 for an oil and gas lease on approximately 950 acres in the S. C. Bundick League, Galveston County, to the Pan American Production Company, the name in which the proposal was submitted by Mr. A. C. Felt. It was intended that the proposal be submitted in the name of Pan American Petroleum Corporation. After thorough check, it was determined that the area involved amounted to 1010.20 acres. The lease has been executed as of September 29, 1959, for a primary term of 5 years at bonus of \$50 per acre, annual delay rental of \$10 per acre and royalty of 1/6th on oil and gas. Check in the amount of \$50,510 has been forwarded to the Auditor for deposit in Account No. 77050 - Archer M. Huntington Museum Fund. Your ratification of the change in name of the lessee and acreage involved is recommended.

MEDICAL BRANCH - WALTER JUNIUS HILDEBRAND SCHOLARSHIP FUND - MINERAL INTEREST IN GONZALES COUNTY.--As authorized on September 20, 1958 and reported on June 13, 1959, the Board of Regents as Trustees of the Hildebrand Fund have sold to Malcolm Gescheidle the tract of 305.84 acres, formerly carried as 299 acres, in Gonzales County, retaining one-half of the minerals. Oil and gas lease dated November 7, 1956, now held by Gulf Coast Leaseholds, Inc., is still in effect on the tract, paying annual delay rental of \$1 per acre; and the lessee has requested that the Board of Regents join in a rental division order setting out that it is entitled to only one-half (\$149.50) of the delay rental, effective with rental payable on or before November 7, 1959. It is recommended that the Chairman of the Board be authorized to sign this instrument when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

11-13-59

ALMA JACOBS HOUSE PINER ESTATE - REPORT ON CLOSING OF SALE OF 240 ACRES IN YOAKUM COUNTY TO CHESLEY BEDFORD.--At the October 29, 1958 meeting of the Board, approval was given of the sale of 240 acres of land in Yoakum County from the Alma Jacobs Piner Estate to Chesley Bedford. The price was \$15 per acre for the surface and \$30 per acre for minerals with the understanding that we would sell him one-half of the minerals which we owned. Due to title difficulties, the closing of the sale was delayed but deed dated September 25, 1959 has been delivered to Mr. Bedford and total price of \$4,800 received. It was determined by title examination that the University owned an undivided 1/4 of the minerals under 160 acres and an undivided 1/2 of the minerals under the remaining 80 acres. Thus the sale to Mr. Bedford covered 240 acres of surface and 40 acres of minerals, and the University has retained 40 acres of minerals perpetual and fully participating but with leasing rights in the purchaser and his successors. This report is submitted for information only.

TEXAS WESTERN COLLEGE - FRANK B. COTTON TRUST - PROPOSAL FOR EXCHANGE OF SMALL TRACT IN COTTON ADDITION, EL PASO, WITH EL PASO INDEPENDENT SCHOOL DISTRICT FOR SAME AMOUNT OF ACREAGE.--On June 13, 1959 the Board of Regents declined to consider the renewal of existing leases on Frank B. Cotton Trust property in El Paso, agreeing that a review should be made of all of the property in the Trust. Members of the staff are now engaged in preparing the appropriate review for the Board of Regents and it is expected that subject review can be presented to the Board for its consideration at the January meeting. The nature and extent of this review will be discussed with the Land and Investment Committee at its meeting on November 13.

For some time, there has been under consideration by the staff a possible exchange of land in the Cotton Addition with the El Paso Independent School District. This would be an exchange of a tract of 2.835 acres in the Cotton Trust property in the Cotton Addition for a tract of the same area owned by the School District in the same Addition. A map showing the exact boundaries of the two tracts will be presented at the meeting of the Land and Investment Committee. Due to location and ownership of adjoining property, subject exchange should be of mutual advantage to the Cotton Trust and to the School District and will enable better planning of streets and access to Cotton Trust acreage. Administrative officers of the School District have indicated approval of the exchange, and it is hoped that the Board of Trustees of the El Paso Independent School District will approve the exchange at an early date. In order to expedite the matter, the Central Administration staff joins with Regent Hardie and Dr. Smiley and his staff in recommending that Dr. Smiley be authorized to notify the El Paso Independent School District that the Board of Regents is in favor of making the exchange. Final authorization for execution of the instrument will be presented to the Board at a later date if the School District approves the exchange.

ARCHER M. HUNTINGTON MUSEUM FUND - PROPOSED POWER LINE EASEMENT TO HOUSTON LIGHTING AND POWER COMPANY TO SERVE CAMP SITES.--Houston Lighting and Power Company has proposed that the Board of Regents grant it free of charge an easement approximately 150 feet in length to extend its power line, which serves the camp sites at Virginia Point, to serve additional camp sites which have recently been leased. The easement is for so long as the lines are used for electrical distribution, and the line has no purpose other than service of the camp sites. The camp site leases carry reasonable cancellation provisions as already approved by the Board of Regents. The power line already constructed, and now to be extended is under an easement granted by the Board of Regents under the same terms as proposed for the additional easement. It is recommended that this easement be granted, and that the Chairman be authorized to execute the instrument when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

HOGG FOUNDATION: WEST COLUMBIA ROYALTIES ACQUIRED FROM MISS IMA HOGG -  
PROPOSAL FOR COMMINGLING PRODUCTION FROM TWO LEASES.--Included in the oil and  
gas royalties in the West Columbia Field acquired by the Board of Regents as  
trustee of the Hogg Foundation in 1958 from Miss Ima Hogg, are the Mike Hogg "B"  
Lease and the Mike Hogg "C" Lease, both of which are held and operated by Texaco,  
Inc. Texaco has proposed by letter to Mr. Wm. B. Ferguson that Miss Ima Hogg,  
Mrs. Alice Hanszen, the Board of Regents, and Mr. Claud B. Hamill, being the only  
parties other than Texaco interested in the matter, consent to commingling of  
the oil produced from the two leases and that easements and rights-of-way for such  
commingling be granted. Texaco is doing some work on their tank batteries; and  
under their plan, a tank battery now located near the Hogg Homestead and Reserve  
on the Varner Plantation, which Reserve is now a State Park, can be removed.  
Miss Ima Hogg is the owner of the surface, and she has already signed the agreement  
proposed by Texaco. We are advised that Mrs. Hanszen will sign it at an early  
date. It is recommended that the Board of Regents approve the proposal and authorize  
the Chairman to execute the instrument when approved as to form by the Land and  
Trust Attorney and as to content by the Endowment Officer.