OREGON STATE BOARD OF HIGHER EDUCATION

Minutes of Meeting Held on December 14, 1979

MINUTES APPROVED 666
Freeman Holmer, Certificate of Recognition 666
Appointment of W. T. Lemman, Jr. 666
T. Cross, Introduction 667
Adoption of IMD's Re Oregon Commission on Public Broadcasting 667
Revision of Plans for Field House (Stadium Replacement), OCE 668
Adoption of IMD's Re Retention and Disposition of Real Property 671
$6,465,000, State of Oregon, State Board of Higher Education Building Bonds, Series 1980 A, Article XI-F(I) 672
$5,430,000, State of Oregon, State Board of Higher Education Facilities Bonds, Series 1980 B, Article XI-G 676
PRESIDENT'S REPORT 680
ADJOURNMENT 680
A regular meeting of the State Board of Higher Education was held in the Dads Room of the Erb Memorial Union, University of Oregon, Eugene, Oregon. The meeting was called to order at 11:30 A.M. (P.S.T.), December 14, 1979, by the Vice President of the Board, Mr. Edward C. Harms, Jr., and on roll call the following answered present:

Mr. Lester E. Anderson  
Mr. Jonathan A. Ater  
Mr. Alvin R. Batiste  
Mrs. Jane H. Carpenter

Mr. Edward C. Harms, Jr.  
Mr. Robert C. Ingalls  
Mr. William C. Thorp, III  
Mr. Loren L. Wyss

Absent: Mrs. Edith Green was absent due to a death in the family; Mrs. Elizabeth Warner-Yasuda was out of the country; and Mr. Louis B. Perry was absent for business reasons.

OTHERS PRESENT

Centralized Activities—Chancellor R. E. Lieuallen; Secretary Wilma L. Foster; Freeman Holmer, Vice Chancellor for Administration; W. T. Lemmon Jr., Vice Chancellor for Personnel Administration; J. I. Hunderup, Vice Chancellor for Facilities Planning; Miles C. Romney, Vice Chancellor for Academic Affairs; E. Rex Krueger, Vice Chancellor for Educational Systems; Edward Branchfield, Assistant Attorney General; Janet E. Young, Assistant to the Chancellor; Richard S. Perry, Director, Division of Management and Planning Services; Susan F. Weeks, Assistant to Director, Division of Management and Planning Services; Keith Jackson, Assistant Budget Director; Ross Hall, Controller; Gary Powell, Director, Internal Audit; Arthur Mancl, Director of Campus and Building Planning; Richard Zita, Director, Public Services and Publications; Melinda Grier, Compliance Officer; A. M. Rempel, Assistant Vice Chancellor for Academic Affairs; Clarethel Kahananui, Assistant in Curriculum Planning; Francetta Carroll, Administrative Assistant; Karen McCumsey, Secretary to Chancellor.

Oregon State University—President R. W. MacVicar; Clifford Smith, Vice President for Administration; Sandra Suttle, Assistant to the President/Curriculum Coordinator; John V. Byrne, Dean of Research and of the Graduate School; David J. King, Dean of the College of Liberal Arts; Kenneth Puttman, Chairman of the Economics Department.

University of Oregon—President William B. Boyd; Ray Hawk, Vice President for Administration and Finance; Paul Olum, Provost.

University of Oregon Health Sciences Center—Ronald Parelius, Acting Vice President for Administration.

Portland State University—President Joseph Blume!; James Todd, Vice President of Finance and Administration; Kenneth Harris, Director of the Budget.

Oregon College of Education—President Gerald Leinwand; James Beaird, Provost; John N. Sparks, Director of Business Affairs; Ronald C. Coolbaugh, Dean of Arts & Letters; Richard Walker, Dean of Education.

Eastern Oregon State College—David Gilbert, Dean, Academic Affairs; J. C. Lundy, Business Manager.
The Board voted to dispense with the reading of the minutes of the last regular meeting of the Board held on October 26, 1979, and approved them as previously distributed. The following voted in favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Thorp, and Wyss. Those voting no: None.

Mr. Harms then read the following Certificate of Recognition, honoring Freeman Holmer, who resigned from his position of Vice Chancellor for Administration on December 31, 1979:

Honoring

Freeman Holmer

December 14, 1979

The members of the Oregon State Board of Higher Education wish to express their warm appreciation to Freeman Holmer, who is retiring on December 31st as Vice Chancellor for Administration.

As Chancellor Lieuallen's chief deputy for State System fiscal affairs, Freeman has functioned under the surveillance of the institutions, the Board, the Legislature, and the students, among others. He has done so with great style and success. His sensitivity to differing points of view helped to ameliorate them and to open the doors to sound decision-making.

Over his ten years of service to the Board, Freeman has played a major role in building strong fiscal and management policies for the State System—policies that will long stand as a tribute to his remarkable talents.

It has been said that the success of higher education depends on rationality and civility, and shared concern and mutual respect. Freeman has been an important part of our success in Oregon. He not only has exhibited these qualities both personally and professionally, he has worked to reinforce them throughout the State System.

The members of the State Board are grateful to Freeman for his many unmeasurable services and contributions to the State System and to the Board. He has helped to make both better. We wish to extend to him, and to his wife Marcia, our sincerest wishes for many happy and rewarding days ahead.

The Board adopted the above resolution as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Thorp, and Wyss. Those voting no: None.

Upon the recommendation of the Chancellor, the Board voted to confirm the appointment of W. T. Lemman, Jr., to the position of Vice Chancellor for Administration with an annual salary of $47,000, effective January 1, 1980. The following voted in favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Thorp, and Wyss. Those voting no: None.
Mr. Harms introduced Mr. Travis Cross, Chairman of the Oregon Commission on Public Broadcasting and welcomed him to the meeting. It was indicated that the Board and the Public Broadcasting Commission would meet jointly for lunch.

Summary

In adopting Chapter 657, Oregon Laws 1979, the Legislative Assembly created and assigned to a new Commission on Public Broadcasting responsibilities for administration and coordination of state-owned telecommunication facilities. Section 10 of the new statute requires the Board of Higher Education to delegate its authority relating to the state-owned television network to the Commission, while reserving to the Board the right to veto actions of the Commission.

In drafting the proposed Internal Management Directives, it has been assumed that the Board intends to convey to the Commission full responsibility for program and policy decisions relating to the Oregon Educational and Public Broadcasting Service. It is also assumed, however, that the Commission would expect to conform to the business management and other administrative policies and practices required by the Board of the other statewide public services of the Department of Higher Education (e.g., the University Hospital, Cooperative Extension Service, etc.).

Staff Recommendation to the Board

It was recommended that the Board adopt the following Internal Management Directives:

Oregon Commission on Public Broadcasting

5.100 Delegation of Authority

The Board hereby delegates to the Oregon Commission on Public Broadcasting, to the extent permitted by State law and Federal Communications Commission regulations, the authority for management, operation, and coordination of the telecommunications facilities presently managed, operated or coordinated by the Oregon Educational and Public Broadcasting Service, effective at the close of business on December 31, 1979, and thereafter.

5.105 Continuity of Board Rules and Directives

Until superseded or rescinded by rules lawfully adopted by the Commission, the lawful rules and directives of the Board shall continue to apply to the activities of the Oregon Educational and Public Broadcasting Service.

It was further recommended that the Board direct the Vice Chancellor for Administration to provide to the Commission, as of the close of business on December 31, 1979, an inventory of the real and personal property and the budgetary and other financial resources available to the Commission and to the Oregon Educational and Public Broadcasting Service.

It was also recommended that the Board request the executive director of the Oregon Educational and Public Broadcasting Service to assist the Commission in its assumption of the responsibilities assigned to it by Chapter 657, Oregon Laws 1979.

Board Discussion and Action

In response to a question concerning the status of the radio stations formerly administered by OEPBS, the Chancellor indicated that the statute did not require transfer of the radio stations to the new Commission. However, the proposed action would place the radio stations under the jurisdiction of the
new Commission on Public Broadcasting, for the management and policymaking responsibilities. He said Oregon State University and Portland State University were not prepared at the present time to assume the management of the stations, but a recommendation for a change to again place the radio stations under the jurisdiction of those institutions may be made at a later date.

The Board approved the staff recommendations as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Thorp, and Wyss. Those voting no: None.

Summary

Inasmuch as the bids received on September 20 exceeded substantially the amounts budgeted for the construction of the proposed new Field House at Oregon College of Education, replacing the stadium which was destroyed by fire in June 1978, all of them were rejected and the project architects were instructed to make modifications to the drawings and specifications in an effort to bring the project, if possible, within the expenditure limitation of $910,000 previously approved by the Board, the 1979 Legislature and the State Emergency Board. The proposed revisions have been reviewed and endorsed by institutional officials and the Board’s staff.

Staff Recommendation to the Board

It was recommended that the appropriate Board officials be authorized to approve revised drawings and specifications for the proposed Field House (Stadium Replacement) at Oregon College of Education, solicit bids and award a contract for construction within a project budget not exceeding $910,000 financed from a combination of State Restoration Fund proceeds, gifts, self-liquidating bond borrowings and/or other balances available for auxiliary enterprises.

Discussion and Recommendation by the Committee

Mr. Hunderup stated that minimal restroom facilities had been anticipated as a part of the first stage of development in the original scheme. These facilities will be deferred until the second stage is constructed or completed if additional funds become available at a later date. Restrooms are available in the physical education building which is in close proximity to the Field House.

Board Discussion and Action

The Board approved the staff recommendation as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Thorp, and Wyss. Those voting no: None.

Staff Report to the Committee and the Board

On November 17, 1978, the Board reviewed and approved the schematic design phase of planning for the proposed new Field House at Oregon College of Education and also approved conceptual studies for the future improvement of enclosed areas within the structure, beneath the spectator seating area, for physical education and recreational use. Subsequently, legislative authorization was obtained for the construction of the initial phase of the project within an expenditure limitation of $910,000. Of this amount, it was estimated that the direct construction costs would be approximately $764,370. Architects Payne/Settecase/Smith/Doss of Salem expedited the completion of the working drawings and specifications for the project so that bids could be solicited shortly after legislative approval was received, and on August 17, 1979, the Emergency Board granted authorization to proceed with construction. The bid documents were generally consistent with the schematic design for the shell of the Field House and the necessary approvals were obtained from local jurisdictional agencies, including the City of Monmouth which granted a variance waiving a requirement for the improvement of offstreet parking spaces.
The bids which five contractors submitted for the 2,000-seat covered stadium on September 20, 1979 ranged from $1,480,000 to $1,782,590. Inasmuch as the lowest quotation exceeded the direct construction cost allowance by nearly one hundred percent, all of the bids were rejected.

Following a determination that the architects and their consultants had failed to provide reasonably accurate estimates of the direct construction costs, the architects were advised that they would be required to modify the construction documents at no cost to the Board in accordance with the provisions of the professional services agreement with them. They accepted this responsibility graciously and promptly proceeded to provide alternative solutions for the project design within the budget resources available.

In a conference in Salem on October 29, the architects presented to President Leinwand, other institutional officials and Vice Chancellor Hunderup three distinct design alternatives for consideration and discussion. One of these followed the same basic concepts upon which the original construction documents had been prepared, but modified to reflect a major reduction in the height of the structure, limiting the number of rows of seats to 16, but extending the length of the facility sufficiently to maintain the total seating capacity of 2,000 persons. Although the area beneath the seating would be enclosed for future restrooms, physical education and recreational activities, this capacity would be limited to the ground level--without a mezzanine--but could be enlarged at some future time to accommodate handball courts, a classroom and seminar room within an addition on the west side of the field house. The estimated direct construction costs of this scheme, including a roof over the entire seating area, were reported to be approximately $1,000,856. By deleting four bays, reducing the seating to 1,171 and limiting the enclosed activity space to approximately 4,600 square feet, the architects indicated that it could be accomplished for $760,856 (very close to the budgeted allowance). Out of the million dollar figure, the roof structure was estimated to be worth about $360,000, including $31,000 for the coaches' observation booth on top of the center section of the roof. By omitting the back (west) wall, which would be finished with painted steel panels, savings of $32,337 could be realized, and by omitting the blacktopping of the activity area, an additional $6,368 could be saved, they said.

The second proposal appeared to be the most radical departure from the original scheme. It was described as a box-wood structure with tiered seating for 2,000 spectators at an estimated total direct construction cost of $1,261,925 if activity areas of 9,285 square feet were provided simultaneously. By limiting the project to 1,000 seats with only 4,642 square feet of activity area enclosed, the expenditure requirements for direct construction would be $775,925. Another alternative possible under this scheme would be to eliminate all activity areas but provide seating for 1,360 persons at a cost of $756,000. This scheme provided a structure that was much more narrow and much longer than the other two proposals and although it had the advantage of bringing spectators closest to the field, it lacked the opportunity for crowd reactions which come from a large single mass.

The third scheme was similar to the first except that it utilized a glu-lam roof system rather than structural steel. It eliminated the requirement for interior posts but it also omitted the coaches' observation booth on the roof. It would provide seating for 2,000 persons and enclosed activity areas of 7,050 square feet at a direct construction cost of $999,632. In order to stay close to the budgeted allowance, it would be necessary to omit four bays, thus limiting the seating capacity to 1,070 persons with only 3,850 square feet of activity space. This would cost $779,632, the architects reported. (The roof structure was estimated to be $320,000, the back wall enclosure $28,600 and the activity floor area $5,640.)

After reviewing and discussing the various advantages, disadvantages, limitations and opportunities applicable to each of the three schemes, there appeared to be a consensus that the first proposal should be endorsed, but with certain additional modifications. A minimum of ten feet above grade should be allowed for the height of the first row of spectator seating.
Furthermore, the roof covering, with the observation booth, should be contemplated over as much of the spectator area as possible within the limitations of a direct construction cost allowance of approximately $764,370. Although utility services for future restroom facilities would be included, no other improvements except blacktopping would be provided within the enclosed space beneath the grandstand.

The architects have refined this particular scheme and with the assistance of their consultants have projected a direct construction cost allowance of $789,071 for it based upon the assumption that the initial roof covering would be limited to approximately 40% of the seating area. The increase of $24,701 over the original budget allowance for direct construction costs could be made available for contract requirements, if necessary, by transferring funds originally included in the budget for equipment items. (To provide a roof cover over the entire stadium, the architects estimate that $1,096,030 would be required for the direct construction costs.) It may be possible to add adjacent sections of roof if bid prices are favorable, or they could be added at some future time. The area of the enclosed space beneath the seating would be approximately 9,504 square feet. It could be developed in a later phase of the project for use as a dance studio, weight room, general activity area, storage and restrooms, and could be enlarged, as noted above, also to provide handball courts, a classroom and seminar room.

The concurrence of the Committee on Finance, Administration and Physical Plant, as well as other members of the Board, is requested in the recommendation to authorize the appropriate Board officials to approve the revised planning documents for the Field House, solicit bids and award a construction contract within the previously approved expenditure limitation of $910,000. The financing would be accomplished in accordance with the program approved by the Board on July 27, 1979, involving Restoration Fund proceeds, gifts, Article XI-F(1) bond borrowings and/or other balances available for auxiliary enterprises.

RECAPITULATION UPON REVISION OF PLANNING

Project - OCE Field House (Stadium Replacement)

Architects - Payne/Settecase/Smith/Doss, Salem

Board's priority - No. 4 in 1979-1981 (Auxiliary Enterprises)

Legislative authorization - Chapter 511, Oregon Laws 1979

Estimated total project cost (Phase I only) $910,000

Estimated enclosed gross area (beneath spectator seating) - 9,504 square feet

Estimated direct construction costs $789,071

Tentative schedule:
Rebidding - February 1980
Completion - September 1980

Tentative financing plan (Phase I only):

| Restoration Fund proceeds | $82,000 |
| Gifts and grants | 200,000 |
| Article XI-F(1) bond borrowings and/or other balances available for auxiliary enterprises | 628,000 |

Total $910,000
Meeting #460

Adoption of IMD's Retention and Disposition of Real Property

Summary

Following discussion of this item by the Board on October 26, 1979, the Board's staff and Board members Ater, Ingalls, and Wyss agreed to recommend the policies and procedures as revised below. The additions (underlined) and deletions [bracketed] represent changes from the material presented to the Board on October 26.

Staff Recommendation to the Board

It was recommended that the Board adopt the following Internal Management Directives:

IMD 6.170 Responsibility for Review, Retention and Disposition of Real Property

(1) Review, [R]etention, and disposition includes developing criteria for use in determining whether to retain or dispose of real property[, ]; establishing specific operating policies; coordinating the property evaluation process[, ]; obtaining clearance from appropriate state and local agencies to sell [the] property and to retain or relinquish certain rights to [the] property[, ]; recommending to the Board [Committee on Finance, Administration, and Physical Plant or Board] approval to dispose of property, including terms of sale[, ]; and complying with state statutes when obtaining appraisals, publishing notices of sale, accepting bids, executing exchanges, and issuing deeds.

(a) The Vice Chancellor for Facilities Planning or a designee is authorized to coordinate, in consultation with the institutions, the review [retention and disposition] of real property within Board-approved projected campus boundaries.

(b) The Vice Chancellor for Administration or a designee is authorized to coordinate, in consultation with the institutions, the review, retention, and disposition of real property outside projected campus boundaries.

(2) Recommendations to a Vice Chancellor to dispose of real property must originate with an institution president or the Chancellor.

IMD 6.175 Guidelines for Real Property Retention and Disposition Decisions

(1) Real property holdings located outside Board-approved projected campus boundaries [which are] and not used for the educational and research mission of the institution shall be evaluated [no less than biennially and preferably] annually. The evaluation will include consideration of current and prospective appreciation of the property's value, current income therefrom, and objective estimates of potential income and appreciation from otherwise equivalent investments in personal property. The evaluation will apply both short-term and long-term analyses. On the basis of such evaluation, decisions will be made to retain or dispose of the property. [Properties which are not producing income equal to that possible with alternative investments shall be disposed of, unless there is reason to believe that the long-range increase in value of the property would offset the limited annual income.]

(2) [Real property holdings which have been designated as related to the institution mission shall be evaluated at least biennially to justify the continuation of the designation.] As part of the periodic review and updating of long-range campus development plans for the institutions, recommendations will be presented to the Board by the Vice Chancellor for Facilities Planning to confirm or modify the projected campus boundaries.
(3) The Vice Chancellors for Facilities Planning and Administration may jointly select a three member advisory committee to assist them and the institutions in establishing criteria for evaluating real property holdings. The advisory committee shall include persons qualified by professional education and experience to serve in this capacity.

(4) The Board [The Committee on Finance, Administration, and Physical Plant or Board] shall review and approve all recommendations to sell real property and shall receive reports of such sales.

(5) Proceeds from the sale of real property acquired through donations shall be pooled for reinvestment in accordance with policies and guidelines set forth in IMD 6.105 through 6.140. Institutions shall be given the option, in the case of quasi-endowment gifts of real property, of reinvesting the cash proceeds from the sale of such property, or utilizing the proceeds, in keeping with the donor's wishes, to meet current needs. Proceeds from the sale of real property shall be charged for all sales costs, exclusive of Board staff time.

(6) At the completion of each fiscal year, [T]he Vice Chancellors for Administration and [Physical] Facilities Planning shall present [annual or biennial] a summary report[s] to the Board on the disposition of real property and on significant changes [from the mission-related] in the designation of property not used for the educational and research mission of the institutions.

Discussion and Recommendation by the Committee

The Committee recommended that the Board approve the staff recommendation as presented.

Board Discussion and Action

The Board approved the staff recommendation, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Thorp, and Wyss. Those voting no: None.

Staff Recommendation to the Board

To finance a portion of the cost of auxiliary enterprise construction and remodeling projects, it is necessary to sell State of Oregon, State Board of Higher Education Building Bonds, Series 1980 A, with a total par value of $6,465,000. Authorization for the sale is granted by Chapter 511, Oregon Laws 1979, Article XI-F(1) of the Oregon Constitution, and ORS Chapter 351.

It was recommended that the Board authorize the sale of said Series 1980 A bond issue through approval of the following resolution by roll call vote:

$6,465,000 STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1980 A

RESOLUTION

WHEREAS, THE STATE BOARD OF HIGHER EDUCATION deems it necessary, pursuant to law, including Article XI-F(1) of the Constitution of the State of Oregon, and applicable provisions of ORS Chapter 351, to sell general obligation STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1980 A, of the State of Oregon, in the principal amount of $6,465,000 to provide for the acquisition of land and for the planning, constructing, altering, repairing, furnishing and equipping of buildings, facilities and structures for the Department of Higher Education; and for payment of costs incident to the sale and issuance of the bonds; and
WHEREAS, THE BOARD, as required by ORS 351.160, has determined conservatively that said buildings and other structures will be wholly self-liquidating and self-supporting from revenues to accrue from the operation thereof and from gifts, grants, or building fees, and from unobligated revenues of higher education buildings or projects of like character; and

WHEREAS, THE BOARD is authorized and directed by ORS 351.170 to establish such rates, charges, and fees for use of such buildings, structures or projects, including revenue-producing buildings and structures already constructed, as, in the judgment of the Board, shall provide the required revenues to make the new buildings, structures or projects self-liquidating and self-supporting, and as shall provide the funds with which to amortize the principal of and pay the interest on bonds issued to finance such buildings, structures or projects; now, therefore,

BE IT RESOLVED BY THE STATE BOARD OF HIGHER EDUCATION OF THE STATE OF OREGON that, with the approval of the State Treasurer of the State of Oregon, SIX MILLION FOUR HUNDRED SIXTY-FIVE THOUSAND DOLLARS ($6,465,000) par value of bonds authorized by law, including Article XI-F(1) of the Constitution of the State of Oregon, and applicable provisions of ORS Chapter 351, be issued and sold; and

BE IT FURTHER RESOLVED that the said bonds totaling SIX MILLION FOUR HUNDRED SIXTY-FIVE THOUSAND DOLLARS ($6,465,000) par value be issued and the proceeds from the sale of these STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1980 A, be used for the acquisition of land and for the planning, constructing, altering, repairing, furnishing and equipping of buildings, facilities and structures for the Department of Higher Education; and for payment of costs incident to the sale and issuance of the bonds, as provided by law, including Article XI-F(1) of the Constitution of the State of Oregon, and applicable provisions of ORS Chapter 351; and

BE IT FURTHER RESOLVED that the principal of and the interest on all of the bonds issued pursuant to this resolution be paid on the due dates thereof at the Fiscal Agency of the State of Oregon, in the City and State of New York, and that the said bonds be designated STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1980 A, and be numbered consecutively; and

BE IT FURTHER RESOLVED that the said bonds be dated March 1, 1980, be issued in denominations of $5,000 each, and mature upon the dates and in the principal installments hereinafter in this resolution set forth, subject to redemption in inverse numerical order at par value and accrued interest on any interest-paying date on and after March 1, 1995, from the moneys and revenues indicated by law, including Article XI-F(1) of the Constitution of the State of Oregon, Chapter 511, Oregon Laws 1979, and applicable provisions of ORS Chapter 351; and

BE IT FURTHER RESOLVED that the maturity dates and principal installments of said bonds be as follows:

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<th>Date</th>
<th>Amount</th>
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<td>March 1, 2010</td>
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BE IT FURTHER RESOLVED that the State Board of Higher Education furnish the original purchaser of said bonds, without cost to the purchaser, the opinion of accredited bond attorneys certifying the validity and legality of said bonds; and

BE IT FURTHER RESOLVED that the said bonds be the direct general obligations of the State of Oregon, and that, except as to the variations in the interest rates and maturities, they be of uniform tenor and be in substantially the following form, prepared by the Attorney General of the State of Oregon:

Number

UNITED STATE OF AMERICA
STATE OF OREGON
STATE BOARD OF HIGHER EDUCATION
BUILDING BOND
SERIES 1980 A

$5,000

KNOW ALL MEN BY THESE PRESENTS, that the STATE OF OREGON acknowledges itself to owe and for value received hereby promises to pay to bearer the principal sum of $5,000 on the first day of March, with interest on said sum from the date hereof until paid, at the rate of PERCENT (%) per annum, payable semiannually on the first day of March and the first day of September in each year, as evidenced by, and upon the presentation and surrender of, the interest coupons hereto annexed as they severally become due. Both the principal of and the interest on this bond are payable at the Fiscal Agency of the State of Oregon, in the City and State of New York, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America.

The bonds of the issue of which this bond forms a part, maturing on and after March 1, 1995, may be redeemed at the option of the State of Oregon, on and after March 1, 1994, at par and accrued interest, on any interest-paying day or days in inverse numerical order or in the entire amount of the issue outstanding at call date, upon notice given by the Treasurer of the State of Oregon at least thirty (30) days prior to the redemption date specified therein, by publication thereof in one issue of a newspaper or financial journal of general circulation printed and published within the City and State of New York, and one issue of a newspaper of general circulation printed and published within the City of Salem, Oregon. From the date of redemption designated in any such notice, interest on the bonds so called for redemption shall cease.

This bond is issued by the State of Oregon in conformance to its Constitution and under and by virtue of and in all respects in full and strict compliance with its laws, and in particular Article XI-F(1) of the Oregon Constitution, Chapter 511, Oregon Laws 1979, and applicable provisions of ORS Chapter 351, for the acquisition of land and for the planning, constructing, altering, repairing, furnishing and equipping of buildings, facilities and structures for the Department of Higher Education; and for payment of costs incident to the sale and issuance of the bonds.

The full faith and credit of the State of Oregon hereby are irrevocably pledged to the punctual payment of the interest on and the principal of this bond as the same become due and payable respectively.
IN TESTIMONY WHEREOF, the STATE OF OREGON has caused this bond to be signed by the Governor and by the Secretary of State with their facsimile signatures, and by the Deputy State Treasurer, and sealed with the seal of the State of Oregon, and has caused the annexed interest coupons to be executed with the facsimile signatures of its said officers, all as of the first day of March, 1980.

Governor

(SEAL)

Secretary of State

Deputy State Treasurer

FORM OF COUPON

(For coupons maturing on September 1, 1980, up to and including March 1, 1994)

No. ______ On the first day of _______, THE $__________ DOLLARS

STATE OF OREGON will pay the bearer

_______________________________

Deputy State Treasurer

_______________________________

Secretary of State

_______________________________

Governor

(For coupons maturing on and after September 1, 1994)

No. ______ On the first day of _______, $__________

unless the bond hereinafter designated shall have been called for previous redemption and due provision made for the payment thereof, THE STATE OF OREGON will pay the bearer

_______________________________

DOLLARS

at the Fiscal Agency of the State of Oregon, in the City and State of New York, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America, for six months' interest then due on State of Oregon, State Board of Higher Education Building Bond, Series 1980 A, No. ______.

_______________________________

Deputy State Treasurer

_______________________________

Secretary of State

_______________________________

Governor

The foregoing bond and coupon forms hereby are approved as to legal form this ______ day of ________, 1980.

Attorney General of the State of Oregon
BE IT FURTHER RESOLVED that, as provided by ORS 351.430, the Secretary of the Board be and she hereby is authorized to advertise the said STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1980 A, for public sale thereof on or about February 19, 1980, at a price of not less than $98 for each $100 par value thereof, and the accrued interest thereon, and the notice of sale to specify that the Board reserves the right to reject any or all bids for the bonds; and

BE IT FURTHER RESOLVED that the Vice Chancellor for Administration of the State Board of Higher Education be authorized to effect the necessary arrangements for the production, in accordance with ORS 287.018, of an Official Statement for bonds issued pursuant to this resolution.

BE IT FURTHER RESOLVED that the Secretary and Vice Chancellor for Administration of the State Board of Higher Education be authorized to effect the necessary arrangements to deliver the bonds and to receive payment therefor.

Board Discussion and Action

Upon motion by Mr. Ingalls, the Board approved the recommendations and duly adopted the resolution as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Thorp, and Wyss. Those voting no: None.

The Vice President of the Board thereupon declared the resolution duly adopted by a unanimous vote.

$5,430,000 State of Oregon, State Board of Higher Education Facilities Bonds, Series 1980 B, Article XI-G

Staff Recommendation to the Board

To finance a portion of the cost of construction and remodeling projects for the educational and general plant, and land acquisition, it is necessary to sell State of Oregon, State Board of Higher Education Facilities Bonds, Series 1980 B, with a total par value of $5,430,000. Authorization for the sale is granted by Chapter 511, Oregon Laws 1979, Article XI-G of the Oregon Constitution, and ORS Chapter 351.

It was recommended that the Board authorize the sale of said Series 1980 B bond issue through approval of the following resolution by roll call vote:

$5,430,000 STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION FACILITIES BONDS, SERIES 1980 B

RESOLUTION

WHEREAS, THE STATE BOARD OF HIGHER EDUCATION deems it necessary, pursuant to law, including Article XI-G of the Constitution of the State of Oregon, Chapter 511, Oregon Laws 1979, and applicable provisions of ORS Chapter 351, to sell general obligation STATE BOARD OF HIGHER EDUCATION FACILITIES BONDS, SERIES 1980 B, of the State of Oregon, in the principal amount of $5,430,000 to provide for the acquisition of land and for the planning, constructing, altering, repairing, furnishing and equipping of buildings, facilities and structures for the Department of Higher Education; and for payment of costs incident to the sale and issuance of the bonds; now, therefore,

BE IT RESOLVED BY THE STATE BOARD OF HIGHER EDUCATION OF THE STATE OF OREGON that, with the approval of the State Treasurer of the State of Oregon, FIVE MILLION FOUR HUNDRED THIRTY THOUSAND DOLLARS ($5,430,000) par value of bonds authorized by law, including Article XI-G of the Constitution of the State of Oregon, Chapter 511, Oregon Laws 1979, and applicable provisions of ORS Chapter 351, be issued and sold; and
BE IT FURTHER RESOLVED that the said bonds totaling FIVE MILLION FOUR HUNDRED THIRTY THOUSAND DOLLARS ($5,430,000) par value be issued and the proceeds from the sale of these STATE BOARD OF HIGHER EDUCATION FACILITIES BONDS, SERIES 1980 B, be used for the acquisition of land and for the planning, constructing, altering, repairing, furnishing and equipping of buildings, facilities, and structures for the Department of Higher Education; and for payment of costs incident to the sale and issuance of the bonds, as provided by law, including Article XI-G of the Constitution of the State of Oregon, Chapter 511, Oregon Laws 1979, and applicable provisions of ORS Chapter 351; and

BE IT FURTHER RESOLVED that the principal of and the interest on all of the bonds issued pursuant to this resolution be paid on the due dates thereof at the Fiscal Agency of the State of Oregon, in the City and State of New York, and that the said bonds be designated STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION FACILITIES BONDS, SERIES 1980 B, and be numbered consecutively; and

BE IT FURTHER RESOLVED that the said bonds be dated March 1, 1980, be issued in denominations of $5,000 each, and mature upon the dates and in the principal installments hereinafter in this resolution set forth, subject to redemption in inverse numerical order at par value and accrued interest on any interest-paying date on and after March 1, 1995, from the moneys and revenues indicated by law, including Article XI-G of the Constitution of the State of Oregon, Chapter 511, Oregon Laws 1979, and applicable provisions of ORS Chapter 351; and

BE IT FURTHER RESOLVED that the maturity dates and principal installments of said bonds be as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount ($)</th>
<th>Date</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 1, 1983</td>
<td>70,000</td>
<td>March 1, 1997</td>
<td>175,000</td>
</tr>
<tr>
<td>March 1, 1984</td>
<td>70,000</td>
<td>March 1, 1998</td>
<td>185,000</td>
</tr>
<tr>
<td>March 1, 1985</td>
<td>75,000</td>
<td>March 1, 1999</td>
<td>200,000</td>
</tr>
<tr>
<td>March 1, 1986</td>
<td>80,000</td>
<td>March 1, 2000</td>
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<tr>
<td>March 1, 1987</td>
<td>90,000</td>
<td>March 1, 2001</td>
<td>230,000</td>
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<tr>
<td>March 1, 1988</td>
<td>95,000</td>
<td>March 1, 2002</td>
<td>245,000</td>
</tr>
<tr>
<td>March 1, 1989</td>
<td>100,000</td>
<td>March 1, 2003</td>
<td>260,000</td>
</tr>
<tr>
<td>March 1, 1990</td>
<td>110,000</td>
<td>March 1, 2004</td>
<td>280,000</td>
</tr>
<tr>
<td>March 1, 1991</td>
<td>115,000</td>
<td>March 1, 2005</td>
<td>300,000</td>
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<tr>
<td>March 1, 1992</td>
<td>120,000</td>
<td>March 1, 2006</td>
<td>320,000</td>
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<tr>
<td>March 1, 1993</td>
<td>135,000</td>
<td>March 1, 2007</td>
<td>340,000</td>
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<tr>
<td>March 1, 1994</td>
<td>140,000</td>
<td>March 1, 2008</td>
<td>365,000</td>
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<tr>
<td>March 1, 1995</td>
<td>150,000</td>
<td>March 1, 2009</td>
<td>390,000</td>
</tr>
<tr>
<td>March 1, 1996</td>
<td>160,000</td>
<td>March 1, 2010</td>
<td>410,000</td>
</tr>
</tbody>
</table>

BE IT FURTHER RESOLVED that the State Board of Higher Education furnish to the original purchaser of said bonds, without cost to the purchaser, the written opinion of accredited bond attorneys certifying to the validity and legality of the said bonds; and

BE IT FURTHER RESOLVED that the said bonds be the direct general obligations of the State of Oregon, and that, except as to the variations in the interest rates and maturities, they be of uniform tenor and be in substantially the following form, prepared by the Attorney General of the State of Oregon:

KNOW ALL MEN BY THESE PRESENTS, that the STATE OF OREGON acknowledges itself to owe and for value received hereby promises to pay to bearer the principal sum of $5,000 on the first day of March, with interest on said sum from the date hereof until paid, at the rate of PERCENT (%)
per annum, payable semiannually on the first day of March and
the first day of September in each year, as evidenced by, and
upon the presentation and surrender of, the interest coupons
hereto annexed as they severally become due. Both the principal
of and the interest on this bond are payable at the Fiscal Agency
of the State of Oregon, in the City and State of New York, in
any coin or currency which, at the time of payment, is legal
 tended for the payment of public and private debts within the
United States of America.

The bonds of the issue of which this bond forms a part, maturing
on and after March 1, 1995 may be redeemed at the option of the
State of Oregon, on and after March 1, 1994, at par and accrued
interest, on any interest-paying day or days in inverse numerical
order or in the entire amount of the issue outstanding at call
date, upon notice given by the Treasurer of the State of Oregon
at least thirty (30) days prior to the redemption date specified
therein, by publication thereof in one issue of a newspaper or
financial journal of general circulation printed and published
within the City and State of New York, and one issue of a news-
paper of general circulation printed and published within the City
of Salem, Oregon. From the date of redemption designated in any
such notice, interest on the bonds so called for redemption shall
cease.

This bond is issued by the State of Oregon in conformance to its
Constitution and under and by virtue of and in all respects in
full and strict compliance with its laws, and in particular Article
XI-G of the Oregon Constitution, Chapter 511, Oregon Laws 1979,
and applicable provisions of ORS Chapter 351, for the purpose of
financing the cost for the acquisition of land and improvements to
land, and for the planning, constructing, altering, repairing,
furnishing, and equipping buildings, facilities, and structures for
the Department of Higher Education; and for payment of costs
incident to the sale and issuance of the bonds.

The full faith and credit of the State of Oregon hereby are irrevocably
pledged to the punctual payment of the interest on and the principal
of this bond as the same become due and payable respectively.

IN TESTIMONY WHEREOF, the STATE OF OREGON has caused
this bond to be signed by the Governor and by the Secretary of
State with their facsimile signatures, and by the Deputy State
Treasurer, and sealed with the seal of the State of Oregon, and
has caused the annexed interest coupons to be executed with the
facsimile signatures of its said officers, all as of the first day of
March, 1980.

Governor

(SEAL)

Secretary of State

Deputy State Treasurer

FORM OF COUPON

(For coupons maturing on September 1, 1980, up to
and including March 1, 1994)

No. On the first day of , , THE $ __________
STATE OF OREGON will pay the bearer

_____________________________ DOLLARS
at the Fiscal Agency of the State of Oregon, in the City and State of New York, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America, for six months' interest then due on State of Oregon, State Board of Higher Education Facilities Bond, Series 1980 B, No.________.

(For coupons maturing on and after September 1, 1994)

No.________ On the first day of ________, ____, unless $________ the bond hereinafter designated shall have been called for previous redemption and due provision made for the payment thereof, THE STATE OF OREGON will pay the bearer

_________________________________ DOLLARS

at the Fiscal Agency of the State of Oregon, in the City and State of New York, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America, for six months' interest then due on State of Oregon, State Board of Higher Education Facilities Bond, Series 1980 B, No.________.

The foregoing bond and coupon forms hereby are approved as to legal form this __________ day of __________, 1980.

Attorney General of the State of Oregon

BE IT FURTHER RESOLVED that, as provided by ORS 351.430, the Secretary of the Board be and she hereby is authorized to advertise the said STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION FACILITIES BONDS, SERIES 1980 B, for public sale thereof on or about February 19, 1980, at a price of not less than $100 for each $100 par value thereof, and the accrued interest thereon, and the notice of sale to specify that the Board reserves the right to reject any or all bids for the bonds; and

BE IT FURTHER RESOLVED that the Vice Chancellor for Administration of the State Board of Higher Education be authorized to effect the necessary arrangements for the production, in accordance with ORS 287.018, of an Official Statement for bonds issued pursuant to this resolution.

BE IT FURTHER RESOLVED that the Secretary and Vice Chancellor for Administration of the State Board of Higher Education be authorized to effect the necessary arrangements to deliver the bonds and to receive payment therefor.
Board Discussion and Action

Upon motion by Mr. Ingalls, the Board approved the recommendations and duly adopted the resolution as presented, with the following voting in favor: Directors Anderson, Ater, Batiste, Carpenter, Harms, Ingalls, Thorp, and Wyss. Those voting no: None.

The Vice President of the Board thereupon declared the resolution duly adopted by a unanimous vote.

The Board agreed also to hold a meeting by conference telephone call for the purpose of considering and acting upon the bids received for the two bond issues.

PRESIDENT'S REPORT

Vice President Harms announced that the next regular Board meeting would be held on January 25, 1980, on the campus of the University of Oregon and that it would be preceded by a Board visitation to that institution. The visitation will begin on January 23 and continue on January 24, 1980.

ADJOURNMENT

The Board meeting was adjourned at 12:00 Noon.

WILMA L. FOSTER, Secretary
Oregon State System of Higher Education

Louis B. Perry, President

Wilma L. Foster, Secretary