OREGON STATE BOARD OF HIGHER EDUCATION
AGENDA FOR THE REGULAR MEETING OF THE BOARD
BALLROOM, ERB MEMORIAL CENTER
UNIVERSITY OF OREGON
EUGENE, OREGON
FEBRUARY 15, 2002
1 - 2 P.M.

Call to Order

Roll Call

Approval of Minutes
  • December 21, 2001 Board Meeting Minutes

President’s Report

Chancellor’s Report
  • Board Information Systems Update
  • Update on OIT Privatization Process

Report from IFS President

Report from OSA Board

Executive Committee (Lussier)
  ACTION ITEMS
  • Recommendation of Salary Increase for Chancellor Cox
  • Ratification of Executive Committee Acceptance of Donated Property to EOU

Budget and Finance Committee (Imeson)
  ACTION ITEMS
  • Purchase of Building, PSU
  • Purchase of Land, OIT
  • Optional Retirement Plan Amendments

System Strategic Planning Committee (Lehmann)
  ACTION ITEM
  • Undergraduate Admission Policy for 2003-04
  • OSU Reorganization: College of Health and Human Sciences

CONSENT ITEM
  • Resolution for Exclusion of Certain Directors or Officers
  • OSU, Ph.D., Materials Science
Joint Budget and Finance/System Strategic Planning Committee (Imeson & Lehmann)

**ACTION ITEMS**

- OSU Shortfall
  - Shortfall analysis by Talbot, Korvola and Warwick
  - OUS Six-month Financial Report
- Budget Re-balance

**Investment Committee (Wustenberg)**

**ACTION ITEM**

- Commonfund Multi-Strategy Bond Fund

**Other Reports**

- Joint Boards Working Group (Lussier)
- OHSU (Imeson)
- Government Relations (Kerans)
- Oregon College Savings Plan (Lehmann)
- Oregon Council on Knowledge and Economic Development (Imeson)
- Citizen Engagement Plan (Vines)

Public Input Session

Items from Board Members

Items from Presidents

Delegation of Authority to Board’s Executive Committee

Adjournment
RATIFICATION OF EXECUTIVE COMMITTEE
ACCEPTANCE OF DONATED PROPERTY TO EOU

Summary
Eastern Oregon University (EOU) seeks Board approval to authorize the Vice Chancellor of Finance and Administration to complete the transfer of .247 acres of land, located in the town of Union, Oregon, to be donated by the Community Bank of Joseph, Oregon. The proposed property transfer will provide space for the Eastern Oregon Head Start program to expand their preschool program. EOU's School of Education and Business acts as the grantee to this federal program, which serves Baker, Union, and Lake Counties.

Staff Report to the Board

Background:
EOU's Head Start program provides educational services to income eligible children and their families. The program serves three and four year old children to help them grow mentally, emotionally, and physically. The donation of the property will provide space to place a modular classroom structure recently purchased under a federal grant.

Statement of Need:
The Head Start program had recently been forced to move from its location in the basement of the Union High School because the condition of the space was not acceptable under the Federal Head Start guidelines. A $217,000 program improvement grant was awarded to purchase a modular classroom structure to be placed on the land offered by the Community Bank.

Schedule:
Closing to occur on or before February 28, 2002.

Financial Considerations:
The property is valued at $60,000; however, since the property is located off-campus, approval to accept the donation must come from the State Board of Higher Education.

Legal Considerations:
Several conditions remain open and must be satisfactorily resolved prior to settlement. These conditions include, but are not limited to, the following items:

- Approval by the State Board of Higher Education.
- Conveyance approved by the Assistant Attorney General and executed by the Board President and Secretary.
Staff Recommendation to the Executive Committee

Staff recommends that the Executive Committee approve on behalf of the Board (as authorized at the December 21, 2001, meeting) EOU’s request to accept the donation of .247 acres of land, located at 542 South College Street, Union, Oregon, from The Community Bank of Joseph, Oregon, assuming all conditions are met and that the final transfer details are agreed upon by all parties, subject to final approval by the Vice Chancellor for Finance and Administration.

COMMITTEE ACTION:

BOARD ACTION:

COMMON-FUND MULTI-STRATEGY BOND FUND

Executive Summary

The Investment Committee discussed the performance of the Commonfund Multi-Strategy Bond Fund at their November 15, 2001 meeting. Due to the under performance of this fund compared to the Lehman Aggregate Index over the last five years, the Investment Committee unanimously moved to begin a manager search for the fixed income allocation of the OUS Pooled Endowment Fund.

A special Investment Committee Meeting was held on January 17, 2002, to interview fixed income managers. Presentations were made by the following managers:

- Commonfund (incumbent)
- Western Asset Management Company
- Pacific Investment Management Company (PIMCO)
- Metropolitan West Asset Management

Based on these interviews, and a comparison of investment performance indicators and fee structure, the Investment Committee recommends that the Board approve, for recommendation to the Oregon Investment Council, that the Pooled Endowment Fund allocation to the Commonfund Multi-Strategy Bond Fund (approximate
value $15,700,000 as of January 31, 2002) be sold and proceeds be invested with Western Asset Management Company.

COMMITTEE ACTION:

BOARD ACTION: