At the call of the President of the Board of Higher Education in accordance with a resolution adopted by the State Board of Higher Education on December 14, 1979, a special meeting of the Board was held by conference telephone connection on February 19, 1980.

The meeting was called to order at 12:00 Noon (P.S.T.) by the President of the Board, Mr. Louis B. Perry, and on roll call the following answered present:

Mr. Lester E. Anderson
Mr. Jonathan A. Ater
Mr. Edward C. Harms
Mr. William C. Thorp, III

Absent: Mrs. Jane H. Carpenter and Mr. Alvin R. Batiste were awaiting the conference call, but through an operator error were not included in the telephone connection. Mrs. Edith Green was out of the state, and Mr. Robert C. Ingalls was absent due to a conflict with another meeting.

Centralized Activities--Chancellor R. E. Lieuallen; Secretary Wilma L. Foster; J. I. Hunderup, Vice Chancellor for Facilities Planning; Richard Zita, Assistant to the Chancellor and Director of Public Services and Publications; and Kenneth R. Jones, Assistant to the Vice Chancellor for Administration. Mr. W. T. Lemman, Jr., Vice Chancellor for Administration, and other staff members from the Office of Administration also were awaiting the conference telephone call and were omitted from the telephone connection through operator error, as was Mr. Richard D. Roberts of Ragen, Roberts, O'Scannlain, Robertson, & Neill.

Others--Michael Stahlberg of the Eugene Register-Guard and Robert McGrath of OEPBS, who was providing facilities for news media representatives in Portland.

The Chancellor reported that at 10:30 A.M., Pacific Standard Time, on February 19, 1980, one sealed bid was received, pursuant to an advertisement authorized by the Board of Higher Education at its regular meeting on December 14, 1979, for the proposed sale of $6,465,000 State of Oregon, State Board of Higher Education Building Bonds, Series 1980 A. Present were Mr. Richard D. Roberts of Ragen, Roberts, O'Scannlain, Robertson & Neill, Bond Attorneys, and Mr. Kevin Peterson, Manager, Municipal Bond Advisory Commission. The bonds were to be sold at a price of not less than $98 for each $100 par value thereof.

Through operator error, the Vice Chancellor for Administration was not included in the special meeting held by telephone conference connection. The Chancellor stated that Mr. Lemman had informed him earlier of the bid results and that the bond attorney had advised that the bid must be rejected because three requirements of the "Notice of Bond Sale" were not met: (1) the net effective rate of interest of 8.4678 percent exceeded eight percent per annum; (2) the discount price of $97.0067 exceeded the two percent maximum; and (3) the number of different coupon interest rates for all the maturities of the issue exceeded ten. The bid was submitted by Salomon Brothers and Associates through the Investment Division of the United States National Bank of Oregon.

On motion by Director Harms, the Board voted to reject the bid received on February 19, 1980, from Salomon Brothers and Associates for State of Oregon, State Board of Higher Education Building Bonds, Series 1980 A, with a total par value of $6,465,000.
Those voting in favor of the motion to reject the bid received on February 19, 1980, were: Directors Anderson, Ater, Harms, Thorp, Warner-Yasuda, Wyss, and Perry. Those voting no: None.

The President of the Board thereupon declared the motion duly adopted by a unanimous vote of those present. Mrs. Carpenter and Mr. Batiste were awaiting the conference call, but through an operator error were not included in the telephone conference connection. Mrs. Green was out of the state and Mr. Ingalls was absent due to a conflict with another meeting.

The Chancellor reported that at 10:30 A.M., Pacific Standard Time, on February 19, 1980, one sealed bid was received, pursuant to an advertisement authorized by the Board of Higher Education at its regular meeting on December 14, 1979, for the proposed sale of $5,430,000 State of Oregon, State Board of Higher Education Facilities Bonds, Series 1980 B. Present were Mr. Richard D. Roberts of Ragen, Roberts, O'Scannlain, Robertson & Neill, Bond Attorneys, and Mr. Kevin Peterson, Manager, Municipal Bond Advisory Commission. The bonds were to be sold at a price of not less than $100 for each $100 par value thereof.

Through operator error, the Vice Chancellor for Administration was not included in the special meeting held by telephone conference connection. The Chancellor stated that Mr. Lemman had informed him earlier of the bid results and that the bond attorney had advised that the bid must be rejected because three requirements of the "Notice of Bond Sale" were not met: (1) the net effective rate of interest of 8.4668 percent exceeded eight percent per annum; (2) the price was to be at par and not at the discount price of $97.0063 included in the bid; and (3) the number of different coupon interest rates for all the maturities of the issue exceeded ten. The bid was submitted by Salomon Brothers and Associates through the Investment Division of the United States National Bank of Oregon.

On motion by Director Harms, the Board voted to reject the bid received on February 19, 1980, from Salomon Brothers and Associates for State of Oregon, State Board of Higher Education Facilities Bonds, Series 1980 B, with a total par value of $5,430,000.

Those voting in favor of the motion to reject the bid received on February 19, 1980, were: Directors Anderson, Ater, Harms, Thorp, Warner-Yasuda, Wyss, and Perry. Those voting no: None.

The President of the Board thereupon declared the motion duly adopted by a unanimous vote of those present. Mrs. Carpenter and Mr. Batiste were awaiting the conference call, but through an operator error were not included in the telephone conference connection. Mrs. Green was out of the state and Mr. Ingalls was absent due to a conflict with another meeting.

ADJOURNMENT The meeting was adjourned at 12:15 P.M. (P.S.T.).

Wilma L. Foster, Secretary
Oregon State Board of Higher Education

Louis B. Perry, President

Wilma L. Foster, Secretary