Adjourned Session of Meeting of March 25, 1975

Vice President Corey called the adjourned session of the regular State Board of Higher Education meeting of March 25, 1975, to order at 11:00 A.M., Pacific Daylight Time, April 28, 1975, in Room 338, Smith Memorial Center, Portland State University, Portland, Oregon. The following Board members were present:

- Mrs. Jane E. Carpenter
- Mr. George H. Corey
- Mr. Philip A. Joss
- Mr. Marc F. Maden
- Miss Valerie L. McIntyre
- Mr. W. Philip McLaurin
- Mr. Louis B. Perry
- Mr. Loran L. Stewart

Absent: Mrs. Johnson and Mr. Mosser were absent because of family illness. Mr. Layman was absent for business reasons.

Introduction of L. B. Perry

Mr. Corey introduced Mr. Louis B. Perry, newly-appointed as a member of the State Board of Higher Education. Mr. Corey said that Mr. Perry had been appointed to the Committee on Finance, Administration and Physical Plant.

Executive Session

Mr. Corey announced that an Executive Session of the Board would be held in Room 229 of the Smith Memorial Center at 12:00 Noon to consider a personnel and labor negotiations matter pursuant to ORS 192.660.

CHANCELLOR'S REPORT

The Chancellor said that the Administrative Rules require that the Board approve certain appointments, including those of Vice Presidents at the State System institutions. He said the appointment of Dr. Joseph Blumel as President of Portland State University had created a vacancy in the office of Vice President for Academic Affairs at that institution. An extensive search and screening process to fill that vacancy has resulted in a recommendation by President Blumel that Dr. Leon J. V. Richelle be appointed as Vice President for Academic Affairs. The Chancellor said Dr. Richelle is currently Associate Dean of the Graduate School at the University of Connecticut. The Chancellor said he concurred in the recommendation. The appointment would be accompanied by indefinite tenure with the rank of Professor of Biology at an annual salary rate of $34,000, effective September 1, 1975.

Upon motion by Mr. Joss, the Board approved the appointment as recommended by President Blumel and the Chancellor.
Acceptance of Bid for $1,685,000 State of Oregon, State Board of Higher Education Building Bonds, Series 1975 A, Article XI-F(1)

The Vice Chancellor for Administration reported that at 8:30 A.M., Pacific Daylight Time, on April 28, 1975, five sealed bids were received, pursuant to an advertisement authorized by the Board of Higher Education at its regular meeting on March 25, 1975, for the proposed sale of $1,685,000 State of Oregon, State Board of Higher Education Building Bonds, Series 1975 A. Present were Mr. James C. George of the State Treasury Department; and Mr. Howard Rankin of Rankin, Walsh, Ragen & Roberts, Bond Attorneys. The bonds were to be sold at a price of not less than $98 for each $100 per value thereof. Bids received for the bonds were as follows:

<table>
<thead>
<tr>
<th>Name of Bidder</th>
<th>Designated Maturities</th>
<th>Interest Rate</th>
<th>Total Discount or Net Effective Interest Cost</th>
<th>Effective Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1979</td>
<td>4.90%</td>
<td>$2,233,657.00</td>
<td>6.4426%</td>
</tr>
<tr>
<td></td>
<td>1980</td>
<td>5.10%</td>
<td>$2,233,657.00</td>
<td>6.4426%</td>
</tr>
<tr>
<td></td>
<td>1981</td>
<td>5.30%</td>
<td>$2,233,657.00</td>
<td>6.4426%</td>
</tr>
<tr>
<td></td>
<td>1982</td>
<td>5.50%</td>
<td>$2,233,657.00</td>
<td>6.4426%</td>
</tr>
<tr>
<td></td>
<td>1983</td>
<td>5.70%</td>
<td>$2,233,657.00</td>
<td>6.4426%</td>
</tr>
<tr>
<td></td>
<td>1984</td>
<td>5.90%</td>
<td>$2,233,657.00</td>
<td>6.4426%</td>
</tr>
<tr>
<td></td>
<td>1985</td>
<td>6.00%</td>
<td>$2,233,657.00</td>
<td>6.4426%</td>
</tr>
<tr>
<td></td>
<td>1986</td>
<td>6.10%</td>
<td>$2,233,657.00</td>
<td>6.4426%</td>
</tr>
<tr>
<td></td>
<td>1987-1988</td>
<td>6.20%</td>
<td>$2,233,657.00</td>
<td>6.4426%</td>
</tr>
<tr>
<td></td>
<td>1989-1990</td>
<td>6.25%</td>
<td>$2,233,657.00</td>
<td>6.4426%</td>
</tr>
<tr>
<td></td>
<td>1991-1992</td>
<td>6.30%</td>
<td>$2,233,657.00</td>
<td>6.4426%</td>
</tr>
<tr>
<td></td>
<td>1993-1996</td>
<td>6.35%</td>
<td>$2,233,657.00</td>
<td>6.4426%</td>
</tr>
<tr>
<td></td>
<td>1997-2001</td>
<td>6.40%</td>
<td>$2,233,657.00</td>
<td>6.4426%</td>
</tr>
<tr>
<td></td>
<td>2002-2005</td>
<td>6.50%</td>
<td>$2,233,657.00</td>
<td>6.4426%</td>
</tr>
</tbody>
</table>

| The Oregon Bank, The Chase Manhattan Bank, N.A., and Associates | 1978 | 4.75% | $2,256,975.00 | 6.5964% |
| | 1979 | 5.00% | $2,286,985.00 | 6.5964% |
| | 1980 | 5.25% | $2,286,985.00 | 6.5964% |
| | 1981 | 5.50% | $2,286,985.00 | 6.5964% |
| | 1982 | 5.75% | $2,286,985.00 | 6.5964% |
| | 1983 | 6.00% | $2,286,985.00 | 6.5964% |
| | 1984 | 6.25% | $2,286,985.00 | 6.5964% |
| | 1985 | 6.50% | $2,286,985.00 | 6.5964% |
| | 1986 | 6.75% | $2,286,985.00 | 6.5964% |
| | 1987-1988 | 7.00% | $2,286,985.00 | 6.5964% |
| | 1989-1990 | 7.25% | $2,286,985.00 | 6.5964% |
| | 1991-1992 | 7.50% | $2,286,985.00 | 6.5964% |
| | 1993-1996 | 7.75% | $2,286,985.00 | 6.5964% |
| | 1997-2002 | 8.00% | $2,286,985.00 | 6.5964% |
| | 2003-2005 | 8.25% | $2,286,985.00 | 6.5964% |

| | 1989-2005 | 6.70% | $2,317,110.00 | 6.6820% |
| | 2001-2005 | 6.75% | $2,330,837.50 | 6.72923% |
| | 2002-2005 | 6.75% | $2,330,837.50 | 6.72923% |

| | 2001-2005 | 6.75% | $2,330,837.50 | 6.72923% |
| | 2002-2005 | 6.75% | $2,330,837.50 | 6.72923% |
Following the reading of the bids, the Vice Chancellor for Administration indicated that the most favorable bid was that of United States National Bank of Oregon, L.F. Rothschild & Co., and Associates with a total net interest cost of $2,233,657.00 and an effective interest rate of 6.4426 percent per annum. He also stated that the bonds were to be in denominations of $5,000.

It was recommended that the low bid be accepted by adoption of the following resolution:

RESOLUTION

BE IT RESOLVED that the ONE MILLION SIX HUNDRED EIGHTY FIVE THOUSAND DOLLARS ($1,685,000) STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1975 A sold to United States National Bank of Oregon, L.F. Rothschild & Co., and Associates at 98.272 per $100, on the 28th day of April, 1975, be issued to bear date the fifteenth day of April, 1975; to bear interest at the rate of 4.70 percent per annum for the bonds of the issue maturing on April 15, 1978, at the rate of 4.90 percent per annum for the bonds of the issue maturing on April 15 of the year 1979, at the rate of 5.10 percent per annum for the bonds of the issue maturing on April 15 of the year 1980, at the rate of 5.30 percent per annum for the bonds of the issue maturing on April 15 of the year 1981, at the rate of 5.50 percent per annum for the bonds of the issue maturing on April 15 of the year 1982, at the rate of 5.70 percent per annum for the bonds of the issue maturing on April 15 of the year 1983, at the rate of 5.80 percent per annum for the bonds of the issue maturing on April 15 of the year 1984, at the rate of 5.90 percent per annum for the bonds of the issue maturing on April 15 of the year 1985, at the rate of 6.00 percent per annum for the bonds of the issue maturing on April 15 of the year 1986, at the rate of 6.10 percent per annum for the bonds of the issue maturing on April 15 of the years 1987 to 1988 inclusive, at the rate of 6.20 percent per annum for the bonds of the issue maturing on April 15 of the years 1989 to 1990 inclusive, at the rate of 6.25 percent per annum for the bonds of the issue maturing on April 15 of the years 1991 to 1992 inclusive, at the rate of 6.30 percent per annum for the bonds of the issue maturing on April 15 of the years 1993 to 1996 inclusive, at the rate of 6.40 percent per annum for the bonds of the issue maturing on April 15 of the years 1997 to 2001 inclusive, at the rate of 6.50 percent per annum for the bonds of the issue maturing on April 15 of the years 2002 to 2005 inclusive; and

BE IT FURTHER RESOLVED that the bonds be issued to mature serially on the dates provided in the resolution of the Board duly adopted at the regular meeting of the Board duly and legally held on March 25, 1975, and that both the principal of and interest upon the bonds be paid at the Fiscal Agency of the State of Oregon, in the City and State of New York; and

BE IT FURTHER RESOLVED that the said bonds and coupons annexed thereto be executed in the form prescribed in the resolution adopted by the Board at the March 25, 1975, meeting; and

BE IT FURTHER RESOLVED that the bonds be in denominations of $5,000, as provided in the resolution adopted by the Board at the March 25, 1975, meeting; and

BE IT FURTHER RESOLVED that the March 25, 1975, resolution of the Board authorizing the issuance of said bonds, and all acts performed by the Board in adopting the said resolution, and by the Secretary of the Board and the Vice Chancellor for Administration in connection with the issuance and sale of the said bonds, including the notice of bond sale and its publication in Oregon on April 2, 1975, and April 9, 1975, be and they hereby are fully approved, ratified, and confirmed; and

BE IT FURTHER RESOLVED that functions of the Secretary of the Board in preparing and providing of transcript material, and other actions relating to the bond issue shall be performed by the Secretary of the Board or by
the Assistant Secretary of the Board; and correspondingly, functions of the Vice Chancellor for Administration shall be performed by the Vice Chancellor for Administration or by his Administrative Assistant.

It was moved by Director Stewart that the Board accept the low bid and adopt the proposed resolution. The Vice President of the Board stated that it had been moved that the Board accept the low bid as indicated and adopt the proposed resolution.

On roll call vote the Board voted on the adoption of the motion as follows:

Those voting yes: Directors Corey, Carpenter, Joss, Maden, McIntyre, McLaurin, Perry (not yet confirmed by Oregon Senate), and Stewart.

Those voting no: None.

The Vice President of the Board declared said motion duly adopted by a unanimous vote.

Acceptance of Bid for $2,960,000 State of Oregon, State Board of Higher Education Facilities Bonds, Series 1975 B, Article XI-G

The Vice Chancellor for Administration reported that at 8:30 A.M., Pacific Daylight Time, on April 28, 1975, five sealed bids were received, pursuant to an advertisement authorized by the Board of Higher Education at its regular meeting on March 25, 1975, for the proposed sale of $2,960,000 State of Oregon, State Board of Higher Education Facilities Bonds, Series 1975 B. Present were Mr. James C. George of the State Treasury Department; and Mr. Howard Rankin of Rankin, Walsh, Ragen & Roberts, Bond Attorneys. The bonds were to be sold at a price of not less than $100 for each $100 par value thereof. Bids received for the bonds were as follows:

<table>
<thead>
<tr>
<th>Name of Bidder</th>
<th>Designated Maturities</th>
<th>Interest Rate</th>
<th>Total Coupon Interest Cost</th>
<th>Deduct Interest Premium</th>
<th>Total Net Interest Cost</th>
<th>Effective Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harris Trust and Savings Bank, First National Bank of Oregon, The Northern Trust</td>
<td>1978-1988, 1989-2005</td>
<td>6.50% 6.70%</td>
<td>$3,975,575.00, $3,971,188.00</td>
<td>$4,387.00, $4,387.00</td>
<td>$3,971,188.00, $3,971,188.00</td>
<td>6.67370% 6.67370%</td>
</tr>
<tr>
<td>Kuhn, Loeb &amp; Co.</td>
<td>1978-2001, 2002-2005</td>
<td>6.70% 6.75%</td>
<td>$3,997,690.00, $3,996,602.35</td>
<td>$1,087.65, $3,996,602.35</td>
<td>$3,996,602.35, $3,996,602.35</td>
<td>6.7164% 6.717453%</td>
</tr>
</tbody>
</table>
Following the reading of the bids, the Vice Chancellor for Administration indicated that the most favorable bid was that of United States National Bank of Oregon, L.F. Rothschild & Co., and Associates with a total net interest cost of $3,865,592.35 and an effective interest rate of 6.4962 percent per annum. He also stated that the bonds were to be in denominations of $5,000.

It was recommended that the low bid be accepted by adoption of the following resolution:

RESOLUTION

BE IT RESOLVED that the TWO MILLION NINE HUNDRED SIXTY THOUSAND DOLLARS ($2,960,000) STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION FACILITIES BONDS, SERIES 1975 B sold to United States National Bank of Oregon, L.F. Rothschild & Co., and Associates at 100.075 per $100, on the 28th day of April, 1975, be issued to bear date the fifteenth day of April, 1975; to bear interest at the rate of 6.50 percent per annum for the bonds of the issue maturing on April 15, 1978 to 2005; and

BE IT FURTHER RESOLVED that the bonds be issued to mature serially on the dates provided in the resolution of the Board duly adopted at the regular meeting of the Board duly and legally held on March 25, 1975, and that both the principal of and interest upon the bonds be paid at the Fiscal Agency of the State of Oregon, in the City and State of New York; and

BE IT FURTHER RESOLVED that the said bonds and coupons annexed thereto be executed in the form prescribed in the resolution adopted by the Board at the March 25, 1975, meeting; and

BE IT FURTHER RESOLVED that the bonds be in denominations of $5,000, as provided in the resolution adopted by the Board at the March 25, 1975, meeting; and

BE IT FURTHER RESOLVED that the March 25, 1975, resolution of the Board authorizing the issuance of said bonds, and all acts performed by the Board in adopting the said resolution, and by the Secretary of the Board and the Vice Chancellor for Administration in connection with the issuance and sale of the said bonds, including the notice of bond sale and its publication in Oregon on April 2, 1975, and April 9, 1975, be and they hereby are fully approved, ratified, and confirmed.

BE IT FURTHER RESOLVED that functions of the Secretary of the Board in preparing and providing of transcript material, and other actions relating to the bond issue shall be performed by the Secretary of the Board or by the Assistant Secretary of the Board; and correspondingly, functions of the Vice Chancellor for Administration shall be performed by the Vice Chancellor for Administration or by his Administrative Assistant.

It was moved by Director Maden that the Board accept the low bid and adopt the proposed resolution. The Vice President of the Board stated that it had been moved that the Board accept the low bid as indicated and adopt the proposed resolution.

On roll call vote the Board voted on the adoption of the motion as follows:

Those voting yes: Directors Corey, Carpenter, Joss, Maden, McIntyre, McLaunrin, Perry (not yet confirmed by Oregon Senate), and Stewart.

Those voting no: None.

The Vice President of the Board declared said motion duly adopted by a unanimous vote.
Meeting #422-189

Acceptance of the Design Development Phase of Planning for Science II Remodeling; Revision of Cost Estimate for Applied Science and Engineering Laboratory, PSU

Staff Report to the Board

On May 21, 1974, the Board authorized the issuance of Article XI-F(1) bonds, if approved by the Attorney General and the appropriate legislative body, to finance the conversion of the two parking levels in Science II at Portland State University for laboratory space for the Department of Environmental Quality and the Division of Health of the Department of Human Resources with the understanding that:

(1) Lease arrangements would assure rental income sufficient to amortize the existing indebtedness on the parking areas and the additional bond borrowings required to finance the construction (alterations) cost as well as to cover the costs of maintenance and operation.

(2) The Board would have the right to use, or recapture for use, up to 17,000 square feet of the total gross area of about 67,000 square feet for use for Portland State University programs at any time after 12-months' notice by a pro rata reduction of rent.

(3) There would be no guarantee of parking space to the Department of Environmental Quality or the Health Division if at any time the number of available spaces at Portland State University falls below 2,100.

On August 21, 1974, the Attorney General issued Opinion Number 2101 affirming that the use of Article XI-F(1) bonds to finance the conversion of the space for laboratory use would be appropriate under the terms specified by the Board.

On September 13, 1974, in response to the request of Mr. J. N. Peet, who was then the Director of the Executive Department, the State Emergency Board, acting under authority of ORS 291.326(1)(a), authorized the Department of Higher Education to proceed with planning for the remodeling of portions of Science II at Portland State University for use by the Department of Environmental Quality and the Health Division of the Department of Human Resources and reserved $193,000 in the Emergency Fund for the estimated expenditure requirements for the architectural/engineering planning.

Inasmuch as Campbell-Yost-Grube & Partners were the project architects for the original Science II building, contractual arrangements were made with them for the design of the proposed remodeling, coordinated with the planning for the Applied Science and Engineering Laboratory at Portland State University for which legislative authorization is being requested as Priority Number 5 in the Board's capital construction program for 1975-1977. All of the proposed facilities would be located on the two floors of automotive parking which were provided within the existing structure. (To provide the potential for future educational use, these floors were constructed originally with relatively level floors and with an eleven-foot clearance under the floor slabs.)

Each of the two parking levels within Science II contains a gross area of approximately 33,500 square feet, or a total of about 67,000 square feet. In addition to the remodeling of this space, the plans anticipate the construction of a small facility exterior to the building for the storage of certain chemicals for the Department of Environmental Quality and the Health Division. This one-story unit would contain about 504 gross square feet of enclosed area plus another 103 gross square feet of open but walled storage space for trash. The division of the total gross area of 67,504 square feet would be as follows:
It was determined that the most effective use of space for the Department of Environmental Quality and the Health Division would be accomplished by a vertical separation of the two activities on the longitudinal axis of the building, thus providing two levels of space for each agency and providing fenestrated office facilities for each at the upper level. The design concept follows the pattern established in the upper four levels of Science II, with laboratories in the central core and offices and other peripheral spaces on the perimeter. For traffic reasons, the Department of Environmental Quality would be sited in the west half of the structure, where the existing driveway into the upper parking level would be used for short-term parking of the several delivery vehicles which provide test samples to the Department of Environmental Quality through each day. The needs of this agency are relatively straightforward as to laboratory design, with the exception of three perchloric acid hoods, which present special exhaust requirements.

The requirements of the Public Health laboratories are slightly more expensive on a square foot basis than those for the Department of Environmental Quality, partly because of the need for special finishes and furnishings to protect against the potentially dangerous substances which are part of the activity of the Health Division. The allocation of space for this agency within Science II has placed the "hot" laboratories at the lower level and the more routine laboratories at the upper level. (At each level, the laboratory areas for the Department of Environmental Quality and the Health Division would be secured against general public traffic.)

The special finishes required in the Health Division space include seamless floor coverings, stainless steel benchtops in certain laboratories, some special exhaust requirements, as well as additional sterilizers, and other equipment which would be built-in. The cost of these special items over the basic laboratory cost is approximately $300,000.

When Portland State University first conceived of the plan to house structural testing facilities for its Department of Applied Science & Engineering in Science II, it expected to utilize the south end of the two parking levels with access through the remaining portions of the parking areas. Inasmuch as the introduction of laboratory spaces for the Department of Environmental Quality and the Health Division has eliminated such an access route, it has been necessary to develop a ramped driveway at the west side of the building to provide delivery capability to this laboratory. The result has been an increase in cost which has been allocated to the Applied Science & Engineering portion of the project.
The structural laboratory would include a 1,200 square foot test slab of reinforced concrete and an overhead crane system for the handling of heavy materials. An existing testing machine would be placed in this new laboratory.

Out of the total area of 16,060 square feet which would be used or reserved for Portland State University on the parking levels, the structural laboratory would utilize about 7,770 square feet (compared with the original program estimate of 7,600 square feet) and 810 square feet would be devoted to bicycle storage because of the impracticality of enclosing certain perimeter areas from the weather. The remaining 7,480 gross square feet is shown on the floor plans for future use as a concrete testing laboratory at the lower level (2,280 gross square feet) and electrical and electronics engineering laboratories at the upper level (5,200 gross square feet). Only minimal finishes, such as stubbing mechanical and electrical services for future outfitting, would be provided initially and the space would be utilized on an interim basis for storage by all three agencies (PSU, DEQ and Health).

In the course of design by the architects and their consultants, particular attention has been given to energy-conserving techniques, such as double-glazed windows, extra insulation, etc. It is expected that all of the air to be supplied to the two remodeled floor levels would be provided from the existing fan units in the basement of the building, thus conserving energy through more complete use of their capacity.

An essential requirement in the planning was the preparation of the cost estimates in such a manner that the spaces for the Department of Environmental Quality and the Health Division could proceed independently of those for the proposed Applied Science and Engineering Laboratory, or vice versa, if necessary. On the basis of the architects' detailed estimates of construction costs, but excluding the requirement for rededication of the space intended for Portland State University's educational and general use, the following budgets have been prepared:

<table>
<thead>
<tr>
<th></th>
<th>DEQ</th>
<th>Health</th>
<th>Subtotal</th>
<th>PSU</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction costs</td>
<td>$1,306,641</td>
<td>$1,268,525</td>
<td>$2,575,166</td>
<td>$167,720</td>
<td>$2,742,886</td>
</tr>
<tr>
<td>Contingencies (at 8%)</td>
<td>104,531</td>
<td>101,482</td>
<td>206,013</td>
<td>13,418</td>
<td>219,431</td>
</tr>
<tr>
<td>Professional services</td>
<td>130,664</td>
<td>126,853</td>
<td>257,517</td>
<td>16,772</td>
<td>274,289</td>
</tr>
<tr>
<td>Construction supervision</td>
<td>7,200</td>
<td>6,480</td>
<td>13,680</td>
<td>4,320</td>
<td>18,000</td>
</tr>
<tr>
<td>Furnishings and equipment</td>
<td>30,000</td>
<td>35,000</td>
<td>65,000</td>
<td>30,000</td>
<td>95,000</td>
</tr>
<tr>
<td>Miscellaneous costs</td>
<td>15,964</td>
<td>16,660</td>
<td>32,624</td>
<td>2,770</td>
<td>35,394</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,595,000</td>
<td>$1,555,000</td>
<td>$3,150,000</td>
<td>$235,000</td>
<td>$3,385,000</td>
</tr>
</tbody>
</table>

In accordance with Board policies, an additional requirement of $120,000 would be added to the cost estimate for the Portland State University Applied Science and Engineering Laboratory for the rededication of the space being converted for it from an auxiliary enterprise use. This amount corresponds closely to the pro rata share of the July 1, 1975, balance of the Series 1967 self-liquidating bonds issued for the Science II parking facilities. (The remainder of these bonds would be amortized through the lease arrangements applicable to the spaces for the Department of Environmental Quality and the Health Division laboratories.)

The estimated total expenditure requirements for the proposed Applied Science and Engineering Laboratory, therefore, would be $355,000. Of this amount, $30,000 would be financed from the institution's operating budget for equipment, $70,000 would be provided from capital outlay building use credits, and the remainder of $255,000 would be shared equally from a General Fund appropriation.
and bond proceeds under the provisions of Article XI-G of the Oregon Constitution. These state fund requirements of $255,000 are $140,000 more than the amount of $115,000 which had been included in the revised priority listing of 1975-1977 educational and general plant projects approved by the Board on February 25, 1975.

As contemplated by the Board's action on May 21, 1974, the portions of the remodeling for the Department of Environmental Quality and the Health Division would be funded, subject to legislative authorization, from Article XI-F(1) bond borrowings. The debt service on such bonds would be met from rentals under a 20-year lease agreement with the two agencies involved.

Staff Recommendation to the Committee

It is recommended that the design development phase of planning for the Science II Remodeling for the Department of Environmental Quality, the Health Division of the Department of Human Resources, and the Applied Science and Engineering Laboratory at Portland State University be approved and that the appropriate Board officials be authorized to instruct the project architects to complete the construction documents phase of planning for the project in preparation for bidding and the completion of the lease agreement and appropriate action by the 1975 Legislature in authorizing all or portions of the project. It is further recommended that the Board's capital construction requests for 1975-1977 be modified to reflect the revised estimate of $355,000 for the Applied Science and Engineering Laboratory at Portland State University, including $255,000 from a combination of a General Fund appropriation and Article XI-G bonds.

RECAPITULATION UPON THE ACCEPTANCE OF DESIGN DEVELOPMENT

Project - Science II Remodeling for DEQ, Health Division, and Applied Science & Engineering Laboratories - PSU

Architects - Campbell-Yost-Grube & Partners, Portland

Board's Priority - No. 5 in 1975-1977 for Educational and General Plant (for PSU Applied Science & Engineering Laboratory)

Legislative Authorization - Being requested in 1975

Estimated total project costs, including $120,000 for rededication of parking areas to PSU's educational and general use $3,505,000

Estimated direct construction costs, including built-in equipment:

| Department of Environmental Quality | $1,306,641 |
| Health Division                     | 1,268,525  |
| Subtotal                            | 2,575,166  |
| Portland State University           | 167,720    |
| Total                               | 2,742,886  |

Estimated gross areas (remodeling and new construction):

| Department of Environmental Quality | 27,027 square feet |
| Health Division                     | 24,417 square feet |
| Portland State University           | 14,770 square feet |
| Total                               | 66,214 square feet |
Meeting #422-193

#Excludes 1,290 square feet of existing upper floor level removed for additional ceiling height required for crane operation in structural laboratory

Estimated direct construction costs per square foot:
- Department of Environmental Quality: $48.35
- Health Division: 51.95
- Portland State University: 11.36
- Average: $41.42

Tentative schedule:
- Bidding: June 1975
- Completion: June 1976

Tentative financing plan:
- For the DBQ and Health Division portions:
  - General obligation bond borrowings under Article XI-F(1) of the Oregon Constitution: $3,150,000

- For the PSU Applied Science and Engineering Laboratory portion:
  - General Fund appropriation: $127,500
  - General obligation bonding under Article XI-G of the Oregon Constitution: $255,000
  - Subtotal: $355,000
  - From the PSU operating budget (equipment): 30,000
  - From capital outlay building use credits: 70,000
  - Total: $355,000

Board Discussion and Action

During the discussion, Mr. Hunderup said that if legislative authorization is obtained for the project, funding for the remodeling for the Department of Environmental Quality and the Health Division of the Department of Human Resources would be through Article XI-F(1) bonding. Since the project will involve a lease arrangement for use of the space between the Board and the other two state agencies, it was also recommended that the Board waive the Board policy of an initial two-year debt service reserve, which is normal practice for bonding under Article XI-F(1) projects.

The Board approved the staff recommendation including the recommended authorization to waive the requirement of a two-year debt service reserve as far as the financing of the remodeling for the other two state agencies is concerned.

Student Protest Against Tuition Increases

Mr. Bert Knorr, representing the Revolutionary Student Brigade and the Committee To Stop the Tuition Hike and other concerned groups and individuals, interrupted the meeting, accompanied by approximately fifteen other students, to read a statement concerning the possible tuition increases. Mr. Knorr said students are outraged and highly opposed to the attack on their right to an education and over 1,000 signatures have been obtained from students on a petition. The main issues set forth in the petition were:
1. Freeze tuition for all students.
2. Prohibit cutbacks on services or programs at the institutions.
3. Stop divide and conquer tactics by untying faculty raises from tuition increases and supporting faculty collective bargaining.
4. Stop intimidation and harassment of state workers and faculty who support state workers.
5. Hold the May Board meeting in western Oregon rather than in eastern Oregon so that students can be present.

Mr. Knorr said the tuition hike is not an isolated act but a systematic attack on higher education all over the country. Budgets for higher education and student financial aid programs have been cut, and consequently students have been forced out of universities and colleges by financial pressures.

Mr. Knorr said the students he represents see this as part of the general response of an oppressive and irrational capitalist system which inevitably in times of crisis must squeeze and attack workers, poor people, and students in order to provide itself and keep itself alive. He said students refuse to accept the burden of a crisis which is not of their doing and refuse to allow themselves to be played off against each other and against the faculty.

Mr. Knorr said education is a right and not a privilege. Any increase in tuition will hit hardest those who can least afford to pay and represents an attack on the right to an education. Any tuition hike is unacceptable. He said the group of sixteen demonstrating students was present to affirm and demand the actions set forth in the petition and would organize and do whatever is necessary to fight the attack on the right to an education, including striking or shutting down the university. He said they would not bear the burden of the crisis.

Mr. Corey said no final decision was being made on tuition and it was also not definite that any decision would be made at the Board meeting in La Grande in May. He also reminded the students that the tuition level was not entirely a decision of the State Board of Higher Education and suggested they also present their views to the legislature.

Mr. Knorr responded that the Board should take a firm position with the legislature in support of students and workers.

Mr. Gary Bickford, a student at Portland State University, said his attitude was different. He said he questioned whether the price and demand curve would be accurate if tuition were raised because many students cannot afford to pay more. If students drop out, the total available funds would be less. He suggested the Board consider more creative ideas such as students forming a corporation to produce something as a part of their education, with the proceeds to benefit the institution. In this way the colleges and universities might become sustaining institutions on their own.
Staff Report to the Board

The Last Will and Testament of James Hruby, deceased, provided for a bequest to the University of Oregon Medical School for the benefit of Doernbecher Memorial Hospital for Children. The bequest, designated for unrestricted utilization, consists of cash and real estate contracts valued at $52,099.

Staff Recommendation to the Board

It was recommended that pursuant to Board action in March 1972, a quasi-endowment be established in accordance with AR 64.072, since the bequest is in excess of $10,000.

Board Discussion and Action

The Board approved the recommendation as presented.

Sale of Property in the Estate of James Hruby, UOHSC

Doernbecher Hospital is the recorded owner of certain real property in Clackamas County, as described below, which was distributed to Doernbecher pursuant to court order in the Estate of James Hruby. The purchasers are now prepared to pay the remaining balance of $40,000 plus interest and have requested the execution of a deed.

Part of the Jessie V. Boone and wife D.L.C. No. 42 lying within Sections 22, 23, 26 and 27, T.35S., R.1W., of the W.M., described as follows:

Beginning at a point in the West line of the D.L.C. No. 42, 45.49 chains North of the Southwest corner thereof; thence East 22.62 chains; thence North 44.27 chains to the Willamette River; thence South 85° West 2.62 chains along the North line of said claim No. 42; thence South 68°45' West 21.30 chains along said North line to the Northwest corner of said claim No. 42; thence South along the West line of said claim No. 42, 35.96 chains; to the place of beginning.

EXCEPT THEREFROM a tract of 30 acres, conveyed to Wm. A. Criswell by deed recorded in Book "G," page 32, Deed Records, also subject to right of way for public road as now located, over, upon and across said premises and being part of the same real estate conveyed to The Union Central Life Insurance Company by deed recorded in Book 235, page 172, Deed Records, dated October 28, 1936.

ALSO EXCEPT tract on the North conveyed by A. M. Haradon and Delia H. Haradon, husband and wife, to Perry T. Beauchamp and Alta S. Beauchamp, his wife, by deed recorded September 21, 1946 in Book 377, page 201, Deed Records.

SUBJECT TO:

1. The rights of the public in and to that portion of the above property lying within the boundaries of roads.

2. Governmental rights and rights of the public in and to the water, bed and shoreline of the Willamette River.
Resolution in Memory of Wm. E. Walsh

April 28, 1975

3. Reservation of oil, gas, hydrocarbons and minerals, as disclosed in deed from The Union Central Life Insurance Company, a Corporation, to A. M. Haradon and Della H. Haradon, husband and wife, recorded September 21, 1946 in Book 377, page 199, Deed Records, as follows: "Saving, excepting and reserving, however, unto The Union Central Life Insurance Company, its successors and assigns, from all the above described lands, an undivided one-half of the oil, gas and other hydrocarbons and minerals now or at any time hereafter situate therein and thereunder, together with all easements and rights necessary or convenient for the production, storage and transportation thereof, and the exploration and testing of the said real property and also the right to drill for, produce and use water from the said real property in connection with drilling or mining operations thereon."

Staff Recommendation to the Board

It was recommended that the following resolution be adopted:

RESOLUTION

BE IT RESOLVED that the State of Oregon, acting by and through the State Board of Higher Education, for and on behalf of the University of Oregon Medical School, Doernbecher Memorial Hospital for Children, hereby authorizes the President (or the Vice President in the absence of the President) and Secretary of this Board to execute a deed conveying to Bert Rose and Carrie L. Rose the interest of the State in and to the real property located in Clackamas County as described above.

That the whole consideration to be received by the State for the sale of said property is $40,000.00.

Board Discussion and Action

Upon motion by Mr. Joss, the Board approved the recommendation by roll call vote and adopted the above resolution as presented with the following voting in favor of adoption: Directors Corey, Carpenter, Joss, Maden, McIntyre, McLaurin, Perry and Stewart.

Those voting no: None.

Mr. Corey thereupon declared the above resolution duly adopted.

Mr. Corey requested Mr. Stewart to present the following resolution in memory of Mr. Wm. E. Walsh:

RESOLUTION HONORING WILLIAM E. WALSH

WHEREAS William E. Walsh served on the State Board of Higher Education from 1953 to 1964--from 1961 until his retirement from the Board as president, from 1959 until 1961 as vice president and for six years on the Executive Committee;

WHEREAS dynamic growth in programs and plant in public higher education, on one hand, and emerging state financial problems, on the other, were brought to focus in Board deliberations and dealt with vigorously during the time of his leadership;
WHEREAS Mr. Walsh also had a distinguished career as an Oregon legislator and as president of the Senate from 1949 to 1951, and helped further educational opportunity through legislative action;

WHEREAS he also served on the board of trustees of Willamette University; as a member of the board of the Southwestern Oregon Community College area education district; and was deeply committed to the concept of enlightened and vigorous citizen advocacy of broad higher educational opportunity as one of the architects of Colleges for Oregon's Future; and,

WHEREAS Mr. Walsh died on April 9, 1975; now therefore

BE IT RESOLVED that the State Board of Higher Education, meeting in Portland on April 28, 1975, pay tribute to his leadership role on this Board, and to his efforts and accomplishments in furthering educational opportunity in Oregon, and further, express shared sympathy to his wife, Marian, and other members of the Walsh family in their loss.

The Board unanimously adopted the above resolution as presented.

ADJOURNMENT


John D. Mosser, President

W. R. Larson, Secretary