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THE UNIVERSITY OF OKLAHOMA BOARD OF REGENTS
October 28-30, 2002**

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**MINUTES OF A REGULAR MEETING
THE UNIVERSITY OF OKLAHOMA BOARD OF REGENTS
OCTOBER 28-29, 2002**

A regular meeting of the Board of Regents governing The University of Oklahoma, Cameron University, and Rogers State University was called to order in the Oklahoma Room of Post Hall on the Rogers State University Campus, Claremore, Oklahoma, on Monday, October 28, 2002, at 3:25 p.m.

The following Regents were present: Regent Mary Jane Noble, Chairman of the Board, presiding; Regents Stephen F. Bentley, Christy Everest, Paul D. Austin, Tom Clark and Jon R. Stuart.

Absent from the meeting was G. T. Blankenship, Vice-Chairman of the Board.

Others attending all or a part of the meeting included Mr. David L. Boren, President of The University of Oklahoma, Provosts Nancy L. Mergler and Joseph J. Ferretti, Vice Presidents Nick Hathaway, Ken Rowe, Clarke Stroud, Dave Maloney, Lee Williams and Catherine Bishop; Brad Avery, Director of Internal Auditing; Joseph Harroz, Jr., General Counsel, and Dr. Chris A. Purcell, Executive Secretary of the Board of Regents.

Those attending the meeting from Cameron University were Dr. Cindy Ross, President of the University, Provost Don Sullivan and Interim Vice President Terral McKellips.

Attending the meeting from Rogers State University were Dr. Joe A. Wiley, President of the University, Vice Presidents Tom Volturo, Danette Boyle and Richard E. Boyd, and Dean of Students, Brett Campbell.

Notice of the time, date, and place of this meeting were submitted to the Secretary of State, and the agenda was posted in the Office of the Board of Regents on or before 3:00 p.m. on October 25, 2002, both as required by 25 O.S. 1981, Section 301-314.

CAMERON UNIVERSITY

REPORT OF THE PRESIDENT OF THE UNIVERSITY

President Ross reported on a recent meeting of the Cameron University Foundation Board of Directors, stating that they approved revisions to the Bylaws as well as policies and procedures that include setting up standing committees in four areas and ad hoc committees that will provide the Board members greater opportunity to serve the University. They also approved budget requests providing the financial means to accomplish a number of initiatives. The President's Partners Scholarship was established, giving a \$400 fee waiver and \$400 in cash to 132 first-time entering freshmen for this fall. A faculty competitive grants program was approved and is designed to increase faculty involvement. Also approved was funding for the University's centennial celebration in 2008. Additionally, funding was set aside for a comprehensive fundraising campaign, including a feasibility study and prospect development. Finally, they allocated dollars for building the University community and partnerships in Southwest Oklahoma.

A preview day for area juniors and seniors is scheduled for November 2. "It's About You at Cameron University" will allow the prospective students to examine Cameron personally, speak with professors, and learn about Campus organizations.

The Oklahoma State Regents for Higher Education have a meeting scheduled for November 1. New presidents are traditionally given time to speak to the State Regents at their first meeting, but as President Ross is well-acquainted with the State Regents, she plans to feature two students and faculty instead. This will let the State Regents know more about the University.

Finally, Dr. Ross updated the Board on the activities connected with the yearlong academic festival being conducted at Cameron. The University has received a \$7500 grant from the Oklahoma Humanities Council and the National Endowment for the Humanities. The former president of Costa Rica and Nobel laureate, Dr. Oscar Arias, spoke on Campus in September and Dr. Russell Buhite spoke on terrorism earlier this month. On November 14, Dr. Fareed Zakaria, the editor of *Newsweek International* will be visiting.

POSTHUMOUS DEGREE

Ms. BamBi Lyne Rather Nickerson completed the course work for a Bachelor of Science degree with a major in Psychology at Cameron University. Unfortunately, she died in a car accident on May 22, 2002.

President Ross recommends the Board of Regents approve the awarding of a posthumous degree to Ms. BamBi Lyne Rather Nickerson. Cameron Provost Dr. B. Don Sullivan and Vice President for Student Affairs Dr. Linda Dzialo both concur and support the awarding of this posthumous degree to Ms. Nickerson.

In accordance with Oklahoma State Regents for Higher Education policy, a posthumous degree is a nonacademic degree that may be awarded to recognize the earned work of a student who has died. Upon the approval of the Board of Regents, the request to award a posthumous degree to Ms. Nickerson will be forwarded to the Oklahoma State Regents for Higher Education for final action.

President Ross recommended the Board of Regents approve the awarding of a Posthumous Bachelor of Science Degree to Ms. BamBi Lyne Rather Nickerson.

Regent Everest moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

APPROVAL OF LABORATORY FEES FOR BIOLOGY COURSE

Biology 2034 (Human Anatomy) is a prerequisite course for many of the allied health areas, including pre-nursing. Cameron has 300-350 students in the pre-nursing discipline. Annual enrollment in this class averages 120-150 students.

One of the important components of this course is dissection of specimens. It is estimated that a student will dissect material that costs about \$15.00 per semester or \$2,250 (\$15.00 x 150 students) per academic year for one course. Absorbing these costs on an annual basis places a significant strain on a limited departmental supply budget. Currently no laboratory fees are charged. A \$3.00 per credit hour lab fee would provide adequate supplies for this course. This fee is consistent with other fees charged by this department and approved by the Regents.

President Ross recommended the Board of Regents approve a laboratory fee of \$3.00 per credit hour for Human Anatomy, to be used toward the purchase of laboratory supplies.

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

BOARD OF REGENTS' RESOLUTION CONCERNING MANAGEMENT OF THE UNIVERSITY'S CLASSIFIED DEFENSE INFORMATION PROGRAM

Cameron University has been awarded a "Secret" Facilities Security Clearance to allow University personnel to work with Fort Sill and other governmental agencies on national security-sensitive projects. Since the Fire Support Models and Simulations Institute routinely works on classified contracts, it is important that the University maintain its facility clearance. Consequently, certain individuals who exercise control over the management of the facility must be processed for a personal security clearance. The governing federal regulations are outlined in the National Industrial Security Program Operation Manual (NISPOM). The regulations offer universities two alternatives for determining which management officials must be processed for personal clearances.

First, each member of the Board of Regents may choose to be processed for a personal security clearance.

Second, the Board of Regents may designate a Managerial Group that is entrusted with the responsibility to adhere to the federal regulations governing access to classified information. In this case, while each member of the Managerial Group must possess a personal security clearance, the members of the Board of Regents may be excluded from the requirement. By excluding themselves from the requirements for a security clearance and by appointing a Managerial Group, members of the Board of Regents also agree that they:

- * do not require, shall not have, and can be effectively excluded from access to all classified information disclosed to Cameron University.
- * will not implement policies that would cause the Managerial Group to violate federal regulations, policies and/or practices dictated by the NISPOM.

The resolution attached hereto as Exhibit A excludes all members of the Management Team who do not possess personal clearances. This is a temporary waiver from the Defense Security Service to Cameron University to allow time to process security clearances for those members requiring clearances.

President Ross recommended the Board of Regents approve the resolution which designates and entrusts a Managerial Group, whose members possess a personal security clearance, to ensure that all classified information possessed by the University is properly safeguarded, and that the negotiation, execution and administration of classified contracts are performed in accordance with federal regulations.

Regent Everest moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

FISCAL YEAR 2001-02 EXTERNAL AUDITS

At the October 2002 meeting of the Board of Regents' Finance and Audit Committee, Cole & Reed, LLP presented for the fiscal year ended June 30, 2002, the Independent Auditors' Report, Annual Financial Statements, and the Report on Compliance and Internal Control over Financial Reporting based on audits of Cameron University's financial statements. The audits were conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

At the same meeting, Cole & Reed presented for the fiscal year ended June 30, 2002, the Independent Auditors' Report on the Schedule of Expenditures of Federal Awards and the Independent Auditors' Report on Compliance and Internal Control over Compliance Applicable to Each Major Federal Award Program of Cameron University. These audits were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

President Ross recommended the Board of Regents:

- I. Accept the 2001-02 External Audit and Annual Financial Reports for Cameron University; and
- II. Accept the 2001-02 Compliance Audits of Federally Funded Assistance Agreements for Cameron University.

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

ACADEMIC PERSONNEL ACTIONS

CHANGE:

McKellips, Terral, title changed from Interim Vice President for Administrative Affairs to Interim Provost, salary changed from annualized rate of \$103,000 for 12 months (\$8,583.33 per month), to annualized rate of \$112,000 for 12 months (\$9333.33 per month), January 1, 2003 through June 30, 2003.

RESIGNATION:

Zittle, Frank, Ph.D., Assistant Professor, Department of Education, December 18, 2002.

RETIREMENT:

Sullivan, B. Don, Ph.D., Provost, December 31, 2002.

President Ross recommended the Board of Regents approve the academic personnel actions listed above.

Regent Everest moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

LITIGATION

This item was included in the agenda for the purpose of meeting with General Counsel in executive session for a report on pending and possible litigation. No executive session was held, and there was no report.

FISCAL YEAR 2003 REVISED EDUCATIONAL AND GENERAL BUDGET

Cameron University was notified by the Oklahoma State Regents for Higher Education that State appropriations to all institutions of higher education for FY 2003 were being reduced by 4.34 percent. For Cameron University, the dollar amount of the reduction was \$851,005. Instructions were received from the State Regents to revise the FY 2003 budget to reflect the reduced allocation.

A chart summarizing the reductions by object of expenditure is attached hereto as Exhibit B and submitted for approval.

President Ross recommended approval of the revised FY 2003 Educational and General Budget.

Regent Austin moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

ROGERS STATE UNIVERSITY

REPORT OF THE PRESIDENT OF THE UNIVERSITY

President Wiley welcomed the Board and other guests to the Rogers State Campus. He reiterated that RSU is the fastest growing university in the State System and they are working toward a university that will enhance the educational opportunities of both the students and the citizens of northeastern Oklahoma.

FISCAL YEAR 2003 REVISED EDUCATIONAL AND GENERAL BUDGET

On September 13, 2002, the Oklahoma State Regents for Higher Education notified Rogers State University that its State appropriations were being reduced 4.34%. RSU was further directed to submit a revised budget reflecting this \$535,294 reduction in State allocation. Since the budget was being revised at this time, it was possible to more accurately state expected income and expenditures as compared to late May, when the original budget was submitted.

The Rogers State University 2002-2003 Educational and General Budget has been revised following guidelines issued by the State Regents for Higher Education and is attached hereto as Exhibit C.

President Wiley recommended approval of the revised 2002-2003 Educational and General Budget.

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

CURRICULUM CHANGES

The Oklahoma State Regents for Higher Education confer upon each institution the authority to delete, modify and add courses, but require that the changes be communicated to them for information only. The course additions itemized below have been approved by the President and the Vice President for Academic Affairs, upon recommendation of the appropriate department and faculty, the Curriculum Committee, and the Academic Council.

COURSE ADDITIONS:

PREFIX/NO	TITLE
PSY 3053	History and Systems of Psychology
SOC 4013	Sociological Theory

This was reported for information only. No action was required.

FOUNDERS GRANT

Founders and Associates announced a \$139,841 grant to renovate a Rogers State University Chemistry laboratory in Loshbaugh Hall. The Chemistry lab is an integral part of RSU's science programs. It is used to capacity each semester, and is in need of renovation. This renovation will allow the University to install new or refinished cabinetry, paint, improve lighting, install an improved air-handling system, replace the flooring, install new fume hoods, refinish stock rooms, install new sinks, purchase specialty cabinets for chemicals, and update safety equipment. During the past few years, Founders and Associates has provided funds to renovate two other science laboratories in Loshbaugh Hall -- the Microbiology laboratory and the Molecular Biology laboratory, as well as providing funds for instructional equipment.

With this grant, the total support to RSU by Founders & Associates since 1990 is \$1,065,111.

President Wiley recommended the Board of Regents ratify the Founders and Associates, Inc. grant in the amount of \$139,841.

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

DIGITAL GRANT

This grant by the National Telecommunications and Information Administration is a three-phase Public Television Facilities Program to convert KRSC-TV ch. 35 (DTV ch. 36), Claremore, Oklahoma, to digital broadcasting, as mandated by the FCC. The first phase, funded by this award, will purchase a transmitter, antenna, and test monitoring equipment.

President Wiley recommended the Board of Regents ratify the PTFP Television Digital Award in the amount of \$389,444.

Regent Everest moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

AUTHORITY TO INITIATE ARCHITECT SELECTION FOR PERFORMING ARTS CENTER

Various community and civic leaders in Claremore have approached the University inquiring on the feasibility of a joint project with the University to build a performing arts center. While various meetings and discussions have occurred, it is too early to clearly define all the potential possibilities that a facility could offer. However, the indication is that the University, local schools and the community would have a need for a facility, and that funding would be obtained from the community – both public and private through fund-raising efforts, various grants from non-profit foundations, State and federal grants.

To facilitate the process, the institution believes it would be helpful to start the process of selection of an architect. After the selection process is complete, the President will bring the recommendation of the architect selection to the Board for approval.

President Wiley recommended the Board of Regents authorize the President to initiate the process of selection of an architect for a Performing Arts Center.

Regent Everest moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

FISCAL YEAR 2001-02 EXTERNAL AUDITS - RSU

At the October 21, 2002 meeting of the Board of Regents' Finance and Audit Committee, Cole & Reed, LLP presented for the fiscal year ended June 30, 2002, the Independent Auditors' Report, Annual Financial Statements, and the Report on Compliance and

Internal Control over Financial Reporting, based on audits of Rogers State University's financial statements. The audits were conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

At the same meeting, Cole & Reed presented for the fiscal year ended June 30, 2002, the Independent Auditors' Report on the Schedule of Expenditures of Federal Awards and the Independent Auditors' Report on Compliance and Internal Control over Compliance Applicable to Each Major Federal Award Program of Rogers State University. These Audits were conducted in Accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

President Wiley recommended the Board of Regents:

- I. Accept the 2001-02 External Audit and Annual Financial Reports for Rogers State University; and
- II. Accept the 2001-02 Compliance Audits of Federally Funded Assistance Agreements for Rogers State University.

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

QUARTERLY REPORT OF PURCHASES

The Board of Regents' policy governing acquisition of goods and services states that all purchases over \$125,000 must be referred to the Board for approval. Additionally, the policy states that a report summarizing the items below is provided quarterly to the Board as an information item. The following report is for the first quarter for the fiscal year.

- I. Purchase obligations from \$75,000 to \$125,000.

Contract award to Mid-Continental Restoration Co., Inc. dated August 26, 2002, for \$108,373.00 for window replacements to the Bushyhead Fieldhouse.

- II. Acquisition of goods and services pursuant to and funded by sponsored grants and contracts between the amounts of \$125,000 and \$300,000.

No purchases to report.

- III. Sole Source procurements in excess of \$35,000.

No purchases to report.

This item was reported for information only. No action was required.

ADMINISTRATIVE AND PROFESSIONAL PERSONNEL ACTION

RETIREMENT:

Reasor, Virginia, Assistant Vice President for Academic Affairs/Support and Professor, January 1, 2003. Administrative Staff.

President Wiley recommended the Board of Regents' approval of the administrative and professional personnel action listed above.

Regent Everest moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

LITIGATION

This item was included in the agenda for the purpose of meeting with General Counsel in executive session for a report on pending and possible litigation. No executive session was held, and there was no report.

The meeting adjourned for the day at 4:00 p.m.

The meeting reconvened at 11:20 a.m. on October 29, 2002, at The Schusterman Center, Tulsa, Oklahoma. All Regents were present, with exception of Vice Chairman Blankenship.

THE UNIVERSITY OF OKLAHOMA

MINUTES

Regent Bentley moved approval of the minutes of a Regular Meeting held on September 10-11, 2002 as printed and distributed prior to the meeting. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chairman declared the motion unanimously approved.

PROFESSIONAL SERVICE AGREEMENTS - HSC

New-	HCA Health Services of Oklahoma, Inc. (OU Medical Center) College of Medicine – Department of Anesthesiology Term of Agreement 02/01/02 to 01/31/05 CRNA Professional Service Agreement	\$4,512,720
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To provide certified registered nurse anesthetist (CRNA) professional services of 10 CRNAs to the OU Medical Center. Jane Fitch (Department Chair) shall serve as contract administrator. Received on 8/20/02, but not executed as yet.

New- HCA Health Services of Oklahoma, Inc. (OU Medical Center) \$589,800
 College of Medicine – Department of Anesthesiology
 Term of Agreement 01/01/02 to 12/31/02
 Locum Tenens for Anesthesia

To provide temporary substitutions of anesthesiologists. To prepare timely, complete and accurate medical records in accordance with the policies and procedures of Faculty and all professional standards applicable to medical records documentation. To actively participate in the affairs of the Medical Staff, including serving on committees and other obligations. Received on 8/20/02 and sent to HCA for their signature on 8/30/02.

New- National Eye Institute (NEI) \$212,734
 College of Medicine – Department of Endocrinology
 Term of Agreement 07/01/02 to 06/30/03
 Assignment Agreement

With the provision of NEI funds, Dr. Sato will work to build a comprehensive diabetes program, identify new strategies to prevent and/or treat diabetic retinopathy and develop further insight into the pathogenesis of diabetic eye disease. This type of program is not currently available in Oklahoma. Received on 8/12/02 and sent to NEI for their signature on 9/15/02.

Renewal- Oklahoma State Department of Health \$227,270
 College of Medicine – Department of Obstetrics and Gynecology
 Term of Agreement 08/01/02 through 06/30/03
 Perinatal Continuing Education Program

OUHSC shall assign staff to provide activities to improve the knowledge and skills of Oklahoma's perinatal providers by providing continuing education to 20 hospitals and their staff each year. OUHSC shall ensure PCEP has an appropriate curriculum encompassing the highest standard of care and work directly with perinatal providers to improve the quality of perinatal healthcare in Oklahoma. This contract represents an amount \$2,427 less than the FY02 contract. Received on 7/5/02 and sent to OSDH for their signature on 7/24/02. Fully executed on 8/1/02.

President Boren recommended the Board of Regents approve the professional service agreements for The University of Oklahoma Health Sciences Center as set forth above:

Regent Everest moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

DERMATOLOGY CLINIC ADDITION - HSC

At the September 2002 meeting, the Board of Regents approved the design development phase plans for the Dermatology Clinic Addition project, and authorized the administration to proceed with preparation of construction documents and advertise and receive construction bids. This project will construct approximately 3,400 gross square feet at the northwest corner of the existing building, and will provide four treatment/procedure rooms, three exam/consultation rooms, and ancillary spaces (including clinical lab space) to serve the facility.

TAP/The Architectural Partnership, the project architects, completed construction documents, and the project was advertised for bids.

I. AWARD CONTRACT FOR CONSTRUCTION

On September 25, 2002, bids for the project were received from eight firms. The bids have been evaluated by the project engineers and representatives of the University administration (Dr. Raymond Cornelison, Chairman, Department of Dermatology; Michael Moorman, Director of Architectural and Engineering Services; and Wilton Berry, Associate Campus Architect-HSC, Architectural and Engineering Services). A complete tabulation of the bids received is shown below.

II. SIGN THE AGREEMENT

State statutes allow change orders to be issued for up to fifteen percent of the construction cost for projects costing one million dollars or less. Board approval of this phase of the project will authorize the President or his designee to sign the Agreement for Construction and will allow issuance of necessary change orders of up to fifteen percent of the contract amount, within project budget limitations.

III. APPROVE PROJECT BUDGET

The lowest base proposal bid, in the amount of \$505,000, exceeded the funds available for construction. A revised total project budget of \$650,000 is proposed, with funds provided from the College of Medicine and from the Department of Dermatology.

TABULATION OF BIDS DERMATOLOGY CLINIC ADDITION

	Weaver Contracting, Inc. Edmond, OK	W. L. McNatt & Company Okla. City	M. A. Wells Construction Company, Inc. Okla. City	Globe Construction Co. Okla. City
Base Proposal	\$ 505,000	\$ 519,000	\$ 521,372	\$ 523,480
Alternate No. 1, Vinyl Composite Tile in lieu of Ceramic Tile Floors	(1,200)	(1,200)	(1,150)	(1,300)
Alternate No. 2, Paint in lieu of Vinyl Wall Covering	(5,200)	(5,600)	(4,820)	(5,200)

	Hall Construction and Development Companies, L.L.C. Okla. City	M. L. Young Construction LLC Edmond, OK	Kerr 3 Construction Group, LLC Edmond, OK	KJ McNitt Construction, Inc. dba Landmark Construction Group, Inc. Okla. City
Base Proposal	\$ 524,500	\$ 529,000	\$ 540,249	\$ 545,000
Alternate No. 1, Vinyl Composite Tile in lieu of Ceramic Tile Floors	(1,100)	(1,000)	(1,220)	(1,350)
Alternate No. 2, Paint in lieu of Vinyl Wall Covering	(5,000)	(5,209)	(5,209)	(5,800)

It is recommended that a contract in the amount of \$505,000 be awarded to Weaver Contracting, Inc. of Edmond, Oklahoma, the low bidder.

President Boren recommended the Board of Regents:

- I. Award a contract in the amount of \$505,000 to Weaver Contracting, Inc., the low bidder, for construction of the Dermatology Clinic Addition project;
- II. Authorize the President or his designee to sign the Agreement for Construction and the necessary change orders during construction within the statutory and project budget limitations; and
- III. Approve a total project budget of \$650,000 for the Dermatology Clinic Addition project and the necessary revision of the Campus Master Plan of Capital Improvement Projects for the Health Sciences Center.

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

ENGINEER-OF-RECORD FOR STEAM AND CHILLED WATER PLANT - HSC

The Bond Resolution for the Steam and Chilled Water Plant at the Health Sciences Center requires that the Board of Regents retain an Engineer-of-Record for the Plant. The Bond Resolution states, in part:

The Board of Regents shall retain a firm of independent engineers on a continuous basis for the purpose of providing the University with engineering counsel in the operation of the facilities as requested. In addition to other prescribed duties, the Consulting Engineer shall, not later than 120 days after the close of each fiscal year, make a physical inspection of the facilities, and prepare a report based upon such examination and a survey of the management of the business of the facilities and the operation and

maintenance of its properties and state if the Board of Regents has complied with the Bond Resolution; a copy of such report shall be filed with the Trustee Bank, and a copy shall be mailed to any Bondholder requesting same in writing.

In addition to these requirements, the Steam and Chilled Water Plant also has an occasional need for special engineering and operational reports and design projects for needed minor improvements and repairs to the steam and chilled water system.

At the meeting in September 1997, the Board ranked five engineering firms under consideration for this appointment, with Frankfurt-Short-Bruza (FSB) ranked the highest. The Board also authorized the administration to negotiate the terms of the contract and fees with the highest-ranked firm. Subsequently, an agreement between The University of Oklahoma and FSB was executed, and FSB has provided the required professional services for five one-year terms, the maximum duration under the conditions of the appointment.

It is once again necessary to select independent engineers for this work. The conditions of the appointment are as follows:

1. The Engineer of Record will be appointed for a one-year period, with an option to renew the contract for four additional one-year periods, beginning on the date of approval by the Board of Regents.
2. The work of the Engineer of Record will be administered by the Director of Operations.
3. The Engineer of Record may also perform design services limited to small projects that have a total fee of \$50,000 or less.
4. All professional services contracts for small projects will require the approval of the Vice President for Administrative Affairs, HSC.

A committee was formed to interview and evaluate engineering firms to provide the required professional services. The committee was composed of the following:

Wm. Harley Campbell, Campus Architect-HSC, Architectural and Engineering Services, Chairman
Donald Cail, Director of Operations
Bill Martin, Manager, Steam and Chilled Water Plant
Peter Ray, P.E., Assistant Director of Operations
Michael Salter, Associate Administrator, OU Medical Center

Proposals to provide the needed professional services for the project were received from four engineering firms. Based on these proposals, information provided by the State of Oklahoma Department of Central Services and client references, all four firms were selected by the interview committee for further evaluation. The committee conducted a detailed review and interview with each of the firms and rated them from highest to lowest as follows:

1. Frankfurt Short Bruza Associates, P.C.
2. C.H. Guernsey & Company
3. Consulting Engineers, Inc.
4. URS Group, Inc.

ENGINEER-OF-RECORD FOR STEAM AND CHILLED WATER PLANT-HSC
ENGINEERING FIRM EVALUATION SUMMARY

	<u>Frankfurt Short Bruza Associates P.C., Oklahoma City</u>	<u>C. H. Guernsey & Company Oklahoma City</u>	<u>Consulting Engineers, Inc. Tulsa, OK</u>	<u>URS Group, Inc. Tulsa, OK</u>
Acceptability Of Design	36	36	26	28
Quality of Engineering	120	108	75	81
Adherence to Cost Limits	37	33	28	26
Adherence to Time Limits	37	33	26	20
Volume of Changes	34	30	31	24
Financial Stability	36	27	29	24
Total Points	<u>300</u>	<u>267</u>	<u>215</u>	<u>203</u>

President Boren recommended the Board of Regents:

- I. Rank in the order presented above engineering firms that are under consideration to provide professional services required for operation of the Steam and Chilled Water Plant at the Health Sciences Center;
- II. Authorize the University administration to negotiate the terms of an agreement and a fee starting with the highest-ranked firm; and
- III. Authorize the President or his designee to execute the consultant contract.

Regent Everest moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

PROPOSALS, CONTRACTS AND GRANTS

In accord with Regents' policy, a list of awards and/or modifications in excess of \$100,000 or that establish or make policy for the University, or that otherwise involve a substantial or significant service to be performed by the University are shown on the pages hereto as Exhibit D. Comparative data for fiscal years 1999 through 2003, and current month and year-to-date, are shown on the graphs and tables.

The Provisions of Goods and Services policy (amended March 15, 2000) provides that new contracts and grants in excess of \$100,000 must be referred to the Board of Regents for ratification. In addition, in the event a contract, grant, document, or arrangement involved would establish or make policy for the University, or would otherwise involve a substantial or significant service to be performed by the University, that contract, arrangement, or document shall be referred to the Board of Regents for approval.

	FY02 Total Expenditures	FY03 Projection		FY02 Year-to-Date Expenditures	FY03 Year-to-Date Expenditures
UNIVERSITY OF OKLAHOMA	\$182,666,298	\$184,717,153		\$30,035,198	\$33,805,008
NORMAN CAMPUS	\$113,571,022	\$110,094,253		\$18,611,585	\$20,663,666
HEALTH SCIENCES CENTER	\$69,095,276	\$74,622,900		\$11,423,613	\$13,141,342

President Boren recommended the Board of Regents ratify the awards and/or modifications for July and August 2002 submitted with this Agenda Item.

Regent Austin moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

PAUL S. CARPENTER COLLECTION COMMITTEE

At the June 1996 meeting, the Board of Regents accepted the bequest of the late Helen Lottinville to establish the Paul S. Carpenter Collection in Fine Arts. Mrs. Lottinville’s will provided that the Collection should be administered by a committee consisting of the Director of The University of Oklahoma Libraries, who serves as Chair of the Committee; one full professor from each of the customarily recognized disciplines in the Fine Arts, namely, Art, Music and Drama; one full professor representing the humanistic disciplines of languages and literatures; and one full professor from History.

Professor Steven Wallace from the School of Drama has resigned from the Committee, and Professor Michael Buchwald from the School of Drama has been recommended as his replacement on the Committee. His term will expire December 2005.

The following members are currently serving on the Committee:

Victor Youritzin	School of Art
Joy Nelson	School of Music
Robert Griswold	Department of History
Ron Schleifer	Department of English

President Boren recommended the Board of Regents approve the replacement of Steven Wallace with Michael Buchwald on the Paul S. Carpenter Collection Committee.

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

HEATING, VENTILATION AND AIR CONDITIONING IMPROVEMENTS FOR THE COLLEGE OF CONTINUING EDUCATION, FORUM BUILDING - NC

A number of buildings were identified in the 1997-1998 energy audit as needing HVAC improvements for energy efficiency. Huitt-Zollars, an Engineering firm, was hired to design projects related to the energy audit, and has provided plans and specifications for this project. The HVAC system in the Forum Building is original to the building (1962). It is badly deteriorated and requires replacement.

I. AWARD A CONTRACT

On September 19, 2002, bids for construction of the project were received from four (4) firms. The bids were evaluated by representatives of the University administration (Don Carter, General Manager, Engineering, Physical Plant; Grant Lacquement, Mechanical Engineer, Physical Plant; and Pat Corley, Senior Buyer, Purchasing). A complete tabulation of the bids received and funding source are shown below.

It is recommended a contract in the amount of \$531,700 be awarded to Matherly Mechanical per the documents prepared by Huitt-Zollars.

II. SIGN THE AGREEMENT

State statutes allow change orders to be issued for up to fifteen percent of the construction cost for projects costing one million dollars or less. Board approval of this phase of the project will authorize the President or his designee to sign the Agreement for Construction and will allow issuance of necessary change orders of up to fifteen percent of the contract amount, within project budget limitations.

These funds have been identified within the 1999 Utility System Revenue Bonds.

DESCRIPTION OF BIDS

<u>Company, Location</u>	<u>Amount</u>
Matherly Mechanical, Oklahoma City	\$531,700
United Mechanical, Oklahoma City	\$640,000
Natkin Services*, Oklahoma City	\$575,000
Air Engineering, Inc., Oklahoma City	\$536,436

(* Natkin did not acknowledge receipt of Addendum #2.)

Alternate #1 - Install Additional Electrical Distribution Panel. This alternate will not be accepted.

<u>Company, Location</u>	<u>Amount</u>
Matherly Mechanical, Oklahoma City	\$4,800
United Mechanical, Oklahoma City	\$5,062
Natkin Services, Oklahoma City	No Bid
Air Engineering, Inc., Oklahoma City	\$3,500

President Boren recommended the Board of Regents:

- I. Award a contract in the amount of \$531,700 to Matherly Mechanical of Oklahoma City, the low bidder, to provide heating, ventilation and air conditioning (HVAC) improvements for the College of Continuing Education (CCE) Forum Building on the Norman Campus; and
- II. Authorize the President or his designee to sign the Agreement for Construction and the necessary change orders during construction within the statutory and project budget limitations.

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

ELECTRICAL BUS DUCT IMPROVEMENTS - NC

The Norman Campus has an extensive electrical system, which can be broken down into three subsystems: 1) the lower voltage 2,400-volt system, 2) the 12,500-volt system, and 3) the system that steps up or raises the 2,400-volt system to the more efficient 12,500-volt system, which is called the bus duct. The existing bus ducts are no longer capable of carrying all generated 2,400-volt power to the 12,500-volt system. Without these improvements, the benefits of the University's Real-Time-Pricing and Curtailment Rider program with OG&E, which net approximately \$1 million in savings per year, could not be met. This item requests Board approval to award a contract for improving the bus duct system to alleviate that problem. Frankfurt-Short-Bruza, an Engineering firm, was hired under a master planning agreement to design the project.

I. AWARD A CONTRACT

On September 25, 2002, bids for construction of the project were received from four (4) firms. The bids were evaluated by the representatives of the University administration (Don Carter, General Manager, Engineering, Physical Plant; Frank Reid, Electrical Engineer, Physical Plant; Scott Davis, Manager, Power Plant; and Pat Corley, Senior Buyer, Purchasing). A complete tabulation of the bids received and funding source is shown below.

It is recommended a contract in the amount of \$263,300 be awarded to Oklahoma Electrical Supply Co. of Oklahoma City, the low bidder, per the documents prepared by Frankfurt-Short-Bruza.

II. SIGN THE AGREEMENT

State statutes allow change orders to be issued for up to fifteen percent of the construction cost for projects costing one million dollars or less. Board approval of this phase of the project will authorize the President or his designee to sign the Agreement for Construction, and will allow issuance of necessary change orders of up to fifteen percent of the contract amount, within project budget limitations.

These funds have been identified within the 1999 Utility System Revenue Bonds.

DESCRIPTION OF BIDS

<u>Company, Location</u>	<u>Amount</u>
Oklahoma Electrical Supply Co., Oklahoma City	\$263,300
Shawver & Son, Oklahoma City	291,000
Dane & Associates, Oklahoma City	341,650
Osborne Electric, Oklahoma City	349,570

President Boren recommended the Board of Regents:

- I. Award a contract in the amount of \$263,300 to Oklahoma Electrical Supply Co. of Oklahoma City, the low bidder, to provide electrical bus duct improvements for the Norman Campus; and
- II. Authorize the President or his designee to sign the Agreement for Construction and the necessary change orders during construction within the statutory and project budget limitations.

Regent Bentley moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

BINDERY SERVICES FOR UNIVERSITY OF OKLAHOMA LIBRARIES

The University of Oklahoma Libraries have a continual need to bind loose issues of journals, new theses and dissertations, and books that are in disrepair.

In response to a formal competitive solicitation, the following three suppliers responded:

<u>Company</u>	<u>Location</u>
Everetts	Bossier City, Louisiana
Heckman	North Manchester, Indiana
Houchin	Utica, Nebraska

The evaluation committee comprised the following individuals:

- Lisa Bowles, Circulation Librarian, University of Oklahoma Law Library
- Kandy Chaat, Buyer, Purchasing
- Susanne Bernard, Staff Assistant, College of Allied Health
- Starla Doescher, Acquisitions Department Head, University of Oklahoma Libraries
- Rhonda Cannon, Assistant to the Dean, Admin. Services, University of Oklahoma Libraries
- Marty Thompson, Director, University of Oklahoma Health Sciences Center Library
- Pat Weaver-Meyers, Director of Technical Services, University of Oklahoma Libraries
- Judy Wilkerson, Serials Librarian, University of Oklahoma Health Science Center Library

Evaluation criteria were quality of binding, technical ability to handle large volumes of material, references from academic libraries of similar size and needs, pricing, frequency, reliability of delivery, agreement to extend contract terms to other Oklahoma higher education institutions, computer interface capabilities and overall responsiveness to the solicitation.

Based on these criteria, the evaluation team rated the responding companies as shown in the following table.

	Quality	Technical Capacity	References	Pricing	Delivery	Other Libraries	Hardware Software	RFP	Overall
Everetts	14.0	3.0	17.0	20.0	9.0	0.0	0.0	5.0	68.0
Heckman	19.0	10.0	19.2	19.6	10.0	10.0	5.0	5.0	97.8
Houchin	10.0	5.0	13.4	17.6	3.0	10.0	0.0	3.5	62.5

Pricing was measured on a set of sample requirements. Houchin’s estimate was highest at \$195,380, and therefore was rated lowest for that criterion. Everetts’ estimate was lowest at \$167,130, and therefore was rated highest. Heckman’s estimate was slightly above Everetts’ at \$174,775, and therefore was rated slightly lower. Even though Everetts’ estimate was lowest, its zero rating in the “Other Libraries” and “Hardware/Software” criteria was considered material to the overall decision. Heckman is the only company that will agree to allow other libraries to access this contract on the same terms and conditions, and that will provide computer support.

The committee determined that Heckman Bindery of North Manchester, Indiana, represents best value for the University.

These funds have been identified within the University Libraries budget.

President Boren recommended the Board of Regents authorize the President or his designee to award a contract to Heckman Bindery of North Manchester, Indiana, in an amount not to exceed \$175,000 annually, for bindery services for University of Oklahoma Libraries, for a period of one-year, with option to renew for four additional one-year periods.

Regent Bentley moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

LEASE OF THREE BUILDINGS IN TULSA TO TEMPORARILY STORE A DONATED CORE SAMPLE LIBRARY – NC

In July 2002, The BP American Production Company (BP American) donated an extensive library of geological core samples to the University. The library is currently located in Tulsa, within three buildings (approximately 11,250 square feet) that were leased by BP American from Helmerich & Payne, Inc. (the lessor). Plans have been made to relocate the library to a building in Norman that has recently been acquired by the University. The relocation is expected to be complete by July 1, 2003.

A gift of \$3,000,000 to the University by BP American to promote research using geological cores and samples is being/has been applied to the lease obligation and acquisition of the building in Norman. The remaining amount will be invested as corpus, the income from which will help fund the operation of the relocated core sample library.

The term of the lease agreement as held by BP American expires December 31, 2003. The University, however, has negotiated with the lessor to terminate the agreement early at no penalty.

Due to the circumstances described above, competition was not applicable in connection with the expenditure of the donated funds. The amount of the lease obligation was established between BP American and the lessor prior to the decision to donate the library to the University.

These funds have been identified within the Oklahoma Geological Survey budget.

President Boren recommended the Board of Regents authorize the President or his designee to assume the lease agreements held by Helmerich & Payne, Inc. of Tulsa, Oklahoma, such agreements accompanying three buildings in Tulsa, which house certain core samples donated to the University by The BP American Production Company, in an amount not to exceed \$375,000, for a period of approximately eleven months, ending on or around June 30, 2003.

Regent Everest moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

ROAD SIMULATOR FOR THE COLLEGE OF ENGINEERING - NC

The College of Engineering, under grant funding from the U.S. Department of Transportation Federal Highway Administration, is constructing a unique bridge/vehicle test facility. Specified as a part of the facility is a four-channel, tire-coupled, full vehicle road simulator (vehicle vibration test cell [VVTC]). The Intelligent Vehicle Bridge System Facility construction project, which will provide high bay research space to accommodate this equipment, was approved by the Board of Regents at the June 2002 meeting.

The simulator/VVTC is a key component of equipment for one of the College's research projects. The project's central objective is to develop and demonstrate a prototype truck suspension system that will result in reduced wear and tear on bridges. The college ultimately plans to establish a new commercial facility with the VVTC as a central component of the offered capabilities. The College expects to provide test services to all truck/trailer manufacturers in order to help those companies upgrade their capacity to develop more cost-competitive and road-friendly truck/trailer designs.

The simulator, manufactured by MTS Systems Corporation of Eden Prairie, Minnesota, was specified in the grant application, and its characteristics and dimensions were specified in the design and construction plans of the test facility. Accordingly, the simulator is not a candidate for the competitive process. The price of the simulator is provided for in the grant budget and is considered fair and reasonable for equipment of this size, type and functionality.

Funding for this acquisition and installation of the simulator have been identified within the College of Engineering budget.

President Boren recommended the Board of Regents authorize the President or his designee to award a sole source purchase order to MTS Systems Corporation of Eden Prairie, Minnesota, in an amount not to exceed \$570,000, for a four-channel tire-coupled full vehicle road simulator for the College of Engineering.

Regent Everest moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

457(b) ELIGIBLE DEFERRED COMPENSATION PLAN

Governmental employers can sponsor both a 403(b) plan and an eligible deferred compensation plan as defined in section 457(b) of the Internal Revenue Code of 1986, as amended (the "Code"), at the same time. Effective January 1, 2002, the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") provides that contributions to a 403(b) plan and a 457(b) plan are not aggregated for contribution limit purposes. Therefore, an employee can defer the maximum amount allowed by the Code into a 403(b) plan and a 457(b) plan. Generally, the amount of compensation that an employee can defer under each plan is \$11,000 and may be more depending on the employee's age. University employees can realize substantial income tax benefit from the opportunity to participate in both a 403(b) plan and a 457(b) plan. Therefore, the 457(b) Plan will provide University employees an increased opportunity to save for retirement at minimal cost to the University.

The 403(b) plan and 457(b) Plan are strictly elective employee deferred compensation plans, and do not involve any University matching or other contributions. The 457(b) Plan will be effective for calendar year 2003 with the first payroll deduction allowed in January. Details of the plan are attached hereto as Exhibit E.

President Boren recommended the Board of Regents adopt a 457(b) eligible deferred compensation plan (the "457(b) Plan") to be effective January 1, 2003, and authorize all employees of the University to participate in the 457(b) Plan.

Regent Bentley moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

OKLAHOMA DEVELOPMENT FINANCE AUTHORITY REFUNDING REVENUE BONDS - NC

The continuing decline in tax-exempt interest rates has created a significant refunding opportunity related to the University's Series 1995 Oklahoma Development Finance Authority (ODFA) Revenue Bonds. The following table shows the savings available in the current interest rate environment by refunding the entire Series 1995 ODFA Revenue Bonds.

Net Present Value Savings	\$745,958
Net Present Value Savings as a % of Refunded Bonds	3.51%
Par Amount of 1995A Bonds Refunded	\$21,230,000
Par Amount of 2002 Refunding Bonds	\$23,640,000
Average Interest Rate on Series 1995A Bonds	5.51%
Average Interest Rate on Series 2002 Bonds	3.53%

Source: Prepared by A.G. Edwards & Sons, Inc. Refunding analysis dated September 19, 2002.

The Floyd Law Firm, P.C. has been appointed to provide Bond Counsel services, and Governmental Finance of Oklahoma, Inc. has been appointed to provide Financial Advisor services for the issuance of refunding the revenue bonds.

Preparation of the disclosure statement (often referred to as the Preliminary Official Statement or POS) will be coordinated by the Financial Advisor with direction and input from the University's administration, Bond Counsel, and the State Bond Advisor. The POS will be submitted to the appropriate oversight organizations for review, approval and rating, and will be used by the financing team to determine an appropriate plan of financing the project. Due to the complexity of issuing refunding debt, it is likely the plan of financing will recommend that an underwriter be selected to insure a favorable negotiated, as opposed to competitive, sales effort.

The project is expected to generate sufficient long-term cash flows from Athletic and Section 13/New College revenues to fund debt service. In conjunction with the previously appointed Bond Counsel and Financial Advisor, the University's administration recommends it

be authorized to determine an appropriate plan of financing the project, and prepare and distribute the documents necessary to disclose material information on the purpose of the debt and how it will be repaid. The resulting plan of financing will be reported back to the Board at the earliest possible meeting.

In relation to the plan of financing, the Board of Regents covenants to fix, establish, maintain and collect such rates, fees and charges for the use and services of the system as, in the judgment of the Board, will provide revenues sufficient to:

- (1) Pay the reasonable cost of operating and maintaining the facilities;
- (2) Pay principal of and interest on the Bonds;
- (3) Enable Athletic and Section 13/New College Net Revenues each year to equal at least 125% of the required debt service on any outstanding bonds payable from the Net Revenues of the facilities; and,
- (4) Maintain any reserve requirements for the Reserve Account securing any bonds payable from the Net Revenues of the facilities.

President Boren recommended the Board of Regents:

- I. Authorize and approve the issuance of the Oklahoma Development Finance Authority Athletic and Section 13/New College Refunding Revenue Bonds, Series 2002, in an approximate amount of \$23,640,000 which will refund the Oklahoma Development Finance Authority Public Facilities Program Revenue Bonds (The University of Oklahoma Projects), Series 1995A, the proceeds of which were loaned to The University of Oklahoma for its projects;
- II. Authorize and approve the borrowing of funds of the Oklahoma Development Finance Authority for the purpose of refunding the 1995A bonds and paying normal costs of issuance related thereto;
- III. Authorize and approve a Resolution dated as of this date, authorizing the form of the financing documents related thereto, including, but not limited to, a Bond Indenture, Loan Agreement and Note;
- IV. Approve and authorize the award of the sale of the Bonds on either a competitive or negotiated basis by the Oklahoma Development Finance Authority, based upon the final determination of the financing team and as approved by the State Bond Advisor and as determined to be in the best financial interest of The University of Oklahoma, and authorizing the Vice President for Administrative and Executive Affairs and the Associate Vice President for Administrative Affairs for Finance and Controller of The University of Oklahoma – Norman Campus to do all things necessary to consummate the transaction contemplated herein including, but not limited to, execution and delivery of any and all closing documents;
- V. Authorize the Chairman, Vice-Chairman and Executive Secretary of the Board of Regents of The University of Oklahoma to execute and deliver all necessary financing documents and related closing documents required by Bond Counsel; and,
- VI. Authorize the officers of The University of Oklahoma to execute any closing documents required by Bond Counsel and to take any further action required to consummate the transaction contemplated herein.

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

STUDENT UNION REFUNDING REVENUE BONDS - NC

The continuing decline in tax-exempt interest rates has created a significant refunding opportunity related to the University's Series 1993 Student Union Revenue Bonds. The following table shows the savings available in the current interest rate environment by refunding the entire Series 1993 Student Union Revenue Bonds.

Net Present Value Savings	\$186,441
Net Present Value Savings as a % of Refunded Bonds	5.94%
Par Amount of 1993 Bonds Refunded	\$3,140,000
Par Amount of 2002 Refunding Bonds	\$3,315,000
Average Interest Rate on Series 1993 Bonds	5.12%
Average Interest Rate on Series 2002 Bonds	2.94%
Source: Prepared by A.G. Edwards & Sons, Inc. Refunding analysis dated September 19, 2002.	

The University's administration will competitively solicit Bond Counsel and Financial Advisor services to coordinate the issuance of the refunding revenue bonds.

Preparation of the disclosure statement (often referred to as the Preliminary Official Statement or POS) will be coordinated by the Financial Advisor with direction and input from the University's administration, Bond Counsel and the State Bond Advisor. The POS will be submitted to the appropriate oversight organizations for review, approval and rating, and will be used by the financing team to determine an appropriate plan of financing the project. Due to the complexity of issuing refunding debt, it is likely that the plan of financing will recommend an underwriter be selected to insure a favorable negotiated (as opposed to competitive) sales effort.

The project is expected to generate sufficient long-term cash flows from Student Activity Fees to fund debt service. In conjunction with the appointed Bond Counsel and Financial Advisor, the University's administration recommends that it be authorized to determine an appropriate plan of financing the project, and prepare and distribute the documents necessary to disclose material information on the purpose of the debt and how it will be repaid. The resulting plan of financing will be reported back to the Board at the earliest possible meeting.

In relation to the plan of financing, the Board of Regents covenants to fix, establish, maintain and collect such rates, fees and charges for the use and services of the system as, in the judgment of the Board, will provide revenues sufficient to:

- (1) Pay the reasonable cost of operating and maintaining the facilities;
- (2) Pay principal of and interest on the Bonds;
- (3) Enable Student Activity Fee Net Revenues each year to equal at least 125% of the required debt service on any outstanding bonds payable from the Net Revenues of the facilities; and

- (4) Maintain any reserve requirements for the Reserve Account securing any bonds payable from the Net Revenues of the facilities.

President Boren recommended the Board of Regents:

- I. Authorize and approve the issuance of the Student Union Refunding Revenue Bonds, Series 2002, in an approximate amount of \$3,315,000, which will refund the Student Union Revenue Bonds, Series 1993, the proceeds of which were used by The University of Oklahoma for its projects;
- II. Authorize and approve the borrowing of funds for the purpose of refunding the 1993 bonds and paying normal costs of issuance related thereto;
- III. Authorize and approve a Resolution dated as of this date authorizing the form of the financing documents related thereto, including, but not limited to, a Bond Indenture, Loan Agreement and Note;
- IV. Approve and authorize the award of the sale of the Bonds on either a competitive or negotiated basis based upon the final determination of the financing team, and as approved by the State Bond Advisor, and as determined to be in the best financial interest of The University of Oklahoma; and authorize the Vice President for Administrative and Executive Affairs and the Associate Vice President for Administrative Affairs for Finance and Controller of The University of Oklahoma – Norman Campus to do all things necessary to consummate the transaction contemplated herein including, but not limited to, execution and delivery of any and all closing documents;
- V. Authorize the Chairman, Vice-Chairman and Executive Secretary of the Board of Regents of The University of Oklahoma to execute and deliver all necessary financing documents and related closing documents required by Bond Counsel; and,
- VI. Authorize the officers of The University of Oklahoma to execute any closing documents required by Bond Counsel, and to take any further action required to consummate the transaction contemplated herein.

Regent Everest moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

PARKING REFUNDING REVENUE BONDS - NC

The continuing decline in tax-exempt interest rates has created a significant refunding opportunity related to the University's Series 1995 Parking Revenue Bonds. The following table shows the savings available in the current interest rate environment by refunding the entire Series 1995 Parking Revenue Bonds.

Net Present Value Savings	\$254,947
Net Present Value Savings as a % of Refunded Bonds	5.79%
Par Amount of 1995 Bonds Refunded	\$4,400,000
Par Amount of 2002 Refunding Bonds	\$4,740,000
Average Interest Rate on Series 1995 Bonds	5.16%
Average Interest Rate on Series 2002 Bonds	3.46%

Source: Prepared by A.G. Edwards & Sons, Inc. Refunding analysis dated September 25, 2002.

The University's administration will competitively solicit Bond Counsel and Financial Advisor services to coordinate the issuance of the refunding revenue bonds.

Preparation of the disclosure statement (often referred to as the Preliminary Official Statement or POS) will be coordinated by the Financial Advisor with direction and input from the University's administration, Bond Counsel and the State Bond Advisor (the financing team). The POS will be submitted to the appropriate oversight organizations for review, approval and rating, and will be used by the financing team to determine an appropriate plan of financing the project. Due to the complexity of issuing refunding debt, it is likely that the plan of financing will recommend an underwriter be selected to insure a favorable negotiated (as opposed to competitive) sales effort.

The project is expected to generate sufficient long-term cash flows from Parking System fees to fund debt service. In conjunction with the appointed Bond Counsel and Financial Advisor, the University's administration recommends it be authorized to determine an appropriate plan of financing the project, and prepare and distribute the documents necessary to disclose material information on the purpose of the debt and how it will be repaid. The resulting plan of financing will be reported back to the Board at the earliest possible meeting.

In relation to the plan of financing, the Board of Regents covenants to fix, establish, maintain and collect such rates, fees and charges for the use and services of the system as, in the judgment of the Board, will provide revenues sufficient to:

- (1) Pay the reasonable cost of operating and maintaining the facilities;
- (2) Pay principal of and interest on the Bonds;
- (3) Enable Parking System Net Revenues each year to equal at least 125% of the required debt service on any outstanding bonds payable from the Net Revenues of the facilities; and
- (4) Maintain any reserve requirements for the Reserve Account securing any bonds payable from the Net Revenues of the facilities.

President Boren recommended the Board of Regents:

- I. Authorize and approve the issuance of the Parking Refunding Revenue Bonds, Series 2002, in an approximate amount of \$4,740,000, which will refund the Parking Revenue Bonds, Series 1995, the proceeds of which were used by The University of Oklahoma for its projects;
- II. Authorize and approve the borrowing of funds for the purpose of refunding the 1995 bonds and paying normal costs of issuance related thereto;

- III. Authorize and approve a Resolution dated as of this date, authorizing the form of the financing documents related thereto, including, but not limited to, a Bond Indenture, Loan Agreement and Note;
- IV. Approve and authorize the award of the sale of the Bonds on either a competitive or negotiated basis based upon the final determination of the financing team, and as approved by the State Bond Advisor, and as determined to be in the best financial interest of The University of Oklahoma; and authorize the Vice President for Administrative and Executive Affairs and the Associate Vice President for Administrative Affairs for Finance and Controller of The University of Oklahoma – Norman Campus to do all things necessary to consummate the transaction contemplated herein including, but not limited to, execution and delivery of any and all closing documents;
- V. Authorize the Chairman, Vice-Chairman and Executive Secretary of the Board of Regents of The University of Oklahoma to execute and deliver all necessary financing documents and related closing documents required by Bond Counsel; and,
- VI. Authorize the officers of The University of Oklahoma to execute any closing documents required by Bond Counsel and to take any further action required to consummate the transaction contemplated herein.

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

TRANSFER OF FUNDS - NC

The Board of Regents *Auxiliary Enterprise/Service Unit* policy provides that transfers between auxiliary enterprises and services units of \$75,000 or more shall be permitted only when fully justified, agreed to by both operating managers, and approved by the President and the Board of Regents. Pursuant to said policy, it is respectfully requested that the following transfers be approved by the Board to support and supplement the General University's academic mission and/or related capital project costs.

Goddard Health Center	\$400,000
Vending/Contract Service	\$100,000
Student Media	\$250,000
A&E Services	\$600,000
Printing Services	\$800,000

President Boren recommended the Board of Regents approve the transfer of funds from the auxiliary enterprises and service units identified above to the General University to support and supplement its academic mission and/or related capital project costs.

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

FISCAL YEAR 2001-02 EXTERNAL AUDITS - NC & HSC

At the October 2002 meeting of the Board of Regents' Finance and Audit Committee, Cole & Reed, LLP presented for the fiscal year ended June 30, 2002, the Independent Auditors' Report, Annual Financial Statements, and the Report on Compliance and Internal Control over Financial Reporting based on audits of the Norman and Health Sciences Center Campus' financial statements. The audits were conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

At the same meeting, Cole & Reed presented for the fiscal year ended June 30, 2002, the Independent Auditors' Report on the Schedule of Expenditures of Federal Awards and the Independent Auditors' Report on Compliance and Internal Control over Compliance Applicable to Each Major Federal Award Program of the Norman and Health Sciences Center Campuses. These audits were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

President Boren recommended the Board of Regents:

- I. Accept the 2001-02 External Audit and Annual Financial Reports for the Norman and Health Sciences Center Campuses; and
- II. Accept the 2001-02 compliance Audits of Federally Funded Assistance Agreements for the Norman and Health Sciences Center Campuses.

Regent Austin moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

The meeting adjourned at 11:40 a.m. and reconvened at 1:15 p.m.

REPORT OF THE PRESIDENT OF THE UNIVERSITY

President Boren announced two gifts to the University. The first is from Tulsa residents Peggy and Charles Stephenson. About one year ago an anonymous pledge of \$6 million was announced for the 93,000 square foot multi-purpose research facility that the Board will be asked to approve construction contracts for later on this agenda. The Stephenson's have now agreed to let their names be known and to let the facility be named for them. This facility, along with the National Weather Center facility, will be the basis for our new research campus and, in many ways, the beginning of a new economy for the state of Oklahoma—an economy based more and more on university research and intellectual property. The new research center will have space to expand our national program in biogenetics, space for nanotechnology research, and many other vital programs. The second gift is a bequest to the College of Medicine by Dr. Francis Palmer Olson of McAlester. She joined the class of the College of Medicine in 1940 as one of only two women. She was a psychiatrist who practiced in state facilities in Minnesota and died in May at the age of 94. She lived frugally and many thought she was barely making

ends meet, but she kept in touch with OU and knew what was going on here. She left the bulk of her estate, valued at \$4 million, to the College of Medicine. In light of the budget cuts going on right now, these gifts are very good news.

REVIEW OF REGENTS' FUND STATEMENT OF INVESTMENT POLICY - NC & HSC

At the September 1999 meeting, the Board of Regents' Policy and Finance Committee requested the University Administration compile a report highlighting the history, organizational structure, investment performance, etc., of the Regents' Fund. As a part of the review process underlying the completion of the report, a Tulsa firm, Adams Hall Investment Management, reviewed the Regents' Fund current structure and performance and offered several comments and suggestions related thereto. The resulting report was reviewed by the Committee at the December 1999 meeting and distributed to the remaining Board members shortly thereafter.

At the December 1999 Policy and Finance Committee meeting, it was determined that the University Administration, with assistance from Adams Hall, would review and recommend appropriate revisions to the Regents' Fund *Statement of Investment Policy* (SIP). The resulting revisions and amendments were presented to and approved by the Board at the February 2000 meeting.

As outlined in the SIP, the Board should review the policy on a biannual basis. As a part of the current review process, Adams Hall reviewed the policy and offered several meaningful suggestions related thereto. The policy changes being recommended increase the tolerance ranges above/below target because of the increased volatility of the markets and, in view of the long-term nature of the Regents' Fund and its objectives as outlined in the SIP, changing the overall target asset allocation to 60% equity and 40% fixed income.

The specific policy changes being recommended are attached hereto as Exhibit F (additions are underlined and deletions are lined through). Mr. Pete Adamson and Larry Houchin were present for discussion of this item

President Boren recommended the Board of Regents review and approve the attached changes to the Regents' Fund *Statement of Investment Policy*.

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved. .

FEES REQUEST FOR 2003-2004

In accordance with policy established by the Oklahoma State Regents for Higher Education, requests for changes in fees will be considered by the State Regents one time each year, and must be received in their office by November 1 preceding the beginning of the fiscal year, July 1, in which the change is to be effective.

Given the November 1 deadline for fee submission, the following fee requests are being submitted as a tentative measure pending legislative decisions concerning state appropriations and tuition increases. This would give the University a stand-by source of

funding if the State legislature were not able to provide sufficient additional revenues. In a way, it provides the University with an “insurance policy” to prevent cuts at a level that would severely undermine the excellence in academic programs.

The following pages summarize the changes in fees requested by the Norman Campus and Health Sciences Center. They have been reviewed and approved by the appropriate directors, deans and vice presidents and by the Senior Vice Presidents and Provosts on the two campuses. The appendix of fees requested is attached hereto as Exhibit G. The changes requested fall into one of the following categories:

TYPE A. SPECIAL FEES FOR INSTRUCTION AND ACADEMIC SERVICES

Special fees for instruction and academic services are fees, other than tuition and student activity fees, that are assessed students as a condition of enrollment and as a condition of academic recognition for completion of prescribed courses. These fees are mandatory for all students receiving courses of instruction or academic services as designated by the institution. These fees are charged for enrollment in a particular course or by the credit hour for all enrollment in a given semester.

Systemwide Fees:

Includes application fees, admission fees, and international student maintenance fees.

International Student Maintenance Fee: The Norman and Health Sciences Center campuses are requesting an increase in the International student maintenance fee from \$15 to \$50 for the fall, spring and summer terms. This fee has a statutory limit of \$15 per student per semester. The additional funds generated from this increase will be used to offset the costs of operating the new Student Exchange and Visitor Information System (SEVIS) being implemented by the U. S. Immigration and Naturalization Service as a means of tracking international students enrolled in American educational institutions. Use of this system to provide current information on each international student enrolled on our campus is mandatory. OU’s International (Student) Advisory Committee has been advised of this proposed increase.

Special Instruction Fees:

Includes private instruction, private applied music lessons, aviation and physical education courses. Changes in special instruction fees do not require State Regents’ item-by-item approval; institutions may assess these fees up to the actual cost of the special instruction. The Norman campus is requesting one addition and twelve increases to the special instruction fees as summarized on Page 1 of the appendix.

Classroom/Laboratory Supplies Fees:

Includes consumable supplies such as laboratory breakage and replacement, art supplies and materials for the natural sciences. Changes in classroom/laboratory supplies fees do not require State Regents’ item-by-item approval; institutions may assess these fees up to the actual cost of the supplies. The Health Sciences Center requests an increase in 9 classroom/laboratory supplies fees; the deletion of 5 classroom/laboratory supplies fee; and the addition of 3 classroom/laboratory supplies fees. These changes are itemized on Page 2 of the appendix. The Norman Campus requests 137 additions, 8 deletions, 220 increases and 4 decreases to their Classroom/Laboratory supplies fees as summarized on Pages 3–10 of the appendix.

Testing/Clinical Services Fees:

Includes placement, diagnostic, aptitude, achievement tests, reading clinics and guidance clinics. Changes in fees are up to the actual cost of services.

Pharmacy Clinical Education Fee – Health Sciences Center:

The College of Pharmacy requests an increase in its Clinical Education fee from \$100 to \$150. Proceeds from this fee are used to support the high student to faculty ratios for teaching in experientially based laboratories and clinical rotations. Faculty salaries and other costs associated with this form of instruction have increased dramatically over the 12+ years since the initiation of the doctor of Pharmacy Program, but this fee has remained static. Revenues are used to offset the costs associated with clinical faculty, teaching assistants, residents, and specialized materials and equipment in laboratory and clinical settings.

Facility/Equipment Utilization Fees:

Includes Library Resources Fee, University Technology Connectivity Fee, Technology Services Fee and Special Course Fees. These fees help pay for students access to equipment such as computers, physical equipment, musical instruments and medical equipment, and for facilities such as music practice rooms. Changes in Facility and Equipment Utilization Fees that are within the statutory limits approved by the State Legislature, require approval by The University of Oklahoma Board of Regents and final approval by the State Regents.

University Educational Network Connectivity Fee – Norman and HSC: All students currently pay a connectivity fee of \$7.50 per credit hour up to a cap of \$120.00 per semester. The University requests to increase the fee to \$10 per credit hour with no cap.

In response to heightened federal and state security and reporting mandates since 9/11, The University of Oklahoma faces enterprise-wide challenges to supporting an ever-increasing demand for secure technology-enabled information resources and management services. Solutions to these challenges also must respond to a steady increase in the overall student population, user demands for system enhancements and additional functionality, and use of electronic services for instructional purposes.

Information Technology has invested \$7M in our campus technology infrastructure. This investment has given OU the World Class network it needs to meet on-campus bandwidth expectations, and the hardware and software it needs to begin to deliver essential student services. However, off-campus bandwidth availability to Internet One is currently very limited and insufficient without additional funding.

This fee increase was determined after careful and thorough review of the projected costs to expand available bandwidth, security efforts and services. The funds generated will support student services as described below. This revenue will be an investment in providing the network bandwidth, security, and information management resources that will be used by the entire faculty, staff, and student body to sustain and enhance the mission of the University.

1. Dedicated Bandwidth for Students on campus
2. Security
3. Email Support

In addition, these revenues will continue to support student help desk services, lab and curriculum software licenses, lab printing services, off-campus access to online student services and course information, and Sooner Information Network, a “first-of-its-kind” student portal for OU’s online community.

Technology Services Fees: The statutory limit for the Student Technology Fees is the direct cost of service. The Norman Campus is requesting seven changes to the student technology fees as summarized on Pages 11-14 of the appendix.

Special Course Fees: The statutory limit for the Special Course Fees is the cost of instruction. The Norman Campus is requesting 16 additions, 5 deletions and 121 increases as summarized on Pages 15-18 of the appendix. The Health Sciences Center is asking for one addition as summarized on Page 18 of the appendix.

Other Special Fees:

Included in this category are any other special fees that cannot be classified in any of the other categories.

Student Assessment Fee – Norman Campus: The Norman campus is requesting to apply a \$1 per credit hour assessment fee to graduate students. This fee has a statutory limit of \$1 per credit hour. The fee is currently charged to all undergraduate students to support the assessment program required for accreditation by the North Central Association and mandated by State Regents' policy. The fee charged to graduate students will be used to support the implementation and operation of a new assessment program for graduate students following recommendations from North Central Association during OU's reaccreditation. .

Academic Records Services Fee – Norman Campus and Health Sciences Center: The University is requesting to increase the Academic Records Services Fee for all students to \$15 per semester. Undergraduate students currently pay \$7 on the Norman Campus and \$10 on the Health Sciences Center Campus. Graduate students currently pay \$8 on the Norman Campus and \$10 at the Health Sciences Center. Professional students currently pay \$12.50 at the Health Sciences Center. This fee covers the cost of no-charge transcripts, diplomas, and other academic records services for the life of each student. It also provides funds for commencement. Increasing costs require that these fees be increased.

International Student Processing Fee – Norman Campus: The University is requesting an increase in the International Student Application Processing Fee from \$25 to \$50. This fee covers the extra costs associated with processing international student applications for admission. The funds generated by this increase will be used to support the extra costs incurred as a result of changes in federal law regarding the process of admitting international students.

Advanced Programs Processing Fee – Norman Campus: The College of Continuing Education requests approval of a \$25 application processing fee to defray the extra costs associated with admitting students into Advanced Programs. This program primarily serves students associated with U.S. Armed Forces at military bases in Europe, Asia and the Continental United States under contract with the Department of Defense. Processing these applications is more expensive because of increased international mail costs and the expanded use of on-line systems.

Business Program Enrichment Fee – Norman Campus: The Michael F. Price College of Business is requesting a Program Enrichment Fee. Students will be assessed a fee of \$10 or \$30 per course depending upon the intensity with which the courses uses the services, up to a cap of \$50 per student per semester. The Price College of Business operates a Student Support Center to provide students with (1) Prelude week activities, (2) Mentor-for-a-day, (3) a speakers' series, and (4) placement services for internships and full time employment (both domestically and internationally). The Student Support Center is currently under funded by approximately \$100,000 per year. The activities provided by the Student Support Center are critical to the college in two ways. The first is that they help our students to be competitive in the job market. They also help us to climb in the Business School rankings, which allows the College to recruit stronger students. A listing of the courses to be assessed the fee is on Pages 19-21 of the appendix.

Engineering Program Enrichment Fee – Norman Campus: The College of Engineering requests a Program Enrichment Fee. All College of Engineering students will be assessed a \$10 per course fee. The College operates the Williams Student Services Center to provide students with professional development and other student support services including (1) Freshman Seminar, (2) Freshman Council, (3) Dean's Leadership Council, which includes mentoring, tutoring, and recruiting, (4) Student Presidents' Council, (5) Structured practical learning experiences including internships and student-led design projects, (6) Engineering study abroad including dual degree programs with foreign universities, (7) Fundamentals of Engineering exam preparation, (8) Entrepreneurship training and practical learning opportunities, (9) Leadership training including team building, and (10) Willoughby Lounge maintenance. The services provided by the Williams Student Services Center are critical for the college in many ways. The most important service is to provide students with training in those areas of professional development that best occur outside the classroom. These services make our graduates more attractive to industry, and equip them to be more successful earlier in their careers, thus increasing the value of an OU engineering degree. They also enable the college to be a standard-setter in the recently implemented engineering accreditation standards, which require the college to prepare graduates for all their potential professional roles. Also important, these services will improve our retention and graduation rates, thus improving the rankings of the college. These services will be provided for all engineering students, freshmen through seniors. The projected cost of currently provided services plus planned services exceeds \$900,000/yr. A listing of the prefixes for the courses to be assessed this fee are on Page 21 of the Appendix.

Library Excellence Fee – Norman Campus: The University Libraries is proposing the establishment of a Library Excellence Fee of \$3 per credit hour for all students. This fee will allow the libraries to provide the services necessary for the academic community. The fee will go towards critical areas, including improving the level of staffing and the maintenance of collections.

Academic Facility and Life Safety Fee – Norman Campus and Health Sciences Center: The University requests creation of a fee of \$7.50 per credit hour. The funds generated will be used to support maintenance, renovation and construction of academic and other facilities necessary to students. Rising student enrollments have increased the utilization and subsequent maintenance needs of existing space and also hastened the need for additional academic space. It is the intent of the University to charge this fee only to students who enroll for the first time at either the Norman or Health Sciences Center campus during or after the 2003-2004 academic year and to all students beginning with the 2008-2009 academic year.

Security Services Fee – Norman Campus and Health Sciences Center: The University requests creation of a fee of \$3.60 per credit hour to cover the actual cost of student related security services on campus. These include improvements in campus lighting, providing emergency phones, and general enhancement of police and security services to address the rising costs of creating secure environments for students on our campuses.

Transit Fee – Norman Campus and Health Sciences Center: The University requests the creation of a \$1.50 per credit hour transit fee. The funds generated will be used to cover the actual costs of maintaining and operating campus transit services, to include continuation and future enhancements of on-campus student transit services and reinstatement of the South Loop shuttle service on the Norman campus.

Academic Advising Fee – Norman Campus: The Norman Campus requests the creation of a \$25 per semester fee for all full-time undergraduate students to enhance academic advising. Research shows that academic advising is a critical component of student success. The funds generated annually would be used to enhance the advising services provided to undergraduate

students in all the colleges on the Norman campus. This would include providing electronic access to advising and degree audit systems, and adding additional professional and peer advisors for students. It would also allow for new initiatives, including career counseling, better student tracking, and retention and intervention strategies.

TYPE B. STUDENT ACTIVITY AND SERVICE FACILITIES FEES

Fees assessed students in order to support the mission of the institution in planned activities designed to provide the student with extracurricular educational, cultural and recreational opportunities. The fees may be used to support service facilities such as student unions, health care infirmaries, recreational facilities and for any lawful purpose to enhance quality of student life including, but not limited to, facility debt service, student scholarships, student awards, travel, entertainment, guest speakers and student organizations.

Student Health Care Fee – HSC Campus

<u>Current</u>	<u>Requested</u>	<u>Statutory Limit</u>
\$46.00 per semester	\$54.00 per semester	\$54.00 per semester
\$23.00 per summer term	\$27.00 per summer term	\$27.00 per summer term

The Health Sciences Center is requesting the current Health Fee of \$46.00 per semester and \$23.00 for the summer term be increased to \$54.00 per semester and \$27.00 for the summer term. The proposed increase will provide funding to the OUHSC Student Health Service to help meet the increased costs of providing health care to students. The health fee at the Health Sciences Center has not been increased since 1993-94, although, the costs to provide quality health care have increased significantly over the last eight years.

The Student Health Committee of the OUHSC Student Senate has been involved in several discussions with the Director of the Student Health Service at OUHSC. The students have reviewed the services provided, the cost of the services, and are aware of the dependency of the OUHSC Student Health Insurance plan upon the continuation of all services provided by the OUHSC Student Health Service. If additional fees are not collected, the health services provided will be decreased, resulting in the cost of the health insurance to the student to increase.

Student Facility Fee – Norman Campus

The Norman Campus requests to increase the Student Facility Fee from \$4.72 to \$7.30 per credit hour, which is the Statutory Limit. This increase is necessary to cover the rising costs of operating student facilities including the expansion of the Huston Huffman Student Recreation Center.

Cultural and Recreation Services Fee – Health Sciences Center

The Cultural and Recreation Services Fee is currently provided for in State Statutes (up to a maximum of \$12.50 per student per semester), but it is not assessed or collected by the Health Sciences Center campus. It is recommended that the Cultural and Recreation Service Fee be assessed at the Health Sciences Center campus at \$12.50 per fall and spring semester and \$6.25 per summer term. The University Regents approved the Cultural and Recreation Service Fee in May 2000 for the Norman campus. The Health Sciences Center Student Association has adopted a resolution in support of this fee and its use for recreational improvements, equipment, intramurals, and associated staff.

Special Event Fee – Norman Campus and Health Sciences Center

The University requests to establish a \$3 per credit hour Special Event fee. The funds generated will be used to cover the actual costs of special events, including Foreign Policy Conferences and visits by special speakers to the campuses.

President Boren recommended the Board of Regents approve the changes in fees for 2003-2004 and authorize their submission to the Oklahoma State Regents for Higher Education.

Regent Everest stated that she would like to see the recommendation amended to include the following: *In recognition of the credit hour requirements for medical and dental students, I recommend that the following fees be assessed only on the first 20 credit hours per semester for all Health Sciences Center students: University Educational Network Connectivity Fee, Academic Facility and Life Safety Fee, Security Services Fee, Transit Fee, and Special Event Fee.*

Regent Stuart moved approval of the amended recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

FISCAL YEAR 2003 REVISED EDUCATIONAL AND GENERAL BUDGET

On September 13, 2002, the Oklahoma State Regents for Higher Education notified The University of Oklahoma that its State appropriations were being reduced 4.34%, which totals \$5,459,312 for the Norman Campus, \$239,400 for the OU Law Center and \$3,638,544 for the Health Sciences Center. The Norman Campus was able to address the reduction from funds previously collected from departments in July, along with an additional 2% reduction to all areas, and existing one-time funds available. The Health Sciences Center redirected institutional revenues, deferred initiation of some Campus projects, and reduced administrative budgets by 4.75% and academic budgets by 2% to address the 4.34% reduction.

The cuts we are now facing will have a compounded effect on revenue generation in the future. The Norman Campus has eliminated all vacant faculty lines, thus reducing the size of the faculty by about five percent. The loss of the one-time money has also eliminated any E&G flexibility for the deans to adjust to instructional needs by hiring temporary instructional faculty – this impact will be felt most at the lower division level, with larger class sizes and fewer sections for students. This in turn will also increase the ratio of students to faculty, eroding the progress we have been making on this index, which is widely used as a quality index throughout the country. With the reduction of faculty lines, our ability to offer upper division and graduate courses in a timely way to ensure student progress towards their degree will be further eroded. Loss of those faculty lines also means that our ability to continue to increase research expenditures will be hampered, as fewer faculty will write fewer proposals.

The Health Sciences Center administrative units took a greater reduction than the academic units in an effort to spare the Library, Student Affairs, and the colleges. The impact of the reduction to the Health Sciences Center campus is the deferment of Campus-wide technology projects, elimination of staff positions, elimination of vacant faculty positions, reducing the number of faculty available for didactic and clinical instruction, reduction in operating funds, reduction in research incentive funding, and elimination of free library services and some subscriptions to print and electronic journals.

President Boren recommended approval of the revised 2002-2003 Educational and General Budget.

Regent Everest moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

FRED JONES JR. MUSEUM OF ART ADDITION - NC

At the October 2001 meeting, the Board of Regents approved the design development phase plans for the Fred Jones Jr. Museum of Art Addition project, and authorized the administration to proceed with preparation of construction documents and advertise and receive construction bids. In addition to adding a number of new gallery spaces, the project includes construction of an orientation room, a large multipurpose room for special events, an auditorium with seating for approximately 140 persons, an educational classroom/art studio, art storage space, a new museum gift shop, and a new grand entrance lobby with a drop-off drive adjacent to Elm Avenue.

The Office of Hugh Newell Jacobsen, FAIA, completed the construction documents.

I. AWARD CONTRACT FOR CONSTRUCTION

On October 2, 2002, bids for the project were received from two firms. The bids have been evaluated by the project architects and representatives of the University administration (Eric Lee, Director, Fred Jones Jr. Museum of Art; Michael Moorman, Director, Architectural and Engineering Services; David Nordyke, Assistant Director, Architectural and Engineering Services; and Bill Forester, Construction Administrator, Architectural and Engineering Services). A complete tabulation of the bids received is shown below.

It is recommended that a contract in the amount of \$10,150,300 be awarded to Flintco, Inc. of Oklahoma City, Oklahoma, the low bidder, as follows:

Base Proposal	\$ 10,100,000
Alternate No. 4A, Catering Kitchen Equipment	19,000
Alternate No. 4B, Audio/Visual Equipment	27,200
Alternate No. 6, Security Central Monitoring Station	<u>4,100</u>
Total Proposed Contract Amount	\$ 10,150,300

II. SIGN THE AGREEMENT

State statutes allow change orders to be issued for up to ten percent of the construction cost for projects costing greater than one million dollars. Board approval of this phase of the project will authorize the President or his designee to sign the Agreement for Construction, and will allow issuance of necessary change orders of up to ten percent of the contract amount, within project budget limitations.

Funding for this project, with an estimated project cost of \$14 million, will be provided from \$6,500,000 in private funds; \$5,000,000 in FY 2000 Oklahoma Development Finance Authority Revenue Bond funds; a \$500,000 State appropriation; and \$2,000,000 from new revenue bonds to be retired with annual Section 13 and New College Fund allocations or other legally available resources.

TABULATION OF BIDS
FRED JONES JR. MUSEUM OF ART ADDITION

	Flintco, Inc. Oklahoma City	Wynn Construction Co., Inc. Oklahoma City
Base Proposal	\$ 10,100,000	\$ 10,380,000
Alternate No. 1, Wet-Cast Architectural Cast Stone	(310,000)	(258,000)
Alternate No. 2, Texas Limestone Veneer Sawn Finish	(150,000)	(139,000)
Alternate No. 3, Landscape Lighting	53,600	51,000
Alternate No. 4A, Catering Kitchen Equipment	19,000	18,200
Alternate No. 4B, Audio/Visual Equipment	27,200	23,000
Alternate No. 5, Security System Service and Maintenance (Second Year)	18,800	19,100
Alternate No. 6, Security Central Monitoring Station	4,100	4,100
Alternate No. 7, Security System Bi-annual Inspections	5,700	5,800
Alternate No. 8, Wireless Artifact Protection	6,800	6,900
Alternate No. 9, Burlington Stone Green Slate in lieu of Vermont Unfading Green Slate Roof and Floor Areas	405,000	436,000
Base Proposal + Alternates 4A, 4B and 6	\$ 10,150,300	\$ 10,425,300

President Boren recommended the Board of Regents:

- I. Award a contract in the amount of \$10,150,300 to Flintco, Inc., the low bidder, for construction of the Fred Jones Jr. Museum of Art Addition project; and
- II. Authorize the President or his designee to sign the Agreement for Construction and the necessary change orders during construction within the statutory and project budget limitations.

Regent Austin moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

MULTIPURPOSE RESEARCH AND TECHNOLOGY FACILITY AND REVENUE BOND - NC

At the June 2002 meeting, the Board of Regents approved the design development phase plans for the Multipurpose Research and Technology Facility project, and authorized the administration to proceed with preparation of construction documents and advertise and receive construction bids. This project will construct approximately 93,600 gross square feet including flexible research laboratory space to accommodate multiple research groups to be bordered by flexible office areas for faculty, senior researchers, and graduate and undergraduate research assistants. The building will also contain small- and medium-sized seminar rooms, a two-story atrium and casual meeting spaces for collaborative research discussions between the various disciplines. OU's Supercomputer Center for Education and Research (OSCER) will be located in the building, and will support research and instruction across the Campus.

OU's research programs in gene-sequencing, microbial genomics and robotics will be the first occupants, and will include faculty and researchers from Biochemistry, Microbiology, Zoology and Computer Science. The flexible laboratory and office space in the facility will support these growing programs (OU already has the fifth-largest program in human genome sequencing, which has catalyzed a broad range of genomics research in nationally-important areas) and will enable an exceptional intellectual environment that stimulates interactions between the research groups. The resulting cross-disciplinary research initiatives have proven to be the most fertile ground for new projects and completely new research directions that provide the greatest breakthroughs in our scientific knowledge.

Miles Associates, Inc., the project architects, completed the construction documents, and the project was advertised for bids.

I. AWARD CONTRACT FOR CONSTRUCTION

On October 9, 2002, bids for the project were received from five firms. The bids have been evaluated by the project architects and representatives of the University administration (T. H. Lee Williams, Vice President for Research, Michael Moorman, Director of Architectural and Engineering Services, and Tom Knotts, Campus Planner, Architectural and Engineering Services). A complete tabulation of the bids received is shown below.

It is recommended a contract in the amount of \$15,613,000 be awarded to Wynn Construction Co., Inc. of Oklahoma City, the low bidder, as follows:

Base Proposal	\$ 14,330,000
Alternate No. 3, Casework by Kewanee	935,000
Alternate No. 4, Gypsum Wall Board and Paint in Shell Spaces	13,400
Alternate No. 5, Acoustical Ceiling in Shell Spaces	25,200
Alternate No. 6, Carpet in Shell Spaces	38,300
Alternate No. 7, Additional Light Fixtures in Shell Spaces	47,100
Alternate No. 8, Mechanical Items in Shell Spaces	<u>224,000</u>
Total Proposed Contract Amount	\$ 15,613,000

II. SIGN THE AGREEMENT

State statutes allow change orders to be issued for up to ten percent of the construction cost for projects costing greater than one million dollars. Board approval of this phase of the project will authorize the President or his designee to sign the Agreement for Construction and will allow issuance of necessary change orders of up to ten percent of the contract amount, within project budget limitations.

Funding for this project, with an estimated total cost of \$27,000,000, will be provided from a combination of new University revenue bonds, discretionary University resources, and private funds. In addition, the revenue bond has been sized to provide sufficient funding to support the Nielsen Hall Addition and Renovation, Phase II project, which involves an addition of approximately 18,000 gross square feet to house teaching laboratories and demonstration, preparation, office and support space.

III. PREPARATION OF THE DISCLOSURE STATEMENT AND PLAN OF FINANCING

At the February 2001 meeting, The University of Oklahoma Board of Regents authorized the University Administration to propose a Concurrent Resolution to the Oklahoma Legislature allowing for the issuance of revenue bonds for the construction, renovation, remodeling and expansion of research and technology facilities. The result was Concurrent Resolution No. 33 that was adopted by the State Senate on May 14, 2001 and the House of Representatives on May 22, 2001.

At the February 2001 meeting, The University of Oklahoma Board of Regents appointed the Floyd Law Firm, P.C. to provide Bond Counsel services, and Governmental Finance of Oklahoma, Inc. to provide Financial Advisor services for the issuance of debt to finance research and technology facility projects.

Preparation of the disclosure statement (often referred to as the Preliminary Official Statement or POS) will be coordinated by the Financial Advisor with direction and input from the University's administration, Bond Counsel, and The State Bond Advisor (i.e. the financing team). The POS will be submitted to the appropriate oversight organizations for review, approval and rating, and will be used by the financing team to determine an appropriate plan of financing the project. Due to the complexity of issuing debt to provide research and technology facilities, it is likely the plan of financing will recommend that an underwriter be selected to insure a favorable negotiated, as opposed to competitive sales effort.

The project is expected to generate sufficient long-term cash flows from indirect cost recoveries associated with sponsored research agreements to fund debt service. In conjunction with the previously appointed Bond Counsel and Financial Advisor, the University's administration recommends it be authorized to determine an appropriate plan of financing the project and prepare and distribute the documents necessary to disclose material information on the purpose of the debt and how it will be repaid. The resulting plan of financing will be reported back to the Board at the earliest possible meeting.

In relation to the plan of financing, the Board of Regents covenants to fix, establish, maintain and collect such rates, fees and charges for the use and services of the research and technology facilities as, in the judgment of the Board, will provide revenues sufficient to:

- (1) Pay the reasonable cost of operating and maintaining the facilities;
- (2) Pay principal of and interest on the Bonds;

- (3) Enable the facilities Gross Revenues each year to equal at least 125% of the required debt service on any outstanding bonds payable from the Net Revenues of the facilities; and
- (4) Maintain any reserve requirements for the Reserve Account securing any bonds payable from the Net Revenues of the facilities.

**TABULATION OF BIDS
MULTIPURPOSE RESEARCH AND TECHNOLOGY FACILITY**

	Wynn Construction Co., Inc. Okla. City	Lippert Bros., Inc. Okla. City	Manhattan Construction Company Okla. City	Flintco, Inc. Okla. City	W. L. McNatt & Company Okla. City
Base Proposal	\$ 14,330,000	\$ 14,400,000	\$ 14,530,000	\$ 14,650,000	\$ 14,720,000
Alternate No. 1, Casework by Fisher Hamilton	934,900	900,000	930,000	931,000	964,000
Alternate No. 2, Casework by Herman Miller	1,423,000	1,390,000	1,450,000	1,470,000	1,470,000
Alternate No. 3, Casework by Kewanee	935,000	894,000	960,000	917,800	944,000
Alternate No. 4, Gypsum Wall Board and Paint in Shell Spaces	13,400	13,400	14,500	24,600	14,000
Alternate No. 5, Acoustical Ceiling in Shell Spaces	25,200	34,300	6,500	37,700	36,000
Alternate No. 6, Carpet in Shell Spaces	38,300	53,700	40,000	45,500	57,000
Alternate No. 7, Additional Light Fixtures in Shell Spaces	47,100	44,450	15,000	14,100	47,000
Alternate No. 8, Mechanical Items in Shell Spaces	224,000	224,000	240,000	220,000	384,000
Base Proposal + Alternates 3, 4, 5, 6, 7 and 8	\$ 15,613,000	\$ 15,663,850	\$ 15,806,000	\$ 15,909,700	\$ 16,202,000

President Boren recommended the Board of Regents:

- I. Award a contract in the amount of \$15,613,000 to Wynn Construction Co., Inc., the low bidder, for construction of the Multipurpose Research and Technology Facility; authorize the President or his designee to sign the Agreement for Construction and the necessary change orders during construction within the statutory and project budget limitations; and
- II. Authorize and approve the issuance and sale of its Board of Regents of The University of Oklahoma Revenue Bonds or other evidences of indebtedness (the "Bonds") in a principal amount sufficient to fund the construction of research

facilities (the project), capitalize interest, required reserves, and normal costs of issuance (estimated to be approximately \$32,100,000), and ratify all action taken in regard to the competitive or negotiated sale of the Bonds, Notes, or Loans; and

- III. Authorize and adopt the Resolution authorizing the sale and issuance of the Bonds, Notes or Loans, and authorize the form of the financing documents related thereto, including, but not limited to, a Trust Agreement, Notice of Sale and Official Statement; and
- IV. Approve and authorize the award of the sale of the Bonds, Notes or Loans at competitive or negotiated sale based upon final determination of the financing team and as determined to be in the best financial interest of The University of Oklahoma, and authorize the Vice President for Administrative and Executive Affairs and the Associate Vice President for Administrative Affairs for Finance and Controller of The University of Oklahoma – Norman Campus to do all things necessary to consummate the transaction contemplated herein; and
- V. Authorize the Chairman, Vice-Chairman and Executive Secretary of the Board of Regents of The University of Oklahoma to execute and deliver all necessary financing documents and related closing documents required by Bond Counsel; and
- VI. Authorize the officers of The University of Oklahoma to execute any closing documents required by Bond Counsel and to take any further action required to consummate the transaction contemplated herein; and
- VII. Recognize and acknowledge that the University may fund certain costs of the above project prior to receipt of Bond, Note or Loan proceeds from its own funds and, to the extent the University utilizes its own funds for said purposes, it is intended that proceeds of the Bonds, Notes or Loans will be utilized to reimburse the University.

Regent Everest moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

GAYLORD HALL COLLEGE OF JOURNALISM AND MASS COMMUNICATION DESIGN APPROVAL - NC

At the September 2000 meeting, the Board of Regents ranked architectural firms under consideration to provide professional services for the Gaylord Hall project, and authorized the administration to negotiate and execute an agreement for architectural services. Subsequently, an agreement between Rees Associates, Inc. and the University was negotiated and executed.

The project architects have programmed the facility to identify the space needs for the Gaylord College of Journalism and Mass Communication. The accepted program was subsequently developed during the schematic design and design development phases into the present design solution. The project is currently planned to be constructed in three phases. Phase I is approximately 59,500 gross square feet, including a broadcasting studio, technical core area, converged media lab, classrooms, computer labs, resource areas, offices and an

administrative suite. Phase II is approximately 38,000 gross square feet, including a distance learning classroom/studio, post-production rooms, classrooms, computer labs, faculty offices and graduate assistant offices. Phase III is approximately 20,000 gross square feet, including a broadcast studio, control room, seminar room and the student publications area. The project currently proposed for construction includes only Phase I.

This project will construct approximately 59,500 gross square feet of space to be located at the northeast corner of Lindsey Street and Van Vleet Oval (south of Gould Hall). The three-story facility will consist of a circular three-story atrium and commons area located at the southwest corner of the site with a north and east wing radiating from the atrium. The north wing will consist of a converged media lab, "hall of fame" area, computer labs, classrooms, faculty offices and an administrative suite. The east wing will consist of a broadcasting studio, resource areas, counselor offices, and the technical core area that includes the control rooms, green room, editing rooms and equipment rack room. An entrance plaza with a statue is currently planned for the southwest corner of the site. A landscaped courtyard will be created inside the U-shaped building footprint. The building's exterior is designed to blend and harmonize with the existing main Campus aesthetics with the use of red brick and cast stone.

The design development phase documents have been completed for the project. The design of the facility has been undertaken in close coordination with other new construction projects in this area of the Campus. It is proposed the Board of Regents approve the project design and authorize the preparation of construction documents by the architect and advertising for receipt of bids. It is anticipated that a recommendation concerning the award of a contract for construction will be presented to the Board at the March 2003 meeting, with substantial completion expected in the summer of 2004.

Funding for this project, with an estimated total cost of \$17,000,000, will be provided from \$16,000,000 in private donations and \$1,000,000 in new revenue bond proceeds or other discretionary University funds.

President Boren recommended the Board of Regents:

- I. Approve the design development phase plans for the Gaylord Hall project;
- II. Authorize the preparation of construction documents for the project; and
- III. Authorize the University administration to advertise and to receive bids for construction of the project.

Regent Bentley moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin and Stuart. Regent Clark was out of the room at the time of the vote. The Chair declared the motion unanimously approved.

UNIVERSITY RESEARCH CAMPUS-SOUTH INFRASTRUCTURE IMPROVEMENTS - NC

The establishment of the National Weather Center (NWC) and the Multipurpose Research and Technology Facility (MRTF) and other future developments on the University Research Campus-South (URC-S) will require improved infrastructure for the property. At the May 2002 meeting, the Board of Regents approved the University Research Campus-South Infrastructure Improvements project, with a total cost of \$11 million, including improvements such as construction of a new chilled water and electrical plant, access and road enhancements,

landscaping, sewer mains, water distribution systems and storm water drainage improvements. During the development of the NWC and MRTF designs, it became apparent that the immediate needs for power and chilled water were enough to economically justify the development of a central plant using funds earmarked for the respective building plants. The central plant also provides operational and energy savings, as well as reducing the costs of future construction.

The new plant is being designed by the joint venture of Beck+LAN/Daly under a supplemental agreement to the NWC project consultant contract. The plant will serve the immediate needs of the NWC and the MRTF for chilled water and emergency electrical power, as well as future expansion of the URC-S. Initially, the plant will contain 2,500 tons of chilled water capacity, expandable to 6,500 tons as the need arises. The plant will have two megawatts, expandable to four megawatts, of electrical generation to provide emergency and standby power.

Additionally, the generator will be configured to provide peaking power to the Campus grid when electrical rates favor self-generation. Chilled water distribution piping of sufficient size to accommodate future loads will be extended to the NWC and MRTF sites.

The central plant project will construct approximately 8,500 gross square feet of space to be located at the southeast corner of Preble Avenue and Congress Street. The site is within the future service area of URC-S. The facility will consist of a chilled water plant with a small office and an attached generator room on the north side. The cooling towers are to be located on the west side of the compound.

The design development phase documents have now been completed for the plant project. The design of the facility has been undertaken in close coordination with other new construction projects in this area of the Campus. It is proposed the Board approve the project design and authorize the preparation of construction documents by the architect and advertising for receipt of bids. It is anticipated that a recommendation concerning the award of a contract for construction will be presented to the Board at the January 2003 meeting, with substantial completion expected in January 2004.

Other necessary infrastructure improvements at URC-S include the relocation of certain public utility facilities. ONG estimates the cost of relocation of a medium-pressure gas distribution line not to exceed \$145,000. OG&E estimates the cost of removal of overhead facilities and installation of underground facilities in the area east of Jenkins and south of Constitution not to exceed \$360,000. Final costs may be higher or lower than the estimates.

Funding for these improvements will be provided from North Campus land sale proceeds and from NWC and MRTF project funds.

President Boren recommended the Board of Regents:

- I. Approve the design development phase plans for the University Research Campus-South Chilled Water Plant;
- II. Authorize the preparation of construction documents for the Chilled Water Plant project;
- III. Authorize the University administration to advertise and receive bids for construction of the Chilled Water Plant; and

- IV. Authorize the University administration to enter into agreements with Oklahoma Natural Gas Company and Oklahoma Gas & Electric Company for the relocation of certain utility facilities located at University Research Campus-South, not to exceed costs of \$145,000 (ONG) and \$360,000 (OG&E).

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Everest, Austin, Clark and Stuart. Regent Bentley was out of the room at the time of the vote. The Chair declared the motion unanimously approved.

PARKWAY SOUTH LOAN AGREEMENT - NC

The recommended loan provides for a lower-than-market yield to Real Estate Operations and preserves the University's debt capacity, while at the same time providing an above-market investment yield to the Regents' Fund.

At the January 2002 meeting, the Board of Regents authorized the University's administration to 1) acquire property known as Parkway South, 3200 Marshall Avenue, for \$3,250,000, and 2) secure financing in an amount sufficient to fund the acquisition price and normal costs of issuance through a local public authority. Parkway South is located just north of Highway 9 and south of the OU Golf Course. The building was built in 1983 and contains more than 40,000 square feet of class A office space. The building sits on a well-landscaped six-acre plot contiguous to the OU Golf Course and has parking for 144 vehicles. The National Oceanic Atmospheric Administration (NOAA) currently occupies about 70% of the assignable space, and has a lease agreement through 2011, providing a stable rent base from which to fund maintenance and debt service on the building. The remainder of the assignable space is currently leased to several small companies, including spin-off companies from University research activities. About 6,000 square feet will be available from expiring leases within the next two years, allowing for a gradual transition to University needs, including possible space for incubator companies spinning off from University research activities.

Pursuant to the Board of Regents' authorization, the University's administration acquired the facility and developed a plan of financing, in coordination with its Bond Counsel (Floyd Law Firm, P.C.) and Financial Advisor (Governmental Finance of Oklahoma, Inc.), designed to secure financing through the Cleveland County Public Facilities Authority. However, due in large part to the University's inability, as an agency of The State of Oklahoma, to provide a traditional mortgage interest on the property, the terms and conditions received from potential loan providers were substantially (approximately 150 basis points) higher than anticipated.

In light of the interest rate disparity, particularly when compared to current short-term investment yields; the University's administration recommends the Parkway South acquisition be funded over a twenty-year period with an internal loan bearing interest at the five-year Treasury Note/Bond yield plus 50 basis points. Said interest rate is to be tied annually on July 1st to the five-year Treasury Note/Bond yield plus 50 basis points, but is to increase/decrease no more than 50 basis points on any given anniversary date.

President Boren recommended the Board of Regents authorize a \$2,800,000 long-term interest-bearing loan from non-endowed funds held in the Regents' Fund to Real Estate Operations to fund the acquisition of the Parkway South Office building.

Regent Everest moved approval of the recommendation. The following voted yes on the motion: Regents Everest, Austin, Clark and Stuart. Regent Bentley was out of the room at the time of the vote. The Chair declared the motion unanimously approved.

LEASE OF MINERALS OWNED BY THE UNIVERSITY - NC

The University owns a 65.95-acre mineral interest underlying part of Township 9 North, Range 2 West, Section 32: South One-Half (S1/2) of the Southwest Quarter (SW ¼) (Duck Pond area) (see plat attached hereto as Exhibit H).

In response to a bid solicitation placed by the University in the *Norman Transcript* and the *Journal Record* for three consecutive weekends, one bid was received from Energy Quest, Inc., of Traverse City, Michigan.

The evaluation committee comprised the following individuals:

Ted Jacobs, Director of Energy Management, Price College of Business
Kurt Ockershauser, Associate Chief Legal Counsel
Steven Smith, Assistant Director, Purchasing
Florian Giza, Purchasing Manager
Deborah Wollenberg, Administrator, Contracts and Real Estate

Evaluation criteria were financial offering, the lease term, the requirement that production operations would be in full compliance with all applicable laws and regulations, that operations would be unobtrusive to the surrounding community, and that operations would not occur on the surface of the described property.

The proposed lease agreement includes the following financial offering and terms and conditions:

Royalty:	3/16ths of all oil and gas produced
Bonus Consideration:	\$50.00 per acre
Initial term:	One year with no automatic extension
Production operations:	Not to occur on the surface of the property

The evaluation committee recommends the University enter into the lease agreement, upon final review by University Legal Counsel.

President Boren recommended the Board of Regents authorize the President or his designee to execute the agreements necessary, upon final review by University Legal Counsel, to lease approximately 65.95 acres of mineral interest owned by the University, underlying part of Township 9 North, Range 2 West, Section 32: South One-Half of the Southwest Quarter (Duck Pond area), to Energy Quest, Inc. of Traverse City, Michigan, for the amount of \$50.00 per acre plus 3/16ths of all oil and gas produced, for a period of one year.

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

FORMAL REQUEST FOR A CHANGE IN EDUCATIONAL PURPOSES REGARDING THE USE OF PROPERTY DEEDED BY THE DEPARTMENT OF EDUCATION - NC

In 1999, the Department of Education deeded Building 502, Max Westheimer Field, Norman, Oklahoma, consisting of 4.98 acres with improvements, to The University of Oklahoma. The deed restricted the use of the land for certain educational purposes. If the University utilized the land for these educational purposes for a period of 30 years, the land and its improvements became the property of the University free of charge (with the exception of expenditures for insurance, improvements and repairs). If, however, the University ceases to use the property for educational purposes, the land reverts to the federal government, and the University must pay past-due rent for three years.

The building located on the property was condemned and demolished due to acts of God. The University is unable to replace the existing building or utilize the land for the approved educational purposes. The Department of Education is willing to consider an alternate educational use of the property, e.g. the placement of a ropes course or aviation learning center. If such alternate use is approved by the Department of Education, the University will be able to retain the deed and own the property in 30 years without the payment of rent or a purchase price.

President Boren recommends the Board of Regents authorize the Administration to enter into any and all agreements needed to request such alternate use and accept such terms and conditions or agreements to retain the property and to create such alternate educational uses.

President Boren recommended the Board of Regents authorize the Administration to enter into any and all agreements needed to request a formal change of educational purpose for the use of restricted purpose land deeded by the Department of Education in 1999 to The University of Oklahoma.

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

**SALE AND ACQUISITION OF PROPERTIES – NC
ACADEMIC PERSONNEL ACTIONS
ADMINISTRATIVE AND PROFESSIONAL PERSONNEL ACTIONS
SALE OF PROPERTY**

Regent Stuart moved the Board meet in Executive session for the purpose of discussing the Sale and Acquisition of Properties, personnel-related issues and Sale of Property as listed above.

Prior to the above motion being voted upon by the Board, a point of order was raised by a member of the audience. Mr. Fred Gipson, former University Legal Counsel, said that his reading of the statute concerning real property was that executive session could be held only to discuss the purchase and appraisal of property, not the sale. General Counsel Harroz disagreed, but suggested that the motion be amended to exclude the Sale of Property item, so that the Board could continue with the executive session and the meeting while he researched the issue.

Regent Stuart amended his motion to include only Sale and Acquisition of Properties and personnel-related issues. The following voted yes on the amended motion: Regents Bentley, Austin, Clark and Stuart. Regent Everest was out of the room at the time of the vote. The Chair declared the motion unanimously approved.

The executive session was held in the same location and began at 3:00 p.m.

The meeting reconvened in regular session at 3:55 p.m.

SALE AND ACQUISITION OF PROPERTIES – NC

The University's administration recommends that it be authorized to pursue the acquisition of lots three (3) and four (4) in the Oakpark Addition of Norman (see map attached hereto as Exhibit I). The lots are located between the OU South Campus property, the recently purchased Parkway South property, and the Jimmie Austin University of Oklahoma Golf Course.

Appraisal information for each of the lots is listed below. Written agreements have been entered into with the owners of lots 3 and 4, contingent upon Board approval, that provide for below appraisal purchase prices.

Lot 3	\$22,250
Lot 4	<u>25,300</u>
Total	<u>\$47,550</u>

Funding, which is to be reimbursed upon the sale of the North Campus property, has been identified within Real Estate Operations.

President Boren recommended the Board of Regents authorize the University's administration to acquire lots three and four in the Oakpark Addition of Norman.

Regent Stuart moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

ACADEMIC PERSONNEL ACTIONS

Health Sciences Center:

LEAVES OF ABSENCE:

Alfrey, Laurie A., Clinical Assistant Professor of Pediatrics, Tulsa, medical leave of absence with pay, September 1, 2002 through October 25, 2002.

Madamangalam, Abhinava, Assistant Professor of Anesthesiology, leave of absence with full pay, September 9, 2002 through October 31, 2002; leave of absence without pay, November 1, 2002 through December 8, 2002.

West, Eileen C., Clinical Assistant Professor of Medicine and Clinical Assistant Professor of Obstetrics and Gynecology, medical leave of absence without pay, August 30, 2002 through November 19, 2002.

Sabbatical Leave of Absence:

Bryan, Willie Vern, Associate Professor of Health Promotion Sciences and Vice Provost for Educational Services and Registrar, HSC, sabbatical leave of absence with full pay, January 1, 2003 through June 30, 2003. Will work on the completion of a book. Faculty Appointment: 11/15/71. Previous leaves taken: None.

Thompson, Ann M., Associate Professor of Otorhinolaryngology, sabbatical leave of absence with full pay, July 1, 2003 through December 31, 2003. Will work on research project to study the role of serotonin in the development of neurons in the auditory brainstem at the University of North Carolina. Faculty Appointment: 4/1/89. Previous leaves taken: None. Teaching responsibilities will be covered by other faculty.

NEW APPOINTMENTS:

Chadek, Richard Frank, M.D., Instructor in Family and Preventive Medicine, annualized rate of \$70,000 for 12 months (\$5,833.33 per month), October 1, 2002 through June 30, 2003.

Cox, Gary, Visiting Associate Professor of Health Administration and Policy, Tulsa, annualized rate of \$30,000 for 10 months (\$3,000.00 per month), 0.40 time, September 1, 2002 through June 30, 2003.

Edge-Boyd, Sandra Kay, Clinical Instructor in Geriatrics, annualized rate of \$6,000 for 12 months (\$500.00 per month), 0.10 time, September 9, 2002 through June 30, 2003.

Ghani, Mohammad Khaled Jamal, M.D., Assistant Professor of Medicine, annualized rate of \$70,000 for 12 months (\$5,833.33 per month), September 9, 2002 through June 30, 2003. New tenure track appointment.

Ivins, Douglas J., M.D., Assistant Professor of Family Medicine, Tulsa, annualized rate of \$92,000 for 12 months (\$7,666.67 per month), October 10, 2002 through June 30, 2003. New consecutive term appointment.

Kharfan Dabaja, Mohamed Ahd El Karim, M.D., Assistant Professor of Medicine, annualized rate of \$60,000 for 12 months (\$5,000.00 per month), August 27, 2002 through June 30, 2003. New tenure track appointment.

Queimado, Lurdes, M.D., Ph.D., Assistant Professor of Otorhinolaryngology and The Presbyterian Health Foundation Chair in Otorhinolaryngology, annualized rate of \$85,000 for 12 months (\$7,083.33 per month), November 1, 2002 through June 30, 2003. New tenure track appointment. Includes supplement of \$25,000 as holder of endowed chair. Tenurable base salary \$60,000.

Saucedo, Jorge F., M.D., Associate Professor of Medicine, annualized rate of \$60,000 for 12 months (\$5,000.00 per month), September 1, 2002 through June 30, 2003. New consecutive term appointment.

Van Grevenhof, Jani Ann, Assistant Professor of Nutritional Sciences, annualized rate of \$34,000 for 9 months (\$3,777.77 per month), September 5, 2002 through June 30, 2003. New consecutive term appointment.

CHANGES:

Alvarez, Richard A., Assistant Professor of Research, Department of Biochemistry and Molecular Biology, and Director of the Oklahoma Center for Medical Glycobiology, salary changed from annualized rate of \$65,000 for 12 months (\$5,416.67 per month) to annualized rate of \$66,950 for 12 months (\$5,579.17 per month), September 1, 2002 through June 30, 2003.

Change in grant funding.

Avery, Kevin T., Professor and Chair of Dental Services Administration, Chair, Division of Community Dentistry, and Adjunct Professor of Health Administration and Policy; salary changed from annualized rate of \$89,113 for 12 months (\$7,426.09 per month) to annualized rate of \$89,915 for 12 months (\$7,492.92 per month), September 1, 2002 through June 30, 2003.

Increase in grant support.

Bogie, Amanda Lynn, Clinical Assistant Professor of Pediatrics, salary changed from annualized rate of \$56,250 for 12 months (\$4,687.50 per month), 0.75 time, to annualized rate of \$63,750 for 12 months (\$5,312.50 per month), 0.85 time, September 1, 2002 through June 30, 2003.

Change in FTE.

Edwards, Susan Marie, title changed from Clinical Instructor to Associate Professor of Radiological Sciences, Chief, VA Radiology Services, and Director of the Diagnostic Radiology Residency Program, salary changed from without remuneration to annualized rate of \$80,000 for 12 months (\$6,666.67 per month), October 1, 2002 through June 30, 2003. New tenure track appointment.

Elledge, Brenda L., Assistant Professor of Radiologic Technology, given additional title Adjunct Assistant Professor of Occupational and Environmental Health, July 1, 2002.

Ford, Susan E., Associate Professor of Family Medicine, Tulsa, and Clinical Associate Professor of Family and Preventive Medicine, OKC; title corrected to The Founders and Associates Research Chair in Family Medicine, Tulsa, July 1, 2002. Correction to previous action on September 11, 2002.

Gurwitsch, Robin, Clinical Associate Professor of Medicine and Clinical Associate Professor of Psychiatry and Behavioral Sciences, salary changed from annualized rate of \$64,750 for 12 months (\$5,395.83 per month) to annualized rate of \$70,000 for 12 months (\$5,833.33 per month), July 1, 2002 through June 30, 2003. Budget correction. Additional funding left off budget.

Ledbetter, Marciale, Clinical Assistant Professor of Pediatrics, Tulsa, and Clinical Assistant Professor of Psychiatry, Tulsa, salary changed from annualized rate of \$73,118 for 12 months (\$6,093.15 per month). 0.80 time, to annualized rate of \$62,378 for 12 months (\$5,198.15 per month), 0.80 time, September 1, 2002 through June 30, 2003. Increase in PPP allocation with reduction in base. Total FTE remains the same.

Onley, Kathryn, Associate Professor of Nutritional Sciences, title Chair of Nutritional Sciences deleted, September 6, 2002.

Peyton, Marvin D., title changed from Clinical Assistant Professor to Professor of Surgery; given additional titles Section Chief of Thoracic Surgery and The Paul H. Travis and Doris Eaton Travis Chair in Thoracic Surgery, salary changed from without remuneration to annualized rate of \$120,000 for 12 months (\$10,000.00 per month), August 5, 2002 through June 30, 2003. New consecutive term appointment.

Rabe, Frank Eugene, Assistant Professor of Radiological Sciences, given additional title Vice Chief, VA Radiology Services, salary changed from annualized rate of \$60,000 for 12 months (\$5,000.00 per month) to annualized rate of \$70,000 for 12 months (\$5,833.33 per month), October 1, 2002 through June 30, 2003. Addition of VA component.

Robinson, Cynthia A., title changed from Assistant Professor to Adjunct Assistant Professor of Rehabilitation Sciences, retains titles Assistant Program Director of Occupational Therapy and Adjunct Assistant Professor of Geriatrics; salary changed from annualized rate of \$52,017 for 12 months (\$4,334.75 per month) to annualized rate of \$26,529 for 12 months (\$2,210.72 per month), 0.51 time, September 1, 2002 through June 30, 2003.

Stratton, Russell J., Dean Emeritus, College of Dentistry, and Director of Dental Informatics, given additional title Professor Emeritus of Removable Prosthodontics, July 1, 2002, salary changed from without remuneration to annualized rate of \$12,500 for 12 months (\$1,250.00 per month), 0.20 time, September 1, 2002 through June 30, 2003.

Sullivan, Carole A., Dean, College of Allied Health, Professor of Radiologic Technology, and Adjunct Professor of Allied Health Sciences, given additional title Interim Chair of Nutritional Sciences, September 6, 2002.

Vesely, Sara Katherine, title changed from Assistant Professor of Research to Assistant Professor of Biostatistics and Epidemiology, and title changed from Assistant Professor of Research, Department of Medicine, to Adjunct Assistant Professor of Medicine, retains title Adjunct Assistant Professor of Research, Center for American Indian Health Research, October 1, 2002 through June 30, 2003. New tenure track appointment.

Walford, Andrew J., Associate Professor and Vice Chair of Anesthesiology, salary changed from annualized rate of \$64,000 for 12 months (\$5,333.33 per month) to annualized rate of \$75,000 for 12 months (\$6,250.00 per month), September 1, 2002 through June 30, 2003. Budget correction.

White, Gary Lynn, Associate Professor of Pathology and Director of Animal Resources; salary changed from annualized rate of \$129,007 for 12 months (\$10,750.58 per month) to annualized rate of \$148,269 for 12 months (\$12,890.81 per month), October 1, 2002 through June 30, 2003. Change due to College of Medicine Faculty Compensation Plan.

RESIGNATIONS AND/OR TERMINATIONS:

Fechter, Laurence, Professor of Pharmaceutical Sciences and The Henry D. and Ida Mosier Centennial Chair in Pharmaceutical Sciences, January 1, 2003 (with accrued vacation through February 27, 2003).

Jackman, Janet Ruth, Instructor in Medicine, August 30, 2002.

Johnson, Christa, Clinical Assistant Professor of Pediatrics and Clinical Assistant Professor of Psychiatry and Behavioral Sciences, June 30, 2002.

Kulvatunyou, Narong, Assistant Professor of Surgery, September 1, 2002.

Lenaerts, Marc Eugene, Assistant Professor of Neurology, August 14, 2002.

Miller, Kenneth, Assistant Professor of Cell Biology, September 1, 2002 (with accrued vacation through October 14, 2002).

Mitchell, Debra Sue, Associate Professor of Radiological Sciences, The Elizabeth Merrick Coe Chair in Imaging, and Director of Administrative Affairs and Clinical Operations, Department of Radiological Sciences, August 31, 2002 (with accrued vacation through September 2, 2002).

Nolen, Michael G., Clinical Assistant Professor of Surgery, Tulsa, September 13, 2002 (with accrued vacation through October 29, 2002).

Norman Campus:

LEAVE OF ABSENCE:

Stanley, Farland H., Associate Professor of Classics, short-term disability leave of absence, August 16, 2002 through May 15, 2003.

NEW APPOINTMENTS:

Rauch, Marianne, Research Associate, Geology and Geophysics, annualized rate of \$45,000 for 12 months (\$3,750.00 per month), .50 time, October 1, 2002 through September 30, 2003.

Richey, Robert G., Instructor of Marketing, annualized rate of \$60,000 for 9 months (\$6,666.67 per month), August 16, 2002 through May 15, 2003.

REAPPOINTMENTS:

Lee, Eric M., reappointed to a three-year renewable term appointment as Director and Chief Curator, Fred Jones Museum of Art, salary remains at annualized rate of \$75,000 for 12 months (\$6,250.00 per month), November 1, 2002.

McFetridge, Peter S., Research Assistant Professor, Chemical Engineering and Materials Science, salary remains at annualized rate of \$72,000 for 12 months (\$6,000.00 per month), January 1, 2003 through December 31, 2003.

CHANGES:

Beard, Fred K., Associate Professor, Journalism and Mass Communication, given additional title Director of Research and Creative Activity, Gaylord College of Journalism and Mass Communication, salary temporarily changed from annualized rate of \$60,954 for 9 months (\$6,772.67 per month), to annualized rate \$62,783 for 9 months (\$6,975.85 per month), August 16, 2002 through May 15, 2003. Paid \$1,829.00 while serving as Director of Research and Creative Activity.

Bradford, Alfred S., Professor of History, title John Saxon Professor in Ancient History changed to John Saxon Chair in Ancient History, salary remains at annualized rate of \$75,117 for 9 months (\$8,346.33 per month), January 1, 2003. John Saxon Professorship endowment upgraded to John Saxon Chair.

Carr, Frederick H., Professor of Meteorology and Director of the School of Meteorology, given additional title Mark and Kandi McCasland Chair in Meteorology, salary remains at annualized rate of \$119,640 for 12 months (\$9,970.00 per month), October 1, 2002.

Carstarphen, Meta G., Associate Professor, Journalism and Mass Communication, award of tenure has been recommended, September 6, 2002.

Carte, Traci A., Assistant Professor of Management Information Systems, salary changed from annualized rate of \$90,405 for 9 months (\$10,045.00 per month) to annualized rate of \$90,287 for 9 months (\$10,031.89 per month), August 16, 2002 through May 15, 2003. Temporary salary increase for Michael F. Price College of Business Teaching Fellow changed from \$3,906 to \$3,788. Temporary salary increase for Michael F. Price Teaching Fellow adjusted for new fringe rate.

Chudoba, Bernd, Assistant Professor of Aerospace and Mechanical Engineering, appointment start date changed from August 16, 2002 to August 30, 2002. To comply with Visa date.

Cogliser, Claudia C., Assistant Professor of Management, salary changed from annualized rate of \$72,000 for 9 months (\$8,000.00 per month) to annualized rate of \$73,200 for 9 months (\$8,133.33 per month), August 16, 2002 through May 15, 2003. Retention.

Craig, David A., Associate Professor of Journalism and Mass Communication, given additional title Director of Graduate Programs, Gaylord College of Journalism and Mass Communication, salary temporarily changed from annualized rate of \$46,000 for 9 months (\$5,111.11 per month), to annualized rate of \$47,380 for 9 months (\$5,264.45 per month), August 16, 2002 through May 15, 2003. Paid \$1,380.00 while serving as Director of Graduate Programs.

Davis, James M., Professor of Journalism and Mass Communication, given additional title Director of Curriculum and Instruction, Gaylord College of Journalism and Mass Communication, salary temporarily changed from annualized rate of \$59,436 for 9 months (\$6,604.00 per month), to annualized rate of \$61,219 for 9 months (\$6,802.12 per month), August 16, 2002 through May 15, 2003. Paid \$1,783.00 while serving as Director of Curriculum and Instruction.

DeBrunner, Victor E., Professor of Electrical Engineering, salary changed from annualized rate of \$74,315 for 9 months (\$8,257.22 per month), to annualized rate of \$75,315 for 9 months (\$8,368.33 per month), October 1, 2002. Salary inversion.

Ederington, Louis H., Professor of Finance and Oklahoma Bankers Chair in Finance, delete title Associate Dean for Research, Michael F. Price College of Business, annualized rate of \$151,431 for 9 months (\$16,825.67 per month), August 1, 2001. Associate Dean title was not officially removed when he returned to faculty status after a sabbatical leave of absence.

Garn, Gregg A., Assistant Professor of Educational Leadership and Policy Studies, salary changed from annualized rate of \$45,200 for 9 months (\$5,022.22 per month) to annualized rate of \$46,100 for 9 months (\$5,122.22 per month), August 16, 2002. Compression/inversion.

Jahn, David E., Research Scientist and Associate Director of Center for the Analysis and Prediction of Storms, salary changed from annualized rate of \$74,000 for 12 months (\$6,166.67 per month), 1.00 time, to annualized rate of \$59,200 for 12 months (\$4,933.33 per month), 0.80 time, September 15, 2002 through December 15, 2002. FTE reduced at employee's request. Paid from grant funds; subject to availability of funds.

Kanj, Mazen Y., Senior Research Associate, Rock Mechanics Institute, salary changed from annualized rate of \$56,000 for 12 months (\$4,666.67 per month) to annualized rate of \$57,680 for 12 months (\$4,806.67 per month), September 1, 2002 through December 31, 2002. Increased duties. Paid from grant funds; subject to availability of funds.

Karpiak, Irene E., Associate Professor of Educational Leadership and Policy Studies, salary changed from annualized rate of \$48,957 for 9 months (\$5,439.67 per month) to annualized rate of \$51,228 for 9 months (\$5,692.00 per month), August 16, 2002. Compression/inversion.

Maiden, Jeffrey A., Associate Professor of Educational Leadership and Policy Studies, salary changed from annualized rate of \$49,130 for 9 months (\$5,458.89 per month) to annualized rate of \$51,315 for 9 months (\$5,701.67 per month), August 16, 2002. Compression/inversion.

Mankin, Charles J., Professor of Geology and Geophysics, Director, Oklahoma Geological Survey and Director of the Sarkeys Energy Center, given additional title Lester A. Day Chair in Sarkeys Energy Center, salary remains at annualized rate of \$124,800 for 12 months (\$10,400.00 per month), November 1, 2002.

Matthews, William J., Professor of Zoology and Curator of Ichthyology in the Samuel Noble Oklahoma Museum of Natural History, given additional title Assistant Chair, Department of Zoology, salary remains at annualized rate of \$73,537 for 12 months (\$6,128.08 per month), October 1, 2002 through June 30, 2003.

O'Brien, Dennis J., John and Donnie Brock Chair, Director, Institute for Energy Economics and Policy in the Sarkeys Energy Center and Affiliate, International Academic Programs, title Professor of Marketing changed to Professor of Management, salary remains at annualized rate of \$98,099 for 9 months (\$10,899.89 per month), August 16, 2002. Title changed in the Michael F. Price College of Business, all other titles remain unchanged.

Pedersen, Jon E., Professor of Instructional Leadership and Academic Curriculum, salary changed from annualized rate of \$59,000 for 9 months (\$6,555.56 per month) to annualized rate of \$60,000 for 9 months (\$6,666.67 per month), August 16, 2002. Counter offer.

Pope, Myron L., Assistant Professor of Educational Leadership and Policy Studies, salary changed from annualized rate of \$45,001 for 9 months (\$5,000.11 per month) to annualized rate of \$45,500 for 9 months (\$5,055.56 per month), August 16, 2002. Compression/inversion.

Razook, Nim K., Professor of Legal Studies, given additional title Energy Management Advisor, salary temporarily changed from annualized rate of \$70,469 for 9 months (\$7,829.89 per month), to annualized rate of \$74,649 for 9 months (\$8,274.33 per month), August 16, 2002 through May 15, 2003. Paid \$4,000 while serving as Energy Management Advisor.

Reches, Ze'ev, Research Scientist, Geology and Geophysics, salary changed from annualized rate of \$84,000 for 12 months (\$7,000.00 per month), 1.00 time, to annualized rate of \$42,000 for 12 months (\$3,500.00 per month), 0.50 time, October 15, 2002 through April 14, 2003. OU Foundation funding available only through October 14, 2002. Paid from grant funds; subject to availability of funds.

Rizvi, Syed Rafat, Research Scientist, Center for the Analysis and Prediction of Storms, title changed to Visiting Research Scientist, salary changed from annualized rate of \$60,000 for 12 months (\$5,000.00 per month), 1.00 time to annualized rate of \$30,000 for 12 months (\$2,500.00 per month), October 1, 2002 through May 14, 2003. Paid from grant funds; subject to availability of funds.

Roath, Anthony S., Assistant Professor of Marketing, salary changed from annualized rate of \$80,020 for 9 months (\$8,891.11 per month) to annualized rate of \$81,520 for 9 months (\$9,057.78 per month), August 16, 2002. Retention.

Scott, Thurman E., Research Assistant Professor, Rock Mechanics Institute, salary changed from annualized rate of \$63,045 for 12 months (\$5,253.76 per month) to annualized rate of \$64,936 for 12 months (\$5,411.37 per month), July 1, 2002. Increased duties. Paid from grant funds; subject to availability of funds.

Steinheider, Brigitte, Assistant Professor of Psychology, Tulsa, annualized rate of \$55,000 for 9 months (\$6,111.11 per month), appointment start date changed from August 16, 2002 to September 5, 2002. To comply with Visa date.

Tan, David L., Associate Professor of Educational Leadership and Policy Studies, salary changed from annualized rate of \$53,185 for 9 months (\$5,909.44 per month) to annualized rate of \$53,592 for 9 months (\$5,954.67 per month), August 16, 2002. Compression/inversion.

RESIGNATION AND/OR TERMINATION:

Burnett, D. Graham, Reach for Excellence Honors Professor and Assistant Professor, Honors College, August 15, 2001.

President Boren recommended the Board of Regents approve the academic personnel actions shown above.

Regent Everest moved approval of the recommendation. The following voted yes on the motion: Regents Blankenship, Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

President Boren reported the following deaths:

Cosgrove, Augustin, Professor Emeritus of Business, September 16, 2002

Imler, Robert, Clinical Professor Emeritus, Department of Neurosurgery, College of Medicine, Tulsa, October 9, 2002.

Kovach, Francis, Professor Emeritus of Philosophy, September 24, 2002.

Riggs, Carl, Acting Provost and Vice President for Graduate Studies and Research, September 29, 2002.

ADMINISTRATIVE AND PROFESSIONAL PERSONNEL ACTIONS

Health Sciences Center:

NEW APPOINTMENTS:

Craddock, Randall James, Data Management Analyst III, Department of Data Management-Tulsa, annualized rate of \$64,000.00 for 12 months (\$5,333.32 per month), September 4, 2002. Professional Staff.

Park, Alex, Clinical Pharmacist, Department of Pharmacy, annualized rate of \$70,297.72 for 12 months (\$5,858.14 per month), August 16, 2002. Professional Staff.

Rupert, Kurt M., Legal Counsel, Department of Legal Counsel, annualized rate of \$86,000.00 for 12 months (\$7,166.66 per month), September 30, 2002. Administrative Staff.

CHANGES:

Bryant, Richard M., Director of Data Management, Department of Data Management-Tulsa, annualized rate of \$61,900.08 for 12 months (\$5,158.34) to annualized rate of \$65,000.00 for 12 months (\$5,416.67 per month), October 1, 2002. Managerial Staff. Market Adjustment.

Duskin, Robert, Clinical Departmental Business Administrator II, Department of Urology, salary changed from annualized rate of \$83,738.04 for 12 months (\$6,978.17 per month) to annualized rate of \$85,776.60 for 12 months (\$7,150.05 per month), October 15, 2002. Administrative Staff. Probationary Increase.

McDermott, Harrold, title changed from Clinical Departmental Business Administrator IV, Department of Pediatrics, to Clinical Departmental Business Administrator IV, Department of Pediatrics, and Director of Operations, Department of OU Physicians, August 1, 2002. Administrative Officer.

Seamans, Susan G., Legal Counsel, Department of Legal Counsel, salary changed from annualized rate of \$91,520.00 for 12 months (\$7,626.67 per month) to annualized rate of \$94,520.00 for 12 months (\$7,876.67 per month), November 1, 2002. Administrative Staff. Equity Retention.

Tolman, Julie A., Quality Assurance Analyst, Department of OU Physicians, salary changed from annualized rate of \$58,000.00 for 12 months (\$4,833.33 per month) to annualized rate of \$60,900.00 for 12 months (\$5,075.00 per month), October 1, 2002. Professional Staff. Probationary Increase.

RESIGNATION AND/OR TERMINATION:

Gipson, Fred R., Legal Counsel, Department of Legal Counsel, September 17, 2002. Administrative Staff. Resignation; accepted another position.

Norman Campus:

APPOINTMENT:

Jones, Mark E., Administrator III, Budget Office, annualized rate of \$75,000 for 12 months (\$6,250.00 per month), December 1, 2002. Administrative Staff.

REAPPOINTMENTS:

Bridges, Leroy, Marketing and Public Relations Specialist, Political Communication Center, salary remains at annualized rate of \$45,000 for 12 months (\$3,750.00 per month), 0.75 time, October 1, 2002 through June 30, 2003. Managerial Staff.

Coberg, Richard L., Program Administrator III, Liberal Studies, salary remains at annualized rate of \$64,000 for 12 months (\$5,333.33 per month), October 1, 2002 through September 30, 2003. Managerial Staff. Paid from grant funds; subject to availability of funds.

Grissom, Joe E., Information Technology Analyst II, Botany and Microbiology, salary remains annualized rate of \$88,000 for 12 months (\$7,333.34 per month), September 1, 2002. Managerial Staff. Paid from grant funds; subject to availability of funds.

CHANGES:

Berardo, Linda C., Administrator III, College for Continuing Education, Business and Accounting Operations, salary changed from annualized rate of \$67,300 for 12 months (\$5,608.33 per month) to annualized rate of \$71,000 for 12 months (\$5,916.67 per month), October 1, 2002. Administrative Staff. Retention.

Bluitt, Anthony V., Director of Project Threshold, salary changed from annualized rate of \$108,326 for 12 months (\$9,027.17 per month) to annualized rate of \$111,576 for 12 months (\$9,298.00 per month), September 1, 2002. Administrative Staff.

Corr, Edwin G., Acting Associate Director, International Programs Center, change from a 9-month appointment to a 12-month appointment, salary remains at annualized rate of \$74,162 (\$6,180.17 per month), October 1, 2002. Administrative Staff.

DeWitt, Donald L., Librarian III, University Libraries, salary temporarily changed from annualized rate of \$77,351 for 12 months (\$6,445.92 per month) to annualized rate of \$80,018 for 12 months (\$6,668.17 per month), October 1, 2002. Professional Staff. Temporarily increased responsibilities.

Kenton, Stephen M., Senior Systems Support Programmer, Chemistry and Biochemistry, salary changed from annualized rate of \$80,348 for 12 months (\$6,695.70 per month), to annualized rate of \$64,279 for 12 months (\$5,356.56 per month), October 1, 2002 through December 31, 2004. Managerial Staff. Salary reduced due to grant funding.

Lane, Valerie, Program Specialist II, Social Work, salary changed from annualized rate of \$14,333 for 12 months (\$1,194.42 per month), 0.25 time, to annualized rate of \$15,051 for 12 months (\$1,254.25 per month), 0.25 time, October 1, 2002. Managerial Staff. Paid from grant funds; subject to availability of funds.

McDowell, Eunice, College Program Director, Social Work, salary changed from annualized rate of \$57,480 for 12 months (\$4,790.00 per month) to annualized rate of \$60,354 for 12 months (\$5,029.50 per month), October 1, 2002. Managerial Staff. Paid from grant funds; subject to availability of funds.

Strong, Walter B., Administrator II, Airport, Physical Plant, salary changed from annualized rate of \$65,000 for 12 months (\$5,416.67 per month) to annualized rate of \$73,000 for 12 months (\$6,083.33 per month), July 1, 2002. Administrative Staff.

White, James D., Assistant Director, Advanced Center for Genome Technology, Chemistry and Biochemistry, salary changed from annualized rate of \$86,724 for 12 months (\$7,227.00 per month) to annualized rate of \$69,379 for 12 months (\$5,781.60 per month), October 1, 2002 through December 31, 2004. Administrative Staff. Salary reduced due to grant funding.

RESIGNATIONS AND/OR TERMINATIONS:

Haralson, Harold H., Health Care Professional III, Goddard Health Center, October 16, 2002. Professional Staff.

Ward, Gary L., Director, Physical Plant, October 12, 2002. Administrative Officer.

President Boren recommended the Board of Regents approve the administrative and professional personnel actions shown above.

Regent Everest moved approval of the recommendation. The following voted yes on the motion: Regents Bentley, Everest, Austin, Clark and Stuart. The Chair declared the motion unanimously approved.

LITIGATION

This item was included in the agenda for the purpose of meeting with General Counsel in executive session for a report on pending and possible litigation. No executive session was held, and there was no report.

SALE OF PROPERTY - NC

Discussion of this item was tabled to a future meeting.

Chairman Noble thanked Mr. Ken Levit and his staff for hosting the meeting.

There being no further business, the meeting adjourned at 4:00 p.m.

Chris A. Purcell
Executive Secretary of the Board of Regents