President Layman announced that the next regular meeting of the Board would be held on Tuesday, May 21, 1974, at Portland State University. An adjourned session of the March 26, 1974, Board meeting will be held at the time of the April Board Committee meetings.

Meetings of the Board's Committees will be held on April 23-24, 1974, also at Portland State University.

Distribution of Review of Endowment Council

Mr. Layman called attention to a report distributed by Mr. Holmer which summarized the Finance Committee's review of the operations of the Endowment Council. The report is on file in the Board's Office.

Adjournment & Reconvocation Date

At 2:40 P.M., upon motion by Mr. Mosser, President Layman adjourned the meeting until Wednesday, April 24, 1974, on which date the Board will reconvene at 11:00 A.M. in Room 327, Michael J. Smith Memorial Center, Portland State University, Portland, Oregon.

Adjourned Meeting of March 26, 1974, Board Meeting

President Layman called the adjourned meeting of the regular State Board of Higher Education meeting of March 26, 1974, to order at 11:00 A.M., Pacific Daylight Time, April 24, 1974, in Room 327, Smith Memorial Center, Portland State University, Portland, Oregon. The following Board members were present:

- Mr. George H. Corey
- Mr. Robert D. Holmes
- Mrs. Elizabeth H. Johnson
- Mr. Philip A. Joss
- Miss Valerie McIntyre
- Mr. Marc F. Maden
- Mr. John D. Mosser
- Mr. John W. Snider
- Mr. Edward G. Westerdahl II
- Mr. George H. Layman

Absent: Mr. Loran L. Stewart was out-of-state.

The staff report to the Board and the Board discussion and action pertaining to the Amendment to AR 10.160, Standing Committees, appear on page 204 of these minutes.

Board Discussion and Action

Mr. Layman said a public hearing previously had been announced for 11:00 A.M. April 24, 1974. That hour having arrived, he asked if anyone wished to be heard for or against the proposed revision to AR 10.160.

There being no response to his request, and no persons asked to be heard for or against the proposal, the Board considered the revision.

Mr. Layman explained that the Board had previously discussed whether a separate committee would be preferable to assigning responsibilities for personnel matters to the Executive Committee. At that time it approved a motion to assign these responsibilities to the Executive Committee. However, the proposed change was retained on the agenda in the event that Board members wished to take further action.

Mr. Holmes moved that the Board reaffirm the action taken at the March 26, 1974, meeting, in which the Executive Committee was designated to handle matters of collective bargaining and other appropriate personnel matters.

During the discussion, it was indicated that the Executive Committee would be free to consult as necessary with other Board members who might have expertise in a particular personnel question.

Mrs. Johnson said she would vote against the motion to use the Executive Committee rather than to establish a new standing committee for personnel administration because the separate committee would provide a greater opportunity for public discussion and for participation by the entire Board in the decisions.
Mr. Joss indicated he favored assigning the responsibilities to the Executive Committee because frequently immediate action was important. This would be possible under the Executive Committee. He said if immediate action were not essential, he was certain the Executive Committee would refer decisions to the full Board prior to taking final action.

The Board approved the motion by Mr. Holmes to reaffirm its previous action assigning responsibility for personnel matters to the Executive Committee. Mrs. Johnson, Miss McIntyre, and Mr. Westerdahl voted against the motion.

The staff report to the Board and the Board discussion and action pertaining to the Modification to Section 41.200 of Administrative Rules, Sabbatical Leave, appear on pages 205-7 of these minutes.

Board Discussion and Action

Mr. Layman said a public hearing previously had been announced for 11:00 A.M. April 24, 1974. That hour having arrived, he asked if anyone wished to be heard for or against the proposed modification to Section 41.200 of the Administrative Rules.

There being no response to his request, and no persons asked to be heard for or against the proposal, the Board considered the revision.

The Board approved the recommended modifications to Section 41.200 of the Administrative Rules.

Staff Report to the Board

In accordance with the program reviewed with the Building Committee on February 26, and approved by the Board on March 26, 1974, it is expected that a request will be presented to the State Emergency Board for authorization to proceed with the construction of the proposed Auditorium and Related Fine Arts Facilities at Oregon College of Education within an expenditure limitation of $2,000,000.

Institutional officials and the project architects, Payne-Settecase-Smith, have revised the final plans and specifications which were prepared previously for the building to delete several major areas and to incorporate other modifications, all of which may be summarized as follows:

1. Areas to be omitted:
   a. South wing, identified as the "music wing" (studio-offices, music practice rooms and service areas)
   b. Classroom (identified also as the "Art Gallery")
   c. Music rehearsal room and adjacent music and instrument storage areas.
   d. Music education classroom and seminar rooms.
   e. Restrooms planned originally within the southeast portion of the main structure.

2. Other changes:
   a. Conversion of forensics classroom to faculty office spaces.
   b. Conversion of storage space at rear of auditorium seating adjacent to the lobby to two music teaching studios, with the balance of space devoted to storage.
   c. Enlargement of restroom facilities proposed within the northwest section of the building.
   d. Other minor modifications as a result of the deletions and changes noted above.

With these reductions and modifications, the gross area of the building would be approximately 32,094 square feet, compared with the earlier plan involving approximately 42,808 square feet. The estimated direct construction costs, exclusive of site preparation, utility service connections and landscaping, are estimated to be $1,625,000, averaging about $50.63 per square foot. (The earlier budget estimate of $2,510,000 for the total project had included $2,100,000 for the direct construction costs, averaging about $49.06 per square foot.)
The building would provide the auditorium with a seating capacity of approximately 630 persons, plus the stage and ancillary spaces, such as scene shop, costume shop, dressing rooms, drama rehearsal room, and offices for the Speech and Drama Department and for the Music Department. The structure would be of reinforced concrete columns and tilt-up concrete walls with brick veneer finish. Heating would be provided from the campus central heating plant through an extension of the steam line from the Administration Building. The ventilating system would include air cooling utilizing the chiller provided under the contract for the remodeling of the Administration Building. The site remains the same as the former plan, generally north of Powell Street, north and east of the present Music Building.

Staff Recommendation

It was recommended that the revised plans and specifications for the proposed Auditorium and Related Fine Arts Facilities at Oregon College of Education, involving a gross area of approximately 32,094 square feet, be approved and that the appropriate Board officials be authorized to solicit bids and award construction contracts within a total budget of $2,000,000, subject to prior authorization by the State Emergency Board.

RECAPITULATION UPON REVISION OF PLANS

Project - OCE Auditorium and Related Fine Arts Facilities

Architects - Payne-Settecase-Smith, Salem

Legislative authorization - To be requested from State Emergency Board under the provisions of Chapter 66 (Enrolled House Bill 3329), Oregon Laws 1974 Special Session

Estimated gross area - 32,094 square feet

Estimated total project costs $2,000,000

Estimated direct construction costs:

- Building and fixed equipment only
  - Total 1,713,000
  - Average (per square foot) - $50.63

Tentative schedule:
- Bidding - May 1974
- Completion - September 1975

Tentative financing plan:
- State funds (General Fund appropriations in 1971 and 1973 and bond borrowings under Article XI-G of the Oregon Constitution) $1,563,287
- Redirected auxiliary enterprises net income and student building fees allocated for educational and general plant capital outlay projects 206,713
- Capital outlay building use credits and/or gifts and grants 230,000

Total $2,000,000

Board Discussion and Action

The Board approved the recommendations as presented. Mr. Mosser and Mrs. Johnson voted against the motion. Mr. Mosser explained that he was not opposed to the plans but he did oppose approving the authorization to solicit bids and award construction contracts.
Allocation of Board's Reserves to Faculty Salary Increases

Mr. Mosser said the Finance Committee had voted to recommend to the Board the allocation of approximately $500,000 of the Board's reserves to additional faculty salary increases during the 1974-75 fiscal year.

He moved that the Board allocate these reserves in this manner so that the decision would be made in advance of the budget preparation. He said the proposed action would result in salary increases of almost 6 percent, which is comparable to that granted by the legislature for civil service staff. In response to a question, it was indicated that the increases above 5 percent would have to be reported to the Emergency Board.

The Board discussed the fact that the proposed action would virtually eliminate the Board's reserves leaving a balance of approximately $26,000 to meet contingencies due to increased costs for fuel, electrical energy, and other supplies. Board members agreed faculty salaries should be increased but also expressed concern about the reduction in the contingency reserves.

Mr. Westerdahl moved that the matter be deferred until the May Board meeting so that the institutions would have an opportunity to assess the impact of the lack of a reserve.

Mr. Mosser said there was no assurance any institution would receive money from the Board's reserve until it was allocated. In addition, he said the executives should not be asked to compare faculty salary increases with some other need on their campuses.

The Board defeated the motion by Mr. Westerdahl to postpone action until the May Board meeting. Mr. Joss and Mr. Westerdahl voted in favor of the motion.

Mr. Westerdahl said he would vote against the main motion to allocate the funds for salary increases even though he was in favor of providing the increases. He said using the reserves for this purpose would limit the Board's capacity to deal with emergencies, it would necessitate a request for funds from the legislature to deal with the anticipated increases in other costs, and would have a negative impact at the next legislative session.

The Board approved the motion by Mr. Mosser to allocate approximately $500,000 for faculty salary increases during 1974-75. Mrs. Johnson, Mr. Joss, and Mr. Westerdahl voted against the motion.

ADJOURNMENT

The Board adjourned at 11:40 A.M., April 24, 1974.