

MINUTES  
Board of Trustees Meeting  
January 23, 1965

A regularly scheduled meeting of the Board of Trustees of Edinboro State College was held in the Board Room of Normal Hall, Meadville Street, Edinboro, Pennsylvania, on January 23, 1965, beginning at 10:30 a.m. The meeting was called to order by the President, Mr. Wesley Reitze.

The following members of the Board were present: Mr. Wesley Reitze, Mr. Max Gabreski, Mr. John Grajciar, Mr. Forest Hopkins, Dr. Hugh O'Hare, and Mr. Hyman Roseman.

President Reitze thanked Mr. Hugh Sherwood, President of the Alumni Association, for being present.

The 1965-66 college budget as prepared by the Business Manager was presented by Dr. Miller. This budget becomes a part of the Governor's general budget which has been or will be presented to the Legislature within the next one to three weeks. If this bill is passed into law, as of July 1, 1965, money will be appropriated for college use. On motion of Mr. Grajciar, seconded by Mr. Roseman, it was voted that the Board approve the budget request as submitted.

It was voted, on motion of Dr. O'Hare, seconded by Mr. Roseman, that the Board request the Department of Public Instruction to establish the location of the infirmary, since no actual location has ever been definitely established for it, at site number twenty-five (25) on the over-all comprehensive campus plan."

Mr. Reitze requested Dr. Earley to be present for a portion of the meeting in order that they might bring the Board up to date on the work toward a nursing education program at Edinboro.

Mr. Reitze and Dr. Earley reported that they had met with representatives of the various local hospitals and had requested information on questionnaires to determine whether it would be possible for Edinboro students to do their clinical practice in these hospitals. Mr. Reitze requested that a quote from the letter of James E. Werle, Administrator of the Meadville City Hospital, summing up the answers to the questionnaires be made a part of the minutes. That quote follows:

"I would sum up the feeling of the Administrators present that they unanimously feel that such a program would be most valuable, but that they were almost as unanimous in their question of -- how could the program be carried out without a centralized clinical area."

It was voted, on motion of Mr. Hopkins, seconded by Mr. Gabreski, that Dr. Miller and Dr. Earley be directed to investigate carefully the request from Hamot Hospital to offer 21 semester hours of college credit courses for their present three year nursing program and also to investigate a request received from St. Vincent's Hospital to utilize academic facilities at Edinboro State College for the first three years of preparation of medical technologists who would complete their degree by spending one year of clinical experience at St. Vincent's Hospital. It was also agreed that the College should move forward to support these programs provided it is feasible to do so.

The next item of business discussed was the audit report for the fiscal year ended June 30, 1964. The resolution as adopted and special reports are attached to this set of minutes.

It was voted, on motion of Dr. O'Hare, seconded by Mr. Roseman, that the minutes of the meeting held November 14, 1964, be approved as submitted by the secretary to each member of the Board.

Mr. Reitze requested that Dr. Miller write a letter to Mr. A. J. Caruso, Executive Director of General State Authority, thanking him for changing locations of the World Cultures Building and Research-Learning Center.

The following requests for refunds as shown by the records of the Bursar were recommended by the President and Business Manager for review and action by the Board of Trustees:

Janet R. Anderson	\$ 55.54	Harold Loyer	\$191.52
Clarence Bauer	53.82	Edward Minch	49.32
Claire L. Callahan	10.00	Dennis Sirianni	100.00
Gary M. Currie	228.00	John C. Toth	69.40
Francis Fitzgerald	41.64		

It was voted, on motion of Mr. Gabreski, seconded by Mr. Hopkins, that the refunds as listed above be granted in accordance with the regulations for repayment.

It was voted, on motion of Mr. Hopkins, seconded by Mr. Gabreski, that the bills for the months of September, October, and November 1964 be approved as certified by the Business Manager to be correct to the best of his knowledge.

It was voted, on motion of Dr. O'Hare, seconded by Mr. Roseman, that Dr. Harriet Long be granted a sabbatical leave-of-absence for the second semester 1965-66 to travel the Eastern Mediterranean and in Southeast Asia.

It was voted, on motion of Mr. Hopkins, seconded by Mr. Roseman, to grant Mr. C. Richard Wick a leave without pay for one academic year, 1965-66 to work toward his doctorate degree.

It was voted, on motion of Mr. Gabreski, seconded by Mr. Grajciar, to grant Miss Mary K. McAdoo a transfer to Shippensburg State College and Dr. Alice K. Schuster a transfer to Indiana State College.

It was voted, on motion of Mr. Grajciar, seconded by Mr. Hopkins, upon the recommendation of Dr. Miller, that the Board approve the appointment of the following faculty members beginning second semester 1964-65:

Dr. Josiah Baird - Art - Associate Professor - \$9,660  
Mr. Peter Gall - Biological Science - Instructor - \$6,910  
Mr. William Ingrahm - Special Education - Assistant Professor - \$8,000  
Mrs. Estelle King - Mathematics - Instructor - \$6,580  
Mr. J. Roland Lafferty - Art - Assistant Professor - \$6,910  
Mr. Donald J. Renn - Physical Science - Instructor - \$5,960

The meeting adjourned at 12:40 p.m.

Respectfully submitted,

(Mrs.) Marjorie G. Koon  
Secretary to the Board of Trustees

On motion of Mr. H. A. Roseman, seconded by Dr. Hugh O'Hare, it was voted that the resolution as read by Dr. Miller and as required by the Department of the Auditor General be approved:

WHEREAS, at the meeting of the Board of Trustees of Edinboro State College held this twenty-third day of January 1965, the following members were present:

Mr. Wesley E. Reitze  
Mr. Max P. Gabreski  
Mr. John W. Grajciar  
Mr. Forest Hopkins  
Dr. Hugh O'Hare  
Mr. Hyman A. Roseman

At which time the report of the Department of the Auditor General was read in detail, and the following resolution was presented and adopted:

RESOLVED, that the President of the Board of Trustees be authorized to appoint a committee to study the report of the Department of the Auditor General, and submit a reply in detail, in writing, page by page, as to their findings, in the following form:

<u>Page Number</u>	<u>Subject of Criticism</u>	<u>Answer to Criticism</u>
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Attaching thereto the written report of the President of Edinboro State College to this committee in like form and any other reports the committee deems necessary.

AND BE IT FURTHER RESOLVED, that the committee shall make its report as soon as possible in order that the committee's report, together with the report of the Executive Officer may be forwarded in quintuplicate to the Department of Public Instruction on or before February 2, 1965, for presentation to the Governor.

The following members were appointed as the committee:

Mr. Grajciar  
Dr. O'Hare  
Mr. Gabreski  
Mr. Roseman  
Mr. Hopkins  
Mr. Reitze

We, the members of the Board of Trustees of Edinboro State College, do hereby certify that the above is an exact copy of the resolution adopted on the twenty-third day of January 1965.

/s/ John Grajciar  
/s/ Hugh O'Hare  
/s/ Max Gabreski  
/s/ Hyman Roseman  
/s/ Wesley Reitze  
/s/ Forest Hopkins

STATEMENT OF THE PRESIDENT OF THE EDINBORO STATE COLLEGE AT  
EDINBORO ON THE AUDITOR'S REPORT FOR THE EDINBORO STATE  
COLLEGE FOR THE FISCAL YEAR ENDING JUNE 30, 1964

I submit the following statement concerning the Comments on Financial Operations contained on pages 2, 3, 4, and 5 of the Audit Report of the fiscal year ending June 30, 1964.

Paragraphs one, two, and three, page two, represent statements of fact and contain no recommendation or criticism and are, therefore, not commented upon.

Subject of Criticism: Paragraph one, page three. "Our count of cash in the College Library on June 30, 1964 disclosed \$51.30 on hand which represented collections from fines on overdue books. At various times some of the cash on hand is taken to the business office for transmittal to Harrisburg as miscellaneous receipts; however, adequate records to support these transmittals are not being maintained. We recommend that this accounting deficiency be corrected immediately."

Answer to Criticism: The statement is made that adequate records to support these transmittals are not being maintained. Presently individual records of fines are maintained in the library. Receipts are transmitted monthly to the business office from which they are transmitted to the Treasury Department of the State. I have requested the librarian and the Office of the Business Manager to maintain whatever additional records are recommended by the Auditor General's Office.

Subject of Criticism: Paragraph two, page three. "Our examination of the Scholarship Fund disclosed that total collections during the period under review include \$200.50 derived from students and employes for parking permits and fines. Inasmuch as parking areas are constructed and maintained by the Commonwealth, we recommend that the above amount be taken from this fund and transmitted to the State Treasury as miscellaneous receipts and that, in the future, all such collections be transmitted promptly."

Answer to Criticism: In paragraph two it is stated that an examination of the Scholarship Fund has disclosed that collections during the period under review include \$200.50 derived from students and employes for parking permits and fines. It is recommended that this amount be transmitted to the State Treasury as miscellaneous receipts. The amount, \$200.50, has been transmitted to the State Treasury as a miscellaneous receipt.

Subject of Criticism: Paragraph three, page three. "Our review of the E. S. C. Key Account disclosed that receipts are made up of a \$5.00 deposit which is collected from each student staying on the campus. This deposit is to cover any room damage incurred by the student. If there are any damages, the repair costs are deducted from the amount on deposit and the unexpended balance is returned to the student at the end of the school year. Our analysis of expenditures disclosed that when room damages did occur, the repair costs were paid from the Student Activity Fund rather than the Key Account. Since all campus dormitories are constructed by the Commonwealth and any repairs thereto should be borne by the Commonwealth, we recommend that any collections representing payments for room damages be transmitted to the State Treasury as miscellaneous receipts. We further recommend that the Key Account be discontinued."

Answer to Criticism: The Edinboro State College key account is made up of a \$5.00 deposit which is collected from each student staying in a dormitory room on the campus. This deposit is to cover any room damage and/or loss of key. If there are any damages or losses (and there usually are) the repair costs are deducted from the amount on deposit and the unexpended amount is returned to the student.

The recommendation of the auditor is that the key account be discontinued, and that necessary repairs to dormitories should be borne by the Commonwealth and that any collections representing payments for room damages be transmitted to the State Treasury as miscellaneous receipts.

The President respectfully suggests that an examination of current practice in colleges and universities across the nation shows the use of the deposit for keys and damages as being a most common procedure and would further suggest that if a change of ruling is necessary for the state colleges to use this method at the present time that such a ruling be sought.

Until such a change of ruling is secured, the College will follow the recommendation of the auditor.

Subject of Criticism: Paragraph four, page three. "Our examination of the Vending Machine Fund disclosed that there is no agreement or contract with Schruer's Dairy for milk machines installed at the College, nor has the College received any commissions on sales from these machines during the period under review. We recommend that officials of the College enter into an agreement with the above named dairy and that such agreement stipulate the rate of commissions on sales and the method in which these payments shall be made."

Answer to Criticism: In answer to the criticism of paragraph four, page three, that there is no written agreement with Schruer's Dairy for a commission for milk sold at the college, the Business Manager reports that a written agreement has been negotiated with Schruer's Dairy, henceforth, that company will pay a commission of 12% per carton of milk sold to be paid at the end of each quarter.

Subject of Criticism: Paragraph five, page three - through paragraph six, page five.

"Our analysis of the transactions of the E. S. C. Student Services, Inc., disclosed the purchase of a tract of land at a cost of \$24,000.00. This purchase was made as the result of a regular meeting, of the Student Faculty Council held on March 11, 1964 in the College Union. Dr. Thomas Miller, President of the College, was present at this meeting to announce that a strip of land was available for the use of the students that had not been available up to this date. He stated further that this land (approximately 7.9 acres), could not be purchased by the College because it would be impossible to raise State money so rapidly. Dr. Miller recommended that the Council seriously consider and discuss the possibility of this land to be used for the benefit of the students. He also stated that the College administration recognizes four immediate uses for this land, such as:

1. Used for two additional dormitories that would house 100 to 200 students.
2. It is a possible site for a fraternity row.
3. An additional private student union to facilitate an increase of student enrollment.
4. It should be kept as a site for private concerns. The day use the land for discernable purposes.

"It is, however, clear that the present arrangement does violate the legislative intent as set out in Administrative Code, 71 P. S. 632 (d) and (f), wherein it delegates purchase and lease powers to the Department of Property and Supplies.

"The practice of using Student Services' moneys to purchase land which eventually must be taken over by the College does not conform to the regular requirements set forth in The Administrative Code. There is established a pattern of conduct which removes from the Department of Property and Supplies the discretion as to which buildings or land will be purchased. In this manner, the College, using funds which are not properly College funds, establishes a price for the property which may or may not be a fair market price.

"The fact that a Student Services Fund purchases the property takes away the control which The Administrative Code has built into its purchasing procedure. In other words, the use of the Students' funds in this manner hides the true value of a property and takes away the ability of the Department of Property and Supplies to investigate and properly assess and appraise the value of the property.

"In view of the foregoing, we recommend that the Department of Public Instruction, Justice, and Property and Supplies conduct a thorough investigation of the above transactions and take whatever action is deemed necessary. We also recommend that the Secretary of Public Instruction instruct its presidents at State colleges to secure approval from the Department of Property and Supplies prior to such purchases or leasing of land."

Answer to Criticism: Concerning the auditor's analysis of the transactions of Edinboro State College Student Services, Inc., the President desires to review the actual setting up of Edinboro State College Student Services, Inc. and also its activities.

The Student Services Organization of Edinboro State College was made possible by the addition of Article IX to the Student Government Constitution as revised in 1959. That article states:

"Student Services organization, a corporate body, shall be set up at this college to initiate, regulate, and operate such group student activities and other enterprises involving matters not now provided for or regulated by the decisions of the Board of Presidents of Pennsylvania State Colleges or shall include:

(1) Providing for a student supply store, (2) for lunch counters in recreation rooms or dormitories, (3) for vending machines, (4) for contracting with the telephone company for pay telephones to be used by students, (5) for administering a student union, (6) and any other activities or enterprises which the Board of Directors of such a student services organization may deem desirable for student welfare.

"The affairs for this organization shall be governed and controlled by a Board of Directors numbering seven (7) people: One member of the Board of Trustees of the College at the time he is appointed who shall be appointed by the President of the Board of Trustees. Three members from the faculty or administration's personnel who shall be appointed by the President of the College. Three members of the student body who shall be appointed by the President of the Student Association."

As of September 18, 1963, the temporary officers acting for the organization requested Articles of Incorporation of Edinboro State College Student Services, Inc. in accordance with the provisions of the non-profit corporation law of 1957. This application was recorded October 4, 1963, at 2:00 p.m.

The decree of Incorporation was approved by Judge Elmer Evans. According to the Articles of Incorporation, point three states:

"The purpose or purposes of the corporation are: to initiate, regulate, and operate at Edinboro State College, Edinboro, Pennsylvania, such group student activities and other enterprises as are not provided for or regulated by the decisions of the Board of Presidents of the Pennsylvania State Colleges or by regulations of the Department of Public Instruction. Such activities would include providing for a student supply store, for lunch counters and snack bars in recreation rooms or dormitories, for vending machines, for administering a student activity fund, for administering a student union, together with any activities or enterprises which the Board of Directors of the Corporation may deem desirable for student welfare, including all activities consonant with the foregoing and requisite to effectuate the same, and this is a corporation which does not contemplate pecuniary gain or profit, incident or otherwise, to its members."

Under the Articles of Incorporation the then Acting Board of Directors provided for the drafting of a set of by-laws and for whatever meetings might be necessary until the permanent organization could be established.

A temporary chairman, secretary, and treasurer were provided and meetings were held through April 20, 1964.

As of April 23, 1964, the membership of the Incorporation held their initial meeting.

By-laws of Edinboro State College Student Services, Inc., were adopted. Officers were elected. All proposals of the temporary organization were discussed and the two following actions were taken:

1. "On motion of William Roschy, seconded by Douglas Slater, it was voted that the Corporation purchase the land as described in the Articles of Agreement for the Sale of Real Estate made and concluded the 11th day of April 1964, between Boyd W. Ghering and Lucille Darrow Ghering, his wife, parties of the first part, and Edinboro State College Student Services, Inc., a non-profit corporation, duly organized under the Laws of the Commonwealth of Pennsylvania, party of the second part, bounded and described as follows: 'Being a parcel of land comprising approximately seven (7) acres of land, be the same more or less, located along the southerly side of Darrow Road in the Borough of Edinboro, formerly the Township of Washington.'" (This action was taken because the land is immediately adjacent to the College, especially to the private dormitories, and its use does affect student activities.)

2. "On motion of Vaughn Herbel, seconded by William Roschy, it was voted to lease a portion of the above land to the Wessix Company which wishes to build a dormitory for the use of the college students with terms to be arranged by the Corporation lawyer and approved by the Board of Directors." (Again, by making a part of the land available for building a private dormitory, one hundred fifty additional students could be better housed.)

The two actions taken provide for the purchase and the leasing of the land as detailed in the auditor's report.

While the purchase was made by Edinboro State College Student Services, Inc., since the money for the purchase was supplied by the Student Council of the College, the matter was thoroughly discussed by the Council and action was taken by the Council approving the purchase and the supplying of moneys to cover the cost of the purchase.

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On May 16, 1964, Edinboro State College Student Services, Inc., leased approximately two and one-half acres of this seven and nine-tenths tract to the Messix Company on a thirty-five year lease at \$900.00 per year, with the further provision that the dormitory building or buildings erected on this property become the sole property of the Corporation at the end of the lease period.

While these actions were taking place, Mr. Wesley Reitze, the President of the Board of Trustees, and a member of the Board of Directors of Edinboro State College Student Services, Inc., was kept fully informed as were other members of the Board also.

In addition, several additional members of the Board were consulted and Attorney William Schaaf of the firm of Marsh, Spaeder, Baur, Spaeder & Schaaf and lawyer for the Student Services, Inc. was consulted on all details.

At the first meeting of the Board of Trustees of Edinboro State College after the above actions were initiated, a report was made in detail and the actions were formally approved May 25, 1964.

According to Truman Thompson, Legislative Analyst of the Legislative Budget and Finance Committee in his 1964 Report on Dormitories at the State Colleges, "Under section 1311 of the Public School Code of 1949, the Boards of Trustees of the State Colleges have practically local autonomy because this section states in part, ... 'shall have general direction and control of the property and management of their respective institutions' ... 'subject to the approval of the Superintendent of Public Instruction, to make such by-laws, rules and regulations for the management of the institution as it may deem advisable.'"

Since the original action of the students was taken in 1959-60 with the adoption of Article IX of the Student Government Constitution and the Articles of Incorporation were sought in 1963, and since the purposes of the organization as stated in the Articles of Incorporation are so inclusive as to provide for "whatever is deemed desirable for student welfare," the president cannot see how the last paragraph on page four of the Audit Report, "In our opinion, Student Services was established solely for the purpose of purchasing real estate, and the procedure followed by the President of the College through the Student Council to effect this purchase is contrary to State law and procedure." can be accepted.

In assisting to make arrangements for these transactions it was my intention to conform meticulously to the laws of the State and the regulations of the Department of Public Instruction and the rulings of the Board of President.

The actions themselves were taken by a duly constituted non-profit corporation whose purposes and charter were approved by a judge of the Commonwealth. Certainly, if the purposes of this corporation were in conflict with any laws of the Commonwealth, the judge would not have granted the charter. In addition, the particular transactions under consideration were approved by Mr. William Schaaf of the firm of Marsh, Spaeder, Bauer, Spaeder and Schaaf of Erie, Pennsylvania, who is counsel for the Edinboro State College Student Services, Inc., as being entirely legal and proper.

At no time has the Edinboro State College Student Services, Inc. expected the State to take over this purchase of land.

Further, the corporation was not and is not intended to be an arm of the Commonwealth, rather it set up to take financial responsibility for various projects for student welfare with the full knowledge and approval of the student governing group, the Student Council.



Since state provided student housing facilities are not being provided to meet the accelerated rate of growth at the state colleges, private investors have come to these colleges without encouragement and without any assurance or commitment from the colleges and have erected private dormitories with investment capital to provide housing for students at this college and at Clarion, Slippery Rock, and Indiana, among others.

Other student groups in the State have also purchased land for various other student uses.

At this college, by using a part of this land purchased by Edinboro State College Student Services, Inc. private capital has again provided additional housing.

One hundred fifty students were admitted to this College in September 1964 who could not otherwise have been admitted, had not this land been made available for the erection of an additional private dormitory.

Even though one of the first acts of the corporation was the purchase of land, the Edinboro State College Student Services, Inc. was most definitely not established for the sole purpose of buying real estate. As a matter of record, as of August 25, 1964, the Board of Directors of Student Services, Inc. voted to set up and put in operation the necessary facilities so that horseback riding could be offered to college students for the fall period 1964. A corral and track for these horses were build on a part of the land purchased by Student Services, Inc. and have been in use all fall, and it is planned to use them again in the spring for a riding program.

At the same meeting it was voted to investigate the possibilities of an artificial ice-skating rink and also the possibilities of providing transportation to local ski slopes for college students.

At subsequent meetings provisions for a rink of natural ice have been authorized and transportation to local ski tows is being seriously considered.

In addition, the corporation is working out arrangements with the Student Union, the Book Store, and the Student Council to handle payrolls, Social Security, and insurance as well as other responsibilities which the students may wish to place in its control.

The land purchased by Edinboro State College Student Services, Inc. is outside the area which has been considered at any time by the College Administration, the Board of Trustees of the College, or the Department of Public Instruction for purchase by the College.

It was purchased so that:

1. Additional private dormitories could be erected.
2. A possible site for a fraternity row could be held available if fraternities decide it is possible for them to build.
3. A private student union could be erected, if necessary.
4. The land would not be misused in terms of college goals.

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The land was not purchased with the idea that it was being held for use by the Commonwealth of Pennsylvania. Nor would there seem to be any law compelling the Commonwealth to make such purchase at any time. No legal argument involving the Commonwealth has or can be made by the corporation.

In fact it would seem that the Commonwealth need never take title to particular parcel of land either through purchase or in any other way.

Consequently, the line of reasoning followed on page three of the Audit Report, beginning with paragraph five, and on pages four and five of the Report would seem to be predicated upon suppositions of facts which do not actually exist.

Since the Edinboro State College Student Services, Inc. was never intended to be an arm of the Commonwealth or the College, it is difficult to see how Administrative Code, 71 P.S., section 632 (d) and (f) apply. However, if they or other section of the code or other law of the state or other state regulations actually make illegal the purchase of land "deemed desirable for student welfare," a student service corporation, then it would seem that legislation should be brought at this session of the Assembly to make such action legitimate.

The President welcomes any investigation the Department of Public Instruction wishes to make so as to clear up this matter completely.

Respectfully submitted,

Thomas R. Miller  
President

REPORT OF THE AUDITING COMMITTEE OF THE BOARD OF TRUSTEES OF  
EDINBORO STATE COLLEGE AT EDINBORO ON THE AUDITOR'S  
REPORT FOR THE EDINBORO STATE COLLEGE AT  
EDINBORO FOR THE FISCAL YEAR ENDING  
JUNE 30, 1964

We, the members of the Audit Committee, appointed by the Board of Trustees at their January 23, 1965 meeting, have examined the Auditor's Report for the fiscal year ending June 30, 1964.

We submit the following reply in answer to the recommendations contained on pages 2, 3, 4, and 5 of the Audit Report for the fiscal year ending June 30, 1964.

Subject of Criticism: Paragraph one, page three. "Our count of cash in the College library on June 30, 1964 disclosed \$51.30 on hand which represented collections from fines on overdue books. At various times some of the cash on hand is taken to the business office for transmittal to Harrisburg as miscellaneous receipts; however, adequate records to support these transmittals are not being maintained. We recommend that this accounting deficiency be corrected immediately."

Answer to Criticism: We concur with the answer of the President of the College to this criticism.

Subject of Criticism: Paragraph two, page three. "Our examination of the Scholarship Fund disclosed that total collections during the period under review include \$200.50 derived from students and employes for parking permits and fines. Inasmuch as parking areas are constructed and maintained by the Commonwealth, we recommend that the above amount be taken from this Fund and transmitted to the State Treasury as miscellaneous receipts and that, in the future, all such collections be transmitted promptly."

Answer to Criticism: We concur with the answer of the President of the College to this criticism.

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Answer to Criticism: We concur with the answer of the President of the College to this criticism.

Subject of Criticism: Paragraph four, page three. "Our examination of the Vending Machine Fund disclosed that there is no agreement or contract with Behruer's Dairy for milk machines installed at the College, nor has the College received any commissions on sales from these machines during the period under review. We recommend that officials of the College enter into an agreement with the above named dairy and that such agreement stipulate the rate of commissions on sales and the method in which these payments shall be made."

Answer to criticism: We concur with the answer of the President of the College to this criticism.

Subject of Criticism: Paragraph five, page three - through paragraph six, page five.

"Our analysis of the transactions of the E. S. J. Student Services, Inc., disclosed the purchase of a tract of land at a cost of \$24,000.00. This purchase was made as the result of a regular meeting of the Student Faculty Council held on March 11, 1964 in the College Building. Dr. Thomas Miller, President of the College, was present at this meeting to announce that a strip of land was available for the use of the students that had not been available up to this date. He stated further that this land (approximately 7 acres) could not be purchased by the College because it would be impossible to raise State money so readily. Dr. Miller recommended that the Council seriously consider and discuss the possibility of this land to be used for the benefit of the students. He also stated that the College administration recognizes four immediate uses for this land, such as:

1. Used for ten additional laboratories that would house 100 to 200 students.
2. It is a possible site for a fraternity row.
3. An additional private student union to facilitate an increase of student enrollment.
4. It should be kept from the private concerns who may use the land for disreputable purposes.

"Dr. Miller recommended that the Council authorize Student Services, Inc., the right to bid for this land, so at this same meeting the Council decided that they would submit a bid not to exceed \$35,000.00. Student Services, Inc., was the successful bidder at \$24,000.00. Since this Fund had just been established, and since it did not have sufficient money to cover this purchase, it was decided to borrow the money from the Student Activity Fund. Therefore, the land in question was bought and paid for during the early part of April 1964.

"On May 16, 1964, Student Services, Inc., leased a portion of this land to Bernard H. Gwynn and William R. Cole, both of Allegheny County, for a 35-year term commencing on the first day of May 1964 and expiring on the 31st day of May 1999. The tenants agreed to pay rental at the annual rate of \$900.00 in equal monthly installments of \$75.00 in advance on the first day of each and every month during the said term.

"Said premises are to be used as and for a dormitory building for the housing and occupancy of students or faculty members at Edinboro State College, said building to be constructed by the tenants in accordance with the plans and specifications being submitted by them concurrently with the execution of this lease to the landlord and to be completed and ready for occupancy on or about September 10, 1964.

"The arrangement whereby the students and faculty make use of the facilities provided by Gwynn and Cole during the term of the lease makes no mention of payments to the parties for providing the facilities. We were informed by officials of the College that the boarding charges would be \$8.00 per week per student, which is the same rate used for College campus dormitories. We were also informed by the same officials that approximately 200 students occupied rooms in this dormitory on or about September 12, 1964.

"Our review of the minute book of the regular meetings held by the Board of Trustees of the College during the fiscal year under review disclosed the following excerpt which was taken from a meeting held on May 25, 1964:

"It was voted, on motion of Mr. Hopkins, seconded by Dr. O'Hare, that the Board approve the action taken by Edinboro State College Student Services, Inc., to purchase approximately 7 acres south of Darrow Road and further to lease a portion of said land to Wessix Corporation for the purpose of building dormitory facilities to be used by students of Edinboro State College."

"It should be noted that Student Services, Inc., was established in November 1963, purchase of the land approved by the Student Council on March 11, 1964, land acquired during early part of April 1964, and part of it leased to a private enterprise on May 16, 1964. However, the Board of Trustees of the College did not approve this transaction until May 25, 1964.

"In our opinion, Student Services was established solely for the purpose of purchasing real estate, and the procedure followed by the President of the College through the Student Council to effect this purchase is contrary to State law and procedure.

"The law requires State colleges to provide "... for the boarding and lodging of students in residence, and other necessary or desirable facilities approved by the Superintendent of Public Instruction." (24 P. S. 2003).

"The Department of Property and Supplies is the only department authorized to "purchase or condemn land for the purpose of adding the same to any colleges, whenever, in the judgment of the Governor, the purchase or condemnation is necessary." (71 P. S. 632 (f)).

"It is, however, clear that the present arrangement does violate the legislative intent as set out in Administrative Code, 71 P. S. 632 (d) and (f), wherein it delegates purchase and lease powers to the Department of Property and Supplies.

"The practice of using Student Services' moneys to purchase land which eventually must be taken over by the College does not conform to the regular requirements set forth in the Administrative Code. There is established a pattern of conduct which removes from the Department of Property and Supplies the discretion as to which buildings or land will be purchased. In this manner, the College, using funds which are not primarily College funds, establishes a precedent: the property which is purchased is not at a fair market price.

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"The fact that a Student Services Fund purchases the property takes away the control which The Administrative Code has built into its purchasing procedure. In other words, the use of the Students' Funds in this manner hides the true value of a property and takes away the ability of the Department of Property and Supplies to investigate and properly assess and appraise the value of the property.

"In view of the foregoing, we recommend that the Department of Public Instruction, Justice, and Property and Supplies conduct a thorough investigation of the above transactions and take whatever action is deemed necessary. We also recommend that the Secretary of Public Instruction instruct its presidents at State Colleges to secure approval from the Department of Property and Supplies prior to such purchases or leasing of land."

Answer to Criticism: The trustees of Edinboro State College hereby ratify and accept the answer of Dr. Thomas R. Miller, the President of Edinboro State College, in answer to the above criticism.

The Board of Trustees feels that the criticism directed toward the President with respect to the transaction involving the purchase of 7.9 acres of land by the Edinboro State College Student Services, Inc. was totally unjustified. The Board of Trustees, individually, collectively and through the President of the Board was continuously apprised of the developments regarding the transaction. There was nothing sinister to be ascribed to the late formal approval of the Board on May 25, 1964. This was the first opportunity of the Board to ratify the transaction in a formal manner.

It has become commonplace for private enterprise at other Pennsylvania State Colleges to provide for the lodging of students near State Colleges because the requirement of the legislature to provide these facilities has not been met. There simply are not enough dormitories to house students who are qualified and wish to attend college and the Commonwealth cannot build them fast enough.

Are we to understand that the Commonwealth is to be the sole agent for promoting the public welfare and common good in a community near any State College, or can this common good also be promoted by individual private enterprise, non-profit corporations and other related organizations, associations, or corporations which are established to aid and help the development of facilities or services adjacent to a State College?

We cannot agree that there is any violation of legislative intention ascribed to the Administrative Code as stated in the "Criticism". There is no state agency involved contravening any authority vested in the Department of Property and Supplies. We know the President of Edinboro has always acted on good faith with the welfare of the college and students uppermost in his mind. Perhaps more light can be shed on this matter by the Department of Public Instruction, Department of Justice and Department of Property and Supplies so that development of our State Colleges will not be impaired in the future by hidden meanings in the code or procedures not yet formalized.

Respectfully submitted,

  

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