

MINUTES OF A REGULAR MEETING
BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA
THURSDAY, OCTOBER 8, 1953 - 10:00 A. M.

The regular meeting of the Board of Regents of the University of Oklahoma was held in the office of the President of the University, Norman, on Thursday, October 8, 1953, at 10:00 a.m.

The following members were present: Regent Bonedum, President, presiding; Regents Short, Morgan, McBride, Little, Foster, Grisso. Absent: None.

Regent Short requested that the minutes for the meeting on September 10 show that he voted NO on the Little motion to authorize signing a contract to schedule a football game with Notre Dame on October 27, 1956 with a return game in Norman on September 28, 1957. The Secretary was instructed to make this correction in the September 10 minutes. (Page 4667)

The Secretary was instructed to correct the minutes of the September 10 meeting to show that the Regents postponed action on the bids for the purchase of milk instead of "reject" as shown in the minutes. (Page 4671)

With the above corrections the minutes of the September 10 and September 23 meeting were approved.

Regent Short presented a telegram sent to Mr. Wilkinson under date of September 24, 1953 with reference to the telecasting of the Notre Dame game on stations other than WKY-TV, and Mr. Wilkinson's reply to the telegram. It was voted to include the two telegrams in the minutes of this meeting, and they are as follows:

"September 24, 1953

"C. E. Wilkinson
Director of Athletics
University of Oklahoma
Norman, Oklahoma

It was represented to the Regents of the University at the special meeting on September 23 that though you were anxious to extend the telecast of the Oklahoma-Notre Dame game to any television station in Oklahoma physically equipped to telecast the same you also urged that the Regents take no action in violation of the rules of the NCAA. Please confirm or deny this report which the Regents were advised was your position and understand that I shall give your position to the press. Please reply by wire today.

George F. Short"

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"George F. Short
First National Bldg.
Oklahoma City, Oklahoma

We did everything possible to obtain permission to televise the Notre Dame game on a state wide network. The National Collegiate Athletic Association Television Committee did not exceed to our wishes and would not grant this request. To defy the NCAA would in my opinion be a mistake. This organization has the power and authority to control all phases of inter-collegiate athletics. The punitive action which would be taken would seriously impair our athletic program. Among these would be the following: 1 - The elimination of the Texas game from the nationwide TV network. 2 - The NCAA Wrestling Tournament would not be held at Norman next spring nor would our team be allowed to compete. 3 - No Oklahoma athletes could participate as individuals or as teams in NCAA championships. 4 - It is probable that next years football schedule would be cancelled. Therefore I am pleased that the Regents decided to abide by the rules of the NCAA.

Bud Wilkinson"

It was voted to include in the minutes of this meeting the following letter from Asa Bushnell, Director of the National Collegiate Athletic Association Television Committee:

"N.C.A.A. 1953 TELEVISION COMMITTEE

Air Mail

"September 28, 1953

"Mr. T. R. Benedum
President, Board of Regents
University of Oklahoma
Norman, Okla.

Dear Mr. Benedum:

Please accept assurances of the fact that we are grateful to you and your associates on the Board of Regents of the University of Oklahoma for your understanding and cooperative attitude during last week's negotiations.

Sincerely yours,

/s/ Asa S. Bushnell

Asa S. Bushnell"

PERSONNEL ITEMS:

President Cross recommended approval on personnel as shown below:

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FACULTY:

That J. Bruce Wiley, Associate Professor of Electrical Engineering, be granted leave of absence without pay, September 1, 1953 to January 16, 1954, to continue research and development work with Dorsett Laboratories.

APPOINTMENTS:

Sylvia Anne Zaremba, Assistant Professor of Music, \$5,000 for 9 months, September 1, 1953.

Norman Leonard Byrd, Instructor in Architecture and Architectural Engineering, \$2,300 for 9 months, September 1, 1953, 1/2 time.

Philip B. Welch, Instructor in Architecture and Architectural Engineering, \$3,600 for 9 months, September 1, 1953.

Gay W. Keith, Instructor in Civil Engineering, \$600 for 4½ months, September 16, 1953 to February 1, 1954, 1/9 time.

Dwight deLano Saunders, Instructor in Economics, \$3,000 for 9 months, September 1, 1953.

Jerry P. Simpson, Instructor in Economics, \$1,500 for 9 months, September 1, 1953, 1/2 time.

Gordon Leathwaite, Instructor in Geography, \$2,200 for 9 months, September 1, 1953, 1/2 time.

Hubert C. Skinner, Instructor in Geology, \$900 for 4½ months, September 1, 1953, 1/2 time.

Janice Christensen, Instructor in Government, \$3,300 for 9 months, September 1, 1953.

Brown Mackin, Instructor in Mathematics, \$900 for 4½ months, September 1, 1953, 1/2 time.

Violet B. Archer, Instructor in Music, \$3,600 for 9 months, September 1, 1953.

Margaret Simpson Swain, Instructor in Music, \$1,600 for 4 months, September 24, 1953 to January 24, 1954.

William C. Hardy, Instructor in Petroleum Engineering, \$3,600 for 9 months, September 1, 1953.

Matilda Holter, Instructor in Physical Education for Women, \$1,350 for 4½ months, September 1, 1953, 3/4 time.

Thomas S. Ray, Instructor in Psychology, \$450 for 4½ months, September 1, 1953, 1/4 time. Salary to be paid by School of Nursing.

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Francis Mark Townsend, Special Instructor in Chemical Engineering, \$1,125 for 4½ months, September 1, 1953, 1/2 time.

Lazelle Laughlin Durn, Special Instructor in Drama, \$900 for 4½ months, September 1, 1953, 1/2 time.

Arthur L. Ellsworth, Special Instructor in Law, \$1,575 for 4½ months, September 1, 1953, 1/2 time.

Jayne Nash Montgomery, Special Instructor in Law, \$1,350 for 4½ months, September 1, 1953, 1/2 time.

Avis C. Slater, Special Instructor in Mathematics, \$1,200 for 4½ months, September 1, 1953, 3/4 time.

Daniel O'Connor, Special Instructor in Speech, \$1,500 for 9 months, September 14, 1953, 1/2 time.

Florence Ethel Havard, Kindergarten Assistant, University School, \$1,200 for 9 months, September 1, 1953, 1/2 time.

Gladys Berenda, Teaching Assistant in Chemistry, \$1,200 for 4½ months, September 1, 1953.

George W. Polly, Jr., Teaching Assistant in Chemistry, \$1,500 for 9 months, September 1, 1953, 1/2 time.

Jack Dean Hall, Teaching Assistant in Engineering Drawing, \$600 for 4½ months, September 1, 1953, 1/2 time.

Wilmer Watrous, Teaching Assistant in History, \$750 for 9 months, September 1, 1953, 1/4 time.

Charles Skeen, Teaching Assistant in Physics, \$1,000 for 9 months, September 1, 1953, 1/3 time.

William E. Hollon, Associate Professor of History, given additional title of Curator of History, University Museum, for the year 1953-54.

CHANGES:

John George Eriksen, transferred from Government to University College, change in title from Instructor in Government to Assistant Dean and Instructor in Government, salary changed from \$3,900 for 9 months to \$5,200 for 12 months, September 1, 1953 to September 1, 1954.

Beatrice Ricks, changed from Teaching Assistant in English at \$3,000 for 9 months to Instructor in English at \$3,600 for 9 months, September 1, 1953.

Jim P. Artman, changed from 1/2 time in English and 1/2 time in Modern Languages to full time in Modern Languages, no change in salary, September 1, 1953.

George Otis Coalson, Changed from Teaching Assistant in History to Graduate Assistant in History, salary changed from \$750 for 9 months for 1/4 time to \$750 for 4½ months for 1/2 time, September 1, 1953 to January 16, 1954.

Ben T. Goldbeck, Instructor in Mathematics, salary changed from \$2,550 for 9 months for 3/4 time to \$3,300 for 9 months for 11/12 time, September 1, 1953.

Kenneth Rawlinson, given title of Instructor in Physical Education in addition to title of Football Trainer and Assistant Track Coach, no additional salary, September 1, 1953.

John Christopher Johnson, changed from Graduate Assistant to Special Instructor in Zoology, salary changed from \$1,500 for 9 months to \$3,600 for 9 months, September 1, 1953.

RESIGNATIONS:

Ernie Fay Jones, Assistant Professor of Architecture and Architectural Engineering, June 1, 1953.

Richard K. Harley, Instructor in Petroleum Engineering, September 1, 1953.

Jean S. Allen, Kindergarten Assistant, University School, June 1, 1953.

Declined to Accept Appointment:

Philip Prescott Chandler, Instructor in Geology.

Glen Douglas Elston, Teaching Assistant in Engineering Drawing.

GRADUATE ASSISTANTS

APPOINTMENTS:

Doris Faye Stewart, Bureau of Government Research, \$1,200 for 9 months, September 1, 1953.

Charles Dale Story, Bureau of Government Research, \$1,200 for 9 months, September 1, 1953.

Harry William Allison, College of Education, \$1,500 for 9 months, September 1, 1953.

Billie J. Fullerton, College of Education, \$1,200 for 9 months, September 1, 1953.

John A. Marvel, College of Education, \$1,500 for 9 months, September 1, 1953.

Vivian Nemecek, College of Education, \$1,500 for 9 months, September 1, 1953.

Laurie Ann Bowman, Department of English, \$1,200 for 9 months, September 1, 1953.

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Wynema L. Caswell, Department of English, \$1,200 for 9 months, September 1, 1953.

Marie Dana Faucette, Department of English, \$1,200 for 9 months, September 1, 1953.

Eva Elizabeth Slater, Department of English, \$1,200 for 9 months, September 1, 1953.

John Louis Stott, Department of English, \$1,200 for 9 months, September 1, 1953.

Dorothy Jeanne Walters, Department of English, \$1,200 for 9 months, September 1, 1953.

William Jack Ford, School of Geology, \$600 for 4½ months, September 1, 1953.

Edward Lamb McCollough, School of Geology, \$600 for 4½ months, September 1, 1953.

Charles Rockwell, School of Geology, \$600 for 4½ months, September 1, 1953.

Frances L. Walker, Department of Mathematics and Astronomy, \$1,200 for 9 months, September 1, 1953.

Marvin Martin Mueller, Department of Physics, \$1,200 for 9 months, September 10, 1953.

Albert H. Woollett, Department of Physics, \$1,500 for 9 months, September 1, 1953.

James Andrew Fikes, Reading Laboratory, \$1,500 for 9 months, September 1, 1953.

Mavis Doughty Martin, Reading Laboratory, \$1,200 for 9 months, September 1, 1953.

J. Robert Emmel, Department of Speech, \$1,500 for 9 months, September 1, 1953.

Edward Needham Smith, Jr., Department of Zoology, \$1,200 for 9 months, September 1, 1953.

DECLINED TO ACCEPT APPOINTMENT:

James Richard Stanford, Department of Chemistry.

Irwin Bernard Gold, School of Geology.

Hubert C. Skinner, School of Geology.

Charles Hampton Chicks, Department of Mathematics and Astronomy.

Alva Taylor Stair, Department of Physics.

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SCHOLARSHIPS:

Charles Lipscomb Bare, Socony-Vacuum Oil Company, School of Petroleum Engineering, \$750 for 9 months, September 1, 1953.

James E. Broadus, Universal Oil Products Company, School of Chemical Engineering, \$250 for 9 months, September 1, 1953.

Jemmalie Cook, Maude E. Warwick Scholarship, \$750 for 8 months, September 1, 1953.

Gerald Leo Glahn, Monsanto Chemical Company, School of Chemical Engineering, \$500 for 9 months, September 1, 1953.

Malcolm P. Hanson, Jr., Lane-Wells Scholarship, School of Petroleum Engineering, \$500 for 9 months, September 1, 1953.

Hal Dean Hudson, Socony-Vacuum Scholarship in Explorative Sciences, \$750 for 9 months, September 1, 1953.

Robert Paul Spriggs, Standard Oil Company of Texas, School of Petroleum Engineering, \$500 for 9 months, September 1, 1953.

Owen John Edward Wilson, Socony-Vacuum Oil Company Canadian Scholarship, School of Petroleum Engineering, \$750 for 9 months, September 1, 1953.

Jon Richard Withrow, Standard Oil Company of Texas, School of Petroleum Engineering, \$500 for 9 months, September 1, 1953.

RESEARCH ASSISTANTS

APPOINTMENTS:

Reagan H. Bradford, Eli Lilly Grant Fellowship, \$666.65 for September 1, 1953 to February 1, 1954, 1/2 time.

Donald Vernon Camp, Committee for Economic Development, \$1,210 for 11 months, September 14, 1953, 1/2 time.

Othor Jack Carter, Bureau of Business Research, \$1,110 for August 3, 1953 to July 1, 1954, 1/2 time.

William E. Hall, Office of the President, \$495 for September 14, 1953 to February 1, 1954, 1/2 time.

Gerald Gordon Himes, Bureau of Business Research, \$1,210 for 11 months, September 4, 1953, 1/2 time.

Charles Alan Lane, Technical Assistant, Federal Security-NIH Grant, \$680 for September 17, 1953 to June 1, 1954, 1/2 time.

Melvin Michael Moroney, Bureau of Business Research, \$1,210 for 11 months, September 10, 1953, 1/2 time.

Billy Jack White, Rockefeller Inter-Group Relations Project, \$990 for 9 months, September 1, 1953, 1/2 time.

RESIGNATIONS:

Jack E. Smith, Bureau of Business Research, September 1, 1953.

FELLOWSHIPS:

Floyd Martin Caylor, Lane-Wells Company, School of Petroleum Engineering, \$1,200 for 9 months, September 1, 1953.

Don Charles Coldiron, Calanese Corporation Graduate Fellowship in Chemical Engineering, \$1,800 for 12 months, September 1, 1953.

Hugh Jerald Cunningham, Archival Fellow, State Medical Association Archives Grant, \$1,250 for September 16, 1953 to February 15, 1954.

Ibrahim Eldib, Texas Company Fellowship in Chemical Engineering, \$1,700 for 12 months, August 1, 1953.

Paul Bennett Grieg, Jr., Standard Oil Company of Texas Fellowship in Geology, \$1,500 for 9 months, September 1, 1953.

William Christian Hauber, Humble Oil and Refining Company, School of Petroleum Engineering, \$1,600 for 9 months, September 1, 1953.

Victor T. Hvolboll, Stanolind Oil Company, School of Petroleum Engineering, \$1,500 for 9 months, September 1, 1953.

Jasper Andrew Jackson, Jr., Ethyl Corporation, Department of Physics, \$1,500 for 9 months, September 1, 1953.

Hamilton McKee Johnson, Humble Oil Company, School of Geology, \$1,550 for 9 months, plus \$500 for summer field expenses, September 1, 1953.

Robert G. McCollum, Universal Oil Products, School of Chemical Engineering, \$250 for 9 months, September 1, 1953.

Bill L. Richards, Black, Sivalls & Bryson Fellowship, \$200 for September and October, 1953.

Robert R. Robinson, Humble Fellowship in Accounting, \$1,600 for 9 months, September 1, 1953.

Philip D. White, Gulf Oil Company, School of Chemical Engineering, \$500 for 4½ months, September 1, 1953.

NON-ACADEMIC

APPOINTMENTS:

Charles Andres Esslinger, Assistant Football Coach, Department of Athletics, \$200 per month for September 1, 1953 to December 1, 1953.

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Kenneth E. Schnelle, Economist, Committee for Economic Development, \$5,500 for 10 months, September 1, 1953.

Joseph Edwin Hanson, Editorial Assistant, School of Journalism, \$1,000 for 10 months, September 1, 1953, part time.

John Nugent, Extension Specialist in Motion Picture Production, Photography Service, \$3,800 for 12 months, September 15, 1953.

William Lillard, Laboratory Assistant, Reading Laboratory, \$1,200 for 9 months, September 1, 1953, 1/2 time.

Lucile Willowby, Laboratory Assistant, Reading Laboratory, \$1,500 for 9 months, September 1, 1953, 1/2 time.

Martha Mae Newell, YWCA Executive Director, Student Christian Association, \$3,660 for 10 months, September 1, 1953.

Mary Elizabeth Arthur, M.D., Staff Physician, Student Health Service, \$7,200 for 12 months, September 1, 1953.

Valrie L. Bailey, Librarian P 1, Reserve, University Libraries, \$3,000 for 12 months, September 28, 1953.

Pauline Cook Hall, Librarian P 1, Cataloging, University Libraries, \$1,466.70 for September 21, 1953 to March 1, 1954.

John Grayson, Assistant Basketball Coach as a replacement for Jerome Needy who is resigning. I discussed Mr. Grayson's appointment at the special meeting on September 23. Also Assistant Professor of Physical Education for Men, \$5,000 for 12 months, October 1, 1953

CHANGES:

Oliver Holmes Knight, Specialist in Educational Materials Development, Correspondence Study, \$2,040 for 12 months, September 1, 1953, 1/2 time. Transferred from hourly payroll.

Rama Fae Mathis, transferred from University Libraries to Library Science; change in title from Librarian P 1 to Library Reviser; salary increased from \$3,000 for 12 months to \$3,000 for 9 months, September 1, 1953.

Carroll Swickey, Extension Specialist I, Short Courses and Conferences, salary changed from \$320 per month for full time to \$160 per month for 1/2 time, September 16, 1953.

RESIGNATIONS:

William M. Shanner, Director, Bureau of Extension Research, July 1, 1953.

Approved.

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SCHOOL OF MEDICINE AND UNIVERSITY HOSPITALS

APPOINTMENTS:

Melvin R. Davis, M.D., Assistant Professor of Preventive Medicine and Public Health, no salary, August 15, 1953.

Betty Murdock, Instructor in Surgical Nursing, School of Nursing, \$3,600 for 12 months, October 1, 1953.

Elaine D. Ruth, Instructor in Medical Nursing, School of Nursing, \$3,600 for 12 months, September 1, 1953.

Phyllis M. Stuve, Instructor in Obstetrical Nursing, School of Nursing, \$3,600 for 12 months, September 28, 1953.

Vivian Lucile Vrooman, Instructor in Nursing Pediatrics, School of Nursing, \$3,400 for 12 months, September 15, 1953.

Thelma Louise Armstrong, Teaching Assistant, School of Nursing, \$3,200 for 12 months, October 5, 1953.

Arthur A. Hellams, Psychiatrist, Department of Medicine, \$200 per month from Trust Fund, July 1, 1953, part time.

PRECEPTOR:

David Fried, M.D., now Associate Preceptor at Mangum, to be appointed as Preceptor replacing Van S. Parmley, M.D., who is resigning as Preceptor at Mangum. Effective October 1, 1953.

RESIGNATIONS:

William S. Croon, M.D., Clinical Assistant, Department of Medicine, September 16, 1953.

Approved.

CHAIRMANSHIPS - Norman Campus:

Since the Chairmanship appointments which were approved in the spring, we have had two additional changes. President Cross recommended appointments of the following, effective September 1, 1953:

College of Fine Arts: Applied Music - Mildred Andrews - 2 years

Music Theory - Gail de Stwolinski - 2 years

Approved.

Regent Benedum reported he and Regent Short had conferred with the Attorney General concerning the Richard Elanc matter, as directed at the September 10 meeting. The Attorney General was of the opinion, on the basis of information given him, the salary should be paid. Mr. Benedum stated: "We have not had an opportunity to prepare a resolution but will do so by the next meeting. The A. A. U. P. committee has not made a report and will probably not do so until spring."

Regent Grisso stated he was making a "progress report" with reference to the Will Rogers Memorial Fund investments. He reported he, Professor Leibenderfer, Errett Newby and Phil Kidd had a meeting on Wednesday for a two hour session. Professor Leibenderfer has been asked to make a calculation showing anticipated incomes and Regent Grisso will have a report by November 15 for action by the Regents at the December meeting.

President Cross distributed copies of a report and recommendation with reference to the purchase of milk and milk products, this matter having been held over from the September 10 meeting:

MILK BIDS:

Six bids as follows were received October 7 for milk and milk products to be delivered to University dining halls for the period October 15, 1953, to January 31, 1954, under specifications prescribed by the special committee of the Board of Regents:

1. Hansen & Atlee Dairy, Inc. Oklahoma City, Oklahoma (Less 1% - 10 days)	\$23,308.50
2. The Central Dairy Products Co. Oklahoma City, Oklahoma (Net)	25,284.00
3. De Coursey Milk Company Oklahoma City, Oklahoma (Net)	27,472.00
4. Johnson Dairy Norman, Oklahoma (Net)	27,861.00
5. Gilt Edge Dairy Norman, Oklahoma (Net)	27,861.00
6. The Borden Company Oklahoma City, Oklahoma (Net)	27,994.50

Note: The bid by Borden changed the specifications on two items.

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Hansen & Atlas Dairy, Inc., had the contract for furnishing milk and milk products to the University Hospitals for the year ending June 30, 1953. The Hospital Administrator reports the service was satisfactory.

The University's Director of Purchasing and the Vice-President and Business Manager recommended that the low bid be accepted.

RECOMMENDATION:

That the contract be awarded to the low bidder, Hansen & Atlas Dairy, Inc., subject to compliance with the specifications requiring bond and permit to deliver milk in Cleveland County.

Regent McBride stated he would move for the committee (Regents Benedum, Short, McBride), that the low bid submitted by Hansen & Atlas Dairy, Inc., Oklahoma City, in the amount of \$23,308.50 (Less 1% - 10 days) be accepted according to specifications.

On the vote on the motion all members voted AYE. Motion carried.

Regent Benedum stated he would like to submit for the record two letters from George W. Reid, Associate Professor of Sanitary Engineering, and they are as follows:

September 22, 1953

Mr. T. R. Benedum
Regents of the University
of Oklahoma
Norman, Oklahoma

Dear Mr. Benedum:

"I have the following report to make relative to the milk supplies of the University of Oklahoma. I have divided the report into four portions: the invitation to bid, the quality of milk produced in our area, the prices paid by similar institutions in our area, and the relative merits of buying milk wholesale vs. buying it on a bid basis.

"(a) In examining the invitation to bid I find that it should insure high quality milk and adequately protect the University provided that:

- "(1) On page two, section seven, the wording be rephrased to read: 'must obtain and maintain from the Cleveland County Health Department a permit to sell milk in Norman.'

- "(2) In the invitation to bid, some mechanism be established for competent sanitary inspection by the University of Oklahoma. Many colleges maintain a sanitarian on the Student Health Service staff. This invitation to bid was probably patterned after a federal government proposal, in which case the government maintained independent sanitary inspection.
- "(3) The University reserve the option of taking all or part of the bid. A plant will often bid one item low to pick up on another.

"(b) In examining the quality of the milk marketed in this area it is very difficult to arrive at any definite recommendation. Grade A milk must be inspected monthly by the city or county health unit in which the plant is located and graded either on grade or off grade. All plants in Oklahoma City and Norman are on grade and appear to have been so for the past several years. Yet there is obviously variance in the grading procedures used by various health units despite the use of a standard format. To make these grading procedures more uniform, the State Health Department grades every area once a year. (Both Oklahoma City and Norman milk sheds have been 90% Grade A—the past few years.) Beginning this year, the State Health Department will annually grade individual plants, rather than areas; for there are plants selling off grade (not Grade A) milk in the areas. I believe the bid proposal, if amended, will provide high quality milk, particularly if regular university inspection is provided.

"University inspection of the milk may seem unnecessary, but one should remember that the quality of milk could change on being transported. Thus, milk from a certain plant could be Grade A at that plant in Oklahoma City, and below Grade A after transportation to Norman. If Cleveland County took samples this possibility of lowered quality could be checked; but the County's procedure is to take monthly samples and de-grade only after five consecutive high bacterial counts. Under the invitation to bid, University of Oklahoma inspection would provide for immediate refusal of any milk analyzed and found to be of inferior quality.

"(c) In examining the prices of milk in the area, I have prepared the following table for your comparison:

RELATIVE MILK PRICES

<u>Consumer</u>	<u>Plant</u>	<u>Price</u>	
		<u>Wholesale</u>	<u>Retail</u>
South Side Grocery	Gilt Edge	21¢ per qt.	24¢ per qt.
	Bordens	21¢ per qt.	24¢ per qt.
South Base (Navy) (delivered in 1/3 qt. containers)	Gilt Edge	<u>Bid Bases</u>	
		65¢ per gal. or 16½¢ per qt. or 4¢ per half-pint; or 6.6¢ per third-quart.	

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<u>Consumer</u>	<u>Plant</u>	<u>Wholesale</u>	<u>Price</u>	<u>Retail</u>
Sooner Nursery	Bordens	21¢ per qt.		
			<u>Bid Bases</u>	
Tinker Air Force Base	Johnson (7-53 to 10-53)	15¢ per qt. or 3-3/4¢ per half-pint.		
	DeCoursey (4-53 to 7-53)	16.4¢ per qt. (Deliv. in qts. and third-quarts.)		
	Gilt Edge (1-53 to 4-53)	18.9¢ per qt.		
	DeCoursey (10-52 to 1-53)	19.9¢ per qt.		
A & M College	(Three plants this year)	@ 4 1/2¢ per pt.		

"In regard to these prices, it appears that milk is in ample supply and that prices are declining. Four and one-half cents per pint is approximately cost; and some dairies having a surplus are selling at cost in order to maintain their producers. The type of package does not affect the price.

"Some plants supply wholesale milk with a butterfat content in excess of the bid requirements: Gilt Edge milk, for example, is 4.1% butterfat, while milk from most of the other plants is about 3.5%. This difference can be tasted. Naturally a plant can sell milk with 3.5% butterfat cheaper than milk with a higher content.

"(d) Consideration should be given to the decision to purchase milk on a bid basis in preference to buying it wholesale. From the prices cited it is apparent that some savings can be effected, at present, by letting bids. But it should be remembered that bids will vary depending on the milk supply; and there is some evidence that the present trend toward over-supply will swing back in the other direction.

"More important, in my opinion, is the basic philosophy involved. Purchase on a wholesale basis allows the University to order from the plant of its choice—the one that has provided and can continue to provide loyal service. On the bid basis this mutual benefit and responsibility is lost. On the bid basis also, any fluctuation in the demand for milk is the responsibility of the University—not the plant receiving the contract. In as much as milk is a perishable product the invitation to bid should be very carefully worded so that the University is not obligated, by contract, to accept more than can be used.

Sincerely yours,

/s/ George W. Reid

George W. Reid,
Associate Professor
Sanitary Engineering and Public Health"

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October 7, 1953

Mr. T. R. Benedum, President
University of Oklahoma Board of Regents
Norman, Oklahoma

Dear Mr. Benedum:

With respect to your inquiry as to the manner of writing of government milk contracts, I have the following two items to report:

A. With respect to variation in the estimates of quantities, they have found it necessary to include, and I quote--

'The quantities of the various items listed in the invitation are based upon the best information obtainable and represent the estimated and not the actual amounts for which supplies may be required during the contract period. The fact that specific quantities cannot be determined and given in the invitation for bids will not relieve the government of its obligation to order from the successful bidder all the supplies, which in the judgment of the Contracting Officer, may be needed, and shall not in any case relieve the successful bidder of his obligation to fill all orders for supplies which he may be required to furnish during the contract period.'

B. Regarding sanitation--and sanitary inspection--

a. Award of items listed on this invitation for bids will be made only to bidders whose facilities at which items are to be produced have been inspected or otherwise approved by the government within 30 days prior to opening date of this invitations for bids. In the event that the inspection reveals the existence of unsanitary conditions the bidder will be informed of such conditions, in writing, by the Contracting Officer prior to award, and no award will be made to that bidder unless the conditions are immediately corrected, reinspection requested, and on such reinspection the facilities are found satisfactory and approved.

b. The Government reserves the right to inspect the contractor's facilities at all reasonable times during the performance of the contract. If an inspection reveals the existence of unsanitary conditions the contractor will be requested, in writing, by the Contracting Officer to correct such condition. Refusal to correct immediately any unsanitary condition shall constitute sufficient cause for the Government to terminate by a written notice the right of the contractor to continue the performance of the contract, and to hold the contractor liable for any damages caused

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the Government by reason of such termination, without regard to any right otherwise available to the contractor under this contract in connection with default."

"This inspection obviously checks the source of milk. A large milk plant having out-of-state or out-of-area connections, could ship refrigerated milk in. In my opinion this milk, though it might meet the specifications, would be stale and, on warming, would sour much more rapidly.

Yours truly,

/s/ George W. Reid

George W. Reid,
Associate Professor
Sanitary Engineering"

Regent Benedum stated the committee would continue in its study of University purchasing. He expressed the opinion it should not be necessary for the Purchasing Department to make purchases for the Book Exchange, the Press, and Athletics.

President Cross stated if we do not have centralized purchasing then it should be determined immediately who should do the purchasing. "I am anxious that the Regents make a thorough study of our policy on purchasing. There has been some criticism. I think we have done a pretty good job on purchasing. When the Legislative Council had an investigation made by an outside agency this agency commended our plan as the best in the state. After the investigation by the Regents we should either give the Purchasing Department a vote of confidence or lack of confidence."

Regent McBride stated as follows: "I think the University's policy on purchasing is OK but that it is a personality problem."

President Cross distributed copies of a report by Frank Elkouri on the subject: "Scope of Duty to Purchase Through Competitive Bids." The report follows:

"The Regents are given power by statute to 'enter into contracts, purchase supplies and equipment, and * * * direct the disposition of all monies appropriated or allotted to the University or derived from the sale of bonds provided for under any law for the University of Oklahoma or otherwise lawfully accruing thereto.' (70 O.S. § 1247.7) Moreover, the Board of Regents 'may by general rules, authorize officers of the University to act in its behalf in the making of contracts for the purchase of supplies and equipment, or in carrying out the powers herein conferred.' (ibid)

"In general, competitive bids are required in purchasing for the State. 74 O.S. § 64a (a 1939 Act) provides:

"No State department, board, commission, institution or official shall contract for, or purchase, any equipment, supplies or merchandise requiring an expenditure in excess of Two Hundred (\$200.00) Dollars without first receiving competitive bids, and the same shall not be purchased from anyone other than the lowest and best bidder, giving preference to Oklahoma firms; Provided, this Act shall not apply to the purchase of articles having a standard and uniform retail price fixed by the manufacturers or makers thereof." (emphasis added)

"In 1949 a new Act (61 O.S. §§ 21 et seq.) was passed for the purpose, as stated by its Title, of 'governing public contracts, purchases, sales and acquisition of property, materials and equipment * * * from the proceeds of the sale of bonds authorized by section 31, article 10 of the Constitution /pertaining to the recent \$36,000,000 building bond issue/'. Any expenditure from this fund involving more than \$500 must be by bid.

"The \$200 figure still stands except as to expenditures out of the \$36,000,000 fund. While there was some effort to raise the figure during the recent legislative session, nothing came of it.

"The question remains whether expenditures in connection with the OPERATION OF SELF-SUPPORTING AUXILIARY ENTERPRISES (not operated by state appropriated funds or funds obtained by sale of bonds) must be made by bid if the expenditure exceeds \$200. The operation of University self-supporting auxiliary enterprises is not specifically regulated by statute. Whether the statutes noted above cover expenditures by such enterprises is debatable. It is significant that the \$200 'bid' statute was enacted prior to the advent at the University of large scale auxiliary housing and food enterprises.

"While the policy underlying said statutes no doubt applies with equal force to most expenditures by auxiliary enterprises, **THERE IS STRONG REASON TO DOUBT THE NECESSITY, OR AT LEAST THE DESIRABILITY, OF TAKING BIDS IN CONNECTION WITH CERTAIN OF SUCH EXPENDITURES.**

"The auxiliary enterprises, being self-supported, should be left unshackled to take advantage of favorable market situations. This is especially so in regard to meats and produce, the market for which is characterized by rapid and frequent fluctuations. If bids are required for all expenditures in excess of \$200 in connection with these items, it will generally be impossible to take advantage of low market and distress sale situations, for the situation often will have vanished by the time the formalities of the bidding process can be completed. While the State Board of Affairs does purchase meats by quarterly bid, as I understand it, its purchases are subsidized by the state, being for use of state penal and mental institutions. University auxiliary enterprises, on the other hand, being self-supporting, have keen need to take advantage of advantageous markets. Moreover, the University purchases meats and produce

for resale (through its food service facilities) and must compete favorably with private food service establishments as to price and quality of food. This is not true in regard to purchases for state penal and mental institutions, whose inmates are fed at state expense and have no other place to eat.

"The above considerations make it reasonable to believe that the 'bid' statute was not intended to apply inflexibly to our auxiliary enterprise operations. Indeed, such operations probably are not technically covered by the 'bid' statute. This eventuality notwithstanding, underlying public policy suggests the propriety and wisdom of making University expenditures by bid except in the following situations:

- "(1) Where the item has a standard and uniform retail price.
- "(2) Where only one potential vendor is available, which will depend in part upon the nature of the product desired, time and transportation considerations, etc.
- "(3) Where there is more than one potential vendor but they are unwilling to bid.
- "(4) Purchase of meats and produce at advantageous low market and distress sale prices.
- "(5) Where the quantity needed and the nature of the item is such that the expenditure will be no more than \$200 (\$500 in case of expenditures from the \$36,000,000 bond fund). If the nature of, need for, or other characteristics of the item is such that good business judgment and economy dictate that it be purchased on a small-quantity, short-term, basis only, then the amount of the expenditure might properly not exceed \$200 although it would exceed that sum if made on the basis of a larger quantity or longer period.

"It is my opinion that the Regents would be justified and not in violation of the law in following a purchasing program for University auxiliary enterprises which is sufficiently flexible to accommodate all five exceptions enumerated above. Only the courts can ultimately say whether (1) the 'bid' statute applies to auxiliary enterprises, and, if so, (2) whether it applies so inflexibly as to forbid exception number 4 above, and other justified exceptions which have not occurred to me. In the meantime an Attorney General opinion might be desired."

Regent McBride moved, and it was voted "that the Regents thank Mr. Elkouri for his fine work, that a copy of his report be transmitted to the Attorney General by Regents Benedum and Short, for further clarification."

President Cross called attention to the Memorial Services which are to be held on the North Oval on Tuesday, October 13, at 4:30 p.m. for the twenty-three N.R.O.T.C. men who lost their lives in the plane accident last summer. He asked that the Regents be represented at this ceremony.

Regent Bonedum asked that all Regents come if at all possible. The Secretary was asked to send a reminder to the Regents.

President Cross reported the death of Dr. William C. McClure, Assistant Professor of Medicine in the School of Medicine, on September 24, 1953. Dr. McClure has been associated with the School of Medicine since January 4, 1940.

The Regents voted that a letter be sent to the surviving members of Dr. McClure's family expressing sympathy of the Regents.

President Cross recommended that the University Museum be named J. Willis Stovall Museum as a memorial to Dr. Stovall who died July 24, 1953. He stated Dr. Stovall developed the Museum from a very small beginning. The Campus Planning Committee recommends that the Museum be named as a memorial to Dr. Stovall.

Regent Short moved, and it was unanimously voted to approve the recommendation.

President Cross stated there are some problems in connection with our athletics as a result of the stringent code of the North Central Association. This code provides that an athlete, to receive financial aid, must be making progress toward graduation. He explained the situation in detail and the interpretation of the rules that has been made for this year.

He again stressed the importance of uniform regulations in the various accrediting associations, and said that if such could not be brought about the University of Oklahoma would be handicapped in competition with teams not under the jurisdiction of the North Central Association. He asked that his statement be recorded in the minutes of the meeting. The possibility of transferring the schools of Oklahoma to the Southern Association was discussed.

It was agreed that transfer to the Southern Association be explored through the various governing boards, and also try to get the other associations to go together and develop a uniform policy in all associations.

President Cross discussed with the Regents the matter of accepting students from out-of-state in the School of Medicine. He stated as follows: "It is desirable that some out-of-state students be admitted,

and that we be not known as taking students only from Oklahoma. The accrediting agencies recommend that institutions accept some out-of-state students. If we do not, other states may retaliate and not accept Oklahoma students. If we come to the acceptance of out-of-state students, in view of the volume of applicants, we should have a filing fee of \$5.00 from out-of-state applicants. Other states have a similar fee."

President Cross recommended that the Committee on Admissions of the School of Medicine be asked to give consideration to the possibility of admitting a few very select students from out-of-state, and that a filing fee of \$5.00 be established to process applications.

Regent Morgan moved, and it was unanimously voted to approve the recommendation.

President Cross reported bids had been received for the purchase of 654 periodical subscriptions for the University Libraries, and since the lowest bid is in excess of \$5,000, he was submitting the bids for consideration by the Regents. Three bids as follows were received:

F. W. Faxon, Boston	\$5,072.90
Subscription Service Co., Birmingham	5,128.50
National Publications Co., Los Angeles	5,330.77

President Cross recommended that the contract be awarded to the low bidder, F. W. Faxon, at \$5,072.90.

Approved on motion by Regent Little.

Regent Foster, Chairman of the Regents' committee on Insurance, made a preliminary report on the study of University insurance. He stated: "In the course of our study it was our opinion the rates are quite high. We do not have good fire protection. By making expenditures to improve this situation the rates may be reduced." He stated he had not had an opportunity to discuss the matter with other members of the committee but would do so during the noon hour.

Mr. Foster submitted the following report on the matter by Mr.

Cate:

Since 1946 when the University first found it necessary to purchase fire and extended coverage insurance, use and occupancy insurance, and protection on certain other risks in connection with bond issue projects, the policy in purchasing the insurance has been to divide the orders between the two long-established firms in Norman which deal exclusively in insurance — the King G. Price agency and the Hal Muldrow, Jr., agency.

As a result of a review of insurance problems made since Dr. Donald Raymond Childress was added to the staff of the College of Business Administration as a specialist in insurance, it appears that the University could gain financially by a change in the existing policy.

RECOMMENDATION:

That a proposal as follows be presented to the Insurance Committee of the Board of Regents:

(a) That the University place all insurance business through the Oklahoma Association of Insurance Agents, office of which is located in Oklahoma City.

(b) That the State Association place the insurance orders with individual agencies, with each single risk handled by only one agency.

(c) That the Association members agree to place in a special fund all of the premium commissions involved in such insurance purchases, less a reasonable percentage to be retained by each agency writing a policy to cover actual costs of handling; such special fund to be used for purposes of mutual interest to both the Association and the University.

(d) That the change in policy be implemented as present policies come up for renewal.

(e) That the Vice-President and Business Manager of the University, with the counsel of the insurance specialist in the College of Business Administration, be authorized to negotiate with representatives of the Oklahoma Association of Insurance Agents for an agreement along the lines stated above.

Mr. Foster suggested the Cate statement be explored. He stated the committee will continue its work and will report at the next meeting. In the discussion the suggestion was made that the Oklahoma Inspection Bureau be asked to make a survey of the campus.

Mr. Grisso suggested that the Oklahoma Inspection Bureau be asked to make a survey of the situation and that the Regents be given a report on what may be done to improve fire protection, and a possibility of reducing the insurance rates.

Regent Foster stated the committee will continue its work and study the possibility of reducing the rates.

President Cross distributed copies of a report and recommendation on bids for installation of an additional cooling tower at the central chilled water plant on the campus. These bids were not received in time to have the matter appear on the agenda. The report and recommendation follows:

COOLING TOWER BIDS

Pursuant to allotment of funds by the Board of Regents for air conditioning improvements, bids have been received as follows for installation of an additional cooling tower at the central chilled water plant:

1. Lillie-Hoffman Cooling Towers, Inc. St. Louis, Missouri	\$15,750.00
2. The Fluor Corporation Ltd. Los Angeles, California (Bid by Tulsa Office)	18,507.00
3. The Marley Company Kansas City, Missouri	20,356.00
4. Federal Supply Company Oklahoma City (Bidding Pritchard Tower)	20,377.00
5. Santa Fe Tank & Tower Company Los Angeles, California (Bid by Guy W. Gentry, Mfg. Agent, Oklahoma City)	20,575.00

Mr. Bernie Shultz, Assistant Director of Physical Plant and Supervising Engineer for the University's air conditioning installations, has examined the bids carefully. He recommends that the contract be awarded to the Fluor Corporation, Ltd., of Los Angeles, the second low bidder, for the reason that the low bidder does not meet the specifications.

The Director of Purchasing and the Vice-President and Business Manager concur in this recommendation.

RECOMMENDATION:

That contract for the cooling tower be awarded to the Fluor Corporation, Ltd., which submitted the lowest bid meeting the specifications; and that the alternate to exclude sunlight from the south side and ends of the tower basin, at an additional cost of \$430.50, be accepted, making the total cost \$18,937.50.

Regent Foster moved, and it was unanimously voted to award the contract to the Fluor Corporation, Ltd., as recommended.

President Cross presented the bids on "Air Conditioning, Crippled Children's Hospital Addition" as follows:

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Hirsch-Swan	\$39,850.00
Kay Engineering	34,298.00
The Saied Company	36,213.00
C. Robert Ingram	36,593.00
Federal Distributors	40,900.00
Braniff Engineering	40,945.00

It was noted that the bid of Kay Engineering, in the amount of \$34,298 was the lowest bid submitted, and on recommendation of Dean Everett and Walter W. Kraft, President Cross recommended acceptance of this bid.

It was moved by Regent Foster to approve the recommendation. All members voted AYE except Regent Short who voted NO. Motion carried.

A letter from John H. Cantrell, President of the Oklahoma Kappa Memorial Foundation, to President Cross was read, and it is as follows:

"September 18, 1953

"IN RE: James Gordon Prather
Scholarship - Oklahoma
Kappa Memorial Foundation

"Hon. George L. Cross
President of University of Oklahoma
Faculty Exchange
Norman, Oklahoma

Dear Dr. Cross:

"I believe you and the University, including the Board of Regents, will be glad to have for such use as you care to make of it the following information:

"Upon Mr. Cate's recommendation, or that of your staff, Oklahoma Kappa Memorial Foundation has just formally awarded to James Gordon Prather of Altus, Oklahoma, a scholarship at Oklahoma University, amounting to \$75.00 per month to run for at least two semesters. Formal presentation of the scholarship award was made last evening, September 17, 1953, at Norman.

"Gordon Prather was found to be an outstanding boy scholastically and otherwise and the University staff had been very anxious to find financial help for him. After investigation the Scholarship Award Committee of Oklahoma Kappa Memorial Foundation was pleased to aid the University in its splendid endeavor to find financial assistant for worthy boys, where essential, and The Foundation was indeed happy to honor this particular boy and to aid him as he is believed to be most worthy.

"Oklahoma Kappa Memorial Foundation is an educational corporation organized under the laws of Oklahoma. It was conceived as a means of memorializing the members of Sigma Alpha Epsilon from its Oklahoma chapter who

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made the supreme sacrifice in World War II. Many thousands of dollars have been contributed to its causes and objectives and its funds are being used to aid worthy boys to continue or complete their education when it would otherwise be interrupted or discontinued because of financial distress.

"This particular scholarship was the result of a contract for contribution to The Foundation by one of the prominent alumni of the University as a memorial to his deceased son, also a student at the University and a member of Sigma Alpha Epsilon. It would seem that no finer memorial could be erected than to contribute to the building of citizenship in another promising boy, to substitute in a measure for a very bright outlook for such citizenship in one whose future career was rendered impossible by fate.

"Also, it seems that this sort of thing might be the inspiration for and the beginning of other similar memorials both connected with this particular named fraternity and many others. The endeavor of this Foundation has been so successful with such small comparative effort that it would seem that others might well like to adopt the idea.

"Assuring you of our desire to cooperate with the University and every effort to give the youth of our state the best possible education advantages, we are

Yours very truly,

OKLAHOMA KAPPA MEMORIAL FOUNDATION

By /s/ John H. Cantrell
John H. Cantrell, President"

It was voted that Regent Benedum write a letter of commendation to Mr. Cantrell on behalf of the Regents.

President Cross reported approximately \$65,000 will be available to call Dormitory Bonds of 1946 prior to maturity on the December 1, 1953 interest and principal payment date. President Cross recommended calling 65 bonds.

The following resolution was proposed:

RESOLUTION

WHEREAS, prior to December 1, 1953, there will be in the Principal and Interest Fund of the Regents of the University of Oklahoma Dormitory Bonds of 1946 an amount sufficient to meet the interest and principal payments due on that date plus a surplus of approximately \$65,000 which can be used to redeem bonds prior to maturity; and

WHEREAS, 145 bonds of the 1955 maturity are still outstanding and unpaid and are the highest serial numbered bonds outstanding and are eligible for redemption at par and accrued interest on December 1, 1953;

BE IT RESOLVED, by the Board of Regents of the University of Oklahoma that any of the surplus funds remaining in the Principal and Interest Fund as of November 1, 1953, be used as far as possible to retire bonds of the 1955 maturity in inverse order of their serial number commencing with bond No. 1185 and continuing inversely as far as surplus funds in the Principal and Interest Fund will permit, and that Mr. A. S. J. Shaw, State Treasurer, be directed to transfer from the Principal and Interest Fund of this bond issue in the State Treasury to the paying agent, the Fidelity-Philadelphia Trust Company of Philadelphia, Pennsylvania, the amount of money necessary to call the said bonds for redemption at par and accrued interest on December 1, 1953, provided further that upon receipt of the said bonds called for redemption the State Treasurer shall cancel the said bonds and remaining interest coupons and give the Controller of the University of Oklahoma evidence of such cancellation.

On motion by Regent Foster, seconded by Regent Morgan, the resolution was unanimously adopted.

President Cross recommended that the Director of Athletics be authorized to enter into contracts as follows:

FOOTBALL:

University of Pittsburgh in Norman, October 1, 1955, with a return game to be played in Pittsburgh as soon after 1955 as our schedule will permit.

Regent Little moved approval of the recommendation. On the vote Regents Little, Morgan, Foster, and Grisso voted AYE; Regent Short voted NO; Regent McBride had left the meeting. Motion carried.

WRESTLING:

Colorado A. & M. in Norman, February 5, 1954, with a return match at a date to be agreed upon in 1955, at Fort Collins, Colorado.

Regent Little moved approval of the recommendation. All members voted AYE.

President Cross reported the sale of the stock of Louisiana Land and Exploration Company which had been given by Everett DeGolyer as reported at the meeting on September 10. The sale transaction was as follows:

100 shares of stock sold at 44-1/8		\$4,412.50
State Tax	\$ 4.00	
Federal Tax	.06	
Securities and Exchange Commission Commission	.34	
	<u>29.93</u>	
		<u>29.93</u>
Net		\$4,382.57

ACTIVITY FEE DISTRIBUTION (1st semester, 1953-54):

President Cross recommended Activity Fee Distribution for the first semester of 1953-54 as follows:

(1) That distribution of the \$30 activity fee included in the \$66 general fee collected for the fall semester be approved as follows, subject to adjustment to conform to exact enrolment figures when the final enrolment for the semester is determined:

	<u>Per Student</u>	<u>Estimated Total</u>
Health Service	\$5.50	\$41,662
Oklahoma Daily	.75	5,651
Student Activities	.75	5,651
*Stadium	7.26	55,000
Union:		
*Debt Service	8.05	61,000
Operations	1.98	15,000
Balance available for educational purposes	5.71	43,225
	<u> </u>	<u> </u>
Total	\$30.00	\$227,250

*Amounts determined by debt service requirements.

(2) That a power plant fee be approved as follows, to meet bond issue requirements:

<u>Per Student</u>	<u>Total</u>
\$9.60	\$72,757

The power plant fee is not included in the \$30 activity fee because proceeds of this fee are placed in Educational and General Budget and expended through the budget for heat, light, water and power.

Approved on motion by Regent Morgan.

President Cross recommended that the Regents authorize an allocation of \$30,000 of the University Hospitals' modernization and repair fund to be used to remodel the space vacated by removal of the Outpatient Department to the new east wing of the main hospital building. The work is to be done on force account under the supervision of the Director of the Physical Plant.

Approved on motion by Regent Morgan.

The memorandum from Roscoe Cate to President Cross concerning the supplemental budget for the University Hospitals, sent to each Regent in the Agenda, was discussed. The details of this budget came before the Regents at the September 10 meeting. Following is a copy of the memorandum:

"RECOMMENDATION:

"That the Board of Regents be asked to adopt the policy of reserving at least \$200,000 from this year's total income of the University Hospitals to supplement the reduced income now in sight for the second year of the biennium, unless new sources of revenue for the second year can be reasonably assured.

"EXPLANATION:

"The Legislature appropriated \$3,000,000 to the State Regents for Higher Education earmarked for the University Hospitals for the 1953-1955 biennium. In this bill, \$1,800,000 was made available for the first year and \$1,200,000 for the second year.

"Trying to interpret the 'intent' of the Legislature in making a larger amount available the first year of the biennium is largely a matter of opinion. My own opinion, based on conferences with the Chairman of the House Appropriations Committee and others at the time when appropriation bills were being drafted, is that legislative leaders anticipated, or hoped, that by the second year of the biennium the Hospitals could substantially increase their revenue through an increase in private patients and from other sources.

"The State Regents for Higher Education allocated the full amount available from the earmarked bill for the first year, \$1,800,000. Chancellor M. A. Nash has told me orally that in his opinion the State Regents for Higher Education intended that the University Regents use the funds available in whatever manner they believe best, considering the Hospitals' needs for both years of the biennium. Chancellor Nash stated that he had had no indication that the State Regents intended to allocate to the Hospitals in 1954-55 any money other than the \$1,200,000 earmarked for such purpose.

"The real issue is not whether all of the \$1,800,000 in state funds should be spent during this fiscal year. The expenditures for this year in any event will be far in excess of \$1,800,000. The issue is whether

approximately \$200,000 of funds available for this year (either state funds or other funds) should be held in reserve to avoid the possibility of a drastic reduction in the Hospitals' operation during the second year of the biennium.

"As matters now stand, the University Regents can count on only \$1,200,000 from state funds for Hospital operations in 1954-55. The estimated income from other sources for the second year cannot reasonably be estimated to be very much in excess of the estimate for this year, according to Mr. Arthur McElmurry, Administrator of the Hospitals.

"There seem to be only three possibilities for any increase in state funds for the second year of the biennium. One would be an allotment of funds by the State Regents from the un-earmarked appropriations from the Legislature. In the absence of any indication whatever from the State Regents that they would consider such an allocation, it would appear unwise to make budgetary commitments based on the assumption that funds could be received from such source.

"Another possibility would be financial help from the Governor's contingency fund. The State Budget Office reports that in all probability there will not be more than \$250,000 available in the Governor's contingency fund for the second year of the biennium, and that there will be numerous demands upon this fund, judging from past experience.

"The third possible source of additional state funds is a deficiency appropriation from the Legislature in the spring of 1955. The University was severely criticized by many members of the Legislature during the 1953 session because of the request for a deficiency appropriation for 1952-53, even though the need for the deficiency appropriation was caused by circumstances beyond the University's control -- a Supreme Court decision adversely affecting income of the Crippled Children's Hospital.

"The Administrator of the Hospitals points out that there is a possibility little money will be available for deficiency appropriations in the spring of 1955.

"Mr. McElmurry has written me as follows:

"Following the conference on July 19th in which the fiscal needs of the University Hospitals were discussed, I had a discussion with Mr. Jim Smith relative to the recommendations made in this conference. In my discussion with Mr. Smith, he stated that in his opinion, there would be very little, if any, surplus available to the twenty-fifth legislature for a deficiency appropriation to the University Hospitals. He stated further that in his opinion, even if some surplus is available, we would experience great difficulty in securing a deficiency appropriation."

"A \$200,000 increase in the operating budget for this year, as now proposed by Dean Everett, would accelerate the financial problem for the second year since the expanded activities would cover only part of this year but would require support for all of the second year of the biennium.

"Dean Everett has proposed that if the budget for this year is increased by \$200,000, the money be used to activate new facilities on a schedule approximately as follows: Open the new ward at the Crippled Children's Hospital Addition in January, 1954; the sixth floor of the psychiatric unit in February; the fifth floor of the psychiatric unit in March; the seventh floor of the psychiatric unit in April; and the isolation ward in the Crippled Children's Hospital Addition and Ward 2-W in the Crippled Children's Hospital in May, 1954.

"This \$200,000 program would bring the University Hospitals into full operation only during the last two months of the fiscal year. Dean Everett estimates that the necessary budget for the University Hospitals for the year 1954-55 to continue this program of full operation is \$3,356,000.

"Following is a summary of the Hospitals' budget situation for the biennium, based on the assumption that the present program will be continued, without expansion, through the second year of the biennium.

"SUMMARY OF UNIVERSITY HOSPITALS BUDGET SITUATION

September 9, 1953

<u>Income</u>	<u>1953-54</u>	<u>1954-55</u>
State funds	\$1,800,000	\$1,200,000
Other funds	1,003,527	1,003,527
Prior year surplus	<u>167,965</u>	<u>195,857</u>
	\$2,976,492	\$2,404,384
<u>Expenditures</u>		
Total approved by University Regents	<u>2,760,527</u>	<u>2,760,527</u> *
Balance available for 1954-55	\$ 195,857	
Prospective deficit for 1954-55		\$ 356,143

*Assuming continuation of present program

"If all available funds were used to expand the program during the latter part of the present year, there would be no carry-over of \$200,000 to the second year. The cost of continuing the added services through all of the second year would probably be at least \$400,000.

"This would add approximately \$600,000 to the prospective deficit and bring it close to \$1,000,000.

"By looking for every possible economy, and every possible way to increase revenues, I believe a financial plan can be developed that will permit continuation of the present program through the second year of the biennium without necessity of a request for a deficiency appropriation.

"However, I see no possibility whatever of adopting the expanded program contemplated in the supplemental budget request proposed by Dean Everett without facing the necessity of a request for a very large deficiency appropriation from the Legislature. I question whether it would be possible to defend successfully a request for a large deficiency appropriation resulting from a deliberate expansion in program."

President Cross concurred in the recommendation by Mr. Cate. On the recommendation of President Cross, Regent Grisso moved, and it was unanimously voted, to adhere to the present budget for the University Hospitals as approved at the meeting July 9, 1953 (Page 4654).

The "Statement of Aims of the Faculty of The University of Oklahoma School of Medicine", a copy of which was included in the agenda for the September 10 meeting and also at this meeting, was discussed. It was the consensus of the Regents that this statement be approved in principle. No further action was taken.

President Cross stated there is another matter which he would like to discuss and he distributed copies of the following statement and recommendation:

"LEASE OF SPACE FOR EXTENSION DIVISION

"The Extension Division has need of classroom and housing facilities for certain kinds of short courses and conferences which cannot be accommodated satisfactorily on either the North Campus or the Main Campus.

"Some small groups, particularly those from business and industry, prefer to be housed in commercial hotel accommodations, and have their sessions in the same building.

"A plan to lease part of the basement floor of the Lockett Hotel in Norman for such purposes has been developed. Since the space is now unfinished, a lease with term of at least five years is necessary to justify the expense of preparing the space for use. The circumstances also require that the rental rate be on a graduated scale, starting with \$180 per month the first year and dropping to \$60 per month for the fifth year. Total rent for the five years would be \$7,200.

"The Dean of the Extension Division and the Vice-President and Business Manager have studied the plan and they recommend it be adopted. A draft of lease agreement has been prepared by the Legal Advisor to the President's Office. Blueprints and outline of specifications for the improvements, and draft of the lease, are available for examination.

"RECOMMENDATION:

"That the officers of the Board of Regents be authorized to execute a five-year lease agreement between the University and the Lockett Hotel covering use of classroom and conference facilities by the University Extension Division, at a graduated rental rate amounting to \$7,200 for five years."

Regent Little questioned the necessity of renting space in the Lockett Hotel in view of the fact that ample facilities are available for short courses and conferences on the North Campus; that he is opposed to spending \$7,200 over a five-year period from University funds.

President Cross stated the fees charged would cover the amount of the rental.

Following a discussion Regent Morgan moved that the President's recommendation be approved.

On the vote on the motion the following voted AYE: Regents Morgan, Short, Foster. Regents Little and Grisso voted NO. The motion carried.

Regent Grisso made inquiry concerning the creation of an Investment Committee as discussed at the June 18 meeting. A copy of the statement and recommendation is as follows:

"CREATION OF INVESTMENT COMMITTEE

"The University's endowment funds are under the control of so many different boards that I believe it would be desirable to have a general University Investment Committee, which would serve as a coordinating and advisory committee.

"RECOMMENDATION:

"(1) That the University Board of Regents establish a 'University Investment Committee', to consist of the following persons:

- "a) the Executive Secretary of the University of Oklahoma Foundation, serving as ex officio chairman;
- "b) a member of the Business Administration faculty qualified to advise on investments, the appointment to be made by the President of the University;

- "c) a representative designated by the Wentz Loan Fund trustees;
- "d) a representative designated by the Student Loan Aid Association;
- "e) the Vice-President and Business Manager of the University;
- "f) the Controller of the University;
- "g) the Internal Auditor of the University;
- "h) the President's legal advisor.

"(2) That the functions of the University Investment Committee shall be:

- "a) to make recommendations to the Board of Regents for investment of endowment funds directly under control of the Regents.
- "b) to promote exchange of information and coordination of policies by the various independent boards of trustees."

President Cross stressed the desirability of a centralized Investment Committee rather than have various independent groups handle investments without professional advice; also that the handling of funds should be centralized.

Regent Grisso moved, and it was voted to approve the statement and recommendation as submitted.

Regent Benedum stated he had received a letter from Jordan Cohen, and Fred Cook, representing the newly organized pep club, requesting that the Regents modify its previous ruling concerning a holiday following a victory over Texas University.

Following a discussion Regent Grisso moved, and it was unanimously voted, that the Regents' regulation to permit a holiday only following a conference championship in football, or a national championship in basketball be adhered to.

President Cross suggested that the November meeting be held at the School of Medicine in Oklahoma City.

It was voted to hold the November 12 meeting at the School of Medicine.

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There being no further business the meeting was adjourned at
3:30 p.m.

Emil R. Kraetli, Secretary