


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 11<sup>th</sup> day of March, 1967, A. D.

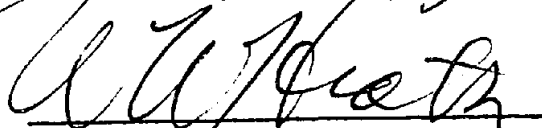
  
Frank C. Erwin, Jr., Chairman

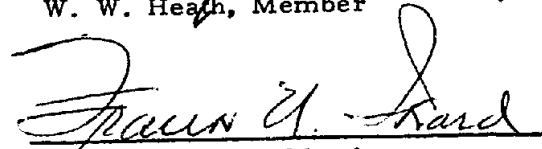
  
Jack S. Josey, Vice-Chairman

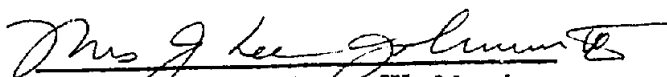
  
W. H. Baugh, Member

  
Walter P. Brennan, Member

  
H. F. Connally, Jr., M. D., Member

  
W. W. Heath, Member

  
Frank N. Ikard, Member

  
(Mrs.) J. Lee Johnson III, Member

  
Levi A. Olan, Member

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MEETING NO. 651

SATURDAY, MARCH 11, 1967. -- Following the meetings of standing committees and the Committee of the Whole on Friday, March 10, and Saturday morning, the Board of Regents of The University of Texas convened in regular session at 11:30 a. m., Saturday, March 11, 1967, in the New Area Center of Suite 728 of The Sealy and Smith Professional Building, Medical Branch campus, Galveston, Texas.

ATTENDANCE. -- The following were in attendance:

<u>Present</u>	<u>Absent *</u>
Chairman Erwin, presiding	Regent Ikard - excused
Vice-Chairman Josey	Regent (Mrs.) Johnson - excused
Regent Bauer	
Regent Brenan	
Regent Connally	
Regent Heath	
Regent Olan	
Chancellor Ransom	
Secretary Thedford	

(INFORMATIONAL REPORT: DEDICATION OF JOHN W. MCCULLOUGH OUTPATIENT CLINIC. -- As a matter of record and for future reference, it is herein reported by the Secretary that the Committee of the Whole recessed at 11:30 a. m. on Friday, March 10, 1967, and attended the dedication of the John W. McCullough Outpatient Clinic.)

INVOCATION. -- The meeting was called to order by Chairman Erwin, and the invocation was offered by Regent Olan.

APPROVAL AND CORRECTION OF MINUTES, JANUARY 27-28, 1967; AND APPROVAL OF MINUTES, FEBRUARY 23, 1967. -- Upon motion duly made and seconded, the minutes of the meeting of the Board of Regents of The University of Texas held on January 27-28, 1967 were unanimously ordered to be corrected on Page 65 (Permanent Minutes, Volume XIV, Page 964) by deleting the words "and diploma programs" on line 8 in the paragraph numbered 5 and by deleting the words "and hospitals" on lines 9 and 15 of the same numbered paragraph (5). Without objection, the minutes of January 27-28, 1967 (recorded in Volume XIV, beginning with Page 900) were unanimously approved as corrected.

The minutes of the last preceding meeting of the Board of Regents of The University of Texas held on February 23, 1967, were unanimously approved in the form as distributed and as recorded in Volume XIV, beginning with Page 1044 .

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\* Regent Ikard and Regent Johnson were in attendance at the meetings of the standing committees of which each is a member, the dedication of the John W. McCullough Outpatient Clinic, and the meeting of the Committee of the Whole on Friday, March 10, 1967. They were excused from the meeting on Saturday, March 11, 1967 in order to make transportation connections for other meetings to which they were committed.

REPORTS OF STANDING COMMITTEES

REPORT OF EXECUTIVE COMMITTEE (See Page 14 for adoption.)  
-- Committee Chairman Bauer presented the following report of the Executive Committee:

Since the last preceding report of the Committee of the Whole on January 28, 1967, the following interim actions have been approved by the Executive Committee. One item (15-M-66) submitted to the Executive Committee was referred to the Committee of the Whole (See Page 84.):

A. REPORT OF INTERIM ACTIONS

Since the last meeting of the Board of Regents on January 28, 1967, the following interim actions have been approved by the Executive Committee. It is recommended that they be in all things confirmed, approved, and ratified by the Board:

1. Main University: Permission for Doctor Donald B. Goodall to Travel (2T-4). -- Permission was granted to Doctor Donald B. Goodall, Professor of Art and Director of the Art Museum at the Main University, to go to the Eastern United States and Western Europe from February 1 through August 31, 1967 to collect material for art exhibitions and symposia on the arts and culture of the 1920's. Doctor Goodall's expenses in an amount not to exceed \$3,000 will be paid from University Research Institute funds allotted for expenses.
2. Medical Branch: Permission for Doctor C. H. Connell to Travel (4T-4). -- Permission was granted to Doctor C. H. Connell, Professor of Preventive Medicine and Public Health at the Medical Branch, to go to Western Europe and Great Britain from March 1 through April 3, 1967 (March 1 - 24, 1967 is vacation time.) for professional studies with water pollution and research men at Zurich, Switzerland; Essen, Germany; and London, England and for annual vacation. Doctor Connell's trip will be at no expense to the University.
3. Medical Branch: Permission for Doctor Yoshikazu Watanabe to Travel (4T-5). -- Permission was granted to Doctor Yoshikazu Watanabe, Associate Professor of Microbiology at the Medical Branch, to go to Calcutta, India and Manila, Philippine Islands from April 15 - May 15, 1967 (April 15 through May 9, 1967 will be leave without salary and May 9 - 15 will be vacation) to serve as the World Health Organization Consultant on Cholera and as such would lecture and assist with the training course on cholera in Calcutta and Manila. Doctor Watanabe's expenses will be paid by the World Health Organization.
4. Main University: Issuance of Purchase Orders for Equipment for New Geology Building (13-M-66). -- Approval was given to the recommendation submitted by Mr. V. E. Thompson, Vice-Chancellor Hackerman, Vice-Chancellor

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Walker, and Chancellor Ransom that the following purchase orders be issued for equipment for the New Geology Building against Account No. 85-9043-0099-New Geology Building - Allotment Account:

Requisition No. 411:

Audio Visual Services, Inc., Houston, Texas

Item No. 1 - Slide Projector \$1,694.00

This award is made on the basis of the low bid.

Requisition No. 412:

Bradshaw's Visual Aids, Austin, Texas

Item No. 1 - Kodak Carousel Slide Projector with ektanton lens (2) 276.00

Item No. 2 - Universal Trays for above (12) 39.00

Item No. 3 - Kodak Carousel Slide Projector with zoom lens (2) 300.00

These awards are made on the basis of the low total bid.

Requisition No. 413:

Miller's Visual Aids, Fort Worth, Texas

Item No. 1 - Overhead Projector with wide angle lens (4) \$ 840.00\*

Item No. 2 - Writing Pull attachment for above - No award

Item No. 3 - Acetate Writing Roll 7.50\*

This award is made on the basis of the only bid received.

Requisition No. 414:

Miller's Visual Aids, Fort Worth, Texas

Item No. 1 - Projection Optics Overhead Projector 375.00\*

This award is made on the basis of the low bid.

\*Less 1% Cash Discount

5. Medical Branch: Issuance of Purchase Orders for Equipment for Fourth, Fifth, and Sixth Floors of the Outpatient - Clinical Diagnostic Building (14-M-66). -- Approval was given to the recommendation submitted by Doctor Blocker, Mr. V. E. Thompson, Vice-Chancellor Walker, and



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Chancellor Ransom that the following purchase orders be issued for equipment for the Fourth, Fifth, and Sixth Floors of the Outpatient-Clinical Diagnostic Building at the Medical Branch against Account No. 85-9149-0099 - Medical Branch - Fourth, Fifth, and Sixth Floors of the New Outpatient-Clinical Diagnostic Building - Allotment Account:

Requisition No. UMED 3315

Surgical Mechanical Research, Inc., Newport Beach, California	ENT Examining Chairs (7)	\$1,470.00
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This award is based on the only bid received; this item has been sent out for bids previously, and no bid was received. It is, therefore, felt that no purpose could be served by calling for bids again.

Requisition No. UMED 4070

No awards on the following items:

- No. 2 - Echoencephalogram Machine
- No. 3 - Sonic Brain Gauge
- No. 4 - Oscilloscope
- No. 5 - Preamplifier (2)
- No. 6 - Power Supply for Above
- No. 7 - Cathode Probes (2)
- No. 8 - Adult and Pedi Grip Gauge (2)

Modernlab Equipment Company,  
New York, New York

Item No. 1 - Carbon Dioxide Conversion System for Lab Incubator (6)	\$1,458.00
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Technical Instrument Corporation,  
Ardsley (Chauncey), New York

Item No. 9 - Autoanalyzer PBI	7,639.00
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These awards are made on the basis of the only bids received for these particular items, since these are the only sources for this type of equipment.

6. Arlington State College: Award of Contracts for Furniture and Furnishings for Addition to Library Building (16-M-66)  
--Upon the recommendation of President Woolf, Mr. V. E. Thompson, Vice-Chancellor Walker and Chancellor Ransom, contracts have been awarded for furniture and furnishings for the Addition to the Library Building at Arlington State College to the low bidders as follows:

Base Proposal "A": Abel Contract Furniture and Equipment Company, Inc., Austin, Texas	\$ 90,536.35
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Base Proposal "B": Rockford Furniture Associates, Austin, Texas	108,250.20
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Base Proposal "C": Royalmetal Corporation, New York, New York	<u>85,658.07</u>
Total Recommended Contract Awards	<u>\$284,444.62</u>

The amount of money available for the furniture, furnishings, and equipment for this building addition is approximately \$440,000.00, and these recommended contract awards are well within this amount. The above bids represent a partial list of the movable furniture and equipment required for this building addition, and acquisition of the remaining requirements will be accomplished at a later date.

7. Main University: Issuance of Purchase Orders for Furniture and Furnishings for the Biological Sciences Experimental Field Laboratory (17-M-66).-- Approval was given to the recommendation of Mr. V. E. Thompson, Vice-Chancellor Walker, and Chancellor Ransom that the following purchase orders be issued for furniture and furnishings for the Biological Sciences Experimental Field Laboratory at the Main University:

Vermont-Ware, Hinesburg, Vermont Two-wheel Utility Cart (4)	\$226.30
The Behrens Drug Company, Austin, Texas Boiler Type Humidifier (6)	43.98
Sears, Roebuck and Company, Dallas, Texas Ladders for Swimming Pools (24)	366.00

All of these awards are based on the only bid received for the respective items. Since this is the second time that bids have been called for on these items, and the prices appear to be reasonable, it is believed to the University's advantage to accept these bids rather than call for bids again.

8. Main University: Minutes of Board of Directors of Texas Student Publications, Inc. (18-M-66).-- The minutes of the meeting of the Board of Directors of Texas Student Publications, Inc., held on Thursday, January 12, 1967, were approved by the Executive Committee and thereby the following actions of the Texas Student Publications, Inc. Board were approved:

- a. Appointed Carolyn Nichols as Managing Editor of The Daily Texan for the Spring Semester, 1967 at a salary of \$160.00 per month effective January 30, 1967.
- b. Appointed Ben Barr as Auditor for Texas Student Publications, Inc., for the year 1966-67. Mr. Barr is a part-time member of the faculty of the Accounting Department in the College of Business Administration and a partner in the accounting firm of Barr, Howard, Boswell, and Holck.

- c. Adopted the following amendments to the budgets for  
The Daily Texan and the Texas Engineering Science  
Magazine:

THE DAILY TEXAN

	Original Budget Plus Revisions of December 12, 1966	Proposed Amendments
1 <u>Estimated Income</u>		
2 Student Activity Fees	\$ 99,220	\$ 99,220
3 Display Advertising		
4    Local	95,000	96,500 *
5    National	32,000	35,000 *
6 Classified Advertising	9,800	9,800
7 Subscriptions and Sales	6,500	6,500
8 Estimated Income in excess of line 2	<u>1,780</u>	<u>0 *</u>
9        Total Estimated Income	<u>\$244,300</u>	<u>\$247,020 *</u>
10 <u>Appropriation Items</u>		
11 Salaries	\$ 35,825	\$ 36,225 *
12 Wages	<u>96,225</u>	<u>96,575 *</u>
13    Sub Total	\$132,050	\$132,800 *
14 Newsprint and Storage	34,000	35,000 *
15 Maintenance and Operation	32,500	33,600 *
16 Travel	2,200	2,000 *
17 General Overhead Allocation	42,972	42,972
18 Unallocated Account	<u>578</u>	<u>648 *</u>
19        Total Appropriations	<u>\$244,300</u>	<u>\$247,020 *</u>
20 <u>SALARY ROSTER</u>		
21 <u>Supervisory</u>		
22    Editorial Manager		
24      Robert Hilburn	\$ 13,500	\$ 13,500
25      Wages	<u>2,150</u>	<u>2,150</u>
26	\$ 15,650	\$ 15,650
27 <u>Editorial (9 months salaries)</u>		
28    Editor		
30      John Economy	1,485	1,485
31      Managing Editor		
33      Carolyn Nichols	<u>1,440</u>	<u>1,440</u>
35        Sub Total, Salaries	\$ 2,925	\$ 2,925
36    Wages	<u>11,625</u>	<u>11,625</u>
37        Total Editorial	<u>\$ 14,550</u>	<u>\$ 14,550</u>
38 <u>Photo and Fairchild</u>		
39    Wages	<u>\$ 2,800</u>	<u>\$ 2,800</u>

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	Original Budget Plus Revisions of December 12, 1966	Proposed Amendments
40 <u>Circulation</u>		
41 Circulation Manager		
42 Bronson Schultz (a)	\$ 2,700	\$ 2,700
43 Wages	<u>13,800</u>	<u>13,800</u>
44 Total Circulation	<u>\$ 16,500</u>	<u>\$ 16,500</u>
45 <u>Printing</u>		
46 Superintendent		
47 Arthur Rinn	\$ 8,500	\$ 8,500
48 Wages	<u>53,000</u>	<u>53,000</u>
49 Total Printing	<u>\$ 61,500</u>	<u>\$ 61,500</u>

1 SALARY ROSTER

2 <u>Advertising</u>		
3 Advertising Manager		
4 Mary G. Frazier (b)	\$ 3,000	\$ 3,400*
5 James Morgan (c)	<u>5,200</u>	<u>5,200</u>
6 Sub Total, Salaries	8,200	8,600*
7 Wages	<u>12,850</u>	<u>13,200*</u>
8	<u>\$ 21,050</u>	<u>\$ 21,800*</u>

- (a) Total salary of Circulation Manager for 1966-67 is \$4,920 with \$2,220 charged to General Overhead Salary Account.
- (b) Salary for Mrs. Frazier for 1966-67 includes base salary of \$350 per month plus 2% Commission on Texan advertising sales for September through January only. She retires in January 1967.
- (c) Salary for new Advertising Manager is \$650 per month for 8 months effective January 1, 1967.

\*Proposed change from previously approved budget.

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TEXAS ENGINEERING AND SCIENCE MAGAZINE

	Original Budget 1966-67	Proposed Amendments
<u>Estimated Income</u>		
Line 1 Advertising	\$ 6,400	\$ 7,600
2 Campus Sales	<u>1,700</u>	<u>500</u>
3 Total Estimated Income	<u>\$ 8,100</u>	<u>\$ 8,100</u>
<u>Appropriation Items</u>		
5 Salaries	200	200
6 Wages	<u>430</u>	<u>430</u>
7 Sub Total	630	630
8 Printing	4,500	4,600
9 Maintenance and Operations	2,425	2,325
10 General Overhead	641	641
11 Unallocated Account	<u>-96</u>	<u>-96</u>
12 Total Appropriations	<u>\$ 8,100</u>	<u>\$ 8,100</u>

9. Amendments to the 1966-67 Budgets (Main University, Texas Western College, Arlington State College, Medical Branch, and Southwestern Medical School)(6-B-66). -- Below are the proposed amendments to the 1966-67 Budgets and are presented here for ratification by the Board:

MAIN UNIVERSITY  
AMENDMENTS TO 1966-67 BUDGET  
Source of Funds - Departmental Appropriations  
(Unless Otherwise Specified)

Item No.	Explanation	Present Status	Proposed Status	Effective Date
114.	Joseph J. Lagowski Chemistry	Associate Professor	Associate Professor	
	Academic Rate	\$13,000	\$16,000	2/1/67

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Item No.	Explanation	Present Status	Proposed Status	Effective Date
115.	International Office Transfer of Funds	From: Unappropriated Balance	To: International Office-Wages	
	Amount of Transfer	\$ 4,760	\$ 4,760	-----
116.	Office of the Dean College of Arts and Sciences Transfer of Funds	From: Institutional Unallocated Travel Account	To: Dean's Office Account - Travel For Arts and Sciences Faculty	
	Amount of Transfer	\$ 1,500	\$ 1,500	-----

TEXAS WESTERN COLLEGE  
AMENDMENTS TO 1966-67 BUDGET  
Source of Funds - Departmental Appropriations  
(Unless Otherwise Specified)

Item No.	Explanation	Present Status	Proposed Status	Effective Date
14.	Intercollegiate Athletics Transfer of Funds	From: Intercollegiate Athletics Balance	To: Intercollegiate Athletics - Salaries For - Appointment of Assistant Football Coach Raymond E. Fulton - Salary Rate \$8,500	2/1-8/31
	Amount of Transfer	\$ 4,958	\$ 4,958	

ARLINGTON STATE COLLEGE  
AMENDMENTS TO 1966-67 BUDGET  
Source of Funds - Departmental Appropriations  
(Unless Otherwise Specified)

Item No.	Explanation	Present Status	Proposed Status	Effective Date
13.	Organized Research - Science Transfer of Funds	From: Other Expenses	To: Travel Expense	
	Amount of Transfer	\$ 316	\$ 316	-----

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MEDICAL BRANCH  
 AMENDMENTS TO 1966-67 BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

Item No.	Explanation	Present Status	Proposed Status	Effective Date
14.	Robert D. Yates Anatomy	Research Assistant Professor	Research Assistant Professor	
	Salary Rate	\$11,600	\$13,000	2/1/67
	Source of Funds: NIH Grant			
15.	Edith M. Box Microbiology	Associate Professor	Associate Professor	
	Salary Rate	\$11,000	\$14,000	2/1/67
	Source of Funds: Unallocated Salaries			

SOUTHWESTERN MEDICAL SCHOOL  
 AMENDMENTS TO 1966-67 BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
14.	Charles B. Mullins Internal Medicine	Instructor	Instructor	
	Salary Rate	\$12,500	\$14,000	2/1/67
	Source of Funds: USPHS Contract			
15.	Patricia Stapp Medical Art and Visual Education	Associate Professor: Acting Chairman	Associate Professor: Acting Chairman	
	Salary Rate	\$ 9,900	\$15,000	2/1/67
	Source of Funds: Unallocated Salaries			
16.	Robert A. Sage Medical Art and Visual Education	Associate Professor	Associate Professor	
	Salary Rate	\$ 9,000	\$11,400	2/1/67
	Source of Funds: Unallocated Salaries			

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Item No.	Explanation	Present Status	Proposed Status	Effective Dates
17.	Annette Porter Medical Art and Visual Education	Assistant Professor	Assistant Professor	
	Salary Rate	\$ 6,540	\$ 8,160	2/1/67
	Source of Funds: Unallocated Salaries			
18.	Geraldine Polley Medical Art and Visual Education	Medical Art Technician III	Medical Art Technician III	
	Salary Rate	\$ 5,028	\$ 6,168	2/1/67
	Source of Funds: Unallocated Salaries			
19.	Patricia Ladd Medical Art and Visual Education	Medical Art Technician II	Medical Art Technician II	
	Salary Rate	\$ 4,392	\$ 5,520	2/1/67
	Source of Funds: Unallocated Salaries			

10. Main University: Extension of Leave of Absence for Mr. Martin S. Kermacy (7-B-66). -- Approval was given to extend for one additional year (1967-68) the leave of absence granted in the summer of 1965 to Mr. Martin S. Kermacy, Professor of Architecture at the Main University, to serve as Cultural Atache' for the United States Government in Vienna. This is in compliance with the Rules and Regulations, Part One, Chapter III, Section 16.4.

11. Medical Branch: Approval of Salary Increase for Mrs. Marilyn R. Spikes (8-B-66). -- The salary of Mrs. Marilyn R. Spikes, Head Nurse at the Medical Branch, was increased to \$7,440, effective January 1, 1967. Mrs. Spikes is the wife of Mr. John J. Spikes, Technical Director of Laboratory Technology in the Clinical Laboratory of the Medical Branch. This is in compliance with the Rules and Regulations, Part One, Chapter III, Section 5.34.

12. Amendments to the 1966-67 Budgets (Central Administration, Arlington State College, Medical Branch, Southwestern Medical School, and M. D. Anderson Hospital and Tumor Institute) (9-B-66). -- On the following pages (Pages 12 & 13) are the proposed amendments to the 1966-67 Budgets and are presented here for ratification by the Board.



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CENTRAL ADMINISTRATION  
 AMENDMENT TO 1966-67 BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

<u>Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
System Personnel Office - Workmen's Compensation Insurance			
Transfer of Funds	From: Workmen's Compensation Insurance - Unappropriated Balance	To: Workmen's Compensation Insurance - Compensation Benefits for Injury	
Amount of Transfer	\$30,000	\$30,000	---

ARLINGTON STATE COLLEGE  
 AMENDMENTS TO 1966-67 BUDGETS  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

<u>Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
George N. Green - History and Sociology	Instructor	Instructor	
Academic Rate	\$7,308	\$8,505	2/1/67
Source of Funds: Unallo- cated Salaries			
Organized Research - Business			
Transfer of Funds	From: Department of Business Admin- istration, Accounting and Economics - Wages	To: Organized Research - Business - Travel Expense	
Amount of Transfer	\$1,400	\$1,400	---

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MEDICAL BRANCH  
 AMENDMENT TO 1966-67 BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

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<u>Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
Bobbye M. Rouse - Pediatrics	Assistant Professor	Assistant Professor	
Salary Rate	\$11,000	\$14,000	2/1/67
Source of Funds: HEW Grant			

SOUTHWESTERN MEDICAL SCHOOL  
 AMENDMENT TO 1966-67 BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

<u>Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
Toshio Irino - Experi- mental Medicine	Fellow	Fellow	
Salary Rate	\$6,000	\$7,200	2/1/67
Source of Funds: Current Restricted Funds - Grady H. Vaughn Fund			

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE  
 AMENDMENTS TO 1966-67 BUDGETS  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

<u>Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
David S. de Jongh - Pathology	Research Physician	Research Physician	
Salary Rate	\$12,500	\$15,000	2/1/67
Source of Funds: N.I.H. Grant and U.S.P.H.S. Grant			
Eugene F. Hutsell - Pharmacy	Pharmacist	Pharmacist	
Salary Rate	\$7,800	\$8,880	2/1/67
Source of Funds: Reserve for Salaries			

13-11-67.

B. ITEM 15-M-66 REFERRED TO THE COMMITTEE OF  
THE WHOLE

Item 15-M-66 relating to the sale of the property at 3909 Avenue D,  
Travis County, Austin, Texas, was referred to the Committee of  
the Whole. See Page 84 .

Adoption of Report. --It was moved by Regent Bauer that the  
foregoing report and all the recommendations contained therein  
be in all things confirmed, approved, and ratified. Regent  
Brenan seconded the motion which unanimously prevailed.

REPORT OF THE ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (See Page 16 for adoption). -- Regent Olan, Chairman of the Academic and Developmental Affairs Committee, presented the following report:

The Academic and Developmental Affairs Committee submits the following recommendations for the full Board's consideration:

1. Main University: Admission Prices for the 1967 Football Games  
 -- Admission prices to the 1967 home football games and the 1967 Oklahoma game in Dallas were approved as follows:

September 30	Texas Tech	Reserved	\$5.00
October 7	Oklahoma State	West Side	5.00
		North End	2.50
October 14	Oklahoma	Reserved	6.00
October 28	Rice	Reserved	5.00
November 11	Baylor	Reserved	5.00
November 18	T. C. U.	Reserved	5.00
		North End	2.50
Knothole Section, when space is available			1.00

2. Main University: Amendments to the Graduate Catalog (1964-66) with Regard to Degrees in Biological Sciences. -- Upon recommendation of the Graduate Assembly, concurred in by Vice-Chancellor Hackerman and Chancellor Ransom, the Academic and Developmental Affairs Committee recommends that the Graduate School Catalog (1964-66) be amended on Pages 92, 98, and 101 by adding under "Programs of Graduate Work" in the respective departments of Botany, Microbiology, and Zoology the following statement:

"The Graduate Studies Committee may, in appropriate instances, propose that degrees be awarded in biological sciences (with a designated area of specialization)".

It is further recommended that the Graduate School Catalog (1964-66) be amended by including in the catalog an appropriate statement "to empower the graduate faculty members in biochemistry within the graduate studies committee in chemistry, and the graduate faculty members in paleontology within a graduate studies committee in geology, to propose that in specific instances programs in their areas be considered as programs for the Master's or Doctor's degree in biological sciences."

3. System-Wide: Student Counseling. -- Prior to this meeting the Academic and Developmental Affairs Committee received a report from the Faculty Committee on Student Counseling. At our meeting on yesterday, the Committee received from Doctor Hackerman, representing the Administration, a report including recommendations on student counseling for Main University

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together with the budget requirements for implementation and also received communications from President Ray, President Woolf, and Dean Olson.

These recommendations were adopted in principle. Pursuant to the action of the Board of Regents at its meeting on January 28, 1967, the matter was referred to the Committee of the Whole with a request to find out where the money can come from for this development and with emphasis on the fact that this is only a start on development of student counseling. (See Page 93 .)

4. Report from Educational Policy Committee on New Programs. -- Doctor Hackerman reported that the Educational Policy Committee had been enlarged pursuant to the request of the Board of Regents at its meeting on January 28, 1967. The Academic and Developmental Affairs Committee recommends that the Educational Policy Committee be requested to give a status report at a summer meeting of 1967 of the Board of Regents relating to the following:
- a. Experiments that have been made and proved successful
  - b. Experiments that have been made and proved useless and rejected
  - c. Other possible new experiments or innovations

Adoption of Report. -- Upon motion of Regent Olan, seconded by Vice-Chairman Josey, the foregoing report of the Academic and Developmental Affairs Committee and the recommendations contained therein were unanimously adopted.

3-11-62

REPORT OF (1) JOINT MEETING OF BUILDINGS AND GROUNDS COMMITTEE AND MEDICAL AFFAIRS COMMITTEE AND (2) BUILDINGS AND GROUNDS COMMITTEE (See Page 22 for adoption.) -- In the absence of Committee Chairman Johnson, Regent Heath presented the following report of the joint meeting of the Buildings and Grounds and the Medical Affairs committees and the meeting of the Buildings and Grounds Committee:

The following recommendations were adopted in a joint meeting of the Buildings and Grounds and Medical Affairs committees:

1. Medical Branch: Approval of Final Plans and Specifications for Animal Quarters Building. -- It is recommended that the final plans and specifications for the Animal Quarters Building at the Medical Branch as prepared by the Associate Architect for the project, Jenkins, Hoff, Oberg, and Saxe, be approved by the Board, with authorization to the Director of the Office of Facilities Planning and Construction to advertise for bids on the project to be presented to the Executive Committee for award of a contract.
2. Medical Branch: Approval of Final Plans and Specifications for Basic Sciences Building. -- It is recommended that the final plans and specifications for the Basic Sciences Building at the Medical Branch as prepared by the Associate Architect on the project, Wilson, Morris, Crain, and Anderson, be approved by the Board and that authorization be given to the Director of the Office of Facilities Planning and Construction to advertise for bids on the project to be presented to the Executive Committee for award of a contract.
3. M. D. Anderson Hospital and Tumor Institute: Increase in Present Appropriation for Remodeling in the Outpatient Clinic and Other Patient Areas. -- It is recommended that in addition to the \$941,500.00 at present in the Allotment Account for Remodeling in Outpatient Clinic and Other Patient Areas at the M. D. Anderson Hospital and Tumor Institute, the sum of \$200,000.00 be transferred to that account from the balance of \$280,000.00 in the Reserve for Project Allocations at M. D. Anderson Hospital and Tumor Institute.
4. M. D. Anderson Hospital and Tumor Institute: Approval of Final Plans and Specifications for Remodeling of Outpatient and Other Patient Service Areas; Bids to be Submitted to Executive Committee. -- It is recommended that the final plans and specifications for Remodeling of Outpatient Areas and Other Patient Service Areas in the existing Hospital Building at M. D. Anderson Hospital and Tumor Institute as prepared by the Associate Architect on the project, Mackie and Kamrath, be approved by the Board, with authorization to the Director of the Office of Facilities Planning and Construction to advertise for bids on the project, these bids to be presented to the Executive Committee for award of a contract.

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5. M. D. Anderson Hospital and Tumor Institute: Renewal of Two Leases with Hermann Hospital Estate (6410 and 6414 Fannin Street, Houston). -- It is recommended that two lease agreements between M. D. Anderson Hospital and Tumor Institute and Hermann Hospital Estate which expire March 31, 1967, be renewed, as follows:
- Lease covering an area of 789 square feet in the ground level space of the Hermann Garage Building at 6414 Fannin Street at a rate of \$0.35 per square foot per month for a period of one year, beginning April 1, 1967.
- This area will be used by the Graduate School of Biomedical Sciences after completion of the Addition to the M. D. Anderson Hospital and Tumor Institute Building and the space is no longer needed by the M. D. Anderson Hospital and Tumor Institute.
- Lease covering an area of 536 square feet in the basement level space in the Hermann Professional Building at 6410 Fannin Street on a month-to-month basis, beginning April 1, 1967, to be terminated when the Addition to the M. D. Anderson Hospital and Tumor Institute Building under construction is accepted.
6. M. D. Anderson Hospital and Tumor Institute: Renewal of Lease with Hermann Hospital Estate (Hermann Garage Building). -- It is recommended that the lease agreement between M. D. Anderson Hospital and Tumor Institute and Hermann Hospital Estate covering 1,536 square feet of space in the Hermann Garage Building at a rental rate of \$0.35 per square foot, which expires February 14, 1967, be renewed for an additional year beginning February 15, 1967, under the same terms. When this area is no longer needed by M. D. Anderson Hospital and Tumor Institute, it will be made available to the Graduate School of Biomedical Sciences.
7. M. D. Anderson Hospital and Tumor Institute: Authorization to Enter into a Contract with General Atomic Division of General Dynamics Corporation for Specifications of a Linear Accelerator for Clinical Purposes. -- A contract is now being negotiated by M. D. Anderson Hospital and Tumor Institute with the General Atomic Division of General Dynamics Corporation for that firm to develop specifications for a linear accelerator designed for clinical purposes. The firm will also aid in submitting the specifications for this equipment for competitive bidding, reviewing manufacturers' bids, monitoring construction, and reviewing performance of the unit. It is recommended that the Board authorize the Chairman of the Board to execute this contract in an amount not to exceed \$35,000.00, this being the amount of a grant from the National Cancer Institute for this purpose. The equipment to be purchased is also to be furnished by a grant from the National Cancer Institute.
8. Medical Branch: Approval of Revised Preliminary Plans for Library Building; Appropriation of \$60,000 from Moody Foundation Grant. -- It is recommended that the revised preliminary plans for the Library Building at the Medical Branch as prepared

by the Associate Architect on the project, O'Neil Ford, be approved by the Board, with authorization for the Associate Architect to proceed with the preparation of working drawings and specifications based on these revised preliminary plans, these final plans and specifications to be presented to the Board for approval at a later meeting. The estimated cost of \$2,500,000.00 based on these plans is well within the anticipated funds from gifts and Federal matching grants. It is further recommended that in order to cover preliminary expenses and the Architects' Fees on this project as now estimated, an appropriation of \$60,000.00 be made from the Moody Foundation grant for the Library Building, \$10,000.00 to be added to the Consulting Architect's Fees already appropriated, \$47,500.00 to be added to the Associate Architect's Fees already appropriated, and \$2,500.00 to be used for preliminary expenses.

9. Medical Branch: Approval of Final Plans and Specifications for Expansion of Laundry. -- It is recommended that the final plans and specifications for the Expansion of the Laundry at the Medical Branch as prepared by Raymond R. Rapp, Jr., Associate Architect for the project, be approved by the Board and that authorization be given to the Director of the Office of Facilities Planning and Construction to advertise for bids to be presented to the Executive Committee for award of a contract.
10. Medical Branch: Demolition of Ashbel Smith Building Rescinded. -- It is recommended that the previous authorization for the demolition of the Ashbel Smith Building at the Medical Branch be rescinded, and that the building not be demolished without prior approval by the Board of Regents after due consideration is given to its architectural, cultural, and historic significance as a Texas historical landmark.

The following recommendations were adopted by the Buildings and Grounds Committee following the joint meeting with the Medical Affairs Committee:

1. Main University: Approval of Resolution by the Board of Regents in Regard to Filing Application for a Construction Loan for Women's Cooperative Housing Project Number 2. -- In order to furnish the Department of Housing and Urban Development with a specific resolution with reference to the Women's Cooperative Housing Project Number 2 at the Main University, showing that authorization has been given to make an application for a loan on this project and to sign the Civil Rights compliance assurance, it is recommended that the Board pass the resolution as set out below:

"BE IT RESOLVED, that V. E. Thompson, Director of Facilities Planning and Construction of The University of Texas, be and he is hereby authorized, empowered, and directed to file an application, along with all related documents including HUD Form 41901, 'Assurance of Compliance with Department of Housing and Urban



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Development Regulations under Title VI of the Civil Rights Act of 1964, for a construction loan under Title IV, College Housing Loan Program, for the Women's Cooperative Housing Project Number 2 at the Main University of The University of Texas."

2. Main University: Approval of Plans and Specifications for Remodeling of Old Geology Building. -- It is recommended that the plans and specifications for the Remodeling of the Old Geology Building as prepared by Kuehne and Turley, Architect for this project, be approved by the Board and that authorization be given to the Director of the Office of Facilities Planning and Construction to advertise for bids to be presented to the Executive Committee for award of a contract.
3. Main University: Approval of Plans and Specifications for Relocation of Closures at Stadium. -- It is recommended that the plans and specifications for the Relocation of Closures of the Stadium at the Main University as prepared by the Office of Facilities Planning and Construction be approved by the Board and that the Director of the Office of Facilities Planning and Construction be authorized to advertise for bids to be presented to the Executive Committee for award of a contract.
4. Main University: Approval of Plans and Specifications for Relocation of Penick Tennis Courts and Construction of One Additional Court. -- It is recommended that the plans and specifications for the Relocation of Penick Tennis Courts and Construction of One Additional Court as prepared by the Office of Facilities Planning and Construction be approved by the Board, with authorization to the Director of the Office of Facilities Planning and Construction to advertise for bids to be presented to the Executive Committee for award of a contract.
5. Main University: Approval of Final Plans and Specifications for Transient Quarters at W. J. McDonald Observatory. -- It is recommended that the final plans and specifications for the Transient Quarters at W. J. McDonald Observatory, Fort Davis, Texas, as prepared by Merle A. Simpson, Associate Architect on the project, be approved by the Board and that the Director of the Office of Facilities Planning and Construction be authorized to advertise for bids to be presented to the Executive Committee for award of a contract.
6. Main University: Approval of Final Plans and Specifications for East Mall Development. -- It is recommended that the final plans and specifications for the Development of the East Mall at the Main University as prepared by Brooks, Barr, Graeber and White, Architect on the project, be approved by the Board, with authorization to the Director of the Office of Facilities Planning and Construction to advertise for bids to be presented to the Executive Committee for award of a contract.

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7. Main University: Approval of Preliminary Plans for Music Building No. 2; Appropriation of \$50,000 from Permanent University Fund Bond Proceeds for Preliminary Expenses and Architects' Fees. --It is recommended that the preliminary plans and outline specifications for Music Building No. 2 at the Main University as prepared by the Consulting Architect, Brooks, Barr, Graeber and White, be approved by the Board and that authorization be given to the Associate Architect on the project, Marmon and Mok, to proceed with the preparation of working drawings and specifications based on the approved preliminary plans, these final plans and specifications to be presented to the Board for approval at a later meeting. In order that there will be sufficient funds to pay Architects' Fees and preliminary expenses through the working drawing stage, it is further recommended that an appropriation of \$50,000.00 be made from Permanent University Fund Bond Proceeds previously allocated, \$1,125.00 for preliminary expenses, \$5,125.00 to be added to the appropriation previously made for Consulting Architect's Fees, and \$43,750.00 for Associate Architect's Fees.
8. Arlington State College: Approval of Plans and Specifications for Expansion of Central Heating and Cooling Plant and Utility Distribution Systems. --It is recommended that the plans and specifications for the Expansion of the Central Heating and Cooling Plant and Utility Distribution Systems at Arlington State College as prepared by Cowan, Love, and Jackson, Inc., Engineer on the project, be approved by the Board, with authorization to the Director of the Office of Facilities Planning and Construction to advertise for bids to be presented to the Executive Committee for award of a contract.
9. Arlington State College: Approval of Final Plans and Specifications for Faculty Office Building. --This item was referred to the Committee of the Whole. (See Item 15, Page 22 .)
10. Arlington State College: Approval of Final Plans and Specifications for Business-Life Science Building. --It is recommended that the final plans and specifications for the Business-Life Science Building at Arlington State College as prepared by the Associate Architect on the project, Harwood K. Smith and Partners, be approved by the Board and that the Director of the Office of Facilities Planning and Construction be authorized to advertise for bids to be presented to the Executive Committee for award of a contract.
11. Arlington State College: Approval of Specifications for Furniture and Furnishings for the Mathematics-Language Building. --It is recommended that the specifications for Furniture and Furnishings for the Mathematics-Language Building at Arlington State College as prepared by the Office of Facilities Planning and Construction be approved by the Board, with authorization to the Director of the Office of Facilities Planning and Construction to advertise for bids to be presented to the Executive Committee for award of contracts.

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12. Arlington State College: Acceptance of Supplement to Grant No. Tex. 4-1118 for Mathematics - Language Building. -- It is recommended that the supplement to Grant No. Tex. 4-1118 in the amount of \$41,628.00 for aid in the construction of the Mathematics-Language Building at Arlington State College be accepted by the Board and that this amount be added to the Allotment Account for this building.
13. Arlington State College: Approval of Final Plans and Specifications for Remodeling of Women's Gymnasium. -- It is recommended that the final plans and specifications for Remodeling of the Women's Gymnasium at Arlington State College, as prepared by Preston M. Geren, Associate Architect on the project, be approved by the Board and that authorization be given to the Director of the Office of Facilities Planning and Construction to advertise for bids to be presented to the Executive Committee for award of a contract.
14. Texas Western College: Approval, Granting Right-of-Way Easement to City of El Paso (for Rim Road West of Hawthorne Street). -- It is recommended that the Board grant an easement to the City of El Paso across two small parcels of land owned by The University of Texas, one parcel containing approximately 0.051 acres and the other approximately 0.235 acres, without any remuneration, and that the Chairman of the Board be authorized to sign the easement instrument, after approval as to content by Mr. V. E. Thompson and as to form by University Attorney Waldrep. This easement is for the purpose of allowing the City of El Paso to build and open Rim Road west of Hawthorne Street, which will provide a tie-in of Rim Road to the Wiggins Road, which runs through the Texas Western College Campus. It is understood that the easement agreement will contain a clause which provides that in the event the property or any part thereof should not be used for the purposes herein stated, or should the road be permanently abandoned, the property would revert to the University.
15. Arlington State College: Approval of Final Plans and Specifications for Faculty Office Building. -- It is recommended that the final plans and specifications for the Faculty Office Building at Arlington State College as prepared by the Associate Architect, Hueppelsheuser and White, be approved by the Board and that the Director of the Office of Facilities Planning and Construction be authorized to advertise for bids to be presented to the Executive Committee. (See Item 9, Page 21 .)

(Item 15 set out above was unanimously adopted at the meeting of the Committee of the Whole on Saturday morning, March 11, 1967. The Secretary was instructed to cause it to be included in the minute book as the last item of the report of the Buildings and Grounds Committee.)

Adoption of Reports. -- The foregoing reports of the joint meeting of the Buildings and Grounds Committee and the Medical Affairs Committee and of the meeting of the Buildings and Grounds Committee together with the recommendations contained in each were unanimously adopted upon motion of Regent Heath, duly seconded.

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REPORT OF LAND AND INVESTMENT COMMITTEE (See Page 52 for adoption.) --Chairman Brennan presented the following report of the Land and Investment Committee:

I. Permanent University Fund

A. Investment Matters

1. Report of Purchases of Securities. -- The report of purchases of securities for the Permanent University Fund from January 6 through February 14, 1967 was approved as follows:

PURCHASES OF SECURITIES

U. S. GOVERNMENT SECURITIES

Date of Purchase	Security	Maturity Value Bills Purchased	Market Price at Which Purchased	Total Principal Cost*	Equivalent Bond Yield on Cost
1/6/67	U. S. Treasury Bills, dated 8/26/66, due 4/21/67, on a 4.80% yield basis	\$450,000	98.6666667N	\$ 444,000.00	4.91%
2/10/67	U. S. Treasury Bills, dated 5/31/66, due 5/31/67, on a 4.52% yield basis	400,000	98.6816675N	394,726.67	4.64
	Total U. S. Government Securities Purchased	<u>\$850,000</u>		<u>\$ 838,726.67</u>	<u>4.78%</u>

COMMON STOCKS

Date of Purchase	Security	No. of Shares Purchased	Market Price	Total Principal Cost**	Indicated Current Yield on Cost**
1/6/67	Bristol-Myers Co. Common Stock	1,000	55-3/8(400) 55-1/4(600)	\$ 55,745.34	1.52%
1/6/67	Eastman Kodak Co. Common Stock	900	128-5/8	116,229.24	1.59
1/6/67	General Electric Co. Common Stock	800	89-3/8(400) 89-1/4(200) 89-1/8(200)	71,808.44	2.90
1/9/67	Bristol-Myers Co. Common Stock	1,000	55-1/4	55,695.30	1.53
1/9/67	General Electric Co. Common Stock	800	87-3/4	70,582.24	2.95
1/9/67	International Business Machines Corp. Capital Stock	600	380 (400) 379 (200)	228,250.00	1.16
1/11/67	Bristol-Myers Co. Common Stock	1,000	56-1/4	56,696.30	1.50

\*Includes brokerage commissions paid.  
\*\*Yield at present indicated dividend rates.

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## COMMON STOCKS (Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
1/11/67	General Electric Co. Common Stock	800	84-7/8(300) 84-3/4(500)	\$ 68,217.37	3.05%
1/11/67	Eastman Kodak Co. Common Stock	800	128-7/8(700) 128-3/4(100)	103,502.61	1.58
1/13/67	Bristol-Myers Co. Common Stock	1,000	57-5/8(500) 57-1/2(500)	58,010.05	1.47
1/27/67	Chas. Pfizer & Co., Inc. Common Stock	1,000	77-3/4(300) 77-1/2(700)	78,042.59	1.86
1/27 & 30/67	Eastman Kodak Co. Common Stock	1,000	131-1/2(100) 131-1/4(200) 131 (400) 130-3/4(100) 130-1/2(200)	131,495.99	1.56
1/30/67	General Foods Corp. Common Stock	800	73-3/8(400) 73-1/4(400)	59,020.68	2.98
1/30/67	General Electric Co. Common Stock	1,000	88-7/8	89,353.90	2.91
1/31/67	General Electric Co. Common Stock	1,000	88-3/8	88,853.40	2.93
1/31/67	Chas. Pfizer & Co., Inc. Common Stock	1,000	78-3/4	79,218.80	1.83
1/31/67	Continental Oil Co. Common Stock	900	68	61,612.20	3.80
1/31/67	Aetna Life Insurance Co. Capital Stock	1,100	55-1/2 Net	61,050.00	1.44
1/31/67	First National City Bank (New York) Capital Stock	1,100	55 Net	60,500.00	3.27
2/1/67	General Electric Co. Common Stock	900	88-1/2(500) 88-1/4(400)	79,980.57	2.93
2/1/67	Eastman Kodak Co. Common Stock	900	134-1/4(500) 134-1/8(100) 133-3/4(100) 133-1/2(200)	121,084.14	1.52
2/1/67	Chas. Pfizer & Co., Inc. Common Stock	1,000	79 (400) 78-3/4(200) 78-1/2(300) 78-3/8(100)	79,206.25	1.83
2/2/67	International Business Machines Corp. Capital Stock	600	398 (200) 397 (100) 396 (300)	238,550.00	1.11
2/2/67	General Foods Corp. Common Stock	900	71-5/8	64,877.94	3.05
2/2/67	Continental Oil Co. Common Stock	900	67-7/8	61,499.61	3.80

\*Includes brokerage commissions paid.  
\*\*Yield at present indicated dividend rates.

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COMMON STOCKS (Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**	
2/2/67	Aetna Life Insurance Co. Capital Stock	1,100	55-1/4 Net \$	60,775.00	1.45%	
2/2/67	First National City Bank (New York) Capital Stock	1,100	53-1/2 Net	58,850.00	3.36	
2/3/67	Continental Oil Co. Common Stock	700	71-1/4	50,197.91	3.63	
2/10/67	General Foods Corp. Common Stock	1,300	75 (500) 74-7/8(100) 74-3/4(200) 74-1/2(500)	97,791.70	2.92	
2/13/67	Avon Products, Inc. Common Stock	1,200	86 (600) 85-3/4(300) 85-1/2(300)	103,545.99	1.62	
2/14/67	Continental Oil Co. Common Stock	700	72-3/4	51,248.96	3.55	
2/14/67	International Business Machines Corp. Capital Stock	200	420-1/8	84,175.00	1.05	
Total Common Stocks Purchased (TOTAL CORPORATE SECURITIES PURCHASED)				<u>29,100</u>	<u>\$2,745,667.52</u>	<u>2.09%</u>

\*Includes brokerage commissions paid.  
 \*\*Yield at present indicated dividend rates.

2. Permanent University Fund Investment Program:  
Ratification of Municipal Bond Sale Held on  
January 18, 1967 and Report Thereon. -- Ratification was given of the sale of \$1,413,000 par value Texas Municipal Bonds held in the portfolio of the Permanent University Fund, consisting of seventeen lots. The sale was held on January 18, 1967, as authorized by the Board of Regents at its meeting of December 17, 1966. Detailed materials on the lots offered were mailed to over 400 dealers, banks and insurance companies on January 6, 1967. A total of twenty-three different bidders submitted bids, some individual bidders or syndicates bidding on all seventeen of the lots offered. A summary of the sale in tabular form is on Page 26.

The high bid received on each of the lots offered was accepted. The net proceeds from the sale, in the total amount of \$1,430,378.90, provided an overall profit of \$13,748.17 over the book value of the bonds sold.

PERMANENT UNIVERSITY FUND OF THE UNIVERSITY OF TEXAS  
- Sale of Municipal Bonds on January 18, 1967 -

Lot No.	Par Value	Description	Principal Sale Proceeds	Amortized Book Value of Holding	Gain or (Loss) over Amortized Book Value	Accrued Interest	Sold to
1	\$ 400,000	City of Abilene, Texas, 4% Waterworks and Sewer System Revenue Bonds, Series 1956	\$ 404,440.10	\$ 401,883.76	\$ 2,556.34	\$ 3,688.89	Dominick & Dominick, Inc.
2	75,000	City of Brownfield, Texas, 4% Electric Light and Power System Revenue Bonds	77,326.00	75,000.00	2,326.00	691.67	Dominick & Dominick, Inc.
3	150,000	Bryan, Texas, 3.90% Independent School District UT Schoolhouse Bonds	152,295.00	150,000.00	2,295.00	861.25	Harris Trust & Savings Bank
4	20,000	City of Dallas, Texas, 4-1/2% Various Purposes GO Bonds of 1929	20,484.00	20,065.00	419.00	207.50	Harris Trust & Savings Bank
5	63,000	City of Dallas, Texas 4-1/2% Street Opening and Widening Direct Obligation Bonds	64,474.20	63,218.11	1,256.09	653.63	Harris Trust & Savings Bank
6	5,000	City of Fort Worth, Texas, 4-1/2% Street Improvement Bonds, Ser. 56 of 1930	5,123.00	5,045.60	77.40	33.13	Harris Trust & Savings Bank
7	5,000	City of Fort Worth, Texas 4-3/4% Various Purposes GO Bonds of 1929	5,110.30	5,032.62	77.68	54.76	First National Bank of Fort Worth
8	28,000	City of Fort Worth, Texas, 4-1/2% Various Purposes GO Bonds of 1931	28,434.00	28,032.64	401.36	605.50	Rotan, Mosle-Dallas Union Inc.
9	55,000	Grayson County, Texas 4-3/4% Road Bonds of 1927	55,561.00	55,086.38	474.62	1,037.74	Harris Trust & Savings Bank
10	60,000	City of Houston, Texas 3.90% Water System Revenue Bonds, Second Series	62,401.00	61,586.00	815.00	344.50	Dominick & Dominick, Inc.
11	33,000	Kerrville, Texas, 3-3/8% Independent School District Schoolhouse Refunding Bonds	32,351.20	32,694.32	( 343.12)	442.41	Funk, Hobbs, Hart & White Inc. and M.E.Allison Inc.
12	11,000	Lubbock County, Texas, 5% Road Bonds, Series B	11,201.30	11,106.74	94.56	204.72	Harris Trust & Savings Bank
13	20,000	McLennan County, Texas, 4-1/2% Road Bonds, Series D of 1929	20,456.00	20,134.45	321.55	260.00	Harris Trust & Savings Bank
14	50,000	McLennan County, Texas, 4-1/2% Road Bonds, Series E of 1929	51,840.00	50,224.58	1,615.42	650.00	Harris Trust & Savings Bank
15	5,000	City of Temple, Texas, 4-1/2% City Hall Bonds, Series #1	5,001.00	5,055.46	( 54.46)	43.13	Dallas Rupe & Son
16	33,000	City of Waco, Texas 4-1/2% Various Purposes GO Bonds of 1931	33,750.80	33,109.94	640.86	589.88	Rowles, Winston & Co., Inc.
17	400,000	City of Waco, Texas 3-7/8% Waterworks System Revenue Bonds, Series 1957	400,130.00	399,355.13	774.87	6,156.94	Fort Worth National Bank
	<u>\$1,413,000</u>	T O T A L S S O L D	<u>\$1,430,378.90</u>	<u>\$1,416,630.73</u>	<u>\$13,748.17</u>	<u>\$16,525.65</u>	

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3. Permanent University Fund Investment Program: Ratification of Exchange Program for Holdings of Treasury Bonds and Report on Exchange Authorized December 17, 1966; Continuation of Exchange Program Authorized. --  
Ratification of the exchange program for selected United States Treasury Bonds held in the portfolio for the Permanent University Fund through February 16, 1967 was given for the following bonds:

- a. \$4,400,000 par value 2-1/2% Treasury Bonds of 6/15/72-67 for \$4,400,000 par value 3-1/2% Treasury Bonds of 2/15/90, to produce an increase of 1.27% in the annual rate of return or an increase in annual dollar income in the amount of \$47,624.30.
- b. \$5,000,000 par value 2-1/2% Treasury Bonds of 12/15/72-65 for \$5,000,000 par value 3-1/2% Treasury Bonds of 2/15/90, to produce an increase of 1.16% in the annual rate of return or an increase in annual dollar income in the amount of \$50,893.67.
- c. \$6,500,000 par value 4% Treasury Bonds of 8/15/72 for \$6,500,000 par value 4-1/4% Treasury Bonds of 8/15/92-87, to produce an increase of 0.33% in the annual rate of return or an increase in annual dollar income in the amount of \$21,148.82.

A summary of the exchange transactions is shown on Page 28. This program was approved by the Board of Regents at its meeting of December 17, 1966.

Approval was also given for the continuation of the exchange program, the timing of such exchanges to be at the discretion of the Executive Director of Investments, Trusts and Lands after consultation with the Staff Investment Committee.



PERMANENT UNIVERSITY FUND - TREASURY BOND HOLDINGS  
- Exchanges Par for Par Effected in January, 1967 -

Date Exchanged	BONDS EXCHANGED				BONDS RECEIVED				INCREASE IN		
	Description & Par Value Exchanged	Book Value 12/15/66 *	Amortized Annual Income	Current Rate of Return	Description & Par Value Received	Principal Adjustment Required	Book Value 1/31/67	Amortized Annual Income	Current Rate of Return	Rate of Return	Annual Income
1/5-6/67	2-1/2s of 6/15/72-67 \$4,400,000	\$ 4,364,598.48	\$116,436.64	2.67%	3-1/2s of 2/15/90 \$4,400,000	(\$196,000.00)#	\$ 4,168,598.48	\$164,060.94	3.94%	1.27%	\$ 47,624.30
1/16/67	2-1/2s of 12/15/72-67 \$5,000,000	4,949,901.56	133,349.74	2.69	3-1/2s of 2/15/90 \$5,000,000	( 162,500.00)#	4,787,401.56	184,243.41	3.85	1.16	50,893.67
1/18/67	4s of 8/15/72 \$6,500,000	6,535,311.92	254,114.68	3.89	4-1/4s of 8/15/92-87 \$6,500,000	( 10,156.25)#	6,525,155.67	275,263.50	4.22	0.33	21,148.82
						(\$368,656.25)#	\$15,481,155.71	\$623,567.85	4.03%	0.85%	\$119,666.79
TOTALS (Through 2/16/67)		<u>\$15,849,811.96</u>	<u>\$503,901.06</u>	<u>3.18%</u>							

\*Book value last interest payment date.

#Principal adjustment due to the Permanent University Fund from dealer.

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4. Permanent University Fund Investment Program:  
Approval of Sale of Selected Stocks. -- Approval was given for the sale of the following stocks now held, the timing of such sales to be at the discretion of the Executive Director of Investments, Trusts and Lands after consultation with the Staff Investment Committee. This is a part of the current program of upgrading the common stock portfolio of the Permanent University Fund:

- a. Atchison, Topeka & Santa Fe Railway Company Common Stock - 35,200 shares held, total book cost \$949,185.06, average book cost 27.0, dividend rate \$1.60, total annual income \$56,320.00, book yield 5.93%, current value \$1,078,000.00 (based on market close of 30-5/8 on 2/10/67).
- b. Parke, Davis & Company Common Stock - 17,200 shares held, total book cost \$628,661.14, average book cost 36.6, dividend rate \$1.40, total annual income \$24,080.00, book yield 3.83%, current value \$479,450.00 (based on market close of 27-7/8 on 2/10/67).

The ten-year earnings and dividend records for each company follows:

Year	PARKE, DAVIS		SANTA FE	
	Net Earnings per Share	Dividends Declared	Net Earnings per Share (ICC Basis)	Dividends Declared
1956	\$1.20	\$0.60	\$2.68	\$1.60
1957	1.89	0.97	2.33	1.40
1958	1.89	1.05	2.58	1.45
1959	2.09	1.40	2.51	1.45
1960	2.05	1.40	1.90	1.45
1961	1.50	1.40	2.06	1.45
1962	1.28	1.15	2.76	1.45
1963	1.49	1.00	2.67	1.45
1964	1.76	1.00	3.04	1.50
1965	2.20	1.15	3.45	1.60
1966	2.14	1.45	3.54	1.60
Estimated 1967	1.90-2.00		3.10-3.30	

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5. Permanent University Fund: Amendments to Investment Policies. -- Amendments or revisions to the Investment Policies for the Permanent University Fund as proposed in the supporting material were approved in the form as set out below. The present Investment Policies of the Permanent University Fund will be revised in accordance with these amendments and the complete policy statement will be reported for the record at the May 1967 meeting of the Board of Regents:

INVESTMENT POLICIES  
FOR  
PERMANENT UNIVERSITY FUND OF THE UNIVERSITY OF TEXAS SYSTEM  
(Revisions Adopted March 11, 1967)

1. Investment Policies for Permanent University Fund.

The following statement of policies is adopted by the Board of Regents of The University of Texas System as the governing principles to be observed in the investment of funds and the management of assets of the Permanent University Fund of The University of Texas System.

1.1 Investments Authorized for Purchase.

- \*1.11 Bonds of the United States, the State of Texas or counties of said State, or in school bonds of municipalities, or in bonds of any city of said State, or in bonds issued under and by virtue of the Federal Farm Loan Act approved by the President of the United States, July 17, 1916, and amendments thereto.
- \*1.12 First lien real estate mortgage securities guaranteed in any manner in whole by the United States Government or any agency thereof.
- \*1.13 Corporation bonds, preferred stocks and common stocks.
- 1.14 Bonds issued by corporations operated as instrumentalities of the United States Government (which shall be considered as falling within the classification set out in paragraph 1.13 above).

1.2 Standards as to Quality.

1.21 Corporate Stocks:

- \*1.211 Stocks eligible for purchase shall be restricted to stocks of companies incorporated within the United States which have paid dividends for ten (10) consecutive years or longer immediately prior to the date of purchase.
- \*1.212 Except for bank and insurance shares, stock must be listed upon an exchange registered with the Securities and Exchange Commission or its successors.
- 1.213 To be eligible for purchase, preferred and common stocks must be issued by corporations which have been formally approved by the Board of Regents.

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1.22 Corporate Bonds: Corporate bonds must be rated "A" or better by Moody's or Standard & Poor's. Bonds offered by private placement, or which for other reasons are not rated by such agencies, may be purchased if they bear a rating of equivalent quality by the University's Investment Counsel.

1.3 Diversification.

\*1.31 Not more than 50% of the Permanent University Fund shall be invested at any given time in corporation bonds, preferred stocks and common stocks (described in paragraphs 1.13 and 1.14 above).

\*1.32 The balance of the Fund not invested as provided in paragraph 1.31 above shall be invested in those securities described in paragraphs 1.11 and 1.12 above.

\*1.33 Not more than 5% of the voting stock of any one (1) corporation shall be owned at any given time by the Permanent University Fund.

\*1.34 Not more than 1% of the Permanent University Fund shall be invested at any given time in securities issued by any one (1) corporation.

1.35 The percentage limitations set out in paragraphs 1.31 and 1.34 above relate to book values of the Permanent University Fund.

1.4 Standard of Care.

\*1.41 Prudent Man Rule:

In making or retaining each and all investments for the Permanent University Fund, and in the management, purchase and sale of such investments from time to time, there shall be exercised the judgment and care under the circumstances then prevailing which men of ordinary prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital.

1.42 Consistent with the foregoing it is contemplated that:

1.421 Investment of funds in corporate securities shall be reasonably diversified among the various industries operating in our economy, and among the outstanding corporations operating within the respective industry groups.

1.422 Ours is a dynamic and ever-changing economy. Therefore, a proper observance of the Prudent Man Rule requires that changes be made in the diversification

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of the Fund from time to time as conditions change the earnings outlook or the relative market level for a particular industry or for a particular company. Accordingly, in keeping with the duty to be prudent, purchases and sales of Fund assets shall be made from time to time when circumstances dictate the prudence of doing so.

1.423 With a monthly inflow of funds available for investment, an opportunity is afforded to purchase investments in each month of every year, thus providing the Permanent University Fund with a reasonable dollar cost averaging experience.

1.5 Policies with Respect to Stock Rights, Fractional Shares and Proxies.

1.51 As a general rule, stock rights received are to be exercised. In each instance, exercise or sale of the rights is to be made at the discretion of the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee.

1.52 As a general rule, fractional shares received from stock dividends, etc., are to be sold. In each instance, the decision to round out fractional shares or to sell will be made by the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee.

1.53 With few exceptions, voting stocks held are to be voted by returning proxies to present management. Exceptions require approval of the Board of Regents.

1.6 Repeal of Conflicting Policies and Rules.

All rules and regulations heretofore adopted by the Board of Regents with respect to the investment of funds and the administration of the assets of the Permanent University Fund which are inconsistent with the terms hereof are hereby repealed and are replaced by the rules, regulations and policies herein set forth.

\*Required by the provisions of Sections 11 and 11a, Article VII, of the Constitution of the State of Texas.

Implementation of  
Revised Investment Policies for  
Permanent University Fund

1. Two lists of companies whose stocks are considered suitable for purchase or retention shall, after consultation with the Staff Investment Committee, the Investment Counsel, and the Investment Advisory Committee, be submitted by the Executive Director of Investments, Trusts

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and Lands for approval by the Board of Regents through the Regents' Land and Investment Committee:

- A. List "A" shall consist of those companies whose stocks are approved for purchase.
  - B. List "B" shall consist of those companies whose stocks are approved for retention only.
2. Annually, and at such oftener intervals as may be considered advisable, the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee, the Investment Counsel, and the Investment Advisory Committee (where possible), shall recommend for approval by the Board of Regents through the Regents' Land and Investment Committee:
- A. The percentage of new monies which shall, during the ensuing period, be invested in fixed income securities and in common stocks;
  - B. The percentage of new common stock monies to be invested in the various industry groups.

The basis approved by the Board of Regents shall be the guidelines for the Executive Director of Investments, Trusts and Lands to follow in the investment of funds until the guidelines are changed by subsequent action of the Board of Regents.

3. Within the revised policies and in conformance with paragraphs 1 and 2 above, it shall be the responsibility of the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee and Investment Counsel:
- A. To determine the stocks to be purchased from time to time and the timing of the purchases made.
  - B. To determine the bonds to be purchased from time to time and the timing of the purchases made.
  - C. To execute all purchases of securities.
4. It is contemplated that from time to time the best interests of the University and the Permanent University Fund may best be served by the sale of certain securities (stocks or bonds), and the reinvestment of the proceeds in other securities (whether similar or dissimilar). It is likewise contemplated that some such sales may be advisable even though they might result in some loss in book value of the Fund. In any such transaction, it is recognized that time is of importance. A requirement that such sale or exchange transactions be first approved by the Board of Regents would be impractical because of the time involved in obtaining such approval. Accordingly, the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee and Investment Counsel and the approval of at least three members of the Regents' Land and Investment Committee (whose vote may be obtained by telephone), is hereby authorized:
- A. To sell stocks from time to time from List "B" and effect delivery thereto to the purchaser or purchasers.
  - B. With the proceeds of any such sale or sales, to purchase other securities (stocks or bonds authorized for purchase

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under the revised policies), even though the investment so made may represent some deviation from the general investment pattern authorized as set out in paragraph 2 above.

5. The Executive Director of Investments, Trusts and Lands shall seek the advice and counsel of the Investment Advisory Committee at its regular quarterly meetings on all of the major matters involving the Permanent University Fund, and particularly on the matters set out in paragraphs 1 and 2 above.
6. All purchases, sales and exchanges of investments shall be reported by the Executive Director of Investments, Trusts and Lands for ratification by the Board of Regents through the Regents' Land and Investment Committee at each meeting of the Board.

B. Land Matters

1. Easements and Surface Leases (Nos. 2356-2367); and Assignments of Leases (1039 and 1914). --  
Easements and Surface Leases Nos. 2346-2367 and Assignments of Leases 1039 and 1914 were approved as follows: (All are at standard rates, unless otherwise stated, are on the University's standard forms with grazing leases carrying provisions for renewal for an additional five years at negotiated terms. Payments for easements and material source permits have been received in advance unless otherwise stated. All have been approved as to form by the University Attorney and as to content by the Endowment Officer, and the Executive Director of Investments, Trusts and Lands is authorized to execute these documents.)

EASEMENTS AND SURFACE LEASES

NO.	GRANTEE	TYPE OF PERMIT	COUNTY	LOCATION	DISTANCE OR AREA	PERIOD	CONSIDERATION
Received by University Land Agent Prior to February 1, 1967:							
2346	Phillips Petroleum Company (renewal of 891)	Pipe Line	Crane	Block 30	5,773.6 rds of various sizes	12/1/66 - 11/30/76	\$ 6,349.43
2347	Texas-New Mexico Pipe Line Co. (renewal of 879)	Pipe Line	Andrews	Block 12	173.5 rds 4-1/2"	11/1/66 - 10/31/76	95.43
2348	Southwestern Bell Telephone Co. (renewal of 884)	Power Line	Hudspeth	Blocks G,H J,K & L	11,162 rds	12/1/66 - 11/30/67	613.91
2349	Texas-New Mexico Pipe Line Co. (renewal of 889)	Pipe Line	Andrews	Block 12	872.8 rds 6-5/8" 3,212.8 rds 4-1/2"	1/1/67 - 12/31/76	2,727.12
2350	Phillips Petroleum Company (renewal of 890)	Pipe Line	Andrews	Block 10 & 11	4,190.9 rds of various sizes	12/1/66 - 11/30/76	4,391.43
2351	El Paso Natural Gas Company	Surface Lease (Compressor Site)	Crockett	Block 29	1 acre	1/1/67 - 12/31/76	500.00*

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EASEMENTS AND SURFACE LEASES - Continued

NO.	GRANTEE	TYPE OF PERMIT	COUNTY	LOCATION	DISTANCE OR AREA	PERIOD	CONSIDERATION
2352	Cities Service Oil Company (renewal of 913)	Pipe Line	Upton	Block 3	1,272 rds 2"	2/1/67 - 1/31/77	\$ 699.60
2353	Chevron Pipe Line Company (renewal of 864)	Pipe Line	Winkler	Block 21	1,204 rds 20"	1/1/67 - 12/31/76	1,986.60
2354	Comanche Gas Company	Surface Lease (Compressor Site)	Pecos	Block 28	1.34 acre	1/1/67 - 12/31/67	134.00**
2355	Community Public Service Co.	Power Line	Pecos	Block 28	117.9 rds	2/1/67 - 1/31/77	64.85
2356	Comanche Gas Company	Pipe Line	Pecos	Block 28	108.5 rds 4-1/2"	1/1/67 - 12/31/76	59.68
2357	W. H. Vanlandingham (renewal of 927)	Pipe Line	Andrews	Block 5	409 rds 2"	4/1/67 - 3/31/77	224.95
2358	Texas-New Mexico Pipe Line Co. (renewal of 931)	Pipe Line	Upton	Block 30	158.3 rds 4-1/2"	3/1/67 - 2/28/77	94.98
<u>Received by University Land Agent after February 1, 1967:</u>							
2359	City Sign Service	Surface Lease (Road Sign Site)	Ward	Block 16	40' X 300'	12/1/66 - 11/30/67	75.00**
2360	General Telephone Company of the Southwest (renewal of 933)	Surface Lease (Radio Tower Site)	Irion	Block 40	2.68 acres	3/1/67 - 2/28/77	1,000.00*

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EASEMENTS AND SURFACE LEASES - Continued

NO.	GRANTEE	TYPE OF PERMIT	COUNTY	LOCATION	DISTANCE OR AREA	PERIOD	CONSIDERATION
2361	Skelly Oil Company (renewal of 930)	Surface Lease (Camp Site)	Crane	Block 30	2.53 acres	2/1/67 - 1/31/68	\$ 253.00**
2362	Bert F. Duesing, Inc.	Surface Lease (Storage Site)	Reagan	Block 11	14.997 acres	4/1/67 - 3/31/68	1,499.70**
2363	Texas Electric Service Company (renewal of 950)	Power Line	Ward	Block 16	123.09 rds	3/1/67 2/28/77	73.85
2364	Texas Electric Service Company (renewal of 974)	Power Line	Crane	Block 30	1,231.39 rds	3/1/67 2/28/77	738.83
2365	Texas Electric Service Company	Power Line	Andrews	Blocks 3, 4 & 11	287.28 rds	3/1/67 - 2/28/77	172.37
2366	Texas Electric Service Company (renewal of 997)	Power Line	Andrews	Block 14	297.70 rds	5/1/67 - 4/30/77	178.62
2367	Texas Electric Service Company (renewal of 1001)	Power Line	Ward	Block 17	863.82 rds	5/1/67 - 4/30/77	518.29

\*Consideration in full (10-year Surface Lease).  
 \*\*Renewable from year to year, not to exceed a total of 10 years. Consideration shown is for the first year's rental.

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<u>ASSIGNMENTS</u>							
<u>NO.</u>	<u>ASSIGNOR</u>	<u>ASSIGNED TO</u>	<u>TYPE</u>	<u>COUNTY</u>	<u>LOCATION</u>	<u>DISTANCE</u>	<u>CONSIDERATION</u>
1039	Comanche Gas Company (12/1/57 - 11/30/67)	The Nueces Company (12/16/66 - 11/30/67)	Pipe Line	Pecos	Block 28	529 rds 3-1/2"	\$ 25.00
1914	Shell Pipe Line Corporation (8/1/64 - 7/31/74)	Crown Central Pipe Line Co. (2/1/67 - 7/31/74)	Pipe Line	Ward & Winkler	Blocks 17, 18 & 21	5,217 rds 6-5/8"	25.00

2. Water Contract No. 117 (G. Q. Avary, Jr. and Forrest M. Walker), Proposed Amendments to be Submitted May 1967 Meeting. -- After discussion of the proposed amendments to Water Contract No. 117 as set out in the Material Supporting the Agenda, Mr. Zimmerman was instructed to confer with the West Texas Children's Home and the Town of Pyote, major users of water under the contract, and submit, through the Executive Director of Investments, Trusts and Lands, a proposal at the May 1967 meeting of the Board of Regents.

3. Grazing Lease No. 947- Pecos County - Approval of Assignment by R. L. Walker, Lessee to Tom R. McKenzie. -- Approval was given for the assignment by R.L. Walker of 16, 228.73 acres of the 26, 432.53 acres under his lease. Mr. McKenzie's acreage will be in Blocks 18, 19 and 20, Pecos County and the 10, 203.80 acres retained by Mr. Walker will be in Blocks 16 and 17, Pecos County. The term of the lease is July 1, 1965 through June 30, 1970 with annual rental of \$.35 per acre. In line with the Regents' policy, there is a 25% reduction for oil field production on 2, 236.60 acres, a part of each of the leases. A bonus of \$5, 678.40 will be paid for the assignment and the semi-annual rental for the two leases will be as follows:

Grazing lease No. 947- R. L. Walker	\$1, 785.67
25% reduction on 885.61 acres	38.74
Net semi-annual rental	\$1, 746.93
Grazing leases No. 947-A-Tom R. McKenzie	\$2, 840.03
25% reduction on 1, 350.99 acres	59.10
Net semi-annual rental	\$2, 780.93

4. Approval of Surface Lease No. 2041 to Texas Highway Department and 2041-A to Pecos County. -- Approval was given for a small park at the site of some dinosaur tracks in Section 6, Block 25, Pecos County as follows:

- a. Surface Lease No. 2041 to the Texas Highway Department without cash consideration covering 0.376 acres; and Surface Lease No. 2041-A to Pecos County without cash consideration covering 2.693 acres for the roadside park.
- b. The leases will terminate when the parties cease using the land for the purposes of the leases.
- c. The Board of Regents will reserve the right to terminate the leases in the event the properties are not properly maintained.

This lease was considered by the Board in 1965 but the details had not been worked out until this time and action was postponed until the present.

C. Bond Matters

Selection of McCall, Parkhurst and Horton as Bond Counsel for Proposed Permanent University Fund Bonds, Series 1967. -- The firm of McCall, Parkhurst and Horton of Dallas, Texas was approved as bond counsel for the proposed issue of Permanent University Fund Bonds, Series 1967. The exact amount of the issue and authorization for calling for bids for the bonds, paying agency and printing will be submitted to the Board at a later time.

D. Discussion Matters

Review of Policy Re Portion of Permanent University Fund Monies to be Invested in Equities. -- Approval was given for investment of new monies coming into the Permanent University Fund, until the May 1967 meeting of the Board of Regents, as follows:

- 50% of funds received to be invested in common stocks;
- 25% of funds received to be invested in short term securities for later investment in common stocks;
- 25% of funds received to be invested in corporate bonds.

II. Trust and Special Funds

A. Investment Matters

1. Report of Purchases, Sales and Retirement of Securities. -- The Report of purchases of securities from January 12 through February 3, 1967, sales of securities from January 5 through February 2, 1967, and a retirement of securities on January 16, 1967, for Trust and Special Funds was approved as follows:

PURCHASES OF SECURITIES

Date of Purchase	Security	Principal Cost
1/12/67	\$6,592.00 par value Austin National Bank 5-1/2% Time Certificate of Deposit, dated 1/12/67, due 1/12/68, at par (Department of Drama - Laboratory Theatre - Temporary)	\$ 6,592.00
	\$13,000.00 par value Ditto (College of Business Administration Foundation - Various Donors - Temporary)	13,000.00
	\$7,000.00 par value Ditto (College of Business Administration Foundation - Texas Savings and Loan League Grant - Temporary)	7,000.00
1/16/67	22/100ths fractional interest of a share of Monsanto Co. Common Stock to round out extra share received in 2% stock dividend (Funds Grouped for Investment)	8.81
	40/100ths fractional interest Ditto (Hogg Foundation: W. C. Hogg Estate Fund)	16.02

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PURCHASES OF SECURITIES  
(Continued)

Date of Purchase	Security	Principal Cost
1/17/67	200 Shares General Electric Co. Common Stock at 87-1/4	17,545.46
	500 Shares Smith Kline & French Laboratories Common Stock at 51-5/8	26,033.30
	400 Shares General Telephone & Electronics Corp. Common Stock at 46 (Funds Grouped for Investment)	18,568.00
1/18/67	100 Shares Corning Glass Works Common Stock at 330-1/2	33,122.05
	200 Shares Eastman Kodak Co. Common Stock at 134-1/4	26,954.86
	600 Shares Houston Lighting & Power Co. Common Stock at 50	30,264.00
1/19/67	400 Shares Minnesota Mining & Manufacturing Co. Common Stock at 78-3/4	21,687.52
	600 Shares Smith Kline & French Laboratories Common Stock at 53-3/4	32,516.28
1/20/67	300 Shares General Electric Co. Common Stock at 88-1/2	26,693.55
	400 Shares General Motors Corp. Common Stock at 75-3/8 (Frank B. Cotton Trust - Endowment Account - Texas Western College)	30,336.16
1/19/67	\$6,500.00 par value Austin National Bank 5-1/2% Time Certificate of Deposit, dated 1/19/67, due 7/19/67, at par (Development Board - Development Projects & Publications - Temporary)	\$ 6,500.00
	\$5,408.00 par value Austin National Bank 5-1/2% Time Certificate of Deposit, dated 1/19/67, due 1/19/68, at par (Department of Drama - Laboratory Theatre - Temporary)	5,408.00
2/3/67	\$20,000.00 par value Austin National Bank 5-1/2% Time Certificate of Deposit, dated 2/3/67, due 8/3/67, at par (Estate of Lila Belle Etter - Temporary)	20,000.00

SALES OF SECURITIES

Date Sold	Security	Principal Proceeds
1/5/67	35 Shares General American Oil Co. of Texas Common Stock, sold at 29-7/8	\$ 1,028.39
	241 Shares Republic National Bank of Dallas Common Capital Stock, sold at 20-3/8 (Chancellor's Council - Unrestricted Accounts)	4,909.42
1/6/67	15 Shares Continental Oil Co. Common Stock, sold at 67-1/4 (Mr. and Mrs. L. F. McCollum Scholarship in Geology - Income Account - Geology Foundation)	992.88
	22/100ths fractional interest of a share of Monsanto Co. Common Stock received in 2% stock dividend (Funds Grouped for Investment)	8.81#
	4/100ths fractional interest Ditto (Alexander Caswell Ellis Fellowship in Education Fund)	1.60#
	60/100ths fractional interest Ditto (University Cancer Foundation - M. D. Anderson Hospital and Tumor Institute)	24.03#
1/17/67	1,200 Shares Teledyne Inc. Common Stock, sold at 100-3/8 (Interdepartmental Programs - College of Business Administration Foundation - Various Donors)	119,799.10
1/27/67	3 Shares Hewlett-Packard Co. Common Stock, sold at 58-3/8 (Gain on sale over book value \$67.72)	168.97
	15 Shares Continental Oil Co. Common Stock, sold at 65-7/8 (Loss on sale over book value \$2.52) (College of Arts & Sciences Foundation - Temporary)	972.48
1/30/67	100 Shares Tyler Pipe and Foundry Co. Common Stock, sold at 11-7/8 (Proceeds distributed - From 80 shares to College of Business Administration Foundation - Various Donors From 20 shares to The University of Texas Longhorn Band - Longhorn Band Scholarships)	934.36
2/2/67	84 Shares Central Airlines Incorporated Common Stock, sold at 8-1/4 (Gain on sale over book value \$81.03) (College of Business Administration Foundation - Various Donors)	233.72
		681.03

#Cash received deposited to principal endowment and holding of stock involved written down by the same amount.

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## RETIREMENT OF SECURITIES

Date Redeemed	Security	Principal Proceeds
1/15/67	72 Shares Westminster Fund, Inc. Capital Stock, at 14.32 (John Charles Townes Foundation - Various Donors - Unallotted)	\$1,031.04

2. Funds Grouped for Investment: Additions Thereto and New Fund (Mabel Meier Estate) M. D. Anderson Hospital and Tumor Institute. -- The report of additions of cash, fund transferred, and a new fund in Funds Grouped for Investment as of March 1, 1967 was approved as follows:

Fund	Recommended Addition
Dr. and Mrs. C. L. Cline Endowment Fund (College of Arts & Sciences Foundation) (\$2,552.08 already in Grouped)	\$ 1,000.00
Jennie and Carl Sundberg Scholarship (College of Arts & Sciences Foundation) (\$4,000.00 already in Grouped)	3,000.00
Joseph F. Barthmaier, Jr. Memorial Scholarship (Business Administration) (\$1,000.00 already in Grouped)	1,000.00
Bromberg Memorial Fund for Faculty Awards (\$46,663.56 already in Grouped)	3,000.00
The Accounting Education Fund (College of Business Administration Foundation) (\$39,613.85 already in Grouped)	5,285.00
Edward Louis Dodd and Alice Laidman Dodd Fellowship Fund (\$50,323.10 already in Grouped)	93.91
Frederick Eby Research Prize in Humanistic Studies in Education (\$1,694.42 already in Grouped)	10.00
1966 M. E. Class Fund (College of Engineering Foundation) (\$25.00 already in Grouped)	5.00
Burdine Clayton Anderson Scholarship in Music (College of Fine Arts Foundation) (NEW FUND)	10,000.00
E. William Doty Scholarship Fund (College of Fine Arts Foundation) (\$2,417.61 already in Grouped)	100.00
Mary E. Gearing Bequest for Child Welfare and Parent Education Foundation (\$29,732.72 already in Grouped)	71.40
Hal P. Bybee Memorial Fund (Geology Foundation) (\$121,515.25 already in Grouped)	1,900.50
Robert H. Cuyler Memorial Scholarship in Geology (Geology Foundation) (\$12,912.57 already in Grouped)	130.00
Guy E. Green Scholarship Fund (Geology Foundation) (\$5,730.45 already in Grouped)	650.00
Ed. Owen - Geo. Coates Fund (Geology Foundation) (\$102,267.20 already in Grouped)	20.00

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FUNDS GROUPED FOR INVESTMENT - RECOMMENDATION RE ADDITIONS  
(Continued)

Fund	Recommended Addition
Frederick W. Simonds Memorial Scholarship in Geology (Geology Foundation) (\$14,085.00 already in Grouped)	\$ 915.00
Dr. F. L. Whitney Memorial Scholarship Fund (Geology Foundation) (\$19,108.75 already in Grouped)	600.00
F. L. Whitney Memorial Book Fund - Various Donors (Geology Foundation) (\$1,302.00 already in Grouped)	20.00
Hogg Foundation - Eloise Helbig Chalmers - Ima Hogg Fund (\$91.77 already in Grouped)	809.36
Tros. E. Hogg - Residuary Legacy (\$3,033.12 already in Grouped)	60.41
Journalism Department - Various Donors (\$758.34 already in Grouped)	325.00
Library Memorial Fund - Various Donors (\$2,526.75 already in Grouped)	200.00
Faculty Memorial Fund in Microbiology (\$3,667.14 already in Grouped)	15.00
Lora Lee Pederson Scholarship Fund, Graduate School of Social Work (\$3,423.01 already in Grouped)	140.00
The Senior Class Endowment Fund (Pharmaceutical Foundation) (\$7,779.95 already in Grouped)	90.00
James M. Rockwell and Sarah Wade Rockwell Endowment Fund (\$62,187.50 already in Grouped)	12,000.00
M. D. Anderson Foundation Fund for Purchase of Books (M. D. Anderson Hospital and Tumor Institute) (\$25,000.00 already in Grouped)	2,500.00
Blanche Bender Fund (M. D. Anderson Hospital and Tumor Institute) (\$15,917.75 already in Grouped)	303.48
Frances King Black Memorial Fund for Cancer Research (M. D. Anderson Hospital and Tumor Institute) (\$7,010.02 already in Grouped)	172.54
A. J. Gruner and Howard Levy Memorial Melanoma Research Fund (M. D. Anderson Hospital and Tumor Institute) (\$1,629.12 already in Grouped)	38.01
Mary Isabella Love Fund for Research of Cancer of the Blood (M. D. Anderson Hospital and Tumor Institute) (\$28,382.07 already in Grouped)	1,286.70
Anna and Fannie Lucas Memorial Fund (M. D. Anderson Hospital and Tumor Institute) (\$5,206.00 already in Grouped)	99.25
Dorothy Calvert McLeod Fund for Cancer Research (M. D. Anderson Hospital and Tumor Institute) (\$15,249.23 already in Grouped)	294.28
Mabel Meier Estate (M. D. Anderson Hospital and Tumor Institute) (NEW FUND in Funds Grouped)(Fund transferred)	7,872.45



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FUNDS GROUPED FOR INVESTMENT - RECOMMENDATION RE ADDITIONS  
(Continued)

Fund	Recommended Addition
Mary Adline Gillespie Nixon Fund for Cancer Research (M. D. Anderson Hospital and Tumor Institute) (\$5,237.20 already in Grouped)	\$ 109.94
The Robert and Esther Stadtler Lectures Fund (M. D. Anderson Hospital and Tumor Institute) (\$15,532.77 already in Grouped)	500.00
The Sophie Caroline Steves Fund for Cancer Research (M. D. Anderson Hospital and Tumor Institute) (\$41,537.57 already in Grouped)	2,190.53
The Agnes Vaughan Boazman Memorial Fund for Cancer Research - Univer- sity Cancer Foundation (M. D. Anderson Hospital and Tumor Institute) (\$4,736.05 already in Grouped)	108.64
Frederick Laverne Woodley Memorial Fund for Cancer Research (M. D. Anderson Hospital and Tumor Institute) (\$433.40 already in Grouped)	10.56
Gillette Professorship of Obstetrics and Gynecology (Southwestern Medical School) (\$9,085.26 already in Grouped)	163.85
Additions to be made to Funds Grouped on March 1, 1967	<u>\$57,090.81*</u>

The above total of \$57,090.81 submitted for approval supplements previously approved cash additions of \$126,575.11 to be made to Funds Grouped for Investment on March 1, 1967.

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3. Common Trust Fund (Funds Grouped for Investment\*):  
Approval of funds to be transferred on June 1, 1967. --  
 Approval was given for the following separately held trust funds to be transferred to the Common Trust Fund as of June 1, 1967, the next quarterly entrance date. The terms of each trust involved permit such transfer:

FUND	Total Investments 1/31/67*	Assets Re- quired to Be Held Separately	Cash on Hand 1/31/67	TOTAL FUND 1/31/67
<u>MAIN UNIVERSITY FUNDS:</u>				
Henry Beckman Scholarship in Mathematics . . . . .	\$ 10,923.87		\$ 76.13	\$ 11,000.00
College of Business Admin. - Department of Finance. . . . .	2,848.50		-	2,848.50
Wilbur S. Davidson Educa- tional Fund. . . . .	177,992.42		307.50	178,299.92
Alexander Caswell Ellis Fellowship in Education. . . . .	265,563.10	(\$2.00)	582.21	( (2.00) (266,143.31#)
E. D. Farmer International Scholarship Fund . . . . .	191,310.06		519.84	191,829.90
Mary E. Gearing Bequest for Child Welfare and Parent Education Foundation . . . . .	7,213.44		1,509.85	8,723.29
Joseph Lindsey Henderson Textbook Collection. . . . .	14,802.19		47.81	14,850.00
The Dr. Joseph L. Henderson and Katherine D. Henderson Foundation (New Fund Received 2/3/67) . . . . .	168,574.38		12,588.89	181,163.27
George S. Heyer Memorial Scholarship - Geology Foundation . . . . .	21,768.75		-	21,768.75
The Governor and Mrs. James Stephen Hogg Memorial Scholarship Fund . . . . .	120,577.32		30,536.68	151,114.00
Will C. Hogg Memorial Scholarships Fund. . . . .	135,658.64		775.16	136,433.80
Littlefield Fund for Southern History - First Fund . . . . .	<u>24,634.58</u>		<u>1,741.58</u>	<u>26,376.16</u>
TOTALS - Recommended for Transfer on June 1, 1967	<u>\$1,141,867.25</u>	<u>(\$2.00)</u>	<u>\$48,685.65</u>	<u>\$1,190,550.90#</u> ( \$2.00)

\*Including mineral interests, etc., not eligible for transfer.  
 #Excluding mineral interests, etc., not eligible for transfer.

\*See Page 46

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4. Common Trust Fund (Funds Grouped for Investment):  
Approval of Sale of Securities Held by Funds to be  
Transferred to. -- Approval was given for sale of the  
 following securities held by the funds listed with the  
 proceeds of the sales to be added to the funds involved.  
 None of these securities is on the current list of secu-  
 rities approved by the Board of Regents for purchase.  
 The timing of such sales will be at the discretion of  
 the Executive Director of Investments, Trusts and  
 Lands, after consultation with the Staff Investment  
 Committee:

SECURITY	Par Value or No. Shares Held	Book Value 1/31/67	Fund in Which Held
Pennsylvania RR 4-1/4% Gold Bonds, Series D, due 4/1/80 (Rated BBB by Moody's) . . . .	\$ 4,000.00	\$ 4,000.00	Joseph L. Henderson Text- book Collection
Ditto . . . . .	16,000.00	14,080.00	The Dr. Joseph L. Henderson and Katherine D. Henderson Foundation*
International Nickel Co. of Canada Ltd., Common Stock. . .	200 Shares	3,891.81	Wilbur S. Davidson Educa- tional Fund
Continental Insurance Co. Common Stock . . . . .	289 Shares	6,061.07	Ditto
Consolidated Edison Co. of N. Y. Inc., Common Stock . . .	200 Shares	3,310.05	E. D. Farmer International Scholarship Fund

\*University's bequest received on February 3, 1967.

5. Trust and Special Fund: Change of Name to The  
University of Texas Common Trust Fund and Policies  
Therefor. -- The policies for The University of  
 Texas Common Trust Fund were adopted as set out  
 on Pages 47-50 . In these policies, the designa-  
 tion "Funds Grouped for Investment" was changed  
 to "The University of Texas Common Trust Fund."

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THE UNIVERSITY OF TEXAS SYSTEM COMMON TRUST FUND  
 (Policy as Adopted for "Funds Grouped for Investment" on February 27,  
 1948, and as Edited and Amended on March 11, 1967)

## ARTICLE I

Name, Nature and Eligibility of Fund

1. The common trust fund as herein established shall be known as "The University of Texas System Common Trust Fund" (originally designated as "Funds Grouped for Investment") and shall be under the control of the Board of Regents of The University of Texas System, as Trustee.
2. The purpose of the Common Trust Fund is to provide for the collective investment of various trust and endowment funds held by The University of Texas System or by the Board of Regents of The University of Texas System in a fiduciary capacity.
3. No fund shall be admitted unless it is under the sole control of the Board of Regents of The University of Texas System and/or an official or officials of The University of Texas System in his official capacity with full discretion as to investments. However, no such official, other than the Board of Regents or the Executive Director of Investments, Trusts and Lands, shall have any control over the management of the Common Trust Fund other than to request admittance or withdrawal of any fund under his control as designated trustee thereof. No fund shall be admitted which contains a specific provision against commingling or whose investment restrictions prohibit purchase of securities as stated in Article II hereof.
4. The fiscal year for the Common Trust Fund shall be from September 1 through August 31 of the succeeding year.

## ARTICLE II

Investments

1. The title to all assets of the Common Trust Fund shall at all times be vested in the Board of Regents of The University of Texas System, and such assets shall be deemed to be held as a fiduciary regardless of the name in which the securities may be registered.
2. The Common Trust Fund may be invested and reinvested in such securities and investments as are permitted by the laws of the State of Texas as legal investments for funds held by trustees. Where not otherwise in conflict with the provisions of this plan, investment and other powers established by the Texas Trust Act shall prevail.
3. The Common Trust Fund shall be further limited to such investments as are eligible under the investment policy as adopted by the Board of Regents, and as amended from time to time, for all trust and special funds held by the Board of Regents in a fiduciary capacity.

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## ARTICLE III

Valuing Assets

1. As of the first valuation date (March 1, 1948) following adoption of the original plans for a common trust fund, units of the fund were issued for each \$1.00 invested therein, and thereafter additional units were issued and shall be issued from time to time only on the basis of an amount equal to the then per unit value as determined in accordance with Article III, Section 2, hereof. In order to permit complete investment of a separate fund, any odd cents over the unit value shall be transferred to the Common Trust Fund, but no unit shall be issued therefor unless the amount is more than 50% of the per unit cost. Each fund whose monies are invested in the Common Trust Fund shall have an undivided interest in such fund in the proportion that the number of units invested therein bears to the total number of all units comprising the Common Trust Fund.
2. On or as of the last business day occurring in November, February, May, and August in each fiscal year, and on or as of such other day or days in each year as may be selected from time to time, the net market value of all assets held for the Common Trust Fund and the unit value of participating funds therein shall be determined. Valuations shall be given no effect on the general ledger and supporting ledgers of the University but shall be memorandum accounts only. Such valuations shall be determined in the following manner:
  - a. Securities listed on the New York Stock Exchange or on the American Stock Exchange shall be evaluated by taking the closing price of each security on the day of such determination. If no closing price is reported for the day of such determination, the mean between the bid and asked prices reported shall be used. If there are no such bid and asked prices reported, then the value as determined by the Executive Director of Investments, Trusts and Lands and the Staff Investment Committee from the best information then available shall be used.
  - b. Nonlisted securities, other than mortgages and mortgage participations, shall be evaluated by using the mean between the bid and asked prices reported on the day of such determination. If there are no such bid and asked prices reported, such securities shall be evaluated by taking the best price obtainable from or by a reputable broker, or if not obtainable from a broker, then by taking the value as determined by the Executive Director of Investments, Trusts and Lands and the Staff Investment Committee from the best information then available.
  - c. Mortgages and mortgage participations shall be evaluated by taking the then face value unless there shall be an existing default in the payment of principal and/or income; in which event, the value as determined by the Executive Director of Investments, Trusts and Lands and the Staff Investment Committee from the best information then available shall be used.
  - d. All other assets shall be evaluated by the Executive Director of Investments, Trusts and Lands and the Staff Investment Committee from the best information then available.
  - e. The amount determined as provided above, together with any principal cash balance in the Common Trust Fund, after

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deducting therefrom all expenses and losses chargeable to principal, shall represent the net market value of the assets comprising such fund; and the value of each unit thereof shall be its proportionate part of such net value. Such valuation shall be final and conclusive.

## ARTICLE IV

Admissions and Withdrawals

1. Entrance to the Common Trust Fund may be made on any quarterly entrance date (September 1, December 1, March 1, and June 1 of each fiscal year) upon deposit to the Common Trust Fund of cash or eligible securities, valued according to the method described in Article III hereof, prior to approval of the Board of Regents. Securities to be eligible for deposit to the Common Trust Fund must be on the list approved by the Board of Regents for purchase for trust and special funds of the University. Securities not on the list approved for purchase require prior approval of the Board of Regents for deposit to the Common Trust Fund.
2. Cash available for addition to the Common Trust Fund may be added by the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee, on any quarterly entrance date prior to approval of the Board of Regents.
3. Withdrawals may be made at the discretion of the Executive Director of Investments, Trusts and Lands after consultation with the Staff Investment Committee in cash or in kind or partly in cash and partly in kind on any quarterly withdrawal date (September 1, December 1, March 1, and June 1 of each fiscal year) prior to approval of the Board of Regents.
4. All admissions and withdrawals made prior to approval of the Board of Regents shall be reported at the first subsequent meeting for ratification by the Board of Regents through the Regents' Land and Investment Committee.

## ARTICLE V

Segregation of Investments

1. If any investment contained in the Common Trust Fund shall be considered by the Board of Regents to be ineligible as an original investment or as an investment to be held for the funds of the common trust, such investment may, prior to any further admissions to or withdrawals from such fund, at the discretion of the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee, be sold or segregated and set apart in a liquidating account solely for the benefit of, or distributed in kind to, those trusts participating in the Common Trust Fund at the time of such segregation. The Board of Regents may at any time set apart in a liquidating account any investment contained in the Common Trust Fund even though it may be eligible as a new investment for such fund.
2. Each such liquidating account shall be administered in such manner and the proceeds thereof distributed at such time or times as the Board of Regents deems to be for the best interests of those trusts beneficially interested therein.

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ARTICLE VI

Distribution of Income

1. The net income actually received by the Common Trust Fund shall be distributed not less often than quarter-annually (on November 30, February 28, May 31, and August 31 of each fiscal year) to the funds participating during the respective quarter.
2. Income shall be maintained on an actual cash receipts basis after amortization.
3. Bond premiums and discounts shall be amortized to the maturity dates of the bonds held.

ARTICLE VII

Management of Fund

1. Unless in conflict with specific provisions hereof, the management and investment of the Common Trust Fund shall be under the Executive Director of Investments, Trusts and Lands, such management and investment thereof to be in accordance with the provisions of the Texas Trust Act and the policy approved by the Board of Regents for the management and investment of all trust and special funds held by the Board of Regents in a fiduciary capacity.
2. Charges against and deductions from the principal or income of the Common Trust Fund may be apportioned between such principal and income for expenses, except regular administrative expenses, incurred in the administration of the Common Trust Fund.
3. No charges shall be paid out of the Common Trust Fund as a fee or commission for the management thereof.

ARTICLE VIII

Amendment or Termination of Plan

1. The Board of Regents reserves the right to amend or terminate the Common Trust Fund as it deems necessary or advisable.

## B. Real Estate Matters

1. M. D. Anderson Hospital and Tumor Institute: Sophie Caroline Steves Fund for Cancer Research - Approval of Sale of Interest in Lot at Bastrop, Texas. -- Approval was given for the University to join in the sale of Lot 1 in Building Block No. 4 in the original town of Bastrop, Texas in which the Estate of Sophie Caroline Steves owns an undivided 1/119th interest. The University acquired the residue of Miss Steves' estate for cancer research at the M. D. Anderson Hospital and Tumor Institute. The offer for the lot is \$2,000 cash with our pro rata interest \$16.80. The Chairman was authorized to execute a quitclaim deed when approved as to content by the Executive Director, Investments, Trusts and Lands and as to form by the University Attorney.
  
2. Texas Western College: Cotton Trust - Renewal of Lease to El Paso Machine Steel Works, Inc. -- The lease to El Paso Machine Steel Works, Inc., on Cotton Trust lands at El Paso, Texas, expires on March 31, 1967. Approval was given for the extension of this lease on a month-to-month basis until June 30, 1967, at a monthly rental of \$828.67 to allow time for negotiation of terms for a new lease.

This 20 year lease, which provided for rental during the final five year period of \$136.25 per month, expires March 31, 1967. The lessee has been anxious to renew the lease for some time but it has been delayed until after the settlement of the Chamizal matter.

Terms for renewal for a 20-year period have been submitted, but the Executive Director of Investments, Trusts and Lands has proposed some terms that will require some time to work out. Therefore, the approval for extension is as set out above until a later recommendation is made to the Board.

## C. Gift, Bequest and Estate Matters

Main University: Bequest Under the Will of Dr. J. L. Henderson: Receipt of Bequest and Approval of Establishment of the Joseph L. Henderson and Katherine D. Henderson Foundation. -- The residue of the estate of Dr. J. L. Henderson, long-time Professor of Education, was received on February 3, 1967, consisting of securities with an inventory value of \$174,852.52 and cash in the amount of \$19,615.89.

Approval was given for the establishment of an endowment account to consist of the securities and \$12,588.89 of the cash with the remaining \$7,027.00 of cash to be credited to an income account. Both Funds will be known as "The Joseph L. Henderson and Katherine D. Henderson Foundation."



The procedures for carrying out the terms of the bequest, which were reported to and accepted by the Board at its meeting of January 15, 1966, are to be determined and recommended by the appropriate administrative officials.

The provision of Dr. Henderson's will leaving the residue of his estate to the University is as follows:

"All of the rest, residue and remainder of the total community estate or of my estate if my wife elects not to take under the will, I give, devise and bequeath to the University of Texas for the purpose of establishing a foundation in the name of myself and my wife and to be used as financial aid and assistance to worthy young men and young women who would otherwise be unable or find it difficult financially to attend the University of Texas. I direct that the principal of such foundation be invested in such a manner as may be determined by the University of Texas and that the income be used to provide said financial assistance. I would prefer and request but I do not direct that such assistance be made in connection with students in the College of Education of said university and that it be in the form of scholarships each in the amount of Two Hundred Fifty Dollars (\$250.00) for each school year for a given student and Five Hundred Dollars (\$500.00) for fellowships for each school year for a given student."

#### D. Bond Matters

State of Texas Constitutional Tax Bonds, Series 1967 - Arlington State College, \$4,500,000: Recommendation for Award of Sale of Bonds, for Printing of Bonds by American Bank Note Company, and for Republic National Bank of Dallas as Paying Agency. --The Land and Investment Committee referred to the Committee of the Whole the recommendation of Executive Director, Investments, Trusts and Lands that the award of the sale of the State of Texas Constitutional Tax Bonds, Series 1967 - Arlington State College, in the amount of \$4,500,000, be made to the Republic National Bank of Dallas, Dallas, Texas, for an effective interest rate of 3.44116% (See Page 56 ).

Approval was given to the award of the contract for printing the bonds to the American Bank Note Company, the one previously chosen for printing of the constitutional tax bonds. Approval was also given to naming the Republic National Bank of Dallas, Dallas, Texas, as the paying agency, which bank has also previously been chosen as the paying agency for all of the constitutional tax bonds.

Adoption of Report. --Regent Brenan moved that the foregoing report of the Land and Investment Committee be adopted, that the committee's actions therein be ratified, and that the Chairman of the Board be authorized to execute the instruments involved when approved by the appropriate administrative officials. This motion was duly seconded and unanimously carried.

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REPORT OF THE MEDICAL AFFAIRS COMMITTEE (See Page 55 for adoption). --Committee Chairman Connally presented the following report of the Medical Affairs Committee:

The Medical Affairs Committee recommends that the following recommendations and actions be in all things approved, confirmed, and ratified:

1. Medical Branch: Appointment of Herbert O. Sieker, M. D., as Professor and Chairman of Department of Internal Medicine. --  
The Medical Affairs Committee approved the recommendation of Doctor Blocker, processed through appropriate channels, that Herbert O. Sieker, M. D., be appointed as Visiting Professor of Internal Medicine, without salary, effective March 1, 1967, and that he be appointed Professor and Chairman of the Department of Internal Medicine, effective July 1, 1967. The details of his appointment will be reported in the Medical Branch portion of a subsequent docket.
  
2. Medical Branch: Authorization to Request Coordinating Board for Establishment of a School of Allied Health Sciences. --  
Upon the recommendation of Doctor Blocker, concurred in by Vice-Chancellor LeMaistre and Chancellor Ransom, the Board authorized the Administration to submit to the Coordinating Board, Texas College and University System a request to establish a School of Allied Health Sciences at the Medical Branch. The School will be headed by a full time dean who will report to the Executive Director and Dean of the Medical Branch in the same manner as the Dean of Medicine. No additional budgetary support will be requested for the program during the next biennium (1967-69). In the meantime supplementary support is expected from the Public Health Service under the new Allied Health Professional Educational Improvement Grant Program. The program of the School of Allied Health Sciences will include the following:

<u>PROGRAM</u>	<u>PRESENT STATUS</u>	<u>RECOMMENDED</u>
Physical Therapy	Baccalaureate in Physical Therapy awarded by UTMB. Certificate awarded to holders of Baccalaureate by UTMB.	No change
Medical Technology	B. S. degree awarded by cooperating college or university. Certificate awarded by UTMB.	Baccalaureate in Medical Technology awarded by UTMB. Certificate awarded to holders of Baccalaureate by UTMB.

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<u>PROGRAM</u>	<u>PRESENT STATUS</u>	<u>RECOMMENDED</u>
X-ray Technology	On-the-job training program. Certificate awarded by UTMB.	Educational program with clinical experience. Certificate awarded by UTMB.
Medical Records Administration	Certificate program inactive since 1959.	Baccalaureate in Medical Records Administration awarded by UTMB.
Occupational Therapy	Certificate program inactive since 1958.	Baccalaureate in Occupational Therapy awarded by UTMB.

It was further authorized that the Administration request the Coordinating Board for a Baccalaureate Degree Program in Medical Technology, in Medical Records and in Occupational Therapy.

3. M. D. Anderson Hospital and Tumor Institute: Cooperative Agreement Between Texas A & M University, Texas Medical Center, and M. D. Anderson Hospital and Tumor Institute. -- Approval was given to the request of Doctor R. Lee Clark, processed through appropriate channels, for permission to proceed in joint planning with Doctor H. O. Hartley, Director of the Institute of Statistics at Texas A & M University, the Common Research Computer Facility at the Texas Medical Center and the Department of Biomathematics at the M. D. Anderson Hospital and Tumor Institute.
4. Medical Branch: Establishment of the Department of Human Genetics and the Appointment of Doctor Barbara Bowman as I. H. Kempner Professor of Human Genetics and Chairman of the Department. -- Doctor Blocker's recommendation, concurred in by Vice-Chancellor LeMaistre and Chancellor Ransom, that a Department of Human Genetics be created and be made retroactive to March 1, 1967, was approved. It was further approved that Doctor Barbara Bowman be appointed as Visiting Professor, without salary, effective March 1, 1967, and that she be appointed as I. H. Kempner Professor of Human Genetics and Chairman of the Department, effective July 1, 1967. The I. H. Kempner Professor in Human Genetics was approved by the Board of Regents at its meeting on September 29, 1964. This appointment, as are all other appointments, will be reported in detail in the Medical Branch portion of a subsequent docket.
5. M. D. Anderson Hospital and Tumor Institute: Appointment of Mr. C. E. Naylor to Board of Visitors of University Cancer Foundation. -- Approval was given to the recommendation of Doctor Clark that Mr. C. E. Naylor of Houston, Texas, be appointed as a member of the Board of Visitors of the University Cancer Foundation.

6. Medical Branch: Negotiations Authorized for Rental of Space for Chronic Renal Dialysis Center. -- It is recommended that Doctor Blocker be authorized to negotiate for the rental of space for a Chronic Renal Dialysis Center at the Medical Branch and to incorporate a request in his grant application to the Department of Health, Education, and Welfare for funds for this rental. Doctor Blocker will report the results of the negotiations to the Board of Regents for final approval.
7. Southwestern Medical School: Progress Report on Eye Institute. -- A progress report was received from Doctor Gill relating to the development of an Eye Institute at The University of Texas Southwestern Medical School. Dean Gill reported that meetings with various people have been held in connection with this proposed project and it is hoped that a concrete plan will be recommended to the Board at a future meeting.

Adoption of Report. -- Regent Connally moved adoption of the foregoing report. The motion was duly seconded and unanimously prevailed.

#### OTHER MATTERS

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS BY REGENT BRENNAN. -- Regent Brennan reported that the Board for Lease of University Lands has not had a meeting since his last report at the January 1967 meeting.

REPORT BY VICE-CHAIRMAN JOSEY RELATING TO THE UNIVERSITY OF TEXAS DEVELOPMENT BOARD. -- A report was received from Vice-Chairman Josey, the Regents' representative on The University of Texas Development Board, regarding activities of the Development Board. Vice-Chairman Josey reported that Mr. Ralph H. McCullough of Houston was appointed to The University of Texas Development Board by the Ex-Students' Association to replace the late Doctor Proctor W. Day. Mr. McCullough attended his first Development Board meeting on March 8, 1967.

"The Development Advisory Council at Arlington," reported Vice-Chairman Josey, "authorized by the Board of Regents has been appointed. Of fifteen invited to serve, the following 14 accepted and one reluctantly declined":

Mayor Tom Vandergriff, Chairman	Mr. H. B. Fuqua	Mr. Marvin Nichols
Mr. James Bond	Mr. Burl B. Hulsey, Jr.	Mr. Lee Smith
Mr. Jack Butler	Mr. Stanley M. Kaufman	Mr. D. O. Tomlin
Mr. Trammell Crow	Mr. James Lawson	Mr. Stewart W. DeVore
	Mr. George Meihaus	Mr. Ernest J. Wilemon

Vice-Chairman Josey also reported that the Chancellor's Council will hold its organizational meeting on May 13. This activity has already brought significant new support to the University in terms of people and of dollars. Membership now stands at 174, including 85 whose eligibility was established by prior contributions. In addition, nine others have qualified but requested anonymity.

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RESOLUTION AUTHORIZING ISSUANCE OF STATE OF TEXAS CONSTITUTIONAL TAX BONDS, SERIES 1967--ARLINGTON STATE COLLEGE, \$4,500,000 AND AWARDING SALE OF BONDS TO THE REPUBLIC NATIONAL BANK OF DALLAS, DALLAS, TEXAS.--The resolution set out on Pages 57-78 was duly introduced for consideration of said Board and read in full. It was then duly moved by Regent Brennan and seconded by Regent Bauer that said resolution be adopted; and, after due discussion, said motion, carrying with it adoption of said resolution, prevailed and carried by the following:

AYES: All members of said Board shown present above voted "Aye."

NOES: None.

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RESOLUTION

BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AUTHORIZING THE ISSUANCE OF ITS COLLEGES OF THE STATE OF TEXAS CONSTITUTIONAL TAX BONDS, SERIES 1967- ARLINGTON STATE COLLEGE, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,500,000, BEARING INTEREST HEREINAFTER SET FORTH AND MATURING AS HEREINAFTER PRESCRIBED, TO PROVIDE FUNDS FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND INITIALLY EQUIPPING BUILDINGS AND OTHER PERMANENT IMPROVEMENTS AT ARLINGTON STATE COLLEGE, PRESCRIBING THE FORM OF THE BONDS, PLEDGING TO THE PAYMENT OF THE INTEREST AND PRINCIPAL THEREOF THAT PART OF THE MONEY ALLOCATED TO SUCH INSTITUTION FROM THE CONTINUING TAX LEVIED BY THE CONSTITUTION UNDER ARTICLE VII, SECTION 17, AS AMENDED, PROVIDING FOR THE EXECUTION AND DELIVERY OF SAID BONDS AND PRESCRIBING THE DUTIES OF THE OFFICERS OF SAID BOARD AND OF THE STATE IN REFERENCE THERETO, AND MAKING CERTAIN COVENANTS WITH RESPECT TO SECURING PAYMENT OF SAID BONDS AND INTEREST.

WHEREAS, Section 17 of Article VII of the Constitution of Texas adopted on the 23rd day of August, 1947, in addition to all other taxes permitted by the Constitution of Texas, levied a continuing ad valorem tax on all of the taxable property in the State at the rate of Five (5¢) Cents on the \$100.00 valuation to create a special fund for the purpose of acquiring, constructing and initially equipping buildings or other permanent improvements at the institutions of higher learning designated therein; and

WHEREAS, such provision of the Constitution authorized the governing boards of the institutions therein designated to issue bonds and notes payable from such fund therein created, and pursuant to such authorization of the governing boards of such institutions issued and sold bonds and notes; and

WHEREAS, all such bonds and notes have been paid in full and are no longer outstanding; and

WHEREAS, Section 17 of Article VII of the Constitution of Texas was amended as a whole by an amendment thereto adopted at the general election on November 6, 1956, which became operative and effective January 1, 1958; and

WHEREAS, Section 17 of Article VII of the Constitution, as amended in 1956 ("the 1956 Amendment"), levied and thus renewed a continuing ad valorem tax on all of the taxable property in the State at the rate of Five (5¢) Cents on the \$100.00 valuation for the purpose of creating a special fund for acquiring, constructing and initially equipping buildings or other permanent improvements at the institutions of higher learning designated in the said amendment; and

WHEREAS, such amended provision of the Constitution again authorized the governing boards of the institutions therein designated to issue bonds and notes payable from such fund therein created, and pursuant to such authorization the designated governing board issued and sold bonds and notes; and

WHEREAS, there remain outstanding bonds in the aggregate principal amount of \$8,920,000 payable from the respective allocated shares of the tax, and notes in the aggregate principal amount of \$7,382,500 payable from such respective allocated shares of said tax after the bonds issued by each said governing boards have been fully paid or full provision shall have been made by accumulating in the appropriate Interest and Sinking Fund established for bonds of each said board, sufficient money to pay all of said bonds, together with the interest payable on such bonds to ultimate maturity; and

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WHEREAS, there will be sufficient monies available in accordance with the tax levied by the 1956 Amendment and as allocated to pay the principal of and interest on said outstanding bonds and notes in accordance with their terms; and

WHEREAS, by adoption at the general election held in the State of Texas on November 2, 1965, Section 17 of Article VII of the Constitution of Texas was again amended as a whole (hereinafter sometimes called the "Constitutional Provision"); and

WHEREAS, the Constitutional Provision is self-enacting and has continued an ad valorem tax on all of the taxable property in the State of Texas at an increased rate of Ten (10¢) Cents on the \$100.00 valuation, and authorizes the proceeds of the tax to be pledged to pay the principal of and interest on the bonds issued pursuant thereto; and

WHEREAS, such tax levy became effective as of January 1, 1966, and will remain effective for taxes which will become due and payable in each year for a twelve year period beginning January 1, 1966, and for each successive ten year period thereafter; and

WHEREAS, the Constitutional Provision provides for an allocation of proceeds of such tax for the twelve year period commencing January 1, 1966, among the seventeen designated state supported institutions of higher learning (hereinafter sometimes called "Eligible Institutions") and has authorized the governing board of each of the Eligible Institutions to pledge any part of the fund allocated to it to pay the principal of and interest on bonds; and



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WHEREAS, the Constitutional Provision requires the Comptroller of Public Accounts of the State of Texas to make the allocation of the funds to the Eligible Institutions to be raised by such tax for the twelve year period beginning January 1, 1966, 85% of such funds to be allocated on June 1, 1966; and 15% to be allocated on June 1, 1972; and

WHEREAS, the Constitutional Provision requires that the Comptroller of Public Accounts of the State of Texas make the June 1, 1966 allocation (85%) based on the following determinations:

"(1) Ninety per cent (90%) of the funds allocated on June 1, 1966, shall be allocated to state institutions based on projected enrollment increases published by the Coordinating Board, Texas College and University System for fall 1966 to fall 1978;

"(2) Ten per cent (10%) of the funds allocated on June 1, 1966 shall be allocated to certain of the eligible state institutions based on the number of additional square feet needed in education and general facilities by such eligible state institution to meet the average square feet per full time equivalent student of all state senior institutions (currently numbering twenty-two);"

and

WHEREAS, such determinations have been made by the Coordinating Board; and

WHEREAS, the Comptroller has made the June 1, 1966 allocation as required by the Constitutional Provision; and

WHEREAS, of the total funds thus allocated on June 1, 1966, for the twelve year period, Arlington State College is to receive 13.23138%; and

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WHEREAS, the assessed valuation of property in the State of Texas (less homestead exemptions) subject to such levy in accordance with the approved tax rolls of 1965 was \$15,483,656,424, which valuation, together with the Comptroller's official estimates of valuations for each year of the twelve year period beginning January 1, 1966, and the figures representing the June 1, 1966 allocation among the Eligible Institutions afford a basis for estimating the amount of money to be received by Arlington State College under such tax levy for each of the years of the said twelve year period; and it has been officially estimated that Arlington State College will receive therefrom a total of \$16,252,647 during such period; and

WHEREAS, the Board of Regents of The University of Texas System, for and in behalf of Arlington State College, authorized the issuance and sold its Colleges of the State of Texas Constitutional Tax Bonds, Series 1966 - Arlington State College, in the aggregate principal amount of \$1,000,000, dated September 1, 1966 (hereinafter called the "Series 1966 Bonds"), and being numbered and maturing as follows:

<u>BONDS NUMBERS</u>	<u>MATURITY DATES</u>	<u>AMOUNTS</u>
1 thru 8	1968	\$ 40,000
9 " 26	1969	90,000
27 " 46	1970	100,000
47 " 68	1971	110,000
69 " 92	1972	120,000
93 " 117	1973	125,000
118 " 145	1974	140,000
146 " 175	1975	150,000
176 " 200	1976	125,000

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WHEREAS, the interest on and the principal of the Series 1966 Bonds are payable from the funds allocated to Arlington State College as aforesaid; and

WHEREAS, in the resolution authorizing the Series 1966 Bonds, the Board of Regents, subject to the conditions and limitations set forth in such resolution, reserve the right and power to issue in one or more series pursuant to the Constitutional Provision additional bonds on a parity with the Series 1966 Bonds, secured by and payable from the same allocated funds; and

WHEREAS, it has been and is hereby determined to be to the best interest of Arlington State College that \$4,500,000 in aggregate principal amount of bonds payable from its allocated fund be issued at this time and that action necessary for the issuance thereof be taken by this Board;

BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM:

1. The Bonds. That in order to provide funds for the purpose of acquiring, constructing and initially equipping buildings and other permanent improvements at Arlington State College, bonds are hereby authorized to be issued known as "Colleges of the State of Texas Constitutional Tax Bonds, Series 1967 - Arlington State College," in the aggregate principal amount of Four Million Five Hundred Thousand Dollars (\$4,500,000), in the denomination of \$5,000 each and numbered

from One (1) to Nine Hundred (900), both inclusive, (hereinafter referred to as the "Bonds"). The Bonds are issued as Additional Bonds as permitted in the resolution authorizing the Series 1966 Bonds and shall be in all respects on a parity with the said Series 1966 Bonds.

2. Bonds of Issue on Parity. That no one of said Bonds shall be entitled to priority over any other Bond of this issue in the application of the money in the allocated fund which has been pledged to the payment of the principal of and interest on the Bonds, irrespective of the fact that some of the Bonds may be delivered prior to the delivery of other Bonds, it being the intent of this Resolution that all Bonds of this issue shall rank equally.

3. Date of Bonds; Maturity Schedule. That the Bonds shall be dated March 1, 1967, and shall become due and payable on September 1 in each of the years and in the amounts as follows:

<u>YEARS</u>	<u>AMOUNTS</u>
1968	\$175,000
1969	415,000
1970	460,000
1971	490,000
1972	530,000
1973	580,000
1974	620,000
1975	660,000
1976	570,000

4. That as to said Bonds scheduled to mature on or after September 1, 1973, the Board of Regents reserves the right and option to redeem such Bonds prior to their scheduled maturities, in whole or in part, on September 1, 1972, or on any interest payment date thereafter at par and accrued interest to date fixed for redemption, plus a premium of 2% of the principal amount so called for redemption. Notice of redemption is to be published in a financial

publication published in the English language in the City of New York, New York, at least once, not less than thirty (30) days before the date fixed for such payment, and thirty (30) days' notice in writing is to be given to the Banks of Payment before the date so fixed for such redemption. Prior to the date fixed for redemption, funds shall be placed in the Banks of Payment sufficient to pay the Bonds called, the accrued interest and the premium thereon. Upon the happening of the above conditions said Bonds thus called shall not thereafter bear interest.

5. Interest Rates. That the Bonds shall bear interest at the following rates:

all bonds scheduled to mature during

the years 1968 through 1970 ---- 3.25 % per annum;

all bonds scheduled to mature during

the years 1971 through 1973 ---- 3.40 % per annum;

all bonds scheduled to mature during

the years 1974 through 1976 ---- 3.50 % per annum;

all bonds scheduled to mature during

the years 19\_\_ through 19\_\_ ---- - - % per annum;

with said interest to be evidenced by interest coupons payable on September 1, 1967, and semi-annually thereafter on each March 1 and September 1.

6. Banks of Payment. That the principal of and the interest on the Bonds shall be payable, without exchange or collection charges to the owner or holder thereof, at Republic National Bank of Dallas, Dallas, Texas, (hereinafter called "Principal Bank of Payment"), or, at the option of the holder, at First National City Bank, New York, New York, or, The First National Bank of Chicago, Chicago, Illinois, (herein collectively called "Banks of Payment") in lawful money of the United States of America upon surrender of proper Bond or coupon.

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7. Execution of Bonds and Coupons. That each of said Bonds and interest coupons shall be signed by the imprinted or lithographed facsimile signature of the Chairman of the Board of Regents and countersigned by the imprinted or lithographed facsimile signature of the Secretary of the Board of Regents, and the official seal of said Board shall be impressed, printed, or lithographed on each of said Bonds.

8. Negotiability. That nothing contained in the Bonds or in this Resolution shall affect or impair the negotiability of the Bonds or the coupons thereto appertaining, and said Bonds and coupons shall constitute negotiable instruments within the meaning of the Negotiable Instruments Acts of the State of Texas.

9. Form of Bonds. That the form of the Bonds shall be substantially as follows:

NO. \_\_\_\_\_ \$5,000

UNITED STATES OF AMERICA  
STATE OF TEXAS  
COLLEGES OF THE STATE OF TEXAS  
CONSTITUTIONAL TAX BOND  
SERIES 1967  
ARLINGTON STATE COLLEGE

For value received the Board of Regents of The University of Texas System (hereinafter sometimes called the "Board"), for and in behalf of Arlington State College at Arlington, Texas, an agency of the State of Texas, and as authorized by the Constitution of the State of Texas, hereby acknowledges itself indebted to and promises to pay out of the proceeds of the ad valorem tax herein described to the bearer, on the 1st day of September, 19\_\_, the sum of

FIVE THOUSAND DOLLARS

with interest thereon from the date hereof at the rate of \_\_\_\_\_  
(\_\_\_\_%) per cent per annum until the principal amount of this Bond

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shall have been paid, payable September 1, 1967, and semi-annually thereafter on March 1 and September 1 of each year. Both principal and interest shall be payable in lawful money of the United States of America upon presentation and surrender of proper bond or coupon at Republic National Bank of Dallas, Dallas, Texas, or, at the option of the holder at First National City Bank, New York, New York, or, The First National Bank of Chicago, Chicago, Illinois, without exchange or collection charges to the owner or the holder thereof.

This Bond is one of a series of Bonds (hereinafter sometimes called the "Bonds") of like tenor and effect except as to number, maturity and right of redemption, numbered from One (1) to Nine Hundred (900), both inclusive, aggregating Four Million Five Hundred Thousand Dollars (\$4,500,000), issued for the purpose of acquiring, constructing, and initially equipping buildings or other permanent improvements at Arlington State College, Arlington, Texas, in accordance with the provisions of Section 17 of Article VII, as amended, of the Constitution of Texas, and pursuant to the Resolution authorizing the issuance of the series of Bonds of which this is one, adopted by the Board of Regents of The University of Texas System, duly of record in the minutes of said Board (herein called the "Resolution").

The date of this Bond in conformity with the Resolution is March 1, 1967.

The Bonds of which this is one are secured by a pledge of that part allocated to Arlington State College of the proceeds of a continuing tax on all of the taxable property in the State levied by Section 17 of Article VII of the Constitution, as amended on November 2, 1965, accumulated and held in

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the State Treasury to be used solely to pay the principal of and interest on the Bonds, other parity bonds heretofore issued and additional parity bonds herein mentioned. The levy of such tax supporting the Bonds and the pledge thereof will remain effective so long as any of the Bonds is outstanding and unpaid.

The Board shall have the option of calling bonds maturing serially on or after September 1, 1973, for redemption prior to maturity, in whole or in part, on September 1, 1972, or any interest payment date thereafter, at par and accrued interest to date of redemption plus a premium of 2% of the principal amount so called for redemption. Notice of redemption is to be published in a financial publication published in the English language in the City of New York, New York, at least once, not less than thirty (30) days before the date fixed for such payment, and thirty (30) day's notice in writing is to be given to the Banks of Payment before the date so fixed for such redemption. Prior to the date fixed for redemption, funds shall be placed in the Banks of Payment sufficient to pay the bonds called, the accrued interest and the premium thereon. Upon the happening of the above conditions said bonds thus called shall not thereafter bear interest.

The Board reserves the right to issue additional parity bonds under the terms and conditions stated in the Resolution authorizing this Bond and the series of which it is a part, and said bonds may be made payable from the same source, secured in the same manner and placed on a parity with this Bond and the series of which it is a part.



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Each successive holder of this Bond, and each successive holder of each of the coupons hereto attached, is conclusively presumed to forego and renounce his equities in favor of subsequent holders for value without notice, and to agree that this Bond and each of the coupons hereto attached, may be negotiated by delivery by any person having possession thereof, howsoever such possession may have been acquired, and that any holder who shall have taken this Bond or any of the coupons from any person for value without notice, thereby has acquired absolute title thereto, free from any defenses enforceable against any prior holder and free from all equities and claims of ownership of any such prior holder. The Board and the Banks of Payment shall not be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required to be done precedent to and in the issuance of this Bond and the series of which it is a part have been properly done, have happened and been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the proceedings hereinabove mentioned, and that this issue of Bonds does not exceed any constitutional or statutory limitations and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part by irrevocably pledging the allocated proceeds of the continuing ad valorem tax hereinabove mentioned.

IN WITNESS WHEREOF, the Board of Regents of The University of Texas System has caused the official seal of said Board to be impressed, printed or lithographed hereon and has

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caused this Bond and the interest coupons attached hereto to be executed by the imprinted facsimile signature of the Chairman of the Board and the Secretary of the Board, and this Bond to be dated March 1, 1967.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

By \_\_\_\_\_ Chairman

ATTEST:

\_\_\_\_\_  
Secretary

10. Form of Coupon. That the form of coupon for the Bonds shall be substantially as follows:

NO. \_\_\_\_\_ \$ \_\_\_\_\_

On the \_\_\_\_ day of \_\_\_\_\_, 19\_\_, the Board of Regents of The University of Texas System for and in behalf of Arlington State College, promises to pay to bearer, unless due provision has been made for the redemption prior to maturity of the bond to which this interest coupon is attached, without exchange or collection charges to the owner or holder hereof, out of the allocated proceeds of the ad valorem tax described in the Bond to which this coupon is attached the sum of \_\_\_\_\_ (\$ \_\_\_\_\_) Dollars in lawful money of the United States of America at Republic National Bank of Dallas, Dallas, Texas, or, at the option of the holder at First National City Bank, New York, New York, or, The First National Bank of Chicago, Chicago, Illinois, being the interest then due on its Colleges of the State of Texas Constitutional Tax Bond, Series 1967 - Arlington State College.

NO. \_\_\_\_\_

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

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11. Comptroller's Certificate. That the form of Comptroller's Certificate which shall be printed on the back of each of the Bonds shall be substantially as follows:

OFFICE OF COMPTROLLER :  
STATE OF TEXAS : REGISTER NO. \_\_\_\_\_

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by Section 17 of Article VII of the Constitution, as amended, and that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas and that it is a valid and binding obligation payable from the proceeds of the State ad valorem tax pledged to its payment by and in the Resolution of said Board of Regents of The University of Texas System on behalf of Arlington State College, an educational institution belonging to the State of Texas duly constituted under authority of law authorizing same and said Bond has this day been registered by me.

WITNESS MY HAND and seal of office at Austin, Texas.

\_\_\_\_\_  
Comptroller of Public Accounts of the  
State of Texas

(SEAL)

12. Definitions. That throughout this Resolution, in the bond form prescribed herein and in the bonds authorized hereby, the following terms and expressions as used herein shall have the meanings set forth, to-wit:

The term "Additional Bonds" shall refer to the additional parity bonds that are permitted to be issued by Section 13;

The term "Board" shall refer to the Board of Regents of The University of Texas System;

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The term "Bonds" shall refer to the bonds authorized to be issued under the provisions of this resolution;

The term "Comptroller" shall refer to the Comptroller of Public Accounts of the State of Texas;

The term "Constitutional Provision" shall mean Article VII, Section 17 of the Constitution of Texas as amended November 2, 1965;

The term "Eligible Institutions" shall mean the seventeen state supported institutions of higher learning designated as those institutions to receive allocated proceeds from the tax levied by the Constitutional Provision;

The term "1956 Amendment" shall mean Article VII, Section 17 of the Constitution as amended November 6, 1956;

The term "Institution" shall refer to Arlington State College;

The term "Presiding Officer" shall mean the officer designated by law to preside over the Board;

The term "Resolution" shall mean this resolution authorizing the Bonds.

The term "Series 1966 Bonds" shall refer to Colleges of the State of Texas Constitutional Tax Bonds - Arlington State College, in the aggregate principal amount of \$1,000,000.

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13. Findings, Pledge of Payment, Additional Bonds.

That official recognition is hereby given to these facts:

(a) That the tax authorized by the 1956 Amendment and allocated in accordance therewith to certain institutions designated therein was thereafter pledged to the payment of bonds and notes issued under the authority of the 1956 Amendment; that such bonds and notes are to be paid in accordance with such allocation and pledge; and that no attempt is made herein to pledge such tax thus allocated to said designated institutions and subsequently pledged to the payment of bonds and notes issued pursuant to such authority.

(b) That Section 17 of Article VII of the Constitution, as amended in 1965 (the "Constitutional Provision") has levied a continuing ad valorem tax on all taxable property in the State of Texas, at the increased rate of Ten (10¢) Cents on the One Hundred Dollars (\$100.00) of valuation;

(c) That such tax has been effective since January 1, 1966 and will remain effective so long as any of the Bonds is outstanding and unpaid;

(d) That as and when the proceeds from such tax levy are received by the Comptroller the net amounts realized therefrom (including the portion thereof allocated to the Institution) are deposited in the State Treasury to be held for the purposes set forth in the Constitutional Provision;

(e) That the Comptroller on June 1, 1966 allocated among the Eligible Institutions 85% of the said tax to be received for the twelve year period beginning January 1, 1966; and will on June 1, 1972 allocate among the Eligible Institutions the remaining 15% of the said tax for the said twelve

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year period, all in accordance with the Constitutional Provision.

(f) That it is the duty of the Comptroller to draw all necessary and proper warrants upon the State Treasury to effectuate the pledge of such money made in this Resolution and to facilitate payment of the Series 1966 Bonds, the Bonds, the Additional Bonds and interest thereon; and

(g) That while such tax will remain effective so long as any of the Series 1966 Bonds, the Bonds, or the Additional Bonds is outstanding and unpaid, the Board must arrange the installment maturities of the Bonds and the Additional Bonds and make its pledge of the taxes allocated to the Institution so that the Series 1966 Bonds, the Bonds, and Additional Bonds will be actually retired out of taxes collected during the twelve year period beginning January 1, 1966.

Accordingly, the Board irrevocably pledges to the payment of the principal of and interest on the Series 1966 Bonds and the Bonds the following:

(1) All of the money, in the State Treasury to the credit of the Institution, realized from the collection of such continuing tax levied for the year 1966, exclusive of that part of the tax allocated and pledged pursuant to the 1956 Amendment to the payment of outstanding bonds and notes issued prior to the adoption of the Constitutional Provision;

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(2) All of the proceeds from such continuing tax to which it is entitled levied for each of the years 1966 to 1977, both inclusive, and allocated June 1, 1966 by the Comptroller, which tax according to law becomes due on October 1 of each of said years, exclusive of that part of the tax allocated and pledged pursuant to the 1956 Amendment to the payment of outstanding bonds and notes prior to the adoption of the Constitutional Provision;

(3) In the event that any of the Bonds or any interest thereon remains outstanding and unpaid on the date the last of the Bonds is scheduled to mature, and in the event the Interest and Sinking Fund, created by Section 14 hereof shall then contain sufficient money to pay all of such principal and interest and the expense incidental to the making of such payments, to the extent of such deficiency, the proceeds from such continuing tax to which the Institution may be entitled under the allocation made by the Comptroller on June 1, 1966 or additional allocations or reallocation arrangements then in effect are pledged and such pledge shall remain effective until the Bonds shall have been paid in full with interest thereon; but when full provision shall have been made for the final payment of the Bonds by depositing money sufficient for the purpose in the Interest and Sinking Fund, the obligation under this sub-section (3) will have been fully satisfied and the pledge will have been released; and

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(4) The money pledged to the payment of the Series 1966 Bonds and the Bonds shall be used solely to pay the principal of and interest on the Series 1966 Bonds and the Bonds and to defray the expense incident to such payments so long as any of such bonds or interest thereon is outstanding and unpaid. After full provision shall have been made by accumulating in the Interest and Sinking Fund sufficient money available for the purpose, which can be used for no other purpose, to pay all of such bonds and interest calculated thereon to maturity, the Board reserves the right to use money in excess thereof for such purposes as may be permitted under the Constitutional Provision. Provided, however, the Board reserves and shall have the right and power to issue pursuant to the Constitutional Provision additional parity bonds in one or more series, (herein defined as "Additional Bonds") which Additional Bonds, when issued, shall be secured by and payable from the Ten (10¢) Cent tax levied by the Constitutional Provision for the twelve year period beginning January 1, 1966, and allocated to the Institution, in the same manner and to the same extent as the Series 1966 Bonds and the Bonds, and the Additional Bonds permitted by this Section 13, when issued, shall be in all respects of equal dignity and on a parity with the Series 1966 Bonds and the Bonds whether payable in whole or in part from the allocation made by the Comptroller on June 1, 1966, or to be made by the Comptroller on June 1, 1972. Provided, further, that Additional Bonds will not be issued in an aggregate



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principal amount that will cause the total amount required for the payment of the principal of and interest on the Series 1966 Bonds, the Bonds and the Additional Bonds in any year to be more than 85% of the amount of such taxes allocated to the Institution and officially estimated by the Comptroller of Public Accounts to be collected in such year for the credit of the Interest and Sinking Fund.

14. Interest and Sinking Fund. That (a) the Treasurer of the State of Texas pursuant to the provisions of the resolution authorizing the Series 1966 Bonds established in the State Treasury a fund known as Arlington State College Constitutional Tax Bond Interest and Sinking Fund (herein called "Interest and Sinking Fund");

(b) As received into the State Treasury the said allocated money of the Institution shall be credited to the Interest and Sinking Fund in the manner and to be held in accordance with the pledge contained in Section 13 hereof.

15. Procedure for Remitting to Banks of Payment.

That

(a) In accordance with the requirements of the Constitutional Provision that "The State Comptroller of Public Accounts shall draw all necessary and proper warrants upon the State Treasury, in order to carry out the purpose of this amendment," to the end that money will be available at the Banks of Payment in ample time to pay the principal of and interest on the Bonds, as such principal and interest, respectively, matures, the Comptroller of Public Accounts of the State of Texas, on or before August 15, 1967, and on or

before February 15 and August 15 of each year while any of the Bonds is outstanding and unpaid, shall draw a warrant against the Interest and Sinking Fund in the amount of the interest or interest and principal (when both are scheduled to mature) which will become due on the September 1 or March 1 next following. The amount of each such warrant shall be increased by the amount of the charges of the Banks of Payment for making payment of the Bonds or coupons or both Bonds and coupons scheduled to mature in each such instance. Within the discretion of the Comptroller of Public Accounts he may draw a separate warrant for the payment of such charges.

(b) Each such warrant shall be made payable to the order of the Principal Bank of Payment specified in Section 6 above, and the Comptroller of Public Accounts shall deliver such warrant to the payee Bank;

(c) The Principal Bank of Payment designated in Section 6 hereof, shall out of moneys remitted to it under the provisions of this Section 15, and not otherwise, make available at the other Banks of Payment specified in Section 6 hereof funds sufficient to pay such of the Bonds, and such of the coupons as are presented for payment at such banks and the Principal Bank of Payment. The Principal Bank of Payment by accepting designation as such Principal Bank of Payment agrees and is obligated to perform such service.

16. Enforcement of Rights of Bondholders. That all rights available to the holders of the Bonds under the Constitution and laws of the State, by suit for mandamus or otherwise, to compel the performance of their official duties by the Board, its officers, the officers of counties, or the

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officers of the State to the end that the principal of and interest on the Bonds may be paid promptly, are hereby recognized and reserved to and for the holders of the Bonds and of the appurtenant coupons.

17. Confirmation of Sale of Bonds. That the sale of the Bonds to The Republic National Bank of Dallas, Dallas, Texas, at a price of par and accrued interest to date of delivery, plus a premium of \$ -0- be and the same is hereby confirmed.

18. Custody and Delivery of Bonds. That after said Bonds shall have been executed it shall be the duty of the Presiding Officer of the Board or some officer of the Board acting under authority from him, to deliver said Bonds to the Attorney General of Texas for examination and approval and after said Bonds shall have been approved by the Attorney General they shall be delivered to the Comptroller of Public Accounts of the State of Texas for registration. The Bonds thus registered shall remain in the custody of the Presiding Officer of the Board subject to his order, until the delivery thereof to the purchaser.

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## COMMITTEE OF THE WHOLE

The following report of the Committee of the Whole was presented by Chairman Erwin (See Page 126 for adoption.):

**MEDICAL BRANCH: CONSTRUCTION OF FIELD HOUSE BY MEDICAL BRANCH ALUMNI ASSOCIATION.** -- Authorization was given for the construction of a Field House by the Medical Branch Alumni Association on land donated by The Sealy and Smith Foundation. It was ordered that the same procedures, rules and regulations governing any other construction project of The University of Texas System be followed.

It will be the responsibility of the Medical Branch to maintain this property, and the Student Medical Association has agreed to participate in its maintenance by contributing toward the upkeep \$30 per year per student.

**SOUTH TEXAS MEDICAL SCHOOL: PROGRESS REPORT BY CHAIRMAN ERWIN RELATING TO THE FINANCING OF THE TEACHING HOSPITAL.** -- With reference to financing the operation of the Teaching Hospital for the South Texas Medical School by Bexar County, Chairman Erwin reported that Senate Bill No. 362 authorizing the Commissioners' Court of Bexar County to assess property for hospital districts up to 50% evaluation of the property passed the Legislature and is effective immediately.

**SOUTHWESTERN MEDICAL SCHOOL AND TEXAS WESTERN COLLEGE: CENTRAL HEATING AND CHILLED WATER PLANT.** -- Proposals were received for a Central Heating and Chilled Water Plant for Southwestern Medical School and Texas Western College on March 1, 1967 from the firms of Ford, Bacon, and Davis, Dallas, Texas; Sam P. Wallace Company, Dallas, Texas; Central Plant Systems, Houston, Texas; and El Paso Electric Company, El Paso, Texas.

Due to the volume of detailed material submitted with the proposals, it was not possible to complete the analysis and make a recommendation to the Board at this meeting within the time available. A committee, composed of Chairman Erwin, Regent Heath, Vice-Chancellor Walker, and Mr. V. E. Thompson, was appointed to review the proposals and award a contract to the bidder offering the most favorable proposition for the University.

**SOUTHWESTERN MEDICAL SCHOOL, M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE, AND SOUTH TEXAS MEDICAL SCHOOL: DUAL POSITIONS PURSUANT TO SECTION 33, ARTICLE 16, CONSTITUTION OF TEXAS.** -- The following resolution was adopted authorizing that those listed therein be permitted to serve on the board or commission as indicated. This recommendation complies with Attorney General's Opinion No. C-550 relative to service on a state or federal

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board or commission by members of the faculty or administration of The University of Texas within the meaning of Sections 12, 33 or 40 of Article XVI of the Constitution of Texas:

RESOLUTION

WHEREAS, (the name of the individual) has an opportunity to serve as (the capacity in which he is serving on a state or federal board or commission):

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of The University of Texas, acting pursuant to delegated legislative authority:

1. That the said (the name of the individual) be, and he is hereby, directed and required by the Board of Regents to serve as (the capacity in which he is serving on a state or federal board or commission) until he no longer has an opportunity to do so or until this direction and requirement is amended or revoked by the Board of Regents;
2. That the said (the name of the individual) be, and he is hereby, directed and required by the Board of Regents to serve as (the capacity in which he is serving on a state or federal board or commission) as a duty of his employment by The University of Texas, and such duty shall be in addition to all other duties that have been or may hereafter be assigned or required of him by the Board of Regents;
3. That the Board of Regents finds that (the name of the individual)'s service as (the capacity in which he is serving on a state or federal board or commission) is, and will continue to be, fully and entirely compatible with his employment by The University of Texas;
4. That the Board of Regents finds that (the name of the individual)'s service as (the capacity in which he is serving on a state or federal board or commission) is, and will continue to be, a benefit and advantage to The University of Texas and the State of Texas; and
5. That the Board of Regents finds that neither the (board or commission on which he is serving) nor (the name of the individual) as (a capacity in which he is serving) will exercise any sovereign function or power of government.

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SOUTHWESTERN MEDICAL SCHOOL

<u>Name</u>	<u>Classification</u>	<u>Board or Commission</u>
Vernie A. Stenbridge, M. D.	Professor and Acting Chairman of the Department of Pathology	Consultant - Armed Forces Institute of Pathology, with specified duties and extended service

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE

Richard H. Jessee, M. D.	Associate Head and Neck Surgeon, Department of Surgery and Associate Professor of Surgery (1966-67)	Member - Advisory Committee to the Cancer Control Pro- gram of the Public Health Service
Emil Frei, III, M. D.	Associate Director (Clinical Research); Internist; Head, Depart- ment of Developmental Therapeutics and Professor of Medicine (1966-67)	Member - Cancer Chemotherapy Collaborative Clinical Trials Review Committee

SOUTH TEXAS MEDICAL SCHOOL

Charles A. Rockwood, M. D.	Associate Professor of Orthopedic Surgery	Member - Anatomical Board of the State of Texas
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ARLINGTON STATE COLLEGE, LAND ACQUISITION PROGRAM:  
PURCHASE OF OUSLEY JUNIOR HIGH SCHOOL PROPERTY AND  
CHANGE IN PLANS IN BASEMENT OF AUDITORIUM (PART OF THE  
ADMINISTRATION BUILDING). -- Approval was given for the purchase  
of the Ousley Junior High School property (5.344 acres on which are  
located five masonry structures) owned by the Arlington Independent  
School District, Arlington, Texas, at a price of \$689,054.00, which is  
the mid-point between the appraisal of this property by the University  
and the appraisal by the Arlington Independent School District. Funds  
for this purchase were authorized from the proceeds of the ad valorem  
tax funds and grant funds. It was also ordered that the space being  
planned for Radio and Television studios and the Printing Shop in the  
basement of the Auditorium (which is scheduled to be a part of the  
Administration Building) be eliminated from the final plans and speci-  
fications since space for these facilities can be provided in the Ousley  
Junior High School property.

Doctor Woolf stated that the Ousley Junior High School Property could  
be used for (1) Physical Plant Warehouse and Shop spaces, plus other  
Physical Plant facilities such as vehicle storage and office space;

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(2) Printing Shop; (3) Radio-Television studio facilities; (4) Classroom and Office Space for the proposed School of Social Work; and (5) Temporary art and/or architectural labs pending construction in the future of a new building for these departments. He further stated that it would take about \$150,000 to fix up these buildings.

President Woolf was authorized to file an application for an undergraduate facilities grant to be used on a matching basis for the purchase and remodeling of the Ousley School property.

ARLINGTON STATE COLLEGE: REJECTION OF BIDS FOR ADDITION TO REGISTRAR'S OFFICE BUILDING AND REAPPROPRIATION FOR REMODELING IN LIEU THEREOF.-- All bids submitted for the Addition to the Registrar's Office Building at Arlington State College were rejected since they were well over the \$50,000 appropriated for this project.

The recommendation of the Administration that the \$50,000 appropriated for the Addition to the Registrar's Office Building be reapportioned for the removal of the 1,400 square feet of the existing Registrar's Office Building and for remodeling portions of the Library Building and Administration Building to provide adequate space for the Registrar's Office was approved. It was ordered that this work be performed by the Physical Plant staff of Arlington State College within the \$50,000 available.

Regent Heath asked to be recorded as present but not voting.

ARLINGTON STATE COLLEGE: AWARD OF CONTRACT FOR REPAIR AND REMODELING OF PRESTON HALL TO DRAKE COMPANY, INC. AND ADDITIONAL APPROPRIATION FOR ENGINEER'S FEES AND MISCELLANEOUS EXPENSES THEREFOR.-- A contract for the Repair and Remodeling of Preston Hall at Arlington State College was awarded to the low bidder, Drake Company, Inc., of Fort Worth, Texas, as follows:

Drake Company, Inc., Fort Worth, Texas	
Base Bid	\$77,776.00
Add Alternate No. 1	<u>6,600.00</u>
Total Recommended Contract Award	<u>\$84,376.00</u>

Approval was also given to the recommendation that an additional \$10,000.00 be appropriated for this project to cover Engineer's Fees and miscellaneous expenses from Account No. 85-9799-5000- Arlington State College - Reserve for Architects' Fees and Miscellaneous Construction.

TEXAS WESTERN COLLEGE: AWARD OF CONTRACT FOR ADDITION TO LIBRARY BUILDING TO R. D. LOWMAN GENERAL CONTRACTOR INC. AND ADDITIONAL APPROPRIATION FROM PERMANENT UNIVERSITY FUND BOND PROCEEDS.-- A contract was awarded on the basis of the base bid to the low bidder, R. D. Lowman General Contractor, Inc., El Paso, Texas, in the amount of \$1,191,900.00, subject to the concurrence of the Office of Education.

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Approval was also given to the recommendation that an appropriation of \$920,000.00 be made for this project from Permanent University Fund Bond Proceeds, this amount being previously allocated to the project, but not appropriated.

MAIN UNIVERSITY: WAIVER OF NEPOTISM RULE (1) MR. CHARLES C. RAINES AND DOCTOR W. H. WATSON, (2) MR. KENNETH EDWARD HAWKER, JR. AND DOCTOR ORVILLE WYSS, (3) MR. AND MRS. MORRIS ENFIELD.-- Under the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Part One, Chapter III, Section 5 relating to nepotism, the following appointments were approved:

1. Mr. Charles C. Raines was appointed as Research Scientist Associate IV in the Department of Astronomy at the Main University for the period March 1, 1967 through August 31, 1967 at a salary rate of \$770 per month. Mr. Raines is the brother-in-law of Doctor W. H. Watson, Associate Professor of Management.
2. Mr. Kenneth Edward Hawker, Jr. was appointed as Research Scientist Associate II in the Defense Research Laboratory at an annual salary rate of \$8,880, effective February 1, 1967. Mr. Hawker is the son-in-law of Doctor Orville Wyss, Professor of Microbiology and Director, Research in Microbiology and Research in Aerobiology.
3. Mrs. Anne Greer Enfield was appointed as Computer Programmer II in the Linguistics Research Center at a monthly salary rate of \$620. Mrs. Enfield is the wife of Mr. Morris Enfield, Computer Programmer III in the Computation Center.

MAIN UNIVERSITY: DETACHED SERVICE AT UNIVERSITY OF HAWAII UNDER NATIONAL INSTITUTE OF HEALTH GRANT GM 11609-04 AND -05.-- Informal approval was given for the following individuals working under National Institute of Health Grant GM 11609-04 and -05 to do detached service through the University of Hawaii and in other Pacific and Southeast Asia areas for the time indicated. After definite plans have been formalized and exact dates of the detached service are known, each item will be processed separately and in the appropriate manner for the Board's approval:

Name	Time of Detached Service
John Murphy	September 1, 1967 through August 31, 1968
Malcolm Brown	Summer, 1967
Kathleen Resch	Summer, 1967
Michael Kambysellis	June 1, 1967 through August 31, 1968
Carmen Kanapi	June 1, 1967 through October 31, 1968



<u>Name</u>	<u>Time of Detached Service</u>
E. Susan Rockwood	June 1, 1967 through August 31, 1967
Cynthia Greer	June 1, 1967 through August 31, 1967
John Ellison	June 1, 1967 through August 31, 1967
Marshall R. Wheeler	June 1, 1967 through August 31, 1967
Wilson S. Stone	June 1, 1967 through August 31, 1967

MAIN UNIVERSITY, MURRAY CASE SELLS ESTATE: RESOLUTION OF 1959 AS AMENDED AUTHORIZING EXECUTION OF CERTAIN INSTRUMENTS AMENDED. -- Upon the recommendation of Chancellor Ransom, the resolution authorizing execution of certain instruments of the Murray Case Sells estate as adopted on March 14, 1959 and amended on July 22, 1961, was further amended by substituting "Executive Director, Investments, Trusts and Lands," in lieu of "Chancellor of The University of Texas," so that the resolution as amended will read as follows:

"BE IT RESOLVED, That the Executive Director, Investments, Trusts and Lands, of The University of Texas be and he is hereby authorized to execute, acknowledge and deliver for, in the name of and in behalf of The University of Texas, all such instruments and documents (including but not being limited to instruments releasing, assigning or reducing overriding royalty interests, production payments, or pooling such interests or amending or modifying pooling agreements to which said interests may be subject) pertaining to the properties received by the said The University of Texas under the terms of or in connection with the Will of Murray Case Sells, deceased, in such form, and upon such consideration, and upon such terms and conditions as the said Executive Director, Investments, Trusts and Lands may deem proper."

MAIN UNIVERSITY, ALBERT SCHWEITZER SCHOLARSHIP FUND: SALE OF PROPERTY AT 3909 AVENUE D (GIFT FROM MRS. ZETTIE W. SALATHE)-- EXECUTIVE COMMITTEE ITEM 15-M-66.-- Approval was given to the offer of Mr. M. B. Lynch through Hub Bechtol and Associates for the purchase of the property at 3909 Avenue D (a gift from Mrs. Zettie W. Salathe for the Albert Schweitzer Scholarship Fund) at a price of \$7,750, payable \$1,000 down and the balance in monthly installments over a period of 15 years with interest rate at 6-1/2%. This item was originally submitted to the Executive Committee (Item 15-M-66) and referred by that committee to the Committee of the Whole. (See Page 14 .)

MAIN UNIVERSITY: APPROPRIATIONS FOR (1) FURNITURE AND FURNISHINGS FOR THE LITTLEFIELD HOME; AND (2) REMODELING OF LITTLEFIELD CARRIAGE HOUSE.-- An appropriation of \$18,000 was authorized from the Main University Unappropriated Balance to purchase a desk for the receptionist on the ground floor and to purchase and install furniture and furnishings in all office areas of the ground and second floors and the Development Board conference room on the ground floor of the Littlefield Home. It was understood that all purchases would be on a bid basis.

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Also an appropriation of \$23,000 from the Main University Unappropriated Balance was authorized for the remodeling of the Carriage House, including the removal of the stucco addition that was made to the Carriage House.

MAIN UNIVERSITY, LAND ACQUISITION PROGRAM: FEES FOR LEGAL SERVICES AND COURT COSTS AUTHORIZED TO CLARK, THOMAS, HARRIS, DENIUS AND WINTERS AND APPROPRIATION THEREFOR.--It was ordered that there be paid to the firm of Clark, Thomas, Harris, Denius and Winters, Austin, Texas, fees for legal services in the amount of \$5,008.50 together with court costs and expenses in an amount of \$786.46, making a total of \$5,794.96 for the period September 1, 1966 to February 15, 1967, in connection with the Main University Land Acquisition Program. Source of funds for the payment is Main University Land Acquisition Program Authorized by the 59th Legislature, 1965, Account No. 85-9001-0000.

MAIN UNIVERSITY: AWARD OF CONTRACT FOR CONSTRUCTION OF A PARKING LOT AT 26-1/2 STREET AND SAN JACINTO BOULEVARD TO PAT CANION EXCAVATING COMPANY, AUSTIN, TEXAS.-- Approval was given to the recommendation of Main University Business Manager Colvin, Mr. V. E. Thompson, Vice-Chancellor Hackerman, Vice-Chancellor Walker, and Chancellor Ransom that a contract be awarded in the amount of \$24,968.00 to the low bidder, Pat Canion Excavating Company, Austin, Texas, on the basis of that company's base bid for construction of a parking lot at 26-1/2 Street and San Jacinto Boulevard at the Main University.

MAIN UNIVERSITY: RECOMMENDED MODIFICATION OF CONTRACT WITH CONTROL DATA CORPORATION, MINNEAPOLIS, MINNESOTA, DATED FEBRUARY 24, 1966, RE 6600 COMPUTER PURCHASE.--It was authorized that the contract with Control Data Corporation, Minneapolis, Minnesota, dated February 24, 1966, relating to the purchase of a 6600 Computer be modified to include (1) the purchase of CDC 3113 Storage Module at a cost of approximately \$84,000, (2) deletions amounting to \$63,964 and (3) an addition of \$16,029 to the original contract price of \$3,088,310. The additional funds will come from the Budget of the College of Business Administration. The CDC 3113 will be for the use of the College of Business Administration in conjunction with the CDC 6600 Computer. The Chairman of the Board was authorized to execute the appropriate instrument when it has been approved as to content by Vice-Chancellor Hackerman and as to form by University Attorney Waldrep.

ITEMS SCHEDULED FOR THE MAY 1967 MEETING OF THE BOARD OF REGENTS: MAIN UNIVERSITY, GENERATION OR PURCHASE OF ELECTRICAL POWER; INCREASE IN ROOM DEPOSITS - UNIVERSITY HOUSING.--Chairman Erwin reported that he had communicated with the City of Austin with respect to an offer from the City of Austin for The University of Texas to buy electrical power to the extent of the excess over the University's ability to produce. As soon as the offer is received from the City, it will be distributed to each Regent and the appropriate administrative officials. The staff is directed to make recommendations with respect to whether or not the University continues to generate its own electricity by providing additional equipment or to start purchasing the excess over its production capacity.

It was also ordered placed on the agenda for the May meeting a discussion of the recent increase of room deposits in University housing.

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ESTABLISHMENT OF THE UNIVERSITY OF TEXAS FOUNDATION, INC. (AN EXTERNAL FOUNDATION TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS); ARTICLES OF INCORPORATION, AND BY-LAWS. -- Upon recommendation of The University of Texas Development Board presented by its chairman, Mr. Preston Shirley, and acting by and through its chairman and its external foundation committee, an external foundation to the Board of Regents of The University of Texas to be known as The University of Texas Foundation, Inc., was unanimously approved as were the articles of incorporation and the by-laws as set out below.

Gratitude was also expressed to the members of The University of Texas Development Board for the time they had taken and for their deep concern for the welfare of The University of Texas.

ARTICLES OF INCORPORATION

OF

THE UNIVERSITY OF TEXAS FOUNDATION, INC.

We, the undersigned natural persons of the age of twenty-one (21) years or more, each of whom is a citizen of the State of Texas, acting as incorporators of the Corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation:

Article I

The name of the Corporation is

THE UNIVERSITY OF TEXAS FOUNDATION, INC.

Article II

The Corporation is a non-profit corporation, no part of the income of which is distributable to any members, directors, or officers, and no part of the net earnings of which shall inure to the benefit of any private stockholder or individual, and its activities shall not consist of carrying on propaganda or otherwise attempting to influence legislation, and it shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

Article III

The period of its duration is perpetual.

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Article IV

The Corporation is organized for the following purposes:

1. To advance education through financial support of The University of Texas, including all of its branches, departments, schools, colleges and component institutions, by the improvement of its research, teaching, scholarship and facilities.
2. To receive, hold, manage, and control property, whether real, personal or mixed, acquired by the Corporation by donation, gift, grant, devise, bequest, purchase or other means.
3. To transfer or use all or any part of the corpus or income for the benefit of The University of Texas in accordance with the general or specific purposes stipulated by the donors, grantors or testators, or, in the absence of such stipulations, for such uses as may be determined by the Board of Directors.
4. To promptly distribute all net income in excess of operating requirements to promote the educational advancement of The University of Texas.

Article V

The Corporation shall not solicit gifts which by law or established policy of the Board of Regents can be received by said Regents.

The Corporation shall accept gifts for specific purposes only so long as the purposes are in accord with the programs and policies established by the Board of Regents.

The Corporation shall not expend more than 15% of the unrestricted corporate corpus during any one fiscal year except by a majority vote of all members of the Board of Directors.

Article VI

The Corporation is to have no members and no stockholders.

Article VII

The street address of the initial registered agent of the Corporation is

501 Congress  
Austin, Texas

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and the name of its initial registered agent at such address is

E. G. Morrison

Article VIII

In the event the Corporation shall be dissolved, all of its assets and properties, and the proceeds thereof, shall be distributed by the Board of Directors for the sole benefit of The University of Texas. Gifts previously received for specific purposes shall continue to be used for such purposes. In no event shall such assets, properties, or the proceeds thereof be subject to appropriation by the Legislature or become a part of the Permanent University Fund.

Article IX

Neither The University of Texas, nor any official thereof, nor any Director, Officer or Agent of this Corporation, shall ever be personally liable for any debt, or other obligation, of the Corporation.

Article X

The Board of Directors of this Corporation shall consist of seven persons appointed for three year terms by the Board of Regents of The University of Texas, who shall serve without compensation.

The Board of Regents shall appoint as an initial Board of Directors three persons to serve until December 31, 1967, two persons to serve until December 31, 1968 and two persons to serve until December 31, 1969.

The Board of Directors may select additional persons to serve with them as advisory directors without vote. The term of office for such advisory directors shall be for one year without restriction on reappointment.

Article XI

The names and addresses of the incorporators are as follows:

J. Mark McLaughlin

2645 Parkview  
San Angelo, Texas

B. D. Orgain

130 Ridgeland  
Beaumont, Texas

Tom Sealy

915 Harvard  
Midland, Texas

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Witness our hands this \_\_\_\_\_ day of \_\_\_\_\_, 1967.

\_\_\_\_\_  
J. Mark McLaughlin

\_\_\_\_\_  
B. D. Orgain

\_\_\_\_\_  
Tom Sealy

BY-LAWS

OF

THE UNIVERSITY OF TEXAS FOUNDATION, INC.

Article I

1. The name of this corporation is The University of Texas Foundation, Inc.
2. The principal office of the corporation in the State of Texas shall be located at 300 West 24th Street, Austin, Texas.
3. The corporation may have such other offices, either within or without the State of Texas, as the Board of Directors may designate from time to time.

Article II

1. The business and affairs of the corporation shall be managed by its Board of Directors.
2. The number of directors shall be seven (7) appointed by the Board of Regents of The University of Texas.
3. Each director shall be appointed for a three year term. The Board of Regents shall appoint as an initial Board of Directors three persons to serve until December 31,

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1967, two persons to serve until December 31, 1968 and two persons to serve until December 31, 1969. The directors shall annually select one of its members as Chairman.

4. The members of the Board of Directors appointed by the Regents may select additional persons to serve with them as advisory directors. The term of office shall be for one year without restriction on reappointment. The advisory directors shall be privileged to attend all meetings of the Board except when the Board of Directors determines otherwise. The advisory directors shall participate fully in the discussion of the business and affairs of the corporation, offering their advice and counsel, but they shall not be entitled to vote.
5. The Board of Directors shall hold four regular quarterly meetings during the months of January, April, July and October of each calendar year at the time and place during such months as designated by the Chairman.
6. Special meetings of the Board of Directors may be called at the request of the Chairman of the Board of Directors or at the request of any two other directors. The time and place of such meeting shall be designated by the authorized person or persons calling such special meeting. Notice of any such special meeting shall be given at least ten (10) days previously thereto by written notice delivered personally or mailed to each director at his business address or by telegram. Any director may waive notice of any such meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting.
7. A majority of the number of directors duly appointed, qualified and acting shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If less than a majority is present at any meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.
8. The act of the majority of the directors present at any meeting at which a quorum is present shall be the act of the entire Board of Directors.

#### Article III

1. The officers of the corporation shall be a President, a Vice-President, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. Any two offices may be held by one person, but in no

instance may the office of President and Secretary be held by one person. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors.

2. The officers of the corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors in each calendar year. Each officer shall hold office until his successor shall have been duly elected and shall have qualified. Any officer or agent elected or appointed by the Board of Directors may be removed by said Board whenever in its judgment the best interest of the corporation would be served by such removal.
3. A vacancy in any office because of the death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.
4. The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. He may sign, with the Secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed and in general shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.
5. In the absence of the President or in the event of his death, inability or refusal to act, the Vice-President shall perform the duties of the President and, when so acting, shall have all the powers and be subject to all of the restrictions of the office of President. The Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.
6. The Secretary shall keep the minutes of the Board of Directors meetings, see that all notices are duly given in accordance with the provision of these By-Laws or as required by law, be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized and required by law, and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.



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7. The Treasurer shall have custody of and be responsible for all funds and securities of the corporation, he shall receive and give receipts for moneys due and payable to the corporation from any source and he shall deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors. The Treasurer shall be responsible for the keeping of accurate books of account of the affairs of the corporation and shall present to the Board of Directors annually a complete report of the financial condition of the corporation for the preceding calendar year, which report will have been audited by a certified public accountant.

#### Article IV

1. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation and such authority may be general or confined to specific instances.
2. No loan shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or may be confined to specific instances.
3. All checks, drafts and other orders for the payment of money, notes and other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.
4. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies and other depositories as the Board of Directors may select.

#### Article V

All books and records of the corporation shall be kept on a calendar year basis beginning on the 1st day of January of each year and ending on the last day of the succeeding December.

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Article VI

These By-Laws may be amended, altered or repealed and new By-Laws may be adopted by any special meeting called for that purpose, provided notice of such meeting is given to all directors ten (10) days in advance thereof, upon the affirmative vote of five (5) members of the then constituted Board of Directors.

NATURE CONSERVANCY, INC. -- With reference to the proposals that have been received by members of the Board of Regents relating to the University's sponsorship of acquisition by gift of approximately 2,600 acres of land near Austin to be kept in natural state and to be used (among other things) for ecological studies, the University will accept with gratitude the land proposed for the Conservancy if it is tendered in fee simple without qualification. However, the University will not participate in any effort to raise the funds with which to acquire the land nor will it permit its name to be used in any such effort except as stated in the preceding sentence.

SYSTEM-WIDE: STUDENT COUNSELING. -- The following report referred by the Academic and Developmental Affairs Committee was approved in principle with instructions to the Administration to submit at the May 1967 meeting a proposal for the order of implementation of the program together with the budget therefor and the source of funds:

"Prior to this meeting the Academic and Developmental Affairs Committee received a report from the Faculty Committee on Student Counseling. At our meeting on yesterday, the Committee received from Doctor Hackerman, representing the Administration, a report including recommendations on student counseling for Main University together with the budget requirements for implementation and also received communications from President Ray, President Woolf, and Dean Olson.

These recommendations were adopted in principle. Pursuant to the action of the Board of Regents at its meeting on January 28, 1967, the matter was referred to the Committee of the Whole with a request to find out where the money can come from for this development and with emphasis on the fact that this is only a start on development of student counseling." (See Page 15.)

Chairman Erwin asked to be reported as voting "NO."

SYSTEM-WIDE: LEGISLATION PENDING IN THE 60TH TEXAS LEGISLATURE. -- Vice-Chancellor Vowell presented a status report on legislation relating to The University of Texas that is pending in the 60th Texas Legislature.

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NAME CHANGES AUTHORIZED BY SENATE BILL 14, 60TH LEGISLATURE. -- The following resolution was adopted authorizing name changes of the Board of Regents of The University of Texas and of its component units as authorized by Senate Bill 14 of the 60th Texas Legislature:

RESOLUTION

BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM that pursuant to the provisions of Senate Bill 14, 60th Texas Legislature, effective March 6, 1967:

1. The name of the "Board of Regents of The University of Texas" is hereby changed to the "Board of Regents of The University of Texas System," but no change in the interests, rights, powers, duties, or responsibilities of such Board is intended or made hereby other than in its name.
2. The name of the "Main University of Texas at Austin" is hereby changed to "The University of Texas at Austin."
3. The name of the "McDonald Observatory at Mount Locke" is hereby changed to "The University of Texas McDonald Observatory at Mount Locke."
4. The name of the "Marine Science Institute at Port Aransas" (sometimes referred to as the "Institute of Marine Science, Port Aransas, Texas") is hereby changed to "The University of Texas Marine Science Institute at Port Aransas."
5. The name of "The University of Texas South Texas Medical School" is hereby changed to "The University of Texas Medical School at San Antonio."
6. The name of "The University of Texas School of Public Health" is hereby changed to "The University of Texas School of Public Health at Houston."
7. The name of the "Institute for Dental Science" is hereby changed to "The University of Texas Dental Science Institute at Houston."
8. The name of "The University of Texas Dental School" is hereby changed to "The University of Texas Dental School at Houston."
9. The name of "Arlington State College at Arlington" (sometimes referred to as "Arlington State College of The University of Texas System") is hereby changed to "The University of Texas at Arlington."

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10. The name of "Texas Western College of The University of Texas at El Paso" (sometimes referred to as "Texas Western College, El Paso" or "Texas Western College of El Paso") is hereby changed to "The University of Texas at El Paso."

11. "The University of Texas McDonald Observatory at Mount Locke" and "The University of Texas Marine Science Institute at Port Aransas" shall be, and are, parts of and under the direction and control of "The University of Texas at Austin."

12. "The University of Texas Medical Branch at Galveston" shall be, and is, composed of "The University of Texas Medical School at Galveston," "The University of Texas Nursing School at Galveston," "The University of Texas Hospitals at Galveston" (including the "John Sealy Hospital," the "Rosa and Henry Ziegler Hospital," the "Marvin L. Graves Hospital," the "Children's Hospital," the "Randall Pavilion," the "R. Waverly Smith Pavilion," the "John W. McCullough Outpatient Clinic," and the "Moody School for Cerebral Palsied Children"), and such other institutions and activities as may from time to time be made a part of such Medical Branch.

13. "The University of Texas Dental Branch at Houston" shall be, and is, composed of "The University of Texas Dental School at Houston," "The University of Texas Dental Science Institute at Houston," and such other institutions and activities as may from time to time be made a part of such Dental Branch.

14. "The University of Texas at Houston" shall be, and is composed of "The University of Texas Dental Branch at Houston," "The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston," "The University of Texas Graduate School of Biomedical Sciences at Houston," "The University of Texas School of Public Health at Houston," and such other institutions and activities as may from time to time be made a part of said "The University of Texas at Houston."

BE IT FURTHER RESOLVED that all appropriations heretofore made and now effective and all appropriations hereafter made by the Texas Legislature for the use and benefit of any of the above named institutions whose name is changed hereby, shall be available for the use and benefit of such institution after such name change is made; and all contracts, bonds, notes or other debentures heretofore or hereafter issued by any above named institution whose name is changed hereby, are hereby ratified, confirmed and validated for and on behalf of such institution after such name change is made; and as to the institutions hereinabove mentioned, it is not intended hereby to change

the classification, status, role or scope of any such institution or change any department, school or degree program thereof, nor shall anything herein be deemed to increase, diminish, alter or in any way change the heretofore existing rights and/or interests of any of the respective institutions mentioned herein in or to The University of Texas System's share of the Permanent University Fund and/or of the interest and income therefrom.

BE IT FURTHER RESOLVED that in communications wherein the full names of The University of Texas System's institutions and units are not used, in the interest of clarity and uniformity the following abbreviations shall be used:

<u>INSTITUTIONS AND UNITS</u>	<u>ABBREVIATION</u>
1. Board of Regents of The University of Texas System	Board of Regents
2. The University of Texas System	U. T. System
3. The University of Texas at Austin	U. T. Austin
4. The University of Texas McDonald Observatory at Mount Locke	McDonald Observatory
5. The University of Texas Marine Science Institute at Port Aransas	Port Aransas Marine Institute
6. The University of Texas at Arlington	U. T. Arlington
7. The University of Texas at El Paso	U. T. El Paso
8. The University of Texas Medical Branch at Galveston	Galveston Medical Branch
9. The University of Texas Medical School at Galveston	Galveston Medical School
10. The University of Texas Nursing School at Galveston	Galveston Nursing School
11. The University of Texas Hospitals at Galveston	Galveston Hospitals
12. The University of Texas Southwestern Medical School at Dallas	Dallas Medical School

<u>INSTITUTIONS AND UNITS</u>	<u>ABBREVIATION</u>
13. The University of Texas Medical School at San Antonio	San Antonio Medical School
14. The University of Texas at Houston	U. T. Houston
15. The University of Texas Dental Branch at Houston	Houston Dental Branch
16. The University of Texas Dental School at Houston	Houston Dental School
17. The University of Texas Dental Science Institute at Houston	Houston Dental Institute
18. The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston	Anderson Hospital
19. The University of Texas Graduate School of Biomedical Sciences at Houston	G. S. B. S.
20. The University of Texas School of Public Health at Houston	Houston Public Health School
21. The University of Texas Nursing School at Austin	Austin Nursing School

BE IT FINALLY RESOLVED that the terms and provisions of this resolution shall be, and they are, effective as of eight o'clock a.m., March 13, 1967; provided, however, that the Chancellor of The University of Texas System shall be, and he is, hereby authorized to stay until any date not later than August 31, 1967, the effect of this resolution on any matter or affair in respect to which, in his opinion, the best interests of the University System would be served by such stay. (All changes became effective March 13, 1967.)

CHANCELLOR'S DOCKET NO. 14. -- At the request of the Administration the Southwestern Medical School portion of Chancellor's Docket No. 14 was amended on Page S-12, Item 2, Line 2, by adding "Director of Research and Planning in Neurological Sciences,". The docket as amended was adopted. (It is attached following Page 126 and made a part of the minutes.)

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REGENTS' RULES AND REGULATIONS, PART ONE: AMENDMENT BY ADDING A CHAPTER ON STUDENT SERVICES AND ACTIVITIES (SECOND AND FINAL READING). -- At the meeting on January 28, 1967, the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Part One, was amended on first reading by adding a new chapter entitled "Student Services and Activities" as Chapter VII and by changing the present Chapter VII entitled "Enactment and Amendment" to Chapter VIII and re-numbering the pages.

This proposed amendment was amended in Sections 3 and 9 and was adopted on second and final reading in the following form:

## CHAPTER VII

### STUDENT SERVICES AND ACTIVITIES

#### c. 1. General Provisions.

1.1 These policies and regulations apply to all component institutions of The University of Texas System and shall be implemented appropriately in each Institutional Supplement.

1.2 When the title, "Dean of Students," appears in this chapter, reference is made to the administrator bearing that title, or his counterpart, at each component institution.

1.21 It is understood that any action by a Dean of Students as provided in this chapter is subject to the approval of the institutional head.

1.3 Any individual student, group of students, or student organization may petition the Board of Regents on any matter relating to these policies through the Dean of Students, the institutional head, and the Chancellor.

1.4 These policies shall become effective on June 1, 1967 and shall, at that time, supersede all policies that might be in conflict.

1.5 The Dean of Students, under the direction of the institutional head, shall be charged with the responsibility for the preparation of institutional regulations which will implement the policies set forth in this chapter.

1.6 Definition of Student. -- A student is one who is currently enrolled at one of the component institutions. These policies will also apply to a prospective or a former student who has been accepted for admission or readmission and who is at the campus.

1.7 Definition of Campus. -- The campus of a component institution is defined as all real property over which that institution has jurisdiction.

Sec. 2. The Dean of Students and His Staff.

2.1 The Dean of Students shall be the administrative officer responsible for the development and administration of policies relating to students and for the development and implementation of services to students in the areas assigned to him.

2.2 The Dean of Students shall, under the direction of the institutional head, be responsible for (1) the supervision and development of student out-of-class programs and activities and of all student organizations; (2) the development of policies affecting student life; (3) the promulgation and enforcement of University rules that govern student conduct; (4) the administration of student discipline on the campus.

2.3 The administrative staff of the Dean of Students shall consist of the heads of services for which he has administrative responsibility.

2.4 The Dean of Students shall, with the approval of the institutional head, work with academic deans and department chairmen in structuring and implementing a program of faculty advising for new students.

2.5 The Dean of Students shall be responsible for the preparation of the budgetary recommendations for the student services and activities under his jurisdiction.

Sec. 3. Student Conduct and Discipline.

3.1 The University, in common with other large institutions, has for its orderly and efficient conduct special regulations, and each student is charged with notice and knowledge thereof.

3.2 All students are expected to obey the law, to show respect for properly constituted authority, and to observe correct standards of conduct.

3.3 Gambling, immoral conduct, dishonesty, the illegal use of drugs or narcotics, or the excessive use of intoxicating liquors renders the student subject to discipline.

3.4 The use of intoxicating beverages is prohibited in University classroom buildings, laboratories, auditoriums, library buildings, museums, faculty and administrative offices, and intercollegiate athletic facilities. With respect to possession and consumption of alcoholic beverages on any other University property, state law will be strictly enforced.

3.5 Hazing in state educational institutions is prohibited by a state law. (Texas Penal Code, 1925, Articles 1152, 1153, 1154, and 1155.) Hazing with or without the consent of a student is prohibited by The University of Texas System.

3.6 Initiations by organizations may include no feature which is dangerous, harmful, or degrading to the student.



3.7 The component institutions of The University of Texas System shall administer student discipline within the procedures of fair and established due process.

3.71 Under the direction of the institutional head, the Dean of Students shall have the authority and responsibility for the administration of student discipline in his institution and may administer penalties for violation of System and/or institutional policies or rules and regulations, whether or not such violations are also violations of civil or criminal law.

3.711 The Administrative Council, or its counterpart, will review any disciplinary action in which expulsion (permanent severance from the institution) is recommended. When the Council is in doubt about the propriety of the penalty, it will return the case, with the Council's reason for doing so, to the Dean of Students for reconsideration by a second and completely different discipline committee. The decision of the second committee shall be final subject to provisions of section 1.3 of this chapter.

3.72 Through matriculation at an institution of The University of Texas System, a student neither loses the rights nor escapes the responsibilities of citizenship. Students who violate the law may incur penalties prescribed by civil authority, but institutional penalties shall not be used merely to duplicate the penalties imposed by civil authority. However, when a student violation of the law occurs on the campus of an institution or in connection with an institution-oriented activity, institutional penalties may be imposed regardless of whether penalties have been imposed by civil authority for the same offense.

3.73 Upon recommendation of the Discipline Committee, indictment for a felony may suspend the student. If the student is not acquitted, his readmission to the institution will be subject to the approval of the Dean of Students and the institutional head.

3.74 Since the value of the University's degree depends on the absolute integrity of the work done by each student for that degree, it is imperative that a student maintain a high standard of individual honor in his scholastic work. Scholastic dishonesty is the submission as one's own work of material that is not one's own. As a general rule, it involves one of the following acts: cheating, plagiarism, and collusion. Each component institution will adopt regulations concerning scholastic dishonesty.

3.75 The Dean of Students may take immediate interim disciplinary action for violation of University rules and regulations when, in his opinion, such action is warranted.

3.76 Due process is recognized as basic to the enforcement of institutional regulations. The Dean of Students, with the concurrence of the institutional head, shall, therefore, establish a discipline

committee and institutional regulations providing for the processing of discipline cases in accordance with recognized standards of procedural due process.

Sec. 4. Student Organizations.

- 4.1 An organization in which membership is limited to students (recognizing that faculty and staff may also be members) of a component institution may become a registered student organization in that institution by complying with the registration procedures established by an appropriate committee or committees and approved by the Dean of Students.
- 4.2 The Dean of Students, with the approval of the institutional head, shall establish regulations requiring faculty or staff advisers for registered student organizations.
- 4.3 A registered student organization may state that its membership is composed of students or students and staff of a component institution, but shall not suggest or imply that it is acting with the authority of that institution.
- 4.4 The Dean of Students, with the approval of the institutional head, may issue regulations governing the eligibility of students for participation in organized activities.
- 4.5 At each component institution, an appropriate committee or committees shall have jurisdiction over all registered student organizations.
- 4.6 Any student organization is subject to disciplinary action or revocation of registration as a student organization for violation of institutional policies or regulations.

Sec. 5. Participation in Student Government.

5.1 Students' Associations. -- Students' associations currently authorized at the component institutions of the University are hereby approved. They shall have such jurisdictions and shall exercise such powers as the Board of Regents, upon their request and with the approval of the institutional heads, may delegate to them.

5.11 Constitutions and Laws Approved. -- The constitutions and laws of the several associations in force at the date of adoption of these Rules and Regulations are hereby approved, and the jurisdictions and powers therein set forth are hereby delegated by the Board of Regents to the several associations.

5.12 Mode of Amending Constitutions and Laws. -- An amendment or addition to the constitution or laws of a students' association may be adopted by an association, in accordance with its constitution and laws, but the change shall not become effective until transmitted to and acted upon by the Dean of Students, the institutional head, and the Chancellor and approved by the Board of Regents.

5.13 Amendment or Repeal by Regents. -- The Board of Regents shall amend or repeal any portion of the constitution and laws of a

students' association when, in the judgment of the Board, the interests of the particular institution shall require it.

5.14 Amendment or Repeal by Dean of Students. --The Dean of Students shall have the power, when in his judgment the interests of the institution require it, to amend or repeal any provision in the constitution or laws of the particular association, but his action shall be in force only until the next meeting of the Board of Regents, when Section 5.13, above, becomes applicable.

5.15 Salaried Employees Approved by Regents. --All persons officially employed on salary by or under the direct supervision of a students' association shall be subject to approval by the Dean of Students, the institutional head, the Chancellor, and the Board of Regents, both as to salary and as to qualifications.

5.16 Annual Financial Reports. --Every officially recognized students' association shall make annually a complete financial report to the institutional business officer, and shall make special reports as may be called for by him. A duplicate copy of each report shall be filed with the Dean of Students. Committees and administrative units of a students' association maintaining a budget in excess of \$25.00 per annum shall make any interim reports of financial condition as may be required by the Dean of Students.

5.2 The students' association on each campus shall be a recognized forum of student opinion.

5.21 When a students' association takes a position with reference to issues directly related to a component institution and its operations, its recommendations for legislative or administrative action shall go through the Dean of Students.

5.22 When a students' association takes a position on non-University issues, it shall make clear the fact that it does not speak for the institution.

5.23 A students' association may conduct polls, initiate petitions, and/or establish forums for debate or discussion under specific conditions.

5.24 Officers of a students' association may so identify themselves when they express their personal views, but they shall then make it clear that they are not speaking for the institution, the students' association, or for the student body.

Sec. 6. Use of University-Owned Facilities.

6.1 The Dean of Students is charged with the responsibility of establishing regulations and procedures for the use of institutional buildings, grounds, and other facilities by students or student groups for purposes other than regular academic use. He will coordinate such regulations and procedures

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with the Property Manager, or his counterpart, at each institution. Regulations shall be in accordance with the following:

6.11 Commercial solicitations will not be authorized.

6.12 Use of Physical Facilities of the University by Outside Groups; a Registered Student Organization as a Joint Sponsor. --Registered student organizations may use University physical facilities in compliance with institutional regulations. Groups of students which are not registered may not use University physical facilities. Registered student organizations may not enter into joint sponsorship of any on campus project or program with individuals, groups of students which are not registered, or non-University groups, except as provided in Part Two, Chapter VII, Sec. 2.

6.13 Registered student organizations may be authorized to conduct fund-raising activities, subject to the following limitations:

6.131 Such fund-raising activities shall be for the benefit of the total institution or of a worthy institution-related activity.

6.132 Any fund raising from students by students for charity shall be subject to regulations made by the students' association at each component institution.

6.133 Institutional regulations may permit fund-raising activities by student organizations for their own benefit only among their own members and only at official meetings.

6.134 To insure noninterference with University purposes and functions, institutional regulations shall include appropriate provisions for establishing time, place, and manner of fund-raising activities and for requiring financial reporting and accountability.

6.14 Regulations permit students and registered student organizations, under specified conditions, to petition, post signs, set up booths, and/or peacefully demonstrate on the campus. Regulations prohibit any activity that would interfere with regularly scheduled University programs.

6.15 Institutional regulations shall provide means by which students or registered student organizations may reserve University-owned facilities.

6.2 The use of student center or student union facilities on the campus of each component institution shall be subject to approval of that center's governing board.

6.3 Extracurricular student activities involving the use of University-owned facilities shall be conducted in accordance with the law (local, state, national) and with the applicable University regulations. It shall be understood that such activities shall not disrupt or disturb the regularly scheduled University program and shall not result in damage to or defacement of property.

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6.4 All individuals on University-owned property or using University-owned facilities are required to identify themselves upon request of an institutional representative acting in the performance of his duties.

Sec. 7. Speech and Advocacy.

7.1 Freedom of inquiry and discussion are basic and essential to intellectual development. Students have the right, therefore, to freedom of speech and of advocacy, subject to the following:

7.11 "It shall be unlawful for any person knowingly or willfully to . . . advocate, abet, advise, or teach by any means . . . under such circumstances as to constitute a clear and present danger to the security of the United States, or of the State of Texas, or of any political subdivision of either of them. . . ." (Texas Civil Statutes, Article 6889-3A, Sec. 5.)

7.12 The time, place, and manner of exercising speech and advocacy on the campuses shall be subject to regulations adopted by the component institutions. Such regulations require orderly conduct, noninterference with University functions and/or activities, and identification of sponsoring individuals or groups.

7.13 Students who are candidates for public office or students appearing in the interest of a particular candidate or candidates for public office may be permitted the use of University-owned facilities under the provisions of paragraphs 7.241 and 7.242.

7.2 Off-Campus Speakers. -- The Board of Regents reserves the right to regulate the presentation of guest speakers on the campus who are unaffiliated with the University (hereafter referred to as off-campus speakers) in accordance with the following policies:

7.21 Only registered student organizations, University-owned dormitories, and student center committees may present off-campus speakers.

7.22 The organization sponsoring an off-campus speaker has the responsibility of making clear the fact that the student organization, not the institution, is extending the invitation to speak and that any views the speaker may express are his own and not necessarily those of the University system or of a component institution.

7.23 An off-campus speaker is subject to the Texas Civil Statutes as quoted in section 7.11.

7.24 Candidates for public office, or other off-campus speakers appearing in the interest of a particular candidate or candidates for public office, may be permitted the use of University-owned facilities under the following conditions:

7.241 The meeting will be open only to members of the recognized sponsoring organization and their personally invited guests, other students and faculty.

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7.242 The places of the meetings will be limited to student center or student union facilities and/or to specified auditoriums on dates regularly reserved for meetings of this nature.

7.25 Off-campus speakers must be registered in advance by the sponsoring group with an official designated by the Dean of Students.

Sec. 8. Off-Campus Student Housing.

8.1 Off-Campus Student Housing. -- The component institutions of The University of Texas System will not extend Approved Housing status to any student residential units except those owned and operated by The University of Texas System. Each student at a component institution will have free choice in the selection of his non-University-operated residential accommodations, subject to parietal rules.

8.11 The office of the Dean of Students will maintain an open file of private housing, which file will contain descriptive information submitted voluntarily by any operators on quality and cost of accommodations, rules and regulations enforced, supervision provided, and similar matters. Subject to parietal rules, this file will be made accessible to anyone desiring to use it.

Sec. 9. University Policy in Regard to Debts of Students.

9.1 The University is not responsible for debts contracted by individual students or by student organizations. On the other hand, the University expects all students and student organizations to conduct themselves honorably in all commercial transactions. The University will not assume the role of a collection agency except for monies owed to the University, nor will the University adjudicate disputes between students and creditors over the existence or the amounts of debts.

9.2 A student, however, is expected to perform his contractual obligations and in the event of conduct on the part of the student clearly demonstrating a flagrant disregard of his commercial obligations, the University may take action against the student that is appropriate to the circumstances.

9.3 In the event of nonpayment to the University, one or more of the following actions may be taken: (a) a bar against readmission for the student, (b) withholding of the student's grades and official transcript, (c) withholding of a degree to which the student otherwise would be entitled.

Sec. 10. Anonymous Publications.

10.1 Anonymous publications are prohibited. Any student publishing or aiding in publishing, or circulating or aiding in circulating, any anonymous publication will be subject to suspension.

Sec. 11. Other Regulations Concerning Student Affairs are Reported in the Rules and Regulations of the Board of Regents, as follows:

Fellowships, Scholarships, and Loan Funds- Part Two, Chapter 1, Sec. 2, p. 2.

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Tuition and Other Fees - Part Two, Chapter I, Sec. 3, p. 2.

Policy Against Discrimination - Part Two, Chapter I, Sec. 5, p. 2.

Student Employment - Part Two, Chapter V, Sec. 2.5, p. 31.

Parking Lots - Part Two, Chapter VII, Sec. 12.3, p. 47.

Auxiliary Enterprises - Part Two, Chapter X, Sec. 1-7, p. 59.

Texas Student Publications - Part Two, Chapter X, Sec. 8, pp. 59-60a.

RULES AND REGULATIONS: AMENDMENT TO PART ONE, CHAPTER III, SECTION 30, RELATING TO RETIREMENT AT ARLINGTON STATE COLLEGE (FIRST READING). -- Upon recommendation of President Woolf, concurred in by Chancellor Ransom, the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Part One, Chapter III, was amended on first reading by changing Subsection 30.(17) to 30.(18) and by adding the following new subsection as 30.(17):

- 30.(17) The regulations and provisions of this section (Section 30) shall not apply to faculty members, non-classified and classified personnel at Arlington State College. All such personnel shall retire at age 65. Any subsequent employment prior to age 70 shall be recommended on a year-to-year basis only for those persons whose specialized talent or productivity meets an institutional need.

To comply with the Regents' Rules and Regulations, Part One, Chapter VII, Section 4.1, this amendment will be submitted on second reading and for final consideration at the May 1967 meeting.

APPEARANCE OF MR. TOM SEALY TO PROTEST NEW RATE SCHEDULE ON EASEMENTS, MATERIAL SOURCE PERMITS, AND SURFACE LEASES (OTHER THAN GRAZING LEASES). -- Mr. Tom Sealy, representing Atlantic Pipe Line Company, El Paso Natural Gas Company, Humble Oil & Refining Company, Mobil Oil Corporation, Mobil Pipeline Company, Pan American Petroleum Corporation, Phillips Petroleum Company, Shell Pipe Line Company, Southwestern Bell Telephone Company, and Texas Electric Service Company appeared before the

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Board and requested that "the Board of Regents reconsider and rescind the schedule of rates adopted for 10-year surface leases, other than grazing leases, at its December, 1966, Board meeting and leave these rates at \$10.00 an acre, if at all possible to do so, and if not, then at least at no more than the \$15.00 per acre per year rate unanimously recommended by its own Special Advisory Committee, and also rescind the rates fixed at its December and January meeting as to pipeline, electrical, telephone, and telegraph transmission line 10-year easements and adopt the schedules recommended to it for these purposes by its Special Advisory Committee."

He outlined the reasons for the request as submitted in his brief, dated March 3, 1967, which is in the Secretary's Files, Volume XIV, Page \_\_\_\_\_. Mr. Sealy's request was further supported by statements (also in Secretary's Files, Volume XIV, Page \_\_\_\_\_) from representatives of the various corporate entities for which he is counsel.

This matter was referred to the Land and Investment Committee of the Board of Regents with a request that the committee submit a recommendation to the full Board at its May 1967 meeting.

APPOINTMENT OF COMMITTEE TO CONTINUE DISCUSSIONS WITH SOUTHWEST CENTER FOR ADVANCED STUDIES.-- Vice-Chairman Josey, Chancellor Ransom, Vice-Chancellor LeMaistre, and Dean Sprague were authorized to meet with representatives of the Southwest Center for Advanced Studies to continue negotiations along the lines being discussed relating to a proposal by the Southwest Center for Advanced Studies in Dallas.

ITEMS FOR THE RECORD.-- The following items have been approved by the Committee of the Whole (as is indicated in each item) and are included here for ratification by the Board:

- a. West Texas Lands: Rate Schedule for Pipeline Easements; Power, Telephone and Telegraph Line Easements; and Material Source Permits (Section 18 of the Report of the Special Advisory Committee on Surfacing Leasing Policy of West Texas Lands as Amended).-- Referring to Page 35 of the minutes of the Regents' meeting held on January 28, 1967 (Permanent Minutes, Volume XIV, Page 934 ), there is listed below the rate schedule for pipeline easements; power, telephone and telegraph line easements; and for material source permits on West Texas Lands



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as adopted to be effective as to all instruments received by the University Land Agent after February 1, 1967:

PIPE LINE EASEMENTS (All measurements OD diameters)

- A. Standard rates for varying sizes of pipe line, the rates being per rod for a 10-year period, payable in advance for the 10-year period:
- |  |        |
|--|--------|
| 1. Lines 6 1/2 inches or under                 | \$0.60 |
| 2. Lines over 6 1/2 inches and under 12 inches | 1.20   |
| 3. Lines 12 inches and under 25 inches         | 1.80   |
| 4. Lines 25 inches and under 35 inches         | 2.40   |
| 5. Lines 35 inches and over                    | 3.00   |
- B. MINIMUM for a pipe line easement \$50 payable in advance for the 10-year period.
- C. FILING FEE in the amount of \$5.00 made payable to the General Land Office must be submitted with all easements.

POWER, TELEPHONE AND TELEGRAPH LINE EASEMENTS

- A. Standard rates for varying types of lines, the rates being per rod for a 10-year period, payable in advance for the 10-year period:
- |   |        |
|---|--------|
| 1. Two-wire residential type telephone line | \$0.30 |
| 2. Single pole line and buried cable        | 0.60   |
| 3. H-Frame pole construction                | 0.90   |
| 4. Steel towers                             | 1.20   |
- B. MINIMUM for a power, telephone or telegraph line easement \$50 payable in advance for the 10-year period.
- C. FILING FEE in the amount of \$5.00 made payable to the General Land Office must be submitted with all easements.

MATERIAL SOURCE PERMITS (Caliche, etc.)

- |   |                          |
|---|--------------------------|
| A. Per cubic yard, under 20,000 cubic yards | \$0.30                   |
| B. 20,000 cubic yards or over, one project  | Negotiated (\$0.10 Min.) |
| C. <u>MINIMUM</u> for each permit \$50.     |                          |
| D. <u>NO FILING FEE</u> required.           |                          |

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- b. South Texas Medical School: Affiliation Agreement Between the Board of Regents of The University of Texas and the Board of Managers of the Bexar County Hospital District. --On February 23, 1967, approval was given to the following affiliation agreement between the Board of Regents of The University of Texas and the Board of Managers of the Bexar County Hospital District, and the Chairman of the Board of Regents was authorized to execute the document when it has been approved as to content by Vice-Chancellor LeMaistre and as to form by University Attorney Waldrep. This agreement supersedes a previous agreement between the Board of Managers of the Bexar County Hospital District and the Board of Regents of The University of Texas dated April 20, 1962.

AFFILIATION AGREEMENT

THE STATE OF TEXAS    X  
                          X  
COUNTY OF    BEXAR    X

This AGREEMENT made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1967, by and between the BOARD OF MANAGERS OF THE BEXAR COUNTY HOSPITAL DISTRICT, a political subdivision, hereinafter sometimes called "Hospital Board," and the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM for and on behalf of The University of Texas South Texas Medical School, San Antonio, Texas, hereinafter sometimes called "University," WITNESSETH:

WHEREAS, it is mutually recognized that the Hospital Board and the South Texas Medical School have certain objectives in common, namely, (a) the advancement of medical service through excellent professional care of patients, (b) the education and training of medical and ancillary personnel, (c) advancement of medical knowledge through research, and (d) promotion of personal and community health, and that each can accomplish these objectives in larger measure and more effectively through affiliated operations; and

WHEREAS, it is mutually recognized that the primary function of the Bexar County Hospital District is the provision of the best possible medical and hospital care for the citizens of Bexar County; and

WHEREAS, it is the desire of both parties that the hospitals operated by the Hospital Board shall be available as teaching

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Hospitals of The University of Texas South Texas Medical School in order that both parties can accomplish their obligations in larger measure and more effectively one with the other:

NOW, THEREFORE, for and in consideration of the foregoing and in further consideration of the mutual benefits, the parties hereto agree as follows:

1. That The University of Texas South Texas Medical School will be established and operated as an accredited school of medicine as prescribed by the laws of the State of Texas, with the Board of Regents of The University of Texas System retaining all jurisdictional powers incident to separate ownership, including the power to determine the general and fiscal policies of the institution and to appoint its administrative, faculty and other personnel under the terms of subsequent paragraphs of this agreement.

2. That the Hospital Board shall retain for its hospitals all jurisdictional powers incident to separate ownership, including the powers to determine general and fiscal policies and to appoint its administrative officers and other personnel, under terms of subsequent paragraphs of this agreement. Such Board shall furnish a teaching and research hospital within one mile of the medical school fully integrated with the program of The University of Texas South Texas Medical School and will make available inpatient and outpatient professional services in other hospitals operated by Hospital Board as may be required for the purposes of teaching and research.

3. That the Hospital Board retains final jurisdiction over the administration and supervision of the hospitals and over admission of patients to the hospitals and the assignment of beds therein, but must consult with the Dean of The University of Texas South Texas Medical School in the formulation of such policies.

4. That the Hospital Board will operate its hospitals in a manner and with standards consistent with those of the leading

teaching hospitals in the United States, and it shall bear all costs for supporting and maintaining a complete staff of interns and residents and other personnel it requires.

5. That University will provide, without cost to the Hospital Board, qualified physicians and surgeons from the Medical School faculty to supervise and direct professional services to in-patients and out-patients of the Bexar County Teaching Hospital and other such in-patient and out-patient professional services within other hospitals operated by Hospital District provided that the construction of a Teaching Hospital is completed no later than January 1, 1969. In the event the Teaching Hospital is not available on or before January 1, 1969 it is understood and agreed that this agreement shall terminate and be of no further force and effect. The physicians and surgeons of the Medical School faculty will supervise all medical training and research activities conducted in the hospitals under the auspices of The University of Texas South Texas Medical School.

6. That appointments to the teaching staff of the hospitals shall be made annually by the Hospital Board only upon the recommendation of the Dean of The University of Texas South Texas Medical School from the faculty of the school and that the teaching staff and the active staff of the hospitals shall be one and the same, and the only medical staff of the hospitals.

7. Upon the execution of this agreement by both the Board of Managers of the Bexar County Hospital District and the Board of Regents of The University of Texas System it shall supersede and replace that certain agreement between the parties dated April 20, 1962.

8. That the Hospital Board shall appoint as the Chiefs of the Departments, Services or Divisions of the hospital staff the corresponding chairmen or chief officers of the departments or divisions of The University of Texas South Texas Medical School. Provided further that upon nomination of the Dean of the Medical School, members of the Medical staff who are not chairmen or chief officers of departments or divisions of The University of

Texas South Texas Medical School may be appointed by the Hospital Board as Director of hospital departments, services or divisions. The hospitals will provide monies for salaries to compensate the staffs of certain medical school departments, such as Anesthesiology, Pathology, and Radiology, in order that they may direct and perform professional duties required by hospital district health needs.

9. That the appointment of the Administrator of the Bexar County Hospital District will be made by The Board of Managers of the District only upon nomination by the Board of Regents of The University of Texas System, and at the pleasure of the Board of Regents he shall hold the position as Associate Dean for Hospital Affairs at The University of Texas South Texas Medical School. The salary of the Administrator will be the joint responsibility of the Hospital Board and University.

10. That the Medical Advisory Council (Executive Committee) of the Medical Staff of the Hospitals shall include but not be restricted to the Dean of the Medical School and the chiefs of the hospital services of pediatrics, pathology, obstetrics and gynecology, general surgery, internal medicine, and the majority of its members shall be drawn from the full-time faculty.

11. That The University of Texas South Texas Medical School and the Hospital Board recognize that their mutual interdependence in carrying out the terms of this contract will result in the operations of one affecting the operations of the other, and that there will be a consultation and agreement between the Administrator of the Hospitals and the Dean of the Medical School in instances where the operations of one affect the other.

12. That decisions regarding the extent of and the number of students in undergraduate teaching in the hospitals, the intern and residency training programs, and the medical research programs will be made by The University of Texas South Texas Medical School.

13. All patients in the hospitals shall be available for purpose of teaching.

14. That the by-laws of the Hospital Medical Staff will not be in conflict with the provisions of this contract.

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15. That all expenses incurred for the operation of the hospitals shall be paid by the Hospital Board and all expenses incurred for the operation of The University of Texas South Texas Medical School shall be paid by the Board of Regents of The University of Texas System. However, nothing in this paragraph shall prohibit subsequent agreements, subject to the legal powers and limitations of the parties, for the joint employment of personnel and for the pro rata apportionment of salaries thereof or for the pro rata apportionment of other related costs and expenditures.

16. The programs and operations of the Bexar County Hospital District teaching hospitals for the years 1968, 1969 and 1970 are reflected in Exhibit A - Hospital Operations which is attached hereto and made a part of this agreement.

17. This agreement shall be for a term of twenty (20) years from and after the effective date of the same and may be terminated prior to termination of the twenty (20) year period upon mutual consent of the parties. A period of at least three (3) years shall be allowed to effect such termination. It is understood that this agreement may be amended in writing to include such provisions as the parties may agree upon and may be renewed for an additional term of years.

IN WITNESS WHEREOF, the parties have hereunto set their hands, the day and year first above written.

ATTEST:

\_\_\_\_\_

BOARD OF MANAGERS OF THE  
BEXAR COUNTY HOSPITAL DISTRICT

By \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

BOARD OF REGENTS OF  
THE UNIVERSITY OF TEXAS SYSTEM

By \_\_\_\_\_  
Chairman

Approved as to Form:

\_\_\_\_\_  
University Attorney

Approved as to Content:

\_\_\_\_\_  
Vice-Chancellor for  
Health Affairs

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THE STATE OF TEXAS  
COUNTY OF BEXAR

Y  
X  
X  
X

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_ of the Board of Managers of the Bexar County Hospital District, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act and deed of the Board of Managers of the Bexar County Hospital District and that he executed the same as the act and deed of such Board for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 1967.

\_\_\_\_\_  
Notary Public in and for  
Bexar County, Texas

THE STATE OF TEXAS  
COUNTY OF TRAVIS

Y  
X  
X  
X

BEFORE ME, the undersigned authority, on this day personally appeared FRANK C. ERWIN, JR., Chairman of the Board of Regents of The University of Texas, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act and deed of the Board of Regents of The University of Texas and that he executed the same as the act and deed of such Board for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 1967.

\_\_\_\_\_  
Notary Public in and for  
Travis County, Texas

## Exhibit A

HOSPITAL OPERATION

Beginning January 1, 1968, the Bexar County Hospital District will provide the sum of \$10,000,000 from tax revenue for the operation of the Bexar County Hospital District hospitals in accordance with the following table:

	<u>1968</u>
325 beds (90% occupancy) January 1 to October 31 at Robert B. Green November 1 to December 31: 95 beds at Robert B. Green 230 beds at Teaching Hospital	\$ 6,600,000
<u>Out Patient Department and Emergency Room</u>	1,200,000
<u>Southton</u>	500,000
<u>Debt Service</u>	500,000
	<hr/> 8,800,000
<u>Equipment for Teaching Hospital</u>	1,200,000
<u>TOTAL</u>	<hr/> <u>\$ 10,000,000</u> <hr/>

This will assure operation of 325 beds at the Robert B. Green Hospital from January 1, 1968 to October 31, 1968 including in-patient care, out-patient clinic and emergency services. It will also assure availability of funds for the purchase of necessary equipment for activation of the new Teaching Hospital. On or about November 1, 1968, 230 beds will be operated at the Teaching Hospital, and 95 beds will be retained at the Robert B. Green Hospital, to include 32 intensive care beds and 63 beds for obstetrical patients. Of the total out-patient and emergency services, seventy-five percent will be retained at the Robert B. Green Hospital, and twenty-five percent of these services will be provided at the Teaching Hospital.

Beginning January 1, 1969, the Bexar County Hospital District will provide the sum of \$10,635,000 from tax revenue for the operation of the Bexar County Hospital District hospitals in accordance with the following table:



' 3-11-67

1204

1969

Robert B. Green

95 beds: 32 Intensive Care Units	\$ 2,123,000
63 Obstetrics	
Emergency Room & Out-Patient Department	1,031,250
	\$ <u>3,154,250</u>

Teaching Hospital

230 Beds	5,137,000
Emergency Room & Out-Patient Department	343,750
	\$ <u>5,480,750</u>

For Convalescent Care & Debt Service 1,000,000

Renovation of Robert B. Green 1,000,000

TOTAL \$ 10,635,000

This will assure operation of 95 beds at the Robert B. Green Hospital to include 32 intensive care beds and 63 beds for obstetrical patients and 75% of the total out-patient and emergency services. It will also assure operation of 230 beds for medically indigent patients at the Teaching Hospital and 25% of the total out-patient and emergency services. It will also assure availability of \$1,000,000 for the renovation of the physical plant at the Robert B. Green Hospital to accommodate additional in-patient services. There will be available approximately 270 beds at the Teaching Hospital for paying patients.

Beginning January 1, 1970, the Bexar County Hospital District will provide the sum of \$11,500,000 from tax revenue for the operation of the Bexar County Hospital District hospitals with the provision of such additional beds and patient services at either location as may be required by the needs of the teaching program.

13-11-67

1205

1970

Robert B. Green

32 Intensive Care Units	\$ 2,350,000
95 beds:	
63 Obstetrics	
Emergency Room & Out-Patient Department	1,150,000
	<u>\$ 3,500,000</u>

Teaching Hospital

230 beds	\$ 5,700,000
Emergency Room & Out-Patient Department	400,000
	<u>\$ 6,100,000</u>

TOTAL

For Convalescent Care & Debt Service

Additional Patient Services

1,000,000

900,000

TOTAL:

\$ 11,500,000

All income derived by the Bexar County Hospital District in addition to these sums will be used to increase the quality of patient care to the level of quality required by the national accrediting agencies.

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1206

- c. Nursing Education: Response to Coordinating Board's Request. --At the meeting of the Committee of the Whole also on February 23, 1967, a committee, composed of Doctor Marilyn D. Willman, Vice-Chairman Josey, Regent Connally and Vice-Chancellor LeMaistre, was authorized to approve the response to the Coordinating Board's request for a recommendation "by or before March 1, 1967, whether additional baccalaureate nursing programs should be established, and if so, where, when, and at what estimated cost." The committee has approved the following response which is reported for the record and ratification:

March 1, 1967

Dr. J. K. Williams, Commissioner  
Coordinating Board, Texas College and University System  
San Houston State Office Building  
Austin, Texas

Subject: Response to Request of Coordinating Board -- Summary of Plans  
for The University of Texas School of Nursing

Dear Dr. Williams:

At the present time, The University of Texas School of Nursing Baccalaureate program consists of four semesters and one Summer session, or portions thereof, in the College of Arts and Sciences at the Main Campus in Austin, followed by four semesters in the School of Nursing at the Medical Branch in Galveston. Similarly, the Baccalaureate program for Registered Nurses and the Master of Science in Nursing program are divided between the Austin and Galveston campuses.

In an effort to meet present and future needs of the State for nurses and nurse educators, the Board of Regents at its meeting on January 27, 1967, adopted a series of recommendations for Nursing Education. The recommendations provide for unified administrative control of all nurse education programs under The University of Texas School of Nursing, and appointment of a Dean of Nursing Education who reports directly to the Vice-Chancellor for Health Affairs. At each component unit of The University System, an Associate Dean of Nursing Education is to be appointed who will report to the Dean through the head of the institution relative to all matters affecting the institution in which the clinical program is based. By mutual agreement between the Institutional Head and the Dean of the School of Nursing, operating details may be delegated by the Dean of the School of Nursing to the Associate Deans who will be responsible for keeping the Institutional Head informed.

To implement the Regents' statement of policy on nursing education, the following initial organizational changes are to be made:

- (a) The Baccalaureate program will be expanded by establishing clinical programs in major medical centers located in areas of high population density in which The University of Texas has component institutions.
- (b) Nurse education at The University of Texas Medical Branch in Galveston will be designated and administered as a clinical activity.

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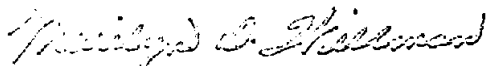
Boarding Board,  
Texas College and University System

March 1, 1967

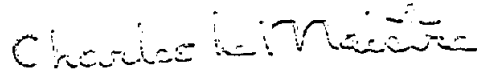
- (c) The existing graduate nurse program will be moved from Galveston to Austin effective September 1, 1967, to take maximum advantage of all assets of the University System. Further, the graduate program in nursing will increase its efforts in the preparation of teachers for nursing education.
- (d) In recognition of the acknowledged shortage of bedside nurses and need for such nurses to assist in the care of the sick in Texas and in the Nation, the University will encourage, where appropriate, the establishment and development of Associate Degree Programs by the junior colleges located in geographic proximity to University of Texas biomedical units. Particular attention will be given to the Regents' policy that its clinical facilities be made available for the training of nursing personnel under the auspices of the junior colleges of Texas.
- (e) A statewide program of Continuing Education in Nursing will be developed by and placed under the joint jurisdiction of The University of Texas School of Nursing and Texas Woman's University College of Nursing.

Dr. Marilyn Willman has accepted the position as Acting Dean, The University of Texas School of Nursing. Miss Chloe Floyd has accepted the position as Acting Director of The Clinical Program in Galveston. Attached are specific proposals from The School of Nursing with budgetary requirements for implementing programs developed in accord with the Regents' statement of policy.

Sincerely,



Dr. Marilyn Willman  
Acting Dean  
The University of Texas  
School of Nursing



Charles A. LeMaistre, M. D.  
Vice-Chancellor  
for Health Affairs

13-11-67

The University of Texas School of Nursing will:

- (1) give first attention to the reorganization of the School and centralization of the administration in Austin, and to relocation of the graduate program by September 1, 1967.

Rationale

Essential to further development is the establishment of a strong central core through which the programs can be strengthened and expanded. Recruitment of a Dean and other administrative personnel, as well as recruitment and retention of faculty, are dependent upon the demonstrated effectiveness of the proposed organizational structure. Recent resignation of administrative and teaching personnel represented an unanticipated loss to the program. Time and additional financial resources will be required to seek competent replacements for strengthening the clinical teaching program and to provide for the new administrative structure. Additional physical facilities and clerical support will be necessary in Austin for the graduate faculty and administrative personnel.

- (2) retain and strengthen clinical programs located at the Medical Branch in Galveston.

- (3) evaluate Houston and Austin during the 1967-68 academic year as extended sites for teaching maternal-child health and public health to supplement the program in Galveston.

Rationale

The number of obstetrical patients in Galveston is inadequate to provide satisfactory clinical experience for students presently enrolled in the nursing program. Appropriate institutions in Houston will be evaluated for adequacy of offerings in maternal-child health. St. David's and Seton Hospitals in Austin will also be evaluated for adequacy of offerings in this same area and other clinical areas.

Galveston County, Harris County, and Austin-Travis County health departments will be evaluated for adequacy of facilities to accommodate increasing number of students. The Austin-Travis County unit, presently being utilized in the teaching of public health, appears to be accommodating optimum numbers of students in terms of space. The Visiting Nurse Association and city health department in Houston will also be included in the evaluation to ascertain possibilities for student experience.

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(4) develop a clinical branch in Austin recognizing the fact that St. David's Hospital is presently in use as a base for student experience. Other hospital and community health facilities appropriate to program development will be investigated with the intention of development of Austin as the parent site of the School of Nursing offering all portions of the clinical program in 1969.

#### Rationale

In the Austin-Travis County area, there is available only a diploma program. Considering the wealth of clinical facilities, both present and projected, there is ample justification for expansion of The University nursing program in this area. With such expansion, additional professional nursing students could be accommodated, and a complete basic program would complement the graduate program to be located in Austin in its entirety beginning in September 1967. The basic program curriculum provides a source of needed teaching experience for graduate students, and the possibility of teaching assistantships for graduate students would be likely to encourage larger numbers of students to seek advanced preparation.

(5) study all available clinical facilities in Houston for graduate and undergraduate education with the intention of development of Houston as a site offering all portions of the undergraduate clinical program and selected portions of the graduate program beginning in 1969.

#### Rationale

In the Houston-Gulf Coast area, there are four baccalaureate programs, two associate degree programs, and five diploma programs. Of the baccalaureate programs, one is located in a private institution, one is state-supported, but not accredited by the National League for Nursing, and the other two are state-supported and League-accredited.

The University School of Nursing offers a program which permits completion of the majority of the liberal arts courses in another institution prior to transfer, a pattern which meets the needs of a large group of students. The School also admits male students, who are seeking nursing careers in increasing numbers. Thus, what seems to be a duplication of baccalaureate programs in this area become, in reality, a matter of two programs, similar in that they are state-supported, but quite different in the

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needs which they can meet. There seems to be clear justification, therefore, for considering the expansion described above in the Houston area. The proximity of the Galveston branch to any development in Houston would give strength to and maintain the unity in the clinical program.

Preliminary discussions with officials of the Hermann Hospital indicate a genuine interest in the development of a University of Texas School of Nursing clinical branch utilizing the Hermann Hospital and the M. D. Anderson Hospital and Tumor Institute for appropriate portions of the clinical program.

(6) evaluate the potential for the development of other clinical branches in such population centers as Dallas and San Antonio. When the present and proposed programs in Austin, Galveston, and Houston are functioning effectively with strong faculties, adequate facilities, and healthy enrollments, it is anticipated that other clinical branches will be needed for the continued expansion of enrollment.

Since the question of a clinical facility at The University of Texas in El Paso had been raised, the matter was considered. The distance from the parent campus of The University of Texas School of Nursing in Austin raises questions about the practicality of its use as a clinical extension of The University nursing program at this time. It is our belief that the feasibility of developing a baccalaureate program in nursing at this site, instead of a clinical branch, should be determined on the basis of an area study.

#### Rationale

The Board of Trustees of Presbyterian Hospital in Dallas, offered "to the University at no cost, a reasonable amount of land adjoining our hospital for the establishment of a Baccalaureate Nursing School." Presbyterian Hospital of Dallas began operation in 1966 as a teaching hospital affiliated with The University of Texas and is not currently being utilized for baccalaureate nursing programs. The policy of The University School of Nursing which permits completion of the majority of the liberal arts courses in other institutions prior to transfer to the University and the acceptance of male students, provides an adequate source of candidates for the clinical branch. Thus, the development of a clinical branch in Dallas has as remaining obstacles faculty recruitment, physical facilities for the school and operating budget.

The San Antonio-South Texas area is presently provided with opportunities for nursing education in the form of one baccalaureate program, three associate degree programs (in various stages of development with respect to admission of students), and two diploma programs. Since the baccalaureate program is offered in a

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private institution, costs are more prohibitive than in public institutions. There seems to be, therefore, ample justification for the development in this area of a clinical program, particularly with the incorporation of junior colleges and their liberal arts offerings into the planning.

A tabulation was made recently of sources of inquiries about professional nursing education directed to the Health Careers Program of the Texas Hospital Association from June through December 1966. The largest number of inquiries originated in San Antonio and the five counties immediately surrounding the metropolitan area, with relatively large numbers originating in the Austin-Travis County, Houston-Gulf Coast, and Dallas-Fort Worth areas.

(7) increase its contribution to the supply of professional nurses immediately by closer cooperation with junior colleges.

Rationale

In addition to the associate degree nursing program, preparing technical nursing personnel, the junior college makes a contribution to the preparation of professional nursing personnel through the offerings of liberal arts courses. These courses are prerequisite to the upper division nursing major and many are the same as those required of other students in other majors during the first two years in the junior or senior college.

More concerted planning of courses with the following junior colleges would permit students to live at home while completing the majority of the liberal arts prerequisites before transferring into The University program:

Wharton Junior College, Wharton  
 Victoria College, Victoria  
 Del Mar Junior College, Corpus Christi  
 Texas Southmost College, Brownsville  
 Laredo Junior College, Laredo  
 San Antonio College, San Antonio  
 Southwest Texas Junior College, Uvalde

Prospective students in the southern area of the state would thus be presented with the greater possibility of baccalaureate education in nursing without the establishment of a new baccalaureate nursing program in the area.

(8) offer consultation and assistance, as appropriate, in the development of associate degree nursing programs in junior colleges in the state.



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## Rationale

The graduate program includes preparation for teaching, and continuing education programs are being planned to assist administrators and faculty in associate degree nursing programs to function more effectively in this type of program. The University has faculty in the College of Education uniquely prepared to offer formal courses in junior college curriculum and teaching as well as to cooperate with the School of Nursing in offering consultation and assistance.

To summarize, the School of Nursing is proposing to concentrate first on reorganization and strengthening of the present program and then on a series of orderly expansions into various areas in the state. Such expansions will follow determination of the adequacy of clinical facilities and the availability of faculty, supporting personnel, physical facilities and equipment.

BUDGET PROJECTIONS  
SCHOOL OF NURSING  
THE UNIVERSITY OF TEXAS SYSTEM

March 1, 1967

Summary of Budget Needed  
to Implement Proposed

Program	<u>1968</u>	<u>1969</u>
Nursing System Administration (Austin)	\$ 102,000	\$ 112,100
Graduate Program - Austin	96,600	106,550
Basic Program - Austin	90,900	100,500
Basic Program - Galveston	304,400	315,000
Planning for necessary Physical Facilities	35,000	15,000
	<hr/>	<hr/>
	\$ 628,900	\$ 649,150
Original Budget Request (Galveston)	\$ <u>382,602</u>	\$ <u>400,852</u>
Additional Funds Needed for Reorganized Program *	\$246,298	\$248,298

\*Does not include establishment of full Clinical Branches at Austin, Houston San Antonio, or Dallas.

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## (1) and (2) Reorganization of The School and Centralization of Administration

## (a) Nursing System Administration

	<u>1968</u>	<u>1969</u>
Administrative Salaries	\$ 71,000	\$ 78,000
Clerical Salaries	20,000	22,000
Operating Expenses	<u>11,000</u>	<u>12,100</u>
Sub-total	\$ 102,000	\$ 112,100

## (b) Graduate Program - Austin

Teaching Salaries	\$ 82,000	\$ 90,500
Non-teaching Salaries	9,600	10,550
Operating Expenses	<u>5,000</u>	<u>5,500</u>
Sub-total	\$ 96,600	\$ 106,550

## (c) Basic Program - Austin

Teaching Salaries	\$ 51,000	\$ 56,500
Non-teaching Salaries	32,400	35,750
Operating Expenses	<u>7,500</u>	<u>8,250</u>
Sub-total	\$ 90,900	\$ 100,500

## (d) Basic Program - Galveston (140 students)

Teaching Salaries	\$ 225,000	\$ 227,500
Non-teaching Salaries	50,400	55,500
Operating Expenses	<u>29,000</u>	<u>32,000</u>
Sub-total	\$ 304,400	\$ 315,000

## (e) Planning budget for physical facilities at (1) Austin, (2) Galveston, (3) Houston, (4) Dallas and San Antonio

<u>1968</u>	<u>1969</u>
\$35,000	\$15,000

## (3) Extension Into Other Areas for Supplementation of Clinical Program in Galveston

35 students rotating at 8-week intervals at estimated cost of \$2,174 per student

Total cost for each extension - \$76,090 (included in budget presented under (1) and (2) above)

## (4) and (5) Development of Other Clinical Branches

Pro forma Annual Operating Budget  
(Based on Faculty-Student Ratio of 7-1)

1969

	<u>140 Students</u>	<u>210 Students</u>
Teaching Salaries	\$ 227,500	\$ 330,250
Non-teaching Salaries	55,500	66,000
Operating Expenses	<u>32,000</u>	<u>37,500</u>
Total	\$315,000	\$433,750
Estimated cost per student	\$2,250	\$2,065

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LEGISLATIVE BUDGET BOARD SUBMISSION

Budget Requested

October 14, 1966

School of Nursing (included in Medical Branch Budget)

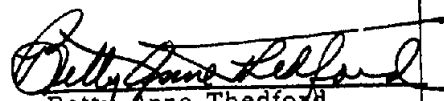
	Budgeted		Requested	
	1967	1968	1968	1969
Teaching Salaries	\$ 245,710	\$ 293,950	\$ 293,950	\$ 312,200
Non-teaching Salaries	67,104	71,652	71,652	71,652
Operating Expenses	14,859	17,000	17,000	17,000
Totals	\$ 327,673	\$ 382,602	\$ 382,602	\$ 400,852

SCHEDULED MEETINGS OF THE BOARD: MAY 5-6, 1967 AND JUNE 16-17, 1967 IN AUSTIN, --In addition to the meeting of the Board of Regents previously scheduled on May 5-6, 1967 in Austin, a meeting was also scheduled in Austin on June 16-17, 1967.

Adoption of Report. --Regent Bauer moved that the foregoing report of the Committee of the Whole be adopted, and that all actions therein be approved, confirmed, and ratified. This motion was seconded by Regent Brenan and unanimously prevailed.

RESOLUTION OF APPRECIATION TO DOCTOR TRUMAN G. AND DOCTOR VIRGINIA A. BLOCKER AND TO THE TRUSTEES OF THE SEALY AND SMITH FOUNDATION. --By unanimous vote, the Board expressed appreciation to Doctor Truman G. and Doctor Virginia A. Blocker, to Mr. and Mrs. John A. McCullough and the other trustees of the Sealy and Smith Foundation for the hospitality and all courtesies shown on the occasion of the meeting in Galveston of the Board of Regents of The University of Texas on March 10-11, 1967.

ADJOURNMENT. --The Board of Regents adjourned at 12:15 p. m.

  
Betty Anne Thedford  
Secretary

March 16, 1967