

# *A Charitable Purpose*

**How a \$50,000 bequest led to creation of The Sealy & Smith Foundation, a Galveston philanthropy that's given nearly \$500 million to UTMB.**



BY CHRISTIAN MESSA

When Galveston entrepreneur and philanthropist John Sealy died in 1884, his will stipulated that \$50,000 go to “a charitable purpose” to be determined by his brother, George, and his widow, Rebecca. Galveston had no hospital at the time, so they allocated the bequest to build one. The original John Sealy Hospital opened in 1890.

The Sealys initially gave the hospital to the City of Galveston, although the agreement authorized the city to transfer ownership to the University of Texas Medical Department (later renamed the University of Texas Medical Branch) once that institution was established in Galveston. Three years before Sealy’s death, Texans had voted to locate the newly founded University of Texas in Austin and to put the state’s first medical school in Galveston. But it was the Sealy family’s agreement to convey the hospital to the UT Medical Department that prompted the Texas Legislature to implement the voters’ decision. One year after John Sealy Hospital opened, the first students began attending classes. For the next thirty-two years, John Sealy II and his sister Jennie generously supported both the medical school and the hospital. Initially, John covered its deficit monthly and provided \$40,000 to remodel and improve it, later contributing \$60,000 for repairs after the devastating 1900 Storm. Jennie and John also funded construction of the Women’s Hospital, completed in 1916 at a cost of \$115,000. That same year John spent another \$270,000 to remodel and refurbish the main hospital.

Then in 1922, to perpetuate their and their father’s altruistic legacies, John Sealy II and Jennie Sealy Smith formed The Sealy & Smith Foundation for the John Sealy Hospital. The foundation is dedicated solely to supporting patient care and related activities at UTMB. Over its eighty years, it has contributed nearly \$500 million in

grants to help UTMB provide health care, biomedical research, and education for the people of Galveston and Texas. George Sealy III, grandson of George Sealy and vice president of the foundation, said John Sealy II and Jennie Sealy Smith modeled it after the Rockefeller Foundation. “But I’m sure they never dreamed it would become this large,” said Sealy, the first member of his family to be elected to the board since 1932.

With a book value of about \$475 million—up from just \$45 million in the late 1970s—the foundation has invested its assets in everything from oil and gas to real estate. The foundation’s grants have transformed UTMB over the decades. To provide more hospital beds for the state’s burgeoning population after World War II, foundation directors provided about \$9.5 million of the more than \$11 million required to build the second-generation John Sealy Hospital. Twenty-five years later, the hospital received a major addition with the completion of the twelve-story John Sealy Hospital tower. Tower construction and renovations to the older John Sealy Hospital, which totaled \$42.5 million, were paid for by The Sealy & Smith Foundation.

Dedicated in 1991 and largely funded by the foundation, the eleven-story Medical Research Building features more than 270,000 square feet of research space, offices, and conference rooms. The \$58.6 million building was redesignated the Truman Graves Blocker Jr. Medical Research Building in 2000 in honor of UTMB’s first president. It houses various research centers, including the Sealy Centers for Molecular Science and Cancer Cell Biology—two of the six UTMB research centers designed to help advance interdisciplinary education and research by providing shared resources for faculty. Those centers were funded by a research endowment that grew from a fifty-fifty partnership initiated fifteen years ago

between the foundation and the university. Today the John Sealy Memorial Endowment Fund for Biomedical Research has grown to more than \$100 million.

In another significant gift, approximately \$3.8 million from the foundation paid for construction of the twenty-bed Acute Care for Elders (ACE) Unit, which opened in late 2000 and features a more relaxed, home-like environment to accommodate acutely ill older people and their families.

Thanks to the foundation directors' vision, UTMB will enhance its leadership in infectious disease research. UTMB broke ground earlier this year for an \$18.6 million biosafety level 4 (BSL4) laboratory. The state-of-the-art facility, which includes the first full-sized BSL4 laboratory on a university campus in the Americas and the fifth in North America, will allow scientists to safely study many potentially lethal emerging viruses and bacteria. Financed with the help of a lead gift of \$7.5 million from The Sealy & Smith Foundation and with further funding from the National Institutes of Health and elsewhere, the 12,000-square-foot addition to the Keiller Building, including support facilities, is slated for completion in 2003.

Other buildings that exist thanks to the Sealy & Smith Foundation include the R. Waverley Smith Pavilion, the John W. McCullough Outpatient Clinic and the six-story Jennie Sealy Hospital, as well as the Clinical Sciences, Administration and University Hospital Clinics buildings. A foundation grant also paid for UTMB's Emergency Room and Trauma Center, one of the most technologically advanced such centers in the world. The foundation additionally was a major contributor toward building the Ronald McDonald House, a two-story, Victorian-style temporary residence for the families of children who are undergoing treatment at UTMB and Shriners Burns Hospital.

The foundation also has significantly aided many other areas at UTMB. For example, the foundation has created fourteen faculty endowments and subsidized purchases of some of the most advanced medical equipment and technologies, notably almost \$28 million for renovations and new equipment in the Department of Radiology—most recently including a new magnetic resonance imaging unit, a neuro-diagnostic suite, and new ultrasound machines. Another grant from the foundation also made it possible for UTMB to purchase two computer-aided robotic surgical systems that allow surgeons to make smaller incisions during operations, leading to faster healing and quicker patient recovery.

To help advance medical education, The Sealy & Smith Foundation has pledged \$1.25 million to an initiative that will fortify the educational infrastructure at



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UTMB. The Program for Innovation in Education will finance campus facility renovations intended to foster interactive learning not only in the medical sciences but also in compassionate care.

"We never would have become the innovative academic health science center we are today without The Sealy & Smith Foundation," said UTMB President John D. Stobo. Foundation President Charles A. Worthen said the success of the organization is linked to the strengths of each director on the seven-member board. "We have a good cross section of people who bring expertise from different areas to the board ... it's just a really close-knit group all pulling the same wagon, so to speak," Worthen said. John W. Kelso's professional background is in the construction business, while John E. Eckel is an attorney. Michael C. Doherty was a banker, and both J. Fellman Seinsheimer III and Joe C. Blackshear can explain the nuances of insurance and business. George Sealy III is a geologist who worked many years with Exxon. Worthen himself was a bank president and bank board chairman.

"Our mission will continue to be to do the best job we can to fund activities that provide the best possible health care for the people in this area," Worthen said. ❏

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