

6-21-58

Austin, Texas
 June 21, 1958
 Meeting No. 571

The Board of Regents of The University of Texas met in regular session in the President's Office (Main Building 101) at 10:30 a.m., Saturday, June 21, 1958, for the primary purpose of considering the Biennial Budget Requests for 1959-61 to be submitted to the Texas Commission on Higher Education, July 15, 1958.

Chairman Jeffers presided and the following were in attendance:

Present

Chairman Jeffers
 Vice-Chairman Sorrell
 Regent Bryan
 Regent Hardie
 Regent Johnson (See Page 3.)
 Regent Lockwood (See Page 10.)
 Regent Minter (See Below)
 President Wilson
 Secretary Thedford

Absent

Regent (Mrs.) Devall (Excused)
 Regent Thompson (Excused)

Also present were Vice-President Dolley, Vice-President Haskew, Vice-President Casberg, Assistant to the President Cox, and Budget Officer Graydon.

APPROVAL OF MINUTES, MAY 29-30, 1958. --It was moved by Mr. Lockwood, seconded by Vice-Chairman Sorrell, and unanimously adopted that the minutes of the meeting of the Board of Regents held in Austin May 29-30, 1958, be approved in the form as distributed by the Secretary to each member.

ATTENDANCE. --Doctor Minter came into the meeting.

REPORT OF COMMITTEE OF THE WHOLE. --Chairman Jeffers reported for the record the following action of the Committee of the Whole:

Amendment to Administrative Organization. --It was moved by Vice-Chairman Sorrell, seconded by Mr. Hardie, and unanimously adopted that The University of Texas Administrative Organization, Permanent Minutes, Volume III, Pages 43-53, inclusive, be amended by:

1. Striking Paragraph 5 and inserting in lieu thereof the following:

The principal officers of the Central Administration staff are: President (ex officio), Vice-President for Administrative Services, Vice-President for Developmental Services, Vice-President for Medical Affairs, Vice-President for Fiscal Affairs, Comptroller, Endowment Officer, and Budget Officer.

6-21-58

2. By striking out the paragraph entitled "Vice-President for Academic Affairs" on Page 44 and inserting in lieu thereof the following:

Vice-President for Administrative Services

The Vice-President for Administrative Services is a line officer who, under delegation from the President, is to represent the University in its relations with the Legislature, state agencies, and other institutions of higher education. Upon delegation by the President, he executes administrative policies of Central Administration relating to the component units and serves as the personal representative of the President. As a staff officer, he is to advise the President on legislative matters and on relationships with state agencies and with other institutions of higher education.

3. By striking out the paragraph entitled "Assistant to the President" and deleting all references to Assistant to the President in the Rules and Regulations or wherever it may occur; and it is hereby ordered that all charts shall be so amended as to reflect all of the above changes.

Appointment of Lanier Cox as Vice-President for Administrative Services. -- It was moved by Mr. Hardie, seconded by Mr. Lockwood, and unanimously adopted that Mr. Lanier Cox be promoted to the newly created position of Vice-President for Administrative Services with a salary increase of \$1,000 per annum effective September 1, 1958, with the increase to be paid from Unappropriated Balance of Central Administration.

Increase in Salary of Vice-President and Provost, Main University. -- It was moved by Doctor Minter and seconded by Vice-Chairman Sorrell and unanimously adopted that the salary of Doctor Harry H. Ransom as Vice-President and Provost of the Main University be increased by the sum of \$1,500 per annum effective September 1, 1958, the increase to be paid from current restricted funds for this purpose.

APPROVAL OF DOCKETS. -- President Wilson distributed at the meeting a docket for Central Administration dated June 20, 1958, to which he had attached and incorporated dockets of the following component units:

	<u>See Pages</u>
Main University submitted by Vice-President and Provost Harry H. Ransom	1068
Texas Western College submitted by President Dysart E. Holcomb	1071
M. D. Anderson Hospital and Tumor Institute submitted by Director R. Lee Clark, Jr.	1072
Southwestern Medical School submitted by Dean A. J. Gill	1075

This docket was unanimously adopted upon motion of Doctor Minter, seconded by Mr. Hardie. A copy is attached to and made a part of these minutes.
(Page 1067)

6-21-58

ATTENDANCE. --Mr. Johnson came into the meeting.

SCHEDULED MEETINGS OF THE BOARD. --The Board adopted the following schedule of meetings for the 1958 calendar year:

July 23, 1958 (previously scheduled) at 9:00 a. m. at the Driskill Hotel to meet jointly with the Board of Directors of the Texas Agricultural and Mechanical College System to consider Refunding Texas Permanent University Fund Bonds, Series 1958.

Following the joint meeting, the Board of Regents will convene briefly to consider dockets of a routine nature.

September 19-20, 1958, Austin

October 24-25, 1958, Houston (previously scheduled)

December 12-13, 1958, El Paso

TENTATIVE MEETING IN GALVESTON. --Since the May meeting of the Board of Regents, Chairman Jeffers had notified each member of the Board of the illness of Mr. John McCullough, President of The Sealy and Smith Foundation. He had called to the attention of the Board that Mr. McCullough became ill before he had an opportunity to check with the members of the Board of Trustees of The Sealy and Smith Foundation as to an acceptable date for a joint meeting of the two Boards. The Board of Regents had proposed a joint meeting of these Boards in Galveston to discuss the physical needs of The University of Texas Medical Branch and their financing. See Page 1204

Chairman Jeffers reported that Mr. McCullough is recovering, but at this time does not know when he will be dismissed from the hospital. The Board agreed that plans for the proposed joint meeting be deferred until late July. If at that time it appears Mr. McCullough will not be able to attend an early August meeting, Chairman Jeffers would communicate with other members of the Board of Trustees and arrange an acceptable date for a joint meeting.

WATER LEASE TO CITY OF MIDLAND UNDER TERMS OF WATER PERMIT NO. 70. --Chairman Jeffers presented to the Board the request of the City of Midland that the Board approve and authorize execution of the Water Lease to the City of Midland under the terms of Water Permit No. 70 authorized by the Board of Regents on January 11, 1957. The following report with recommendation as prepared by Endowment Officer Stewart, approved by Vice-President Dolley and President Wilson, was distributed at the meeting:

The City of Midland expects to begin producing water around August 1, 1958, from University Lands it has selected for lease under the terms of Water Permit No. 70 authorized by the Board of Regents on January 11, 1957, and dated March 1, 1957. Total acreage in Andrews and Martin Counties to be leased amounts to 27,513.41 acres, including 1,618.25 acres not included in the original permit acreage. This selected acreage

6-21-58

was approved by the Board of Regents on May 30, 1958. The water lease is to be in the same form as provided in the permit, except for minor changes. It is recommended that the Board of Regents authorize the Chairman to execute the lease with Midland when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

The Board of Regents received the foregoing report and unanimously adopted the recommendation upon motion of Mr. Lockwood, seconded by Mr. Hardie.

E. D. FARMER INTERNATIONAL SCHOLARSHIP FUND - RESOLUTION FOR SALE OF JENNINGS AVENUE PROPERTY, FORT WORTH, TO JOHN R. DIAL, ET AL. -- The Board of Regents on May 30, 1958, accepted the offer of Mr. John R. Dial to purchase the Jennings Avenue Property in the City of Fort Worth as reflected in the Permanent Minutes, Volume V, Page 856. Upon motion of Vice-Chairman Sorrell, seconded by Mr. Lockwood, the following formal resolution authorizing this sale was unanimously adopted:

WHEREAS, on March 15, 1934, George Beggs, Executor and Trustee of the will of Edward Disney Farmer, deceased, conveyed to the State of Texas for the use and benefit of The University of Texas a certain tract of land known as the Jennings Avenue Property, being the East 60 feet of Lots 1-8, Block 3, Jennings East Addition, City of Fort Worth, Texas, for the establishment of the E. D. Farmer International Scholarship Fund, which deed is recorded in Book 1212, page 75 of the Deed Records of Tarrant County, Texas; and

WHEREAS, John R. Dial of Fort Worth, Texas, has made an offer to purchase this property, agreeing to pay to the Board of Regents of The University of Texas, as Trustee of the E. D. Farmer International Scholarship Fund, the sum of \$57,500.00, payable as follows: \$25,000.00 cash and the remainder in equal monthly installments over a period of approximately six and one-half (6-1/2) years with interest at the rate of five per cent (5%) per annum and with prepayment privileges without penalty; and

WHEREAS, on May 30, 1958, this offer was duly accepted by the Board of Regents of The University of Texas, as Trustee of the E. D. Farmer International Scholarship Fund; and

WHEREAS, John R. Dial has requested that the conveyance of the property be made to R. W. Dial, Ruby G. Reid, and John R. Dial as Grantees:

NOW, THEREFORE, BE IT RESOLVED, That the Chairman of the Board of Regents of The University of Texas be and he is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Board of Regents

6-21-58

of The University of Texas as Trustee of the E. D. Farmer International Scholarship Fund a general warranty deed conveying the above-described property to R. W. Dial, Ruby G. Reid, and John R. Dial and to perform any and all other acts necessary to complete this transaction.

HOGG FOUNDATION - PROPOSAL FROM CITY OF HOUSTON FOR AGREEMENT CONSENTING TO CERTAIN WORK DESIRED BY THE CITY OF HOUSTON TO BE DONE IN WIDENING AND IMPROVING MEMORIAL DRIVE, MEMORIAL PARK. --The following proposal with recommendation as prepared by ~~Endowment~~ Officer Stewart, approved by Vice-President Dolley and President Wilson, was distributed at the meeting:

The City of Houston has submitted to the Board of Regents as Trustee of the Hogg Foundation - Mike Hogg Memorial Fund and as Trustee of the Hogg Foundation - W. C. Hogg Memorial Fund an instrument for consent to certain work necessary to be done by the City of Houston in widening and improving Memorial Drive through Memorial Park in Houston. Such consent is necessary due to the possibility or right of reverter under deeds from the Hogg family to the City of Houston for park purposes only, covering approximately 1,500 acres in Memorial Park. The instrument of consent has been executed by Miss Ima Hogg, Mrs. Alice Nicholson Hanszen, and Mrs. Margaret Wells Hogg, the other necessary parties; and it is recommended that the Board of Regents give its consent and authorize the execution of the instrument by its Chairman when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

The foregoing proposal was unanimously adopted upon motion of Vice-Chairman Sorrell, seconded by Mr. Lockwood.

UNIVERSITY DEVELOPMENT BOARD - RESIGNATION OF C. R. SMITH. -- Vice-President Haskew reported to the Board that Mr. C. R. Smith, an appointee of the Ex-Students' Executive Council to the University Development Board, had tendered his resignation, the effective date to be designated later. Whereupon, it was moved by Vice-Chairman Sorrell, seconded by Mr. Lockwood, and unanimously adopted by the Board that an appropriate resolution be prepared and be spread on the minutes and copies sent to the outgoing members of the University Development Board at the end of the current fiscal year. (Following the same procedure as in the January 1958 meeting, full membership of the University Development Board will be reflected in the minutes of the September 1958 meeting of the Board of Regents.)

HOGG FOUNDATION: W. C. HOGG MEMORIAL FUND - SUB-LEASE OF PART OF 1108 RUSK AVENUE, HOUSTON, PROPERTY OF ALLRIGHT, INC. --At the request of Chairman Jeffers, Vice-Chairman Sorrell reported that the Massey Property (1108 Rusk Avenue, Houston) is under parking lot lease to Allright, Inc., and D. M. Carothers, Chairman of its Board, to June 30, 1960, with an extension already approved by the Board of Regents and executed for the period July 1, 1960, to June 30, 1965.

6-21-58

Both the current lease and the extension give the lessee the right to sub-let the cafe building on the premises, which building is owned by the lessee, to a tenant to be approved by the Board of Regents. Mr. Carothers wishes to sub-lease this building to Mrs. Pauline Saludis who has been his tenant at another location.

Upon the recommendation of Endowment Officer Stewart, concurred in by Vice-President Dolley and President Wilson, and on motion of Vice-Chairman Sorrell, seconded by Doctor Minter, the Board unanimously approved the sub-lease to Mrs. Pauline Saludis and authorized the execution of the appropriate instrument of consent when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

HOGG FOUNDATION: W. C. HOGG MEMORIAL FUND - JOINDER WITH MRS. MARGARET WELLS HOGG IN DEED OF EXCHANGE WITH DOCTOR GUY W. ADRIANCE, BRAZORIA COUNTY. --Vice-Chairman Sorrell reported that Mrs. Margaret Wells Hogg through her attorney, Mr. William B. Ferguson, proposes that the Board of Regents, Trustee of the Hogg Foundation: W. C. Hogg Memorial Fund and as Remainderman under the Will of Thomas E. Hogg, join with her in exchanging a tract of approximately 0.94 acre in the 114.08 acre tract designated as Tract No. 25-A of the H. F. Bell One and One-half Leagues, Abstract No. 40, Brazoria County, Texas, to Doctor Guy W. Adriance for a tract of 2.34 acres which adjoins a tract already owned by the Thomas E. Hogg Estate. This will be of advantage to the tract already owned by the Thomas E. Hogg Estate.

It is recommended by Endowment Officer Stewart, concurred in by Vice-President Dolley and President Wilson, that the Board approve this exchange and authorize the Chairman to execute the instrument when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

The foregoing recommendation was unanimously adopted upon motion of Vice-Chairman Sorrell, seconded by Doctor Minter.

AUTHORIZATION FOR REFUNDING PERMANENT UNIVERSITY FUND BONDS, SERIES 1949. --Vice-President Dolley presented in detail the See Page 1077 following memorandum, a copy of which had been furnished each member of the Board:

Pursuant to prior authorization by the Board of Regents, the program for purchase by the Permanent University Fund of outstanding Board of Regents Permanent University Fund Bonds and Texas A & M College Permanent University Fund Bonds has been completed except for delivery on July 1 of \$3,120,000 Board of Regents Bonds and \$1,680,000 A & M College Bonds which are on hand in Austin bank. Total cost of these Bonds to be delivered on July 1 will be \$4,867,950. Payment will be met from proceeds of sale of \$5,000,000 U. S. Treasury 1-1/4% Certificates of Indebtedness. These Certificates were received in exchange for \$5,000,000 U. S. Treasury 2-3/8% Bonds due June 15, 1958.

6-21-58

With earlier purchases of the Permanent University Fund Bonds already reported to the Board of Regents, the delivery on July 1, 1958, will leave the following distribution of these bonds outstanding and maturing after July 1, 1958:

<u>The University of Texas</u>				<u>A & M College of Texas</u>			
<u>Total Outstanding</u>		<u>Held by PUF</u>	<u>Remainder</u>	<u>Total Outstanding</u>		<u>Held by PUF</u>	<u>Remainder</u>
<u>Year</u>	<u>Amount</u>			<u>Year</u>	<u>Amount</u>		
1959	\$500,000	\$290,000	\$210,000	1959	\$250,000	\$235,000	\$15,000
1960	500,000	221,000	279,000	1960	250,000	170,000	80,000
1961	500,000	380,000	120,000	1961	250,000	170,000	80,000
1962	500,000	355,000	145,000	1962	250,000	250,000	
1963	550,000	535,000	15,000	1963	275,000	250,000	25,000
1964	550,000	485,000	65,000	1964	275,000	275,000	
1965	550,000	550,000		1965	275,000	275,000	
1966	550,000	550,000		1966	275,000	275,000	
1967	550,000	510,000	40,000	1967	275,000	275,000	
1968	600,000	600,000		1968	300,000	300,000	
1969	600,000	600,000		1969	300,000	300,000	
	<u>\$5,950,000</u>	<u>\$5,076,000</u>	<u>\$874,000</u>		<u>\$2,975,000</u>	<u>\$2,775,000</u>	<u>\$200,000</u>

Plans already reported to the Board of Regents are for exchange refunding of the above bonds held by the Permanent University Fund, the refunding bonds to be dated July 1, 1958, with call as of July 1, 1959 (in accordance with the terms of the issue) of the bonds not held by the Permanent University Fund; deposit in escrow with the principal paying agent of principal, call premium of \$20 per bond, and interest due January 1 and July 1, 1959, on the bonds not held by the Permanent Fund so as to accomplish the refunding; advertising for bids for sale by the Permanent University Fund of the refunding bonds to be exchanged for the outstanding bonds held by that Fund, the bids to be opened on July 22, and the refunding bonds to be authorized at a joint meeting on July 23 of the Board of Regents of The University of Texas and the Board of Directors of The Texas A & M College System and sold at that meeting by the Board of Regents. All resolutions for authorization and sale of the refunding bonds, call of the unrefunded bonds, and deposit of the escrow money covering the unrefunded bonds will be presented for action at the joint meeting of the Boards on July 23.

It is recommended that the Board of Regents take the following actions at its June 21, 1958, meeting:

1. Authorize the Endowment Officer to advertise on behalf of the Board of Regents the \$5,076,000 Board of Regents of The University of Texas Permanent University Fund Refunding Bonds, Series 1958, and the \$2,775,000 Board of Directors of the Agricultural and Mechanical College of Texas Permanent University Fund Refunding Bonds, Series 1958, with bids to be received until 10:00 a. m. July 22, 1958, and at that time publicly opened. This advertising will be joint with Texas A & M College in advertising their \$5,000,000 Permanent University Fund Bonds, Series 1958.

6-21-58

2. Authorize the Endowment Officer to submit to appropriate papers copy for advertising the call of the unrefunded bonds with instructions that the advertising is to be run on July 24, 1958, the day following the joint meeting of the Boards at which the call will be made formally.
3. Authorize the Endowment Officer to cooperate with the Comptroller of The Texas A & M College System in inviting bids for printing all three issues of bonds, the cost of such bond printing to be prorated between the University and A & M College. Such bids will be opened on July 22 and presented to the Boards for action on July 23.
4. Transfer from the appropriation for the New Business Administration - Economics Building, Account No. 90965, to an account entitled Permanent University Fund Bonds, Series 1949, Escrow for Unrefunded Bonds, the sum of \$900,390 to cover the escrow deposit on the unrefunded 1949 Bonds, which is made up of \$874,000 principal amount, \$13,110 interest due January 1 and July 1, 1959, and \$13,280 call premium at \$20 per \$1,000 bond on those bonds maturing after July 1, 1959.
5. Authorize the Comptroller of The University of Texas to process prior to July 23, when formal authorization of the escrow agreement is expected, vouchers for payment of the total escrow deposit of \$900,390 to Texas National Bank in order that the warrant for this payment can be issued and delivered to Texas National Bank on July 24 or 25.
6. Appropriate from the Unappropriated Balance, Available University Fund, the sum of \$12,000 to cover the University's share of bond counsel fees, printing of bonds, advertising, and related costs of the bond refunding.
7. Authorize the Endowment Officer to sell the \$5,000,000 U. S. Treasury 1-1/4% Certificates of Indebtedness due May 15, 1959, held by the Permanent University Fund.

The foregoing report and seven recommendations contained therein were unanimously adopted upon motion of Vice-Chairman Sorrell, seconded by Mr. Lockwood.

APPROVAL OF 1958-59 BUDGET FOR AUXILIARY ENTERPRISES: MAIN UNIVERSITY, TEXAS WESTERN COLLEGE, M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE, MEDICAL BRANCH, AND SOUTHWESTERN MEDICAL SCHOOL. --Under date of June 18, 1958, President Wilson sent to each member of the Board a proposed 1958-59 Budget for Auxiliary Enterprises in the Main University and summaries of the estimated income and expenditures of Auxiliary Enterprises at the Main University, Texas Western College, M. D. Anderson Hospital and Tumor Institute, Medical Branch, and Southwestern Medical School. Copies of the proposed 1958-59 Budget for Auxiliary Enterprises for each of these institutions were available at the meeting.

6-21-58

After a discussion of the summaries, it was moved by Mr. Lockwood, seconded by Mr. Johnson, and unanimously adopted that the proposed budgets for Auxiliary Enterprises for Main University, Texas Western College, M. D. Anderson Hospital and Tumor Institute, Medical Branch, and Southwestern Medical School be approved. (A copy of each is in the bound volume, Annual Budgets, 1958-59, Volume XIII.)

APPROVAL OF 1958-59 BUDGET, OFFICE OF GOVERNMENT SPONSORED RESEARCH, MAIN UNIVERSITY. --There was available at the meeting a copy of the proposed 1958-59 Budget for the Office of Government Sponsored Research, Main University. This proposed budget was adopted upon motion of Vice-Chairman Sorrell, duly seconded. (A copy is in the bound volume, Annual Budgets, 1958-59, Volume XIII.)

ATTENDANCE. --Director Clark, Dean Gill, President Holcomb, Vice-President Ransom, Dean Taylor, Executive Director Truslow, and other University officials came into the meeting.

BIENNIAL BUDGET REQUESTS, 1959-61. --At the request of Chairman Jeffers, Vice-President Dolley presented for consideration the Biennial Budget Requests for 1959-61 as submitted by the heads of the various component institutions for presentation to the Texas Commission on Higher Education. Prior to the meeting, President Wilson had mailed to each Regent a Summary by Functions of the Biennial Budgets and a Summary Analysis of the Variances. (A copy of each is in the Secretary's Files, Volume V, Page 286 .)

Vice-President Dolley stated that these budget requests had been prepared by the respective institutional heads in accordance with instructions from the Texas Commission on Higher Education and that requests for Main University and for Texas Western College were based in part on formulas tentatively prescribed by the Texas Commission on Higher Education. These requests were then submitted to the Budget Officer, who checked them in accordance with the broad policies for legislative requests adopted by the Board at its meeting January 11, 1958, (Permanent Minutes, Volume V, Page 483.) Later conferences were held between institutional officers and Central Administration staff.

At this point, Mr. Cox briefed the Board on the formulas prescribed by the Texas Commission on Higher Education and stated that the Commission had invited the institutions to present their individual needs not met by the tentative formulas at the Commission hearings to be held during the summer of 1958.

Submissions of the component units were taken up in the following order and were discussed fully by officers of Central Administration and the respective executive heads. Detailed summaries were presented by Budget Officer Graydon for each institution, analyzing the requests and any increases and decreases involved in operating levels and in General Revenue support.

Central Administration. --The increase in the total level of operations amount to 1.5%. This was accomplished by continuing the use of \$90,000 of the Available Fund in meeting the requested operating level.

Main University. --The total of this request is limited by application of prescribed formulas. The increases provided by the formulas for General College Administration, Teaching Salaries, and Library were minimal and would not

6-21-58

meet the real needs of the institution. In addition the library formula did not provide for the development and operation of the University library as a state facility, as recommended by the Commission on Higher Education.

Mr. Cox stated that in his opinion the inadequacies in the request of Main University would be given full consideration by the Texas Commission on Higher Education when properly presented and justified. Whereupon, it was moved by Mr. Lockwood, seconded by Doctor Minter, and unanimously adopted that Vice-President and Provost Ransom be authorized to prepare for submission to the Commission on Higher Education at the budget hearing a supplemental biennial budget request for Main University in the areas of General College Administration, Teaching Salaries, and Library, provided the amounts requested do not exceed the original budget policies previously adopted by the Board.

Texas Western College. --The salary formula would provide for Texas Western College more than the present level of operations; however, additional needs were presented for the School of Nursing and for Mechanical Engineering. In contrast to the Main University, it was pointed out that the formula provides well for the Texas Western College Library.

At this point, Doctor Holcomb read the names of ten members of the academic staff who had resigned from Texas Western College to accept comparable positions at other institutions at higher salaries. The range of salary increases received by these individuals was upward from \$1,000 per annum.

Upon motion of Doctor Minter, seconded by Vice-Chairman Sorrell, the Board authorized Doctor Holcomb to prepare for submission to the Texas Commission on Higher Education at the budget hearing a supplemental biennial budget request for Texas Western College in the areas of Teaching Salaries and Custodial Services.

Medical Branch. --At the conferences with Central Administration, the initial request of the Medical Branch was reduced considerably in the hospital area in order to limit the increase in gross level of operations to not more than 5% over 1958-59 Budget.

After a discussion with Hospital Director Hennings as to the minimum cost of operating the hospitals and means of increasing revenue, it was moved by Doctor Minter, duly seconded, and adopted that the Executive Director of the Medical Branch be requested to prepare a study with a recommendation regarding increased charges to counties for indigent patients and present it to the Board when it meets in Galveston in August, as tentatively planned.

RECESS. --The Board recessed for lunch at 12:45 p. m. and reconvened in regular session at 1:30 p. m. with the same attendance except Mr. Lockwood, who was excused on account of important business.

6-21-58

BIENNIAL BUDGET REQUESTS, 1959-61, (Continued). --Budget Officer Graydon proceeded with a presentation of the summaries of the Biennial Budget Requests for 1959-61.

Southwestern Medical School. --Dean Gill indicated that the total of the biennial requests for Southwestern Medical School is the minimum on which he will be able to maintain the school's relative position.

Dental School. --Chairman Jeffers stated that he and President Wilson excused Dean Olson from being present at the meeting. Dean Olson had indicated by letter his recommendation for approval by the Board of these requests.

M. D. Anderson Hospital and Tumor Institute. --In the hearing with Central Administration, the initial biennial budget request of M. D. Anderson Hospital and Tumor Institute was reduced about \$127,000. Doctor Clark indicated that his budget request was based upon an increased emphasis upon the research functions of the institution.

Postgraduate School of Medicine. --Dean Taylor indicated approval of these requests.

Texas Memorial Museum. --The first biennial budget request for the Texas Memorial Museum had been revised by deleting an item of \$75,000 for air-conditioning. It was emphasized that the Memorial Museum is not a part of the University but is the museum of the State of Texas and should be supported accordingly.

Upon motion of Mr. Johnson, seconded by Mr. Bryan, the Board authorized that the air-conditioning request be added to the legislative budget submission for the Texas Memorial Museum.

Texas Western College Museum. --The Biennial Budget Request for Texas Western College Museum in the amount of \$20,870 was considered adequate.

University Available Fund. --Vice-President Dolley presented the 1959-61 budget submission for The University of Texas University Available Fund. He discussed in detail estimates of net income, expenses of its revenue bearing property, and proposed utilization. There was distributed to each Regent a memorandum regarding the use of the University Available Fund in the Main University Legislative Budget Request. The Administration recommended that the University request the Legislature to appropriate in each year of the 1959-61 biennium only the amount of the University Available Fund budgeted by the University over and above the annual appropriation of \$700,000 by the Legislature during the current

6-21-58

biennium. The budget request for Main University includes \$289,000 as the amount to be supported by the University Available Fund for 1959-61. This is consistent with previous representations to the Legislature and with previous legislative treatment.

Due consideration having been given to the foregoing 1959-61 Legislative Budget Requests, Vice-Chairman Sorrell moved, Doctor Minter seconded, and the Board unanimously adopted the proposed legislative budget requests with the one change in the request for the Texas Memorial Museum approved earlier in the meeting with the provision that the Vice-President for Fiscal Affairs and the Budget Officer be authorized to make any necessary corrections indicated by final audit and review. (Bound copies of the Biennial Budget Requests, 1959-61, as submitted to the Texas Commission on Higher Education will be filed in the Office of the Secretary, Board of Regents.)

MAIN UNIVERSITY

GIFT FROM H. L. WILLIFORD. --Chairman Jeffers read a report from Vice-President Ransom that Mr. H. L. Williford of Dallas, Texas, had given to The University of Texas a magnificent collection of books--mainly Bibles, Psalters, and Books of Common Prayer. The Board gratefully and enthusiastically accepted this gift from the father of Mrs. Charles Devall, a valued member of the Board of Regents, and instructed Chairman Jeffers to express appreciation on behalf of the Board to Mr. Williford.

BEQUEST OF MR. JOHN B. HAMILTON. --President Wilson reported receipt of a check in the amount of \$48,660.79 representing a bequest to The University of Texas by Mr. John B. Hamilton of Chattanooga, Tennessee. The details of this bequest will be reported in a subsequent docket or through the Land and Investment Committee.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE

ACCREDITATION, THE UNIVERSITY OF TEXAS M. D. ANDERSON HOSPITAL. --Chairman Jeffers reported that Director R. Lee Clark, Jr., of the M. D. Anderson Hospital and Tumor Institute had received notice from the Joint Commission on Accreditation of Hospitals that the Commission had approved the M. D. Anderson Hospital for full accreditation.

SOUTHWESTERN MEDICAL SCHOOL

STATUS OF GENERAL CONTRACTOR, CLINICAL SCIENCE BUILDING, SOUTHWESTERN MEDICAL SCHOOL. --At the request of Doctor Minter, Comptroller Sparenberg brought the Board up to date on the status of the contract with George A. Fuller Company, general contractors on the Clinical Science Building at Southwestern Medical School.

George A. Fuller Company was notified that the University intended to collect at the proper time liquidated damages for the delay in the completion of the Clinical Science Building. This was done with the full knowledge

6-21-58

and consent of the Board of Regents. The Fuller Company had been notified that it was proposed to deduct \$19,300 from the final payment of \$91,653.43.

In reply full payment was requested by the Fuller Company, and Attorneys Mitchell and Darrouzet were appointed to represent them.

A claim has been filed with the Comptroller's Office not only for the \$19,300 to be withheld from the final payment but also for an additional \$152,000 plus for losses to the Fuller Company allegedly caused by the agents of the owner.

A claim has been filed with Comptroller Sparenberg by the Kieffer Plumbing and Heating Company in the amount of \$14,000 plus occasioned by reason of delays by the Fuller Company and the laboratory equipment contractor.

Several conferences have been held with the Attorneys. At each conference Comptroller Sparenberg, Architect and Assistant to the Comptroller Moore, and Attorney Waldrep represented the University. Darrouzet was standing by to be called if the Board desired to hear him.

An informal but full and complete hearing was held June 16 in Comptroller Sparenberg's Office. This conference was attended by representatives of the George A. Fuller Company, the Kieffer Plumbing and Heating Company, Architect Mark Lemmon, and Central Administration of The University of Texas.

It is recommended by Comptroller Sparenberg, Architect Lemmon, and Attorney Waldrep that the Board stand firm in its decision to collect liquidated damages. It is further recommended by Comptroller Sparenberg that the claim of Kieffer Plumbing and Heating Company in the amount of \$14,000 plus and claims of any other amounts of similar nature that come from the other contractors blamed on Fuller Company be denied and not paid.

It was moved by Vice-Chairman Sorrell, seconded by Mr. Johnson, and unanimously adopted by the Board that the Attorneys for the George A. Fuller Company be not heard by the Regents, that the demands of the George A. Fuller Company be declined, and that the George A. Fuller Company be paid \$91,653.43 less the claim of \$19,300 for liquidated damages and less the claim of Kieffer Plumbing and Heating Company in the amount of \$14,000 plus provided that the George A. Fuller Company is willing to release its claim of \$152,000 plus; provided, further, that if such a release is not signed, no payment be made.

MEDICAL BRANCH

REMODELING PROJECTS, MEDICAL BRANCH: COMMITTEE APPOINTED TO APPROVE PRELIMINARY PLANS. -- Upon motion of Mr. Johnson, seconded by Mr. Hardie, the Board appointed a committee consisting of President Wilson, Vice-President Dolley, Executive Director Truslow, and Comptroller Sparenberg to approve the preliminary plans for remodeling the Marvin-Graves (State Psychopathic) Building, Negro Hospital, Rebecca Sealy Nurses Residence, and Out-Patient Clinic at the Medical Branch.

6-21-58

ADJOURNMENT. -- Upon motion of Mr. Johnson, seconded by Vice-Chairman Sorrell, the Board adjourned at 3:30 p.m. .


Betty Anne Thedford
Secretary