STATE BOARD OF HIGHER EDUCATION
MINUTES OF MEETING HELD AT
HEATHMAN HOTEL, PORTLAND, OREGON
April 23, 1940

MEETING #103

A regular meeting of the State Board of Higher Education of the State of Oregon was held at the Heathman Hotel, Portland, Oregon, at 10:00 a.m. on April 23, 1940.

ROLL CALL

The meeting was called to order by the President of the Board, Willard L. Marks, and on roll call the following answered present:

C. A. Brand  Willard L. Marks
F. E. Callister  Robert W. Ruhl
R. C. Groesbeck  Beatrice Walton Sackett
Mac Hoke  E. C. Sammons

Edgar W. Smith

There were also present Dr. Frederick M. Hunter, Chancellor; Charles D. Byrne, Secretary of the Board; President Donald M. Erb of the University of Oregon; President George W. Peavy of Oregon State College; President C. A. Howard of Oregon College of Education; President Walter Redford of Southern Oregon College of Education; President Roben J. Maaske of Eastern Oregon College of Education; and Attorney John Coughlin.

Mr. Marks welcomed Mr. Hoke and Mr. Groesbeck, newly appointed members of the State Board of Higher Education.

MINUTES APPROVED

The Board voted to dispense with the reading of the minutes of the last regular meeting held on March 12, 1940, and approved the minutes of this meeting as they appeared in the docket.

SNELL HALL WING DEFERRED

Mr. F. E. Callister, Chairman of the Committee on Buildings, Grounds and Capital Outlay, presented the following report:

"For a number of months the Building Committee has had before it for consideration a recommendation of the College to build a wing on Snell Hall housing approximately 80 additional women students. Representations were made that approximately 140 women students are housed in private homes, some of which are unsatisfactory. While the Building Committee recognizes the need for additional dormitory facilities at the institution, it is doubtful whether or not a policy should be adopted..."
of attempting to provide in the dormitories housing facilities for the peak student load. Proposals for financing the wing through a bond issue of $112,000, to be retired from profit from the dormitory, were submitted to the Finance Committee, and that committee concurred in the expressed opinion of members of the Building Committee that it was not the time under uncertain conditions to contract additional large obligations for the dormitory wing, especially in view of the fact that there are outstanding bonds amounting to $225,000 on the Men's Dormitory at the State College.

"The Committee is recommending, therefore, with the concurrence of the Finance Committee, that action on the proposed wing for Snell Hall be deferred until such time as general conditions are more settled and the specific financial outlook for meeting bond costs on the old and new issue is more certain."

The Board voted to approve the recommendation of the Building Committee that action on the proposed wing for Snell Hall be deferred until such time as general conditions are more settled, and the specific financial outlook for meeting bond costs on the old and new bond issues is more certain.

Mr. Callister continued the report of the Building Committee as follows:

"At the last meeting the Board authorized the purchase of Shepard Hall from the Y.M.C.A. Board. Accompanying the proposal for the purchase was a request from College officials for a repair and improvement program amounting to approximately $8,500. The Building Committee referred this request to the Secretary of the Board and Mr. Traver to study, with a view of recommending a minimum program of repair that would enable the departments to be housed in this building to operate effectively. After careful survey, Mr. Byrne and Mr. Traver recommended a program of repair costing $3,300, of which $1,950 has already been set aside by the Board in its repair and improvement program of 1939-40.

"The Committee is therefore recommending an appropriation of $1,350 from the Board's unappropriated funds to make the necessary repairs."
The Board approved the report of the Building Committee regarding repairs to Shepard Hall totaling $2,300, with the understanding that $1,960 of this amount will be provided from funds set aside in the 1939-40 building repairs and improvements program, and $1,350 will come from Board's unappropriated funds.

The report of the Building Committee was continued as follows:

"For the past two meetings the Building Committee has had under consideration various proposals for the solution of a problem presented by the condition of the Dairy Manufacturing Laboratory at the State College. The Building Committee referred the matter to College officials to bring in alternate proposals to correct the complaints made by the State Department of Agriculture on the unsanitary conditions in the laboratory, and also to arrive at a permanent solution of the inadequacy of the Dairy Manufacturing Laboratory, both from the standpoint of space and location. Four plans had been worked out by Mr. Traver and other College officials:

Plan I calling for an expenditure of $4,400 and represented as taking care of the most urgent needs and correcting the sanitary conditions for at least a three-year period.

Plan II calling for an expenditure of approximately $28,000 and represented as taking care of the necessary repairs and remodelling for a ten-year period.

Plan III calling for an expenditure of approximately $40,000 and providing reconstruction and remodelling of the laboratory in its present location as a permanent solution.

Plan IV calling for an expenditure of approximately $90,000 for the erection of a new wing in a permanent location, providing for some new equipment and the utilization of some of the old equipment.

Of the four plans the College officials favored either Plan II or Plan IV. Inasmuch as Board funds are inadequate to provide the $90,000 to erect and equip a new wing and remodel the present building for classroom purposes, the Building Committee recommended to the
Finance Committee that Plan I costing $4,400 be approved, with the understanding that the Chancellor will bring in as a proposal to be considered by the Board, a request for an appropriation from the next Legislature of funds sufficient to carry out Plan IV as a permanent solution of the Dairy Manufacturing laboratory problem.

"The Finance Committee concurred in this recommendation, and the Building and Finance Committees are recommending an appropriation of $4,400, or as much thereof as is required, with the understanding that it will come from the building repair and improvement reserve for 1940-41 as included in the budget."

The Board voted to approve the report of the Building and Finance Committees regarding repairs for the Dairy Manufacturing Laboratory, with the understanding that the $4,400 required for this purpose will be provided from the 1940-41 building repair and improvement reserve; and authorized the Chancellor to bring in as a proposal, to be considered by the Board, a request for an appropriation from the next Legislature to carry out Plan IV.

Mr. Callister continued the report of the Building Committee as follows:

"Some time ago the City of Ashland offered to deed to the state a small piece of property adjacent to the Southern Oregon College of Education campus. The Board accepted the offer subject to an approval of the deed by the Attorney-General. Because of certain provisions of gift under which the City of Ashland received this property, the Attorney-General indicated that the city could not give a clear title to this property to the Board unless certain waivers were secured from the heirs of the donor.

"The Committee is therefore recommending that the proper officials attempt to secure from the city a deed including the waivers of interest, and that unless this is possible the Board not accept the gift."

The Board voted to approve the report of the Building Committee with reference to the securing from the City of Ashland a waiver of interest from the heirs of the donor of the property offered by the City of Ashland to the Southern Oregon College of Education, with the understanding that if such waiver cannot be secured, the Board will not accept the property.
Mr. Edgar W. Smith, Chairman of the Insurance Committee, presented the following report:

"For some time the Insurance Committee has had under consideration matters of policy in regard to the employment on a part-time basis of staff members who have reached the age of seventy. In order that a uniform procedure may be followed, the Insurance Committee is recommending that all staff members reaching an age calling for part-time service be remunerated for this part-time service not to exceed half their salary and not to exceed $2,400 per annum. It is further recommended that definite assignments be made which will be proportionate to the time service rendered and paid for, and that such individuals be employed on a year-to-year basis.

"It is further understood that annuity compensation accruing under the retirement plan instituted at the University shall be applied toward the half-time compensation, but that service will be in proportion to the Board’s contribution toward the half-time salary.

"The Insurance Committee is recommending this policy to the Board for approval."

The Board voted to approve the report of the Insurance Committee regarding employment and compensation of staff who have reached retirement age.

Mr. E. C. Sammons, Chairman of the Finance Committee, presented the following report:

"The Finance Committee opened bids yesterday on a $160,000 bond issue to finance an addition to the Library and the completion of the lower floor of the Memorial Union Building at the State College. This issue, as you will recall, is to be amortized from proceeds of the $1.00 unpledged student building fee. Five bids were filed on the issue, with the best offer from E. Me Adams & Co., Hemphill, Fenton & Campbell, Richards & Blum, Inc., Murphy, Favre & Co., Wells-Dickey Co., calling for an interest rate of 2% for the early maturing bonds, 2 3/4% for the medium maturing bonds, and 3% for the late maturing bonds. The price was $100.01 for each $100 of par value. This offer had an advantage of more than $9,000 in the net interest cost over the next best offer. The Finance Committee is recommending acceptance of this offer and I am asking Attorney Coughlin to present the proper resolution of acceptance."
Thereupon, Mr. Coughlin presented the following resolution, entitled "A Resolution Providing for the Issuance and Sale of $160,000 Special Obligation Bonds of the State of Oregon by the Department of Higher Education of the State of Oregon, Acting Through the State Board of Higher Education, Providing the Method of Payment for Such Bonds, the Maturities Therefor, and Other Related Matters." This resolution was read in full and duly considered by the Board:

RESOLUTION NO. 1


WHEREAS, the Legislature of the State of Oregon has in Chapter 27 of the Acts of the Second Special Session of 1933, as amended in Chapter 88, Oregon Laws 1937, passed an Act creating special building funds for each of the higher educational institutions of the State of Oregon, defining terms, authorizing the collection of student fees for building purposes, and authorizing the acceptance of loans from the United States of America or the Federal Emergency Administrator of Public Works appointed by the President of the United States under the National Industrial Recovery Act, or any other person against the pledge of said student fees, to finance in whole or in part the alteration, repair, equipping, furnishing and/or additions to existing buildings on the campuses of the higher educational institutions of the State by the issuance of bonds of the State payable out of the said special building funds provided for and created by said Act; and

WHEREAS, the Oregon State Agricultural College at Corvallis, Oregon, is one of the higher educational institutions of the State of Oregon under the supervision and control of said Board and is in need of and does require additions and alterations of the Library Building and the Memorial Union Building on the campus of said College; and

WHEREAS, the said Board deems it necessary and advisable that said additions and alterations be made; and

WHEREAS, said additions and alterations will be made on the campus of the Oregon State Agricultural College at Corvallis, Oregon, at a cost of $160,000; and
WHEREAS, the said Board deems it necessary and advisable to issue bonds of the State of Oregon by the Department of Higher Education of the State of Oregon to purchasers other than the Government, payable out of the Oregon State Agricultural College Building Fund in the amount of $160,000 to finance the cost of said additions and alterations; and

WHEREAS, the Board has heretofore authorized the Secretary, Charles D. Byrne, to advertise for proposals for the purchase of such bonds; and

WHEREAS, said Charles D. Byrne has heretofore duly and regularly advertised for proposals for the purchase of such bonds; and

WHEREAS, the Board has received a proposal to purchase $160,000 of such bonds, bearing interest at varying rates from 2½% to 3% per annum;

NOW, THEREFORE, be it resolved by the Department of Higher Education of the State of Oregon, acting through the State Board of Higher Education, as follows:

Section 1. All of the steps heretofore taken by Charles D. Byrne, Secretary, or by H. A. Bork, Comptroller, in connection with the issuance of the bonds, authorized by this resolution (including, among other steps, the manner, form and content of advertisement regarding notice of bond sale and inviting proposals for the purchase of bonds, issuance of Detailed Information, receiving proposals and opening of proposals on behalf of the Board) are hereby approved and ratified.

Section 2. For the purpose of providing funds with which to make additions and alterations to the Library Building and the Memorial Union Building on the campus of the Oregon State Agricultural College at Corvallis, Oregon, there are hereby directed to be issued and sold bonds of the State of Oregon by the Department of Higher Education of the State of Oregon, acting through the State Board of Higher Education, in the aggregate principal amount of $160,000.

Section 3. Said bonds shall be special obligation coupon bonds, designated "Oregon State Agricultural College Building Bond", shall be dated as of April 15, 1940, shall be in the denomination of $1,000 each, shall be numbered consecutively from 1 to 160, both inclusive, shall bear interest at the rate of 2½% per annum for bonds numbered 1 through 55, both inclusive, 2-3/4% per annum for bonds
numbered 56 through 83, both inclusive, 3% per annum for
bonds numbered 84 through 160, both inclusive, which
interest shall be payable semi-annually on April 15th
and October 15th of each year until maturity, the first
interest payment being on October 15, 1940, shall be pay-
able both as to principal and interest in lawful money of
the United States of America at the office of the Treasurer
of the State of Oregon in Salem, Oregon, and shall mature
serially in numerical order in the years and amounts as
follows:

$3,000 on April 15th in the years 1942 and 1943;
$4,000 on April 15th in the years 1944 to 1949,
both inclusive;
$5,000 on April 15th in the years 1950 to 1956,
both inclusive;
$6,000 on April 15th in the years 1957 to 1960,
both inclusive;
$7,000 on April 15th in the years 1961 to 1965,
both inclusive;
$8,000 on April 15th in the years 1966 to 1969,
both inclusive;
$4,000 on April 15th in the year 1970.

The Board agrees to place sufficient money from the sale
of such bonds in the building fund hereinafter designated
to pay interest due on October 15, 1940, and further
agrees to pay interest due on October 15, 1940, from the
money so placed in said fund.

Said bonds shall express on the face thereof the purpose
for which the same are issued and the fact that said bonds
are issued pursuant to the Constitution and Laws of the
State of Oregon, including Chapter 27, Oregon Laws 1933,
Second Special Session, as amended by Chapter 88, Oregon
Laws 1937.

Both principal and interest of these bonds shall be pay-
able solely out of and shall be limited in payment to a
special fund in the State Treasury, designated as "Oregon
State Agricultural College Building Fund".

Section 4. For the punctual payment of the principal of
and interest on said bonds, when and as the same shall
become due, the said Board hereby covenants and agrees
with each successive holder of each of said bonds and
coupons that said Board, beginning with the winter term
of 1941 (which begins in January, 1941) and for so long
thereafter as required to pay the bonds hereby authorized,
shall and will charge and collect from each regular stu-
dent at the Oregon State Agricultural College at the time
of registration a fee of $1 for each regular term or semester of the said college, of which there shall not be less than three each school year. The said Board further hereby covenants and agrees that it will fix such fee (hereinafter referred to as Student Building Fee) annually in advance for said college. Said Student Building Fee shall be in addition to the tuition and other fees charged to students at said college and shall not be returnable to the students under any circumstances after a lapse of ten (10) days from the date of his registration. The Board by so convenanting to charge and collect said Student Building Fee as herein described does hereby pledge said Student Building Fee for the payment of the principal of and interest on said bonds, and the amount so pledged is hereby declared to be a first lien upon said Student Building Fee.

Section 5. The said Student Building Fee of $1, herein-above referred to in Section 4 of this Resolution, shall constitute a part of the Student Building Fee which the said Board is authorized to charge and collect from each regular student at the time of registration by the above-mentioned statute. The said Board further covenants and agrees that no additional bonds secured by pledge of the herein mentioned student building fee of one ($1) dollar for each regular term or semester will be issued while any of the bonds issued under this resolution remain outstanding and unpaid, unless such additional bonds be specifically secured by a second lien on the above $1 fee junior to the bonds issued under this resolution.

Section 6. The said Board hereby further covenants and agrees that the Student Building Fees collected as herein-above provided shall be paid into the fund of the State Treasurer within ten (10) days from the date of collection thereof, and the Student Building Fees so paid shall be credited by the State Treasurer to the Oregon State Agricultural College Building Fund. Said $1 Student Building Fees shall be irrevocably pledged to and used for the payment of interest on and principal of said bonds and the creation of a reserve in the said Fund equal to the principal and interest requirements of said bonds for the ensuing two years, so long as any of said bonds or the coupons appertaining thereto remain outstanding and unpaid; provided, if such reserve is present in said fund, the Board may use any excess created by the payment of said fees as the Board may see fit, including the redemption of the bonds provided for in this resolution, subject to the laws of the State of Oregon; provided, further, that when the total of the amount of the reserve fund shall total the amount of the interest upon and principal of all
the outstanding bonds to the last maturity thereof, then the said §1 Student Building Fee need not be charged and collected from the students of said college.

Interest earnings of said fees shall be credited to the said fund.

Section 7. Any reserve in said fund created by said fees may be invested in bonds issued by or guaranteed by the United States of America.

Section 8. The said bonds and coupons attached thereto shall be in substantially the following form:

No. __________ $1,000.00

UNITED STATES OF AMERICA

STATE OF OREGON

BY THE DEPARTMENT OF HIGHER EDUCATION OF

THE STATE OF OREGON

ACTING THROUGH THE STATE BOARD OF HIGHER EDUCATION

OREGON STATE AGRICULTURAL COLLEGE BUILDING BOND.

The State of Oregon by the Department of Higher Education of the State of Oregon, acting through the State Board of Higher Education, for value received, hereby promises to pay to the bearer solely from the special fund herein described, on the 15th day of April, 19___, the sum of

ONE THOUSAND DOLLARS

and to pay from said special fund interest thereon at the rate of

percent per annum, payable on April 15th and October 15th in each year until maturity, upon surrender of the necessary interest coupons as they severally become due. Both principal and interest on this bond are payable in lawful money of the United States of America at the office of the Treasurer of the State of Oregon at Salem, Oregon, and payable solely out of and are limited in payment to a special fund in the State Treasury, designated as "Oregon State Agricultural College Building Fund".

This bond is issued by the State of Oregon by the Department of Higher Education of the State of Oregon, acting through the State Board of Higher Education, for the purpose of providing funds with which to make additions and
alterations on existing buildings on the campus of the Oregon State Agricultural College at Corvallis, Oregon, by virtue of a resolution of the State Board of Higher Education of the State of Oregon duly passed and adopted on the 23rd day of April, 1940, and pursuant to the Constitution and Laws of the State of Oregon, including Chapter 27, Oregon Laws 1933, Second Special Session, as amended by Chapter 88, Oregon Laws 1937.

The State Board of Higher Education of the State of Oregon hereby irrevocably obligates and binds itself to charge and collect from each regular student of the Oregon State Agricultural College for and after the winter term 1941 (which begins in January, 1941) at the time of registration, a Student Building Fee of $1 for each regular term or semester, of which there shall be not less than three each school year, to be used in and credited to the Oregon State Agricultural College Building Fund, and does thereby pledge said fees to meet the instalments of interest on and principal of this bond as they respectively become due, to create a reasonable reserve therefor, and to redeem the bonds in the manner hereinbelow provided.

On or after April 15, 1945, if there is present in said fund a reserve equal to the principal and interest requirements of said bonds for the ensuing two years, the Board reserves the right to redeem said bonds on any interest payment date upon at least thirty (30) days prior notice by publication in a newspaper published and of circulation in the City of Portland, Oregon. Said publication shall be at least once a week for four successive weeks, and shall state the number and amount of the bonds to be called and redeemed, the price to be paid therefor and the time and place where the same are to be paid.

If any bonds are called pursuant to the last paragraph, the call price shall be:

103 if called on April 15, 1945, or any interest payment date thereafter up to and including October 15, 1949;
102 1/2 if called on April 15, 1950, or any interest payment date thereafter up to and including October 15, 1954;
101 1/2 if called on April 15, 1955, or any interest payment date thereafter up to and including October 15, 1959;
101 if called on April 15, 1960, or any interest payment date thereafter up to and including October 15, 1964;
100 if called on April 15, 1965, or any interest payment date thereafter.

Bonds may be called in any order the Board determines, and all bonds called and redeemed pursuant hereto shall be cancelled.
It is hereby certified and recited that all the conditions, acts and things required by the Constitution and Laws of the State of Oregon to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed; that due provision has been made for the charging and collecting of Student Building Fees sufficient to pay the principal and interest on this bond as the same shall fall due.

IN WITNESS WHEREOF, the State of Oregon by the Department of Higher Education of the State of Oregon, acting through the State Board of Higher Education, has caused this bond to be signed by the President of said State Board of Higher Education, sealed with the corporate seal of said Board, and attested by the Secretary of said Board, and the interest coupons hereto attached to be signed by the facsimile signature of said President, this bond being dated as of April 15, 1940.

________________________________
President

ATTEST:

________________________________
Secretary

(SEAL OF THE BOARD)

(Form of Coupon)

No. ____________  $____________

The State of Oregon, by the Department of Higher Education of the State of Oregon, acting through the State Board of Higher Education, will pay to bearer Dollars on the 15th day of ______, 19____, in lawful money of the United States of America, at the office of the Treasurer of the State of Oregon, at Salem, Oregon, from the special fund designated as "Oregon State Agricultural College Building Fund", being six (6) months' interest then due on its Oregon State Agricultural College Building Bond, dated April 15, 1940, bearing No. ____________, unless said bond is sooner redeemed as therein provided, which redemption will render this coupon void.

________________________________
President
Section 9. The said bonds shall be signed by the President of the State Board of Higher Education, sealed with the corporate seal of said Board, and attested by the Secretary of said Board, and the interest coupons attached thereto shall be signed by the said President by his facsimile signature.

Section 10. On or after April 15, 1945, if the required two years' reserve is present in said fund, the Board reserves the right to redeem any of the bonds on any interest payment date upon at least thirty (30) days' prior notice by publication in a newspaper published and of circulation in the City of Portland, Oregon. Said publication shall be at least once a week for four successive weeks, and shall state the number and amount of the bonds to be called and redeemed, the price to be paid therefor and the time and place where the same are to be paid.

If any bonds are called pursuant to this Section, the call price shall be:

103 if called on April 15, 1945, or any interest payment date thereafter up to and including October 15, 1949;
102 1/2 if called on April 15, 1950, or any interest payment date thereafter up to and including October 15, 1954;
101 1/2 if called on April 15, 1955, or any interest payment date thereafter up to and including October 15, 1959;
101 if called on April 15, 1960, or any interest payment date thereafter up to and including October 15, 1964;
100 if called on April 15, 1965, or any interest payment date thereafter.

Interest on bonds so called shall cease after funds are available for redemption as herein provided.

Bonds issued hereunder may be called in any order the Board determines, and all bonds called and redeemed pursuant hereto shall be cancelled.

Section 11. The words "regular term or semester" hereinafter referred to in this Resolution, shall constitute a period of a school year of the Oregon State Agricultural College as determined by the State Board of Higher Education or other proper body; provided, however, there shall be not less than three (3) such regular periods, terms or semesters in each school year.

Section 12. The Board further covenants and agrees that the proceeds derived from the sale of the bonds (except sufficient money to pay interest due on said bonds on October 15, 1940) shall be paid over to the State Treasurer subject to withdrawal by the Secretary of State, who
shall credit the funds to a special account entitled "Oregon State Agricultural College Library and Memorial Union Building Construction Account". The monies in the account are to be used solely for the making of said additions and alterations, except that any funds realized out of the sale of said bonds remaining after completion of this project may be used for bond service.

Disbursements from the construction account shall be made by warrants issued by the Secretary of State drawn upon the State Treasurer after satisfactory audit of claims by the Secretary of State. The claims shall be appropriately supported by certificates of the architects and sworn statements of the contractors satisfying the provisions of any mechanics' lien law and provision for payment of sub-contractors, laborers and materialmen. The Board of Higher Education hereby covenants and agrees that it will complete the said additions and alterations.

Section 13. Said bonds are hereby awarded and sold to E. M. Adams & Co., Hemphill, Fenton & Campbell, Richards & Elum, Inc., Murphy, Pavre & Co. and Wells-Dickey Co., in accordance with the provisions of Chapter 27, Oregon Laws 1933, Second Special Session, as amended by Chapter 88, Oregon Laws 1937, at $100.011 and accrued interest, for each $100 par value of bonds.

Section 14. The Comptroller of the Board is hereby authorized to do all acts and things necessary or proper to carry out the sale of said bonds and to deliver said bonds to the above named vendees.

Section 15. The Resolution may be amended by a resolution of the State Board of Higher Education upon the written consent or approval of the holders of three-fourths (3/4ths) in amount of all the outstanding Oregon State Agricultural College Building Bonds.

Date passed by the State Board of Higher Education:

April 23, 1940

(SEAL)

ATTEST: CHARLES D. BYRNE
Secretary

APPROVED:

April 23, 1940

By WILLARD L. MARKS
President
Meeting #103 - 15

April 23, 1940

Upon motion by Director Sammons and second by Director Hoke, the above resolution was adopted, with the following voting aye:

Mr. Brand
Mr. Callister
Mr. Groesbeck
Mr. Hoke
Mr. Smith
Mr. Marks
Mr. Ruhl
Mrs. Sackett
Mr. Sammons

and the following voting nay: None.

The President thereupon declared said resolution duly and unanimously carried.

Mr. Sammons continued the report of the Finance Committee as follows:

"The April meeting of the Board is the meeting set for the consideration of the annual budget. For several days Board members have had in their hands the budgetary recommendations of the Chancellor. Yesterday the Committee spent considerable time going over the budget requests and the sources of income for the fiscal year July 1, 1940 to June 30, 1941.

"The operating budgets for the several institutions as recommended by the Chancellor in accordance with the plan previously approved by the Board amount to a total of $3,311,387.00. This is essentially the same operating level that has obtained throughout the current year and provides for no expansion for increased student enrollment, which during the past year has been approximately six per cent for the System. In addition to the operating level indicated, approximately $100,000 in special reserves are included in the budget. Principal items in this reserve are a fund of $38,600 for replacement of obsolete equipment and a similar amount for the rehabilitation of the physical plant. These reserves will be distributed to the several institutions on the basis of careful surveys made of most urgent needs that have accumulated as a result of the lean years of income during the depression. Included also in the reserves are items of $10,000 for general research and approximately $10,000 for the long-time land purchase program authorized by the Board."
"The institutional budgets as presented by the Chancellor and approved by the Finance Committee are as follows:

University of Oregon .............. $ 966,130.23
Oregon State College .............. 1,889,937.63
Medical School .............. 343,883.76
Oregon College of Education ........ 179,569.96
Southern Oregon College of Education ........ 87,727.47
Eastern Oregon College of Education ........ 81,639.39
Federal Cooperative Extension ........ 57,860.00
Agricultural Research, Experiment Stations 68,510.25
General Extension Division ........ 56,109.95
General Research, Interinstitutional ........ 4,665.00
Centralized Activities ........ 23,343.24

$3,311,387.06

"Included in the budgetary documents which the Finance committee is recommending to the Board for approval are the lists of personnel adjustments, including resignations, new appointments, sabbatical leaves, and changes in rank and tenure. It is pertinent to point out that competition from other states continues to take its toll in loss of valuable staff members, although the supplementary appropriations at the last session of the Legislature helped to lessen the exodus of the staff members to other institutions and public services.

"Attention is called to the fact that an emergency reserve of approximately $92,000 is provided in the budget. This is about the usual sum required to care for unforeseen needs and to provide a cushion for a possible decrease in income from estimated student fee and other income. In addition to the general instructional budgets, the Committee is recommending for approval the budgets from restricted funds for special purposes such as the county and state appropriations for Federal Cooperative Extension and Agricultural Research and Branch Stations, the federal funds amounting to approximately $300,000 for Federal Cooperative Extension and Agricultural Research, and gift funds and sales and services income amounting to approximately $180,000.

"While the budget as submitted falls short more than $200,000 of covering the requests submitted by the several institutions, and while there are a number of requests before the Board for allotments for specific research and service projects, the state funds allotted
by the Legislature, supplemented by the fee and other income, will permit no expansion if an adequate emergency reserve for such a large enterprise is to be maintained. The Finance Committee feels that this budget has been built on a careful basis and is recommending approval of the budget as presented in the document, "Budget Summaries and Personnel Adjustments for the Fiscal Year Ending June 30, 1941".

The Board voted to approve the report of the Finance Committee regarding the budgets for 1940-41 and adopted the budgets as submitted.

The report of the Finance Committee was continued as follows:

"A request for an appropriation of $2,296 to continue efforts to protect the KOAC wave length from commercial station interference was considered by the Finance Committee, but in view of the need for further information in regard to certain items in these requests, the Finance Committee is recommending that the Executive Committee be given power to act on this matter after receiving full information and making investigation."

The Board approved the report of the Finance Committee regarding a further appropriation to continue the KOAC case, and authorized the Executive Committee to act upon the request.

Mr. Sammons continued the report of the Finance Committee as follows:

"An offer has been received from Jessie Parks Staley, a former student at the University, of a gift of approximately 5,000 acres of land in Harney County to the University as a memorial to her father and mother. Careful investigation has been made of the proposed gift and the Finance Committee is recommending its acceptance with the understanding that there are no unpaid taxes or other liens against the property."

The Board voted to accept the gift from Mrs. Jessie Parks Staley to the University of 5,000 acres of land in Harney County, as recommended by the Finance Committee.
The report of the Finance Committee was continued as follows:

"In connection with the conduct of the military training program at the State College and the University, the Board is required to give bonds to the federal government in amounts sufficient to cover the equipment provided by the federal government. This equipment varies in amount but at the present time the inventory value is approximately $400,000. Because of the possible loss of this equipment through fire, and the responsibility of the Board to the federal government as a result of the required bonds, the Finance Committee feels that some fire insurance should be taken to cover this risk. The Committee is recommending that a program of proposed insurance be brought to the Committee for its approval at the June meeting. Board approval of this policy is requested."

The Board approved the report of the Finance Committee regarding proposed insurance on military equipment at the State College and University.

The report of the Finance Committee was continued as follows:

"The Chancellor presented a recommendation for an appropriation of $400 to provide the necessary irrigation system for conducting the experimental fruit work on the new horticultural experiment farm east of Corvallis. The Committee concurs in this recommendation and recommends the approval of this appropriation by the Board."

The Board approved an appropriation of $400 to provide the necessary irrigation system for conducting experimental fruit work in the new horticultural experiment farm east of Corvallis.

Mr. Sammons continued the report of the Finance Committee as follows:

"Increased student enrollment in Chemistry courses at the State College has resulted in demands for additional materials and supplies. Inventories have been depleted and the current allotment for the requisition budget has been found, after careful investigation, to be inadequate to carry the department to the end of the fiscal year. The Chancellor is recommending a budget addition of $1,200 for this purpose. The Committee concurs in this recommendation."
The Board approved an appropriation of $1,200 to provide materials and supplies for the Chemistry Department to the end of the current fiscal year.

The report of the Finance Committee was continued as follows:

"The Medical School graduating class has requested that the graduating exercises be conducted on the Medical School campus in Portland. In the past the graduates have come to Eugene and received their degrees in connection with the University commencement exercises. The new auditorium on the Medical School campus provides splendid facilities for such exercises and Dean Dillehunt, President Erb, and the Chancellor join in recommending a separate graduation exercise for the Medical School on the Portland campus. While no additional financial requests are involved, discussion of the proposal was carried on at the Finance Committee meeting, with other Board members present. It was the unanimous recommendation of the Committee that this plan be approved."

The Board approved the report of the Finance Committee that the Medical School commencement exercises be held on the campus of the Medical School in Portland.

Mr. Marks read a letter from Mr. Herman Oliver directed to members and administrative officials of the State Board of Higher Education, expressing his regret at leaving its membership, and the assurance of his continued interest in the support of Oregon's higher educational program.

The Board unanimously adopted the following resolution in recognition of Mr. Oliver's service on the Board:

WHEREAS, after serving as a valued member of the State Board of Higher Education since the inception of the unified system, Mr. Herman Oliver has resigned to assume duties with another state agency, and

WHEREAS, during the eleven years of his connection with this Board, Mr. Oliver, by reason of his sound judgment, his keen human understanding, his knowledge of the state and his devotion to the welfare of the young men and women of Oregon, has rendered a service of the highest value to our commonwealth, and
WHEREAS, his integrity, his kindliness, and his rare capacity for loyal friendship have won for him the esteem and affectionate regard of his colleagues, now therefore be it

RESOLVED, that the State Board of Higher Education pay high tribute to Mr. Oliver for his fine public service and convey to him an assurance of the sincere good wishes and warm personal friendship of his associates, and be it further

RESOLVED, that this resolution be spread on the official minutes of the Board and a copy thereof transmitted to Mr. Oliver.

Because of the appointment of two new members to the Board, revision in the committees of the Board was necessary. Mr. Marks announced the following appointments for the remainder of the fiscal year:

Finance Committee: E. C. Sammons, Chairman; Edgar W. Smith, Mac Hoke.

Curricula Committee: C. A. Brand, Chairman; Beatrice Walton Sackett, Robert W. Ruhl.

Buildings, Grounds and Capital Outlay Committee: F. E. Callister, Chairman; Beatrice Walton Sackett, Robert W. Ruhl.

Insurance Committee: Edgar W. Smith, Chairman; Robert W. Ruhl, R. C. Groesbeck.

Public Relations Committee: Edgar W. Smith, Chairman; F. E. Callister, Mac Hoke.

Agricultural Experiment Stations Committee: Mac Hoke, Chairman; F. E. Callister, C. A. Brand, Edgar W. Smith.

Special Committees

Rules and By-Laws Committee: Robert W. Ruhl, Chairman; Mac Hoke, R. C. Groesbeck.

Unified Administration Committee: R. C. Groesbeck, Chairman; E. C. Sammons, C. A. Brand, F. E. Callister

Library Committee: Beatrice Walton Sackett, Chairman; C. A. Brand, R. C. Groesbeck.
DOLLY MAGOON ESTATE

Mr. Marks reported that he had been served with a summons in connection with the estate of Dolly Magoon, deceased, who made the Doernbecher Memorial Hospital a residuary legatee in her estate. Mr. Marks reported that after conferring with the Attorney-General's Office, it had been agreed that the best interests of the System would be served by failing to answer the complaint.

SUMMER CONF. AT SEATTLE

Mr. Marks reported the receipt of a communication from Mr. E. B. Stevens of the University of Washington announcing a summer conference on higher education to be held at Seattle, June 22 to 25, 1940. The Chancellor indicated that Mr. Byrne will attend these meetings, and urged the attendance of any Board members who might be interested.

BOARD REPRESENTATION AT COMMENCEMENTS

Mr. Marks made the following committee appointments to represent the Board at the various commencement exercises and to approve the degree lists:

- University of Oregon: C. A. Brand
- Oregon State College: Edgar W. Smith
- Oregon College of Education: R. C. Groesbeck
- S. Oregon College of Education: Robert W. Ruhl
- E. Oregon College of Education: Mac Hoke

Mr. Marks indicated that he would arrange for a member of the Board to be present at the Medical School commencement exercises.

AMERICAN LEGION RESOLUTIONS ON MILITARY NEEDS

Mr. Byrne reported the receipt of resolutions from the Toledo and Springfield Posts of the American Legion urging improvements in the military facilities at the University. The Secretary was directed to make reply to the two American Legion Posts, indicating that the Board is aware of the existing needs, but is unable, within its limited funds, to care for these needs in the immediate future.

M. U. BOARD RESOLUTION

The Chancellor presented a letter dated April 17, 1940, from Mr. R. E. Riley, Chairman of the Memorial Union Board of Governors, containing a resolution expressing appreciation to the State Board of Higher Education for its prompt and considerate treatment of the needs of the Memorial Union.

Board members expressed commendation of the fine spirit of cooperation evidenced by the M. U. Board of Governors and directed the Secretary to send an appropriate letter of appreciation to the Board of Governors.
The Board officially accepted the following gifts and instructed the Secretary to make suitable acknowledgment to the respective donors:

**University**

**F. W. Skiff Collection**
Gift of collection of books and papers in the field of anthropology from Dr. Frederick W. Skiff of Portland for the use of the Museum of Natural History.

**Gilkey Etchings**
Gift of a set of original etchings of the New York World's Fair from Mr. Gordon W. Gilkey, valued at approximately $500.

**State College**

**Standard Oil Co. Fellowship**
Renewal of the "Standard Oil Company of California Fellowship", amounting to $750, for the year 1940-41 to be awarded a graduate student in the Department of Chemistry.

**C. C. Fisher Gift**
Gift of fifty volumes of "Transactions of the American Society of Civil Engineers" from Mr. C. C. Fisher of Bend, Oregon.

**Sears-Roebuck Scholarships**
Gift of 25 scholarships of $100 each, from the Sears-Roebuck Co., to be awarded during 1940-41 to students in the School of Agriculture.

**C.H. Lilly Co. Scholarship**
Gift of $100 from the Charles H. Lilly Company of Seattle, to be used as a scholarship in the Farm Crops Department.

**Horse Heaven Mines, Inc. Grant**
Grant of $225 from the Horse Heaven Mines, Inc. for research in the recovery of mercury from its native ore to be conducted by Dr. K. N. McLeod of the Chemistry Department, additional amounts to be granted as the project proceeds.

**Eastern Oregon College of Education**

**K.J. McWilliams Gift**
Gift of thirteen baseball suits from Mr. K. J. McWilliams of La Grande.

**BUDGET ADD'N NORTHROP CREEK AREA FROM HOUSE BILL 496**
The Board approved the budgeting of $250 from funds made available under 1939 House Bill No. 496 for the Northrup Creek Cut-over Land Grazing Experimental Area to permit the functioning of the research program for the remainder of the fiscal year.
April 23, 1940

| BUDGET ADD'N FROM STATE DEPT. OF VOCATIONAL EDUCATION | The Board approved the budgeting of $1,200 received from the State Department of Vocational Education as a contribution toward the teacher-training work in agricultural and home economics education at the State College as follows:
| For stenographic services for Professors Gibson and Blazier... $800
| For travel for Professor Gibson... 400 |

| FARM CROPS DEPARTMENT PERMISSION OF OVERDRAFT | The Farm Crops Department of the Experiment Station estimates a deficit on June 30, 1940, of $3,000. To meet this situation, the Board voted to permit an overdraft of $3,000 in the Fees and Sales account of the Farm Crops Department, with repayment to the Board to be made from sales receipts during 1940-41. |

| BUDGET ADD'N MILITARY COMPETITION | The Board approved a budget addition of $200 to cover the expense of medals, transportation of a select company from Corvallis, and other expense in connection with the annual military competition between Oregon State College and the University which has been scheduled for May 21 at Eugene. |

| ARCHITECT'S CONTRACT FOR STATE COLLEGE LIBRARY WING | The Board voted to approve a contract with Mr. John V. Bennes, architect, for the State College Library addition, calling for the usual five per cent fee on new work and eight per cent on the small amount of work in remodelling the old structure, plus a fee of $950 for mechanical engineering services in preparing the plans and specifications for heating, ventilating, lighting, plumbing and sewerage; and authorized the President and Secretary to execute the contract. |

| BUDGET ADD'N AT STATE COLLEGE TO AVOID OVERDRAFTS | The Board voted to approve the following budget additions at the State College in order to avoid overdrafts on June 30, 1940, these additions to be recurring items in next year's budget, with the exceptions noted:

| President's Office, materials and expense... $160
| Library, materials... 500
| Teacher Placement Service, wages... 75
| Publications Office, wages (non-recurring)... 620
| Addition to salary budget of Dairy Department to transfer Dr. Wilster's salary from creamery receipts to unrestricted budget... 700
| Agricultural Advisory Service, Wages... 250
| Bacteriology, materials... 300
| Botany, materials... 250
| Zoology, materials... 200
| News Bureau, materials (non-recurring, $40)... 140
| Science Technical Advisory Service, materials... 150
| **Total**... $3,345 |
The Board approved the following budget additions to avoid overdrafts on June 30, 1940 at the University:

Library, wages (recurring) \$1,500
Physical Education, for control of athlete's foot (non-recurring) \$377
Editor's Office, wages (non-recurring) \$250
\$2,137

The Board approved the following non-recurring budget additions to avoid overdrafts at the Oregon College of Education:

Placement and News Service \$150
General Instruction:
Wages \$125
Materials \$300
\$575

The Board approved the following personnel adjustments at the State College:

Resignation of Mr. R. C. Rhynearson, Associate Professor of Industrial Arts, effective at the end of the winter term, salary rate of \$2,500, 10-months service, yearly tenure, and the appointment of Mr. K. K. Edgar as Assistant Professor of Industrial Arts during the spring term at a salary rate of \$250 per month, funds for his salary to come from the unused portion of Mr. Rhynearson's carry-over in 1940-41 of \$416.67. For 1940-41 Mr. Edgar was approved for appointment as Assistant Professor of Industrial Arts, 10-months basis, yearly tenure, at a salary of \$2,600. The net effect of these adjustments is a salary saving of \$133.33.

Resignation of Mr. W. D. Edwards, Assistant Entomologist in the Experiment Station, effective March 31, 1940, to continue graduate work, and the transfer of the unused portion of his salary amounting to \$500.02 to Wages in Entomology, to provide substitute assistance.

The Board approved the following personnel adjustments at the Oregon College of Education:

Leave of absence without pay for Miss Alabama Brenton, Assistant Professor of Art, from April 1 to June 30, 1940, and the appointment of Mrs. Marie Ring Erickson during this period, as instructor of art, at a salary of \$206.67 per month, salary savings of \$130 to revert to Board's unappropriated funds.
The Board voted to confirm the action of the Executive Committee in approving the extension of a contract to June 30, 1950, with the Board of Commissioners of Multnomah County, for the cooperative management and use of Multnomah County Hospital by the County and the University of Oregon Medical School; and confirmed the action of the President and Secretary in executing the contract.

Upon motion by Director Callister and second by Director Hoke, the Board adjourned at 11:35 a.m.

WILLARD L. MARKS, President
CHARLES D. BYRNE, Secretary