

MINUTES OF THE SPECIAL MEETING
BOARD OF REGENTS
6:00 p.m., Friday, August 29, 1947

A special meeting of the Board of Regents was called to consider bids on the Music Practice Building which were opened on August 12, 1947. Other items as noted were also considered and the action in each case was as indicated.

There were present at the meeting the following: Erl Deacon, Vice-President, presiding in the absence of Regent Noble, President of the Board; Regents Emery, White, McBride, Shepler, and Benedum.

The Board met for dinner in the Rose Room, Union Building, with members of the Norman Board of Education and Superintendent Don Garrison as guests. There was a discussion concerning the contract to permit the Norman High School to use the stadium for its football games, the consideration being the installation of floodlights at the expense of the Board of Education of Norman School District No. 29. A tentative contract had been prepared and several changes were suggested and agreed upon. Following the dinner the Regents met in the President's office.

After a further discussion of the Stadium contract it was voted, on motion by Regent Emery, that the President of the University be authorized to negotiate such a contract to become effective only after approval as to the validity of each and all of its provisions by the Attorney General of the State of Oklahoma.

President Cross presented the tabulation of bids on the Music Practice Building:

Dunning Construction Company, \$149,889.00
Secor Building Company, \$152,325.00
J. J. Bollinger Construction Company, \$147,845.00
Builders Construction Company, \$146,697.00

It was found that the bid of the Builders Construction Company was low. Motion was made by Regent McBride, seconded by Regent White, that the \$146,697.00 bid of the Builders' Construction Company, Oklahoma City, for the construction of the Music Practice Building in accordance with revised plans and specifications, being the lowest and best bid, be accepted and the contract awarded to the Builders' Construction Company; and that the President or the Vice-President of the Board of Regents be authorized to sign the contract documents. Motion passed with the following voting AYE; Shepler, White, Benedum, McBride, Emery, Deacon; voting NO: None.

Bids for furnishing and installing air conditioning equipment for the Music Practice Building were considered, the tabulation being as follows:

Fischer Engineering Co., \$19,302.25
Oller Heating Company, \$20,277.00
Manoy Engineering Co., \$20,350.00

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It was found that the bid of the Fischer Engineering Company was low.

Motion was made by Regent Benedum, seconded by Regent Shepler, that the \$19,302.25 bid of the Fischer Engineering Company, Norman, for furnishing and installing air conditioning equipment for the Music Practice Building, being the lowest and best bid, be accepted and the University Purchasing Agent be authorized to issue a purchase order for the equipment. Motion passed with the following voting AYE: Benedum, Shepler, White, McBride, Emery, Deacon; Voting NO: None.

Recommended by President Cross that Hudgins-Thompson-Ball and Associates, architects for the Music Building project, be employed to supervise the installation of the air conditioning equipment.

Motion was made by Regent White, seconded by Regent McBride, that Hudgins-Thompson-Ball and Associates, Oklahoma City, architects for the Music Building project, be employed to supervise the installation of the air conditioning equipment in accordance with plans and specifications prepared by them, and that they be paid at the rate of four per cent of the purchase price of the air conditioning equipment as a fee for such services, the amount of such fee to be \$772.09. Motion passed with the following voting AYE: White, McBride, Shepler, Benedum, Emery, Deacon; voting NO: None.

President Cross submitted the following resolution and it was unanimously adopted:

RESOLUTION

Be it resolved by the Board of Regents of the University of Oklahoma:

(1) That effective with the fall semester of 1947, a music practice room fee of \$20.00 for each regular semester and \$10.00 for each Summer Term of eight weeks be collected for each enrollment in applied music;

(2) That all the proceeds of such fee be deposited in a fund in the State Treasury to be designated as "University of Oklahoma Music Building Fund";

(3) That the said fund be used solely to pay the principal and interest of the \$175,000.00 Regents of the University of Oklahoma Music Building Bonds of 1947, and to pay the costs of insurance, replacements, and improvements or additions to said building;

(4) That the said music practice room fee of \$20.00 for a regular semester and \$10.00 for a Summer Term be collected as part of a total fee of \$50.00 to be collected for each enrollment in applied music during a regular semester and a total fee of \$25.00 to be collected for each enrollment in applied music during a Summer Term.

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President Cross called attention to the provision in the Music Building bond issue which designates the State Treasurer as the depository for the proceeds of the sale of bonds and recommended the adoption of a resolution.

Regent Shepler introduced a resolution which was read in full by the Secretary and upon motion by Regent Shepler, seconded by Regent Benedum, was adopted by the following vote: AYE: Shepler, Benedum, White, McBride, Emery, Deacon. NAY: None.

Said resolution was thereupon signed by the President of the Board of Regents, attested by the Secretary, sealed with the seal of the Board of Regents, and is as follows:

RESOLUTION

WHEREAS, on the 11th day of June, 1947, a resolution was enacted providing for the issuance of \$175,000.00 Regents of the University of Oklahoma Music Building Bonds, dated June 1, 1947, and in Section 6 thereof provided that the proceeds derived from the delivery and sale of said bonds shall be placed by the State Treasurer in a special fund to be known as "The University of Oklahoma Music Building Construction Fund" and said funds shall be used solely for the purpose of constructing, furnishing and equipping a Music Building, and for paying interest on the bonds during construction of the building, and

WHEREAS, in Section 9 of said resolution dated June 11, 1947, it is provided that the Board of Regents covenants and agrees that it would establish from the proceeds of the bond issue a sinking fund reserve sufficient to meet interest payments during the construction period, which amount is hereby determined to be \$10,000.00, and

WHEREAS, this Board desires to establish said sinking fund reserve from the proceeds of the sale of said bond issue sufficient to meet interest payments on said bonds during the construction period in the sum of \$10,000.00, and upon receipt by the State Treasurer of payment for said bonds to deposit said \$10,000.00 and all accrued interest paid on said bonds in the "University of Oklahoma Music Building Sinking Fund", and all other proceeds of said bonds to go into "The University of Oklahoma Music Building Construction Fund".

BE IT THEREFORE RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA, ACTING FOR AND IN BEHALF OF THE UNIVERSITY OF OKLAHOMA:

1. That from the proceeds of the sale of \$175,000.00 Regents of the University of Oklahoma Music Building Bonds dated June 1, 1947, there is hereby established a sinking fund reserve in the sum of \$10,000.00, which is declared to be sufficient to meet interest payments during the construction period.

2. That the State Treasurer shall deposit all proceeds derived from the delivery and sale of said bonds in a special fund to be known as

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"The University of Oklahoma Music Building Construction Fund", with the exception of \$10,000.00 and all money received from the purchasers as accrued interest.

That the State Treasurer of Oklahoma shall deposit from the proceeds of the sale of said bonds, the sum of \$10,000.00 in the "University of Oklahoma Music Building Sinking Fund", which sum is estimated and hereby found and declared to be the amount which will be required to pay interest on the bonds which will accrue during the period covered by the construction of the Music Building. That the State Treasurer shall also deposit in said "University of Oklahoma Music Building Sinking Fund" all money received from the purchasers as accrued interest which shall be used to pay interest on said bonds.

President Cross distributed copies of a revised fee schedule, stating that the State Regents for Higher Education had directed establishment of general fees "covering normal laboratory supplies and general services, and incidental services such as health service, libraries, student government, student newspaper, and use of Student Union" for residents of Oklahoma in the total amount of \$48.00 each semester, and \$120.00 each semester additional for nonresident students. The fees for "Individual Instruction", "Occasional Fees", "Correspondence, Extension and August Classes", were also shown, also a statement concerning "Charges for Loss, Damage, or Rentals", "Refunds", and "Fee Waivers".

There was a discussion concerning the fee schedule, more particularly on the question of the athletic ticket listed under "Optional Fees." President Cross stated the Oklahoma A & M College is including the athletic ticket in the \$48.00 per semester charge, but that he was not prepared to make a recommendation concerning the inclusion of the ticket in the general charge, and that the State Regents had not acted on fees other than "General" and "Nonresident".

President Cross recommended that the University collect the fees as prescribed by the Oklahoma State Regents for Higher Education whereupon Regent McBride moved that the President's recommendation be approved. A roll call was had on the motion.

Regent Emery stated: "While I have grave doubts as to the validity of the act of the Twenty-First Legislature delegating to the State Regents of Higher Education the power to prescribe fees in the face of the constitutional provision declaring that only the Legislature may prescribe fees upon recommendation of the State Regents for Higher Education, I vote AYE due to my great respect for persons having contrary views, and because the Board of Regents should probably not pass upon the constitutional validity of the Legislative act in the discharge of its duties."

Shepler, AYE, concurring in the statement by Regent Emery.

White, AYE, concurring in the statement by Regent Emery.

Benedum, AYE, concurring in the statement by Regent Emery.

McBride, AYE, concurring in the statement by Regent Emery.

Deacon, AYE, concurring in the statement by Regent Emery.

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The McBride motion was declared carried.

It was agreed that the question with reference to the athletic ticket be left with President Cross for decision.

President Cross read the following resolution and recommended adoption:

RESOLUTION

BE IT RESOLVED by the Board of Regents of the University of Oklahoma that the President of the University is authorized to sign contracts with the Veterans Administration under terms of Public Law 346 and Public Law 16, as amended, and under terms of House Bill 161 of the 1947 Oklahoma Legislature in the name of this governing board for payments to be received by the institution for fees, for costs of instruction and for any and all other benefits allowable by the Veterans Administration; and all such contracts heretofore signed by the said President of the University are hereby approved by the Board of Regents.

Moved by Emery, and unanimously voted, to adopt the resolution.

President Cross called attention to his communication to the Regents under date of August 21 concerning hangar leases and flight instruction contracts (Max Westheimer Field). He had recommended that the University's hangar leases and the flight instruction contracts with commercial operators be terminated as of September 15 when the present leases expire, and said that he would be glad to have the matter discussed by the Regents at the present meeting because of the need to make a decision soon. The matter was thoroughly discussed, and upon motion by Regent White, it was voted to terminate the leases of commercial operators, and that the President of the University be authorized to purchase trainer planes, and conduct the program as outlined in the President's communication to each member of the Board.

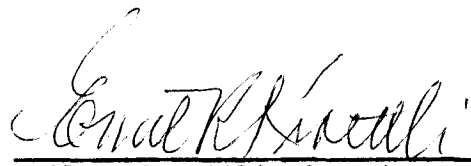
*See next two pages for copy of communication.

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President Cross discussed the directorship of the School of Journalism, stating that several men had been interviewed, but that the type of man desired is not available at the salary schedule for directors of other schools on the campus. He requested that the Board consider this matter and advise him as to the salary that might be paid in order to secure a man with the desired qualifications, and that from inquiries made, it would probably take from \$7500.00 to \$8000.00 annual salary.

Regent Shepler moved, and it was voted, that the president be authorized to pay as much as \$8000.00 to secure a well qualified man for the School of Journalism.

There being no further business the meeting was adjourned at 10:00 p.m.


Emil R. Kraettli, Secretary

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Mr. Lloyd Noble
Mr. Joe McBride
Mr. Erl Deacon
Mr. Ned Shepler
Mr. Don Emery
Dr. Oscar White
Mr. T. R. Benedum

Gentlemen:

After careful consideration, I have decided to recommend to the Regents that the University's hangar leases and flight instruction contracts with commercial operators be terminated as of September 15 when the present leases expire, and that the University begin to offer flight instruction through its own Department of Aeronautics, beginning with the fall semester.

The principal reasons for this recommendation are as follows:

(1) New Ruling by Veterans Administration: During the last year, the University accepted for flight instruction only those war veterans whose cost for fees, books and supplies, and cost of instruction per credit hour were at a level that would leave a sufficient amount in their educational entitlements from the Veterans Administration to cover the cost of flight instruction courses. The Veterans Administration now has ruled that if an institution offers flight instruction, it cannot deny enrolment to any veteran on the grounds that he does not have a sufficient amount of "un-encumbered" funds in his current entitlement to cover the fee for flight instruction. The Veterans Administration has adopted the theory that the customary fees and the costs for books and supplies will be paid first by the Veterans Administration, and that if there is not enough money left in the veteran's entitlement of \$500 for an academic year to cover the cost of instruction or tuition (either in the form of cost per credit hour or the amount of a non-resident fee), that the institution must absorb the loss in cost of instruction or tuition and permit the student to enrol in flight instruction.

Beginning with the fall semester, the charges against the maximum veteran entitlement of \$250 for one regular semester will consist of the general enrolment fee of \$48, books and supplies averaging \$25 per veteran, \$120 for tuition or cost of instruction (assuming the Veterans Administration will accept the University's election to collect the amount of the non-resident fee for the cost of instruction), and occasional fees for individual instruction such as the \$96.00 fee for one semester of flight instruction. In the case of a veteran taking flight instruction, the average total charges exceed the maximum entitlement of \$250 per semester by \$39.00. In brief, the University would have to take an average loss of \$39.00 for each student in flight instruction. The University had 386 students enrolled in flight training during the spring semester. With no restrictions on those enrolling in flight instruction, so far as entitlement is concerned, we would have to count on a minimum of 400 flight students in the fall semester, which would amount to a total loss of \$15,600 for the semester if the amount paid the flight contractors for flight instruction remains at \$96.00 per semester. It is the opinion of George P. Haley,

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veterans liaison officer, that with the restrictions removed, enrolment in flight instruction could easily increase to 800 or more students this fall. At least in theory, the potential loss could be estimated as high as \$30,000 for one semester or \$60,000 for the school year.

(2) To Lower the Cost of Flight Instruction. The University could operate a flight instruction program at substantially less cost than a commercial operator since the University would eliminate payment of taxes, much of the overhead cost of a private operator, and the 10% profit which a commercial operator adds to his costs. The manager of Westheimer Field estimates the cost of operation by the University would be as follows:

ESTIMATE OF COST PER HOUR BASED ON 400 STUDENTS FOR 9-MONTHS PERIOD

<u>ITEM</u>	<u>DUAL</u>	<u>SOLO</u>
Gasoline	\$.076	\$.076
Oil	.05	.05
Student Insurance	.20	.20
Plane Insurance	.50	.50
Depreciation Reserve	1.00	1.00
Maintenance	.70	.70
Utilities	.18	.18
Administrative	.40	.40
Instructor Salary	2.50	1.00
	<u>\$6.49</u>	<u>\$4.99</u>

COST OF INSTRUCTION:

6400 hours of Dual Instruction @ \$6.49 --	\$41,536.00
3200 hours of Solo Instruction @ \$4.99 --	<u>\$15,968.00</u>
Total cost for 9 month period -----	\$57,504.00

(Direct Costs)

INCOME:

9600 hours @ \$7.00 per hour -----	\$67,200.00
Less direct costs -----	<u>\$57,504.00</u>
Excess of income over expense -----	\$ 9,696.00

If the Veterans Administration is charged \$7.00 per flight hour or \$84 per semester for flight instruction given 400 veterans, the estimated excess charges above the \$500 maximum entitlement for a school year would be \$21,600. If the estimated operating gain of \$9,696.00 is deducted from the \$21,600 estimated as excess charges above the entitlement, the "loss" to be absorbed by the University in general fee income is reduced to \$11,904.00. If the number of flight students proves to be more than 400, the unit/^{cost} would be reduced still further.

The circumstances seem to justify planning operation on this basis, at least for an experimental period. Another point considered is that few non-veterans can take flight instruction unless the cost is reduced from the present level.

(3) Future Development of Max Westheimer Field. When the flight instruction program was started last fall, many of us directly concerned with the operation of the field felt that it would be desirable for the University to handle its own flight instruction program, but the University staff had had no experience in such operations at that time, and it was believed preferable to contract with experienced operators for at least a year. It is now believed that the University's experience during the last year provides a sound basis for establishing an aeronautics department of the University and dispensing with the services of private contractors. It is believed that this would be a major step in the University's plans to develop new courses in the field of aeronautics, and in the development of research activities in connection with Max Westheimer Field. The creation of an independent Department of Aeronautics in the University would also provide a convenient agency to coordinate a program of courses from various departments designed to serve the needs of students planning a career in aviation.

(4) Standards of Instruction. While the Page Aviation Service and the Southwest Aviation Service have been cooperative in working with the University on flight^{instruction} of students, it is believed that it would be easier for the University to maintain high standards in its flight instruction program if the entire program were operated by the University instead of on contract with commercial operators. Under the contract system, it is necessary for University personnel to spend much time checking the flight instruction procedures to be sure that adequate standards are being maintained. The supervision would be simplified if all the instructors were working directly for the University and under the direct supervision of the airport manager and his assistants.

In consideration of the reasons stated above, the following specific recommendations are made:

(a) That the one-year leases on the hangar facilities and use of the airport for commercial purposes which were entered into September 15, 1946, by the University with the Southwest Aviation Service and the Page Aviation Service be terminated and not renewed at the expiration date, September 15, 1947; and that the separate, supplementary contracts covering flight instruction service to be rendered by the commercial operators be terminated as of the same date.

(b) That a new University department designated as "Department of Aeronautics," constituting an instructional department not within any college of the University, be established by the Board of Regents, and that all courses in flight instruction and related courses not an integral part of the College of Engineering curriculum or the College of Business Administration curriculum be offered as courses in the Department of Aeronautics. The courses to be offered by the Department of Aeronautics would include Aeronautics 81, 84, 85, 91A, 91B, and 91C, which presently are offered as courses in Aeronautics in the College of Engineering, but are not a part of any Engineering curriculum leading to a degree.

(c) That the new Department of Aeronautics be established effective immediately, but that the Faculty Senate be requested to make recommendations as to future relationships between the new department and other academic units of the University, and as to general policies on aeronautics curricula.

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(d) That the manager of Max Westheimer Field serve as chairman of the Department of Aeronautics and have the rank of Instructor in Aeronautics.

(e) That the Board of Regents be requested to approve expenditure of approximately \$30,000 to cover the cost of ten to fourteen training airplanes, six parachutes, and a small amount of necessary miscellaneous equipment. The proposed charge of \$7.00 per flight hour includes \$1.00 per hour for a depreciation reserve which would recover the cost of a plane in about 2000 hours (approximately two years of use).

(f) That the fee for flight instruction beginning with the fall semester be set at \$84 per semester for twelve flight hours, rather than the present fee of \$96 per semester.

This matter can be considered at the September meeting, but I wanted y u to have the proposal early.

Cordially yours,

G. L. Cross
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