FRIDAY, MARCH 2, 2007

- Board Executive Session, 8–9 a.m., Ochoco Room
- IFS Coffee, 9–10 a.m., Willamette Room
- F&A Committee, 9–10:30 a.m., Columbia Room
- Full Board Meeting, 10:30 a.m. – 1 p.m., Columbia Room

BOARD EXECUTIVE SESSION
WERNER UNIVERSITY CENTER, WESTERN OREGON UNIVERSITY
OCHOCO ROOM
MARCH 2, 8 A.M. TO 9 A.M.

AGENDA

1. CALL TO ORDER/ROLL CALL/WELCOME

2. DISCUSSION ITEMS
   a. Consideration of Status of Employees (Pernsteiner)

3. ADJOURNMENT
1. **CALL TO ORDER/ROLL CALL/WELCOME**

2. **ACTION ITEMS**
   
   a. **PSU, Lease of Building (Desrochers/Wendler)**
   
   PSU seeks Board approval to lease approximately 21,500 sq. ft. from Harsch Investment Properties, LLC. The purpose of the lease is to provide temporary classrooms needed to accommodate instructional needs due to multiple capital projects underway and planned on the campus.

3. **DISCUSSION ITEM**
   
   a. **Finance and Administration Committee Charter**
   
   An update to the F&A Committee and Audit Charters will be discussed.

   b. **Finance and Administration Committee 2007 Proposed Key Initiatives; 2007 Proposed Agendas and Work Plan for Board and Committees (Kenton)**
   
   A listing of proposed key initiatives and calendar for 2007 are provided for consideration.

4. **ADJOURNMENT**
AGENDA

1. CALL TO ORDER/ROLL CALL/WELCOME

2. REPORTS

   a. Chancellor’s Report
   b. Research Council Chair
   c. Interinstitutional Faculty Senate (IFS) President
   d. Oregon Student Association (OSA) Chair

3. CONSENT ITEMS

   a. Authorization to Award Honorary Degrees, OSU and PSU
      The State Board of Higher Education policy permits institutions, with the concurrence of their faculty, to award honorary doctorates to Mr. Mike Rich and Ambassador Mary Carlin Yates. PSU submits a request to award an honorary doctorate to Governor Barbara Roberts.

   b. OSU, Nomination to the Forest Research Laboratory Advisory Committee
      Pursuant to ORS 526.225, Oregon State University submits the following nominations to fill the four industry, one public, and one agency positions on the Forest Research Laboratory (FRL) Advisory Committee and to reappoint one industry and two public committee members and requests the Board make the recommended appointments.

   c. OSU, B.S. in Accountancy
      OSU seeks Board approval to offer a program leading to a B.S. in Accountancy.

   d. PSU, Lease of Building (Desrochers/Wendler)
      PSU seeks Board approval to lease approximately 21,500 sq. ft. from Harsch Investment Properties, LLC. The purpose of the lease is to provide temporary classrooms needed to accommodate instructional needs due to multiple capital projects underway and planned on the campus.
e. PSU, Graduate Certificate in Software Engineering

PSU seeks Board approval to offer a program leading to a Graduate Certificate in Software Engineering.

4. REPORT ITEMS

a. Board Long-Range Planning: Portfolio Conversation with OSU-Cascades (Randhawa)

b. PreK-20 Unified Budget and Financial Analysis (Sager/Heiligman)

5. DISCUSSION ITEMS

a. LFO Requested 1%-4% Budget Reduction Exercise (Pernsteiner)

6. COMMITTEE REPORTS

a. Working Groups

b. Other Board Committees

7. PUBLIC INPUT

8. BOARD COMMENTS

9. DELEGATION OF AUTHORITY TO BOARD’S EXECUTIVE COMMITTEE

“Pursuant to Article II, Section 5 of the Bylaws of the Board of Higher Education, the Board delegates to the Executive Committee authority to take final action as here designated or deemed by the committee to be necessary, subsequent to the adjournment of this meeting and prior to the Board’s next meeting. The Executive Committee shall act for the Board in minor matters and in any matter where a timely response is required prior to the next Board meeting.”

10. ADJOURNMENT

Note: All docket materials are available on the OUS website at: http://www.ous.edu/board/meetingmaterials.htm. Please contact the Board’s office at (541) 346-5749 if you have any questions regarding these materials. This agenda may be amended at any time prior to 24 hours before the Board meeting. Estimated starting times for the agenda items are indicated; however, discussions may commence, or action may be taken, before or after the suggested times. Any item on the agenda may be considered at any time out of order at the discretion of the President of the Board. During the meeting, the Board may convene in Executive Session to receive legal advice regarding any item on the agenda or for any reasons permitted under Oregon law.
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PSU, Lease of Building

Summary:
Portland State University (PSU) seeks Board approval to lease approximately 21,500 square feet from Harsch Investment Properties, LLC. The purpose of the lease is to provide temporary classrooms needed to accommodate instructional needs due to multiple capital projects underway and planned on the campus. The proposed building is located at 1433 Sixth Street, two blocks north of the PSU campus and within a reasonable walking distance. The leased space can accommodate 8-10 classrooms (300-350 seats expected) and some temporary faculty/staff offices. The facility will be used to help compensate for temporarily displaced classrooms and offices over the next five years of planned campus construction and remodel projects.

Background:
PSU is currently utilizing space at 120 percent of OUS standards (20 percent more dense than recommended across campus). The campus has several important construction and retrofit projects planned over the next five years to help address its need for additional and better quality space. These projects will require PSU to temporarily take existing classrooms offline, resulting in a shortage of instructional space. Specific projects impacting classroom demand include:

- Shattuck Hall Seismic Retrofit (Current, approved by the 2005 Legislature)
- New Recreation and Academic Center (PCAT block) (Current, approved by November 2006 Emergency Board)
- Lincoln Hall Retrofit (2007-2009, included in Governor’s 2007-2009 Capital Construction Budget as a top priority)

Because PSU is an urban campus located within the city of Portland, the options for short-term instructional space leases are few. Students need to be able to get to and from instructional buildings during 10 minute intervals between classes. Many of the buildings surrounding campus are offered as Class-A office space and have quality levels, floor layouts, and rental rates that make them inappropriate for classroom use. Rates of Class-A space in the Portland area are generally $22 to $28 per square foot.

The subject property is close to campus and suitable for instructional use. The two-story building offers large open floor spans and can easily be converted to classrooms. The University has funds available to cover the cost of the conversion needed.

Terms of the Proposed Transaction and Legal Considerations:
The facility at 1433 SW Sixth Avenue is a two-story Class-B office building. The initial rental rate is $15 per square foot or $26,974 per month, with a 3 percent annual escalation factor negotiated in the lease. The term of the lease is five years, although the University has a one-time option to terminate at the end of 36 months. The lease is a gross lease, with PSU being responsible for increases in operating expenses and...
taxes above the landlord’s 2007 base year cost. This lease is expected to generate a net savings to the University, since PSU will no longer incur maintenance and utility expenses on the PCAT facility, which will be demolished to allow for the construction of the new Student Recreation Center/classroom/office complex. This savings will be used to partially offset PSU’s conversion expenses for the space (currently estimated at $350,000). The landlord is not aware of any environmental concerns affecting the proposed conversion. Costs of the lease and related conversion will be paid from the University’s General Funds. PSU has requested the landlord contribute $40,000 toward elevator improvements.

The following conditions remain open and must be satisfactorily resolved:

1. Negotiations and legal sufficiency review of final form of lease are in process by DOJ and in-house counsel.
2. Approval by the State Board of Higher Education.

Staff Recommendation to the Finance and Administration Committee:
Staff requests that the Board F&A Committee approve this lease and recommend it to the full Board for their approval as a consent item.

(Board action required.)

Financial Analysis
6th & Clay

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* Estimated increases in taxes and utilities above 2007 base year.
Finance and Administration Committee Charter

Background:
At the July 2005 Board meeting, the following Finance and Administration Committee charter was adopted. This charter is being reviewed today for two purposes: first, as a means of orienting new members of this Committee as to its functions and second, to stimulate a discussion as to whether the Committee would like to see changes made to this document in order to make the Committee’s deliberations more efficient or more meaningful. In terms of efficiency, should this Committee have broader delegation from the full Board to:

1. Approve leases of capital facilities with terms that are greater than or equal to five years;
2. Approve new capital projects or amendments to existing capital projects on behalf of the Board;
3. Approve tuition and fee rates;
4. Approve bond sale resolutions; or
5. Approve new administrative rules governing the finance and administrative policies as set out below.

At the time of this writing, the legality of these matters are pending legal review. However, it is hoped that some preliminary indications of the outcome of these reviews will be available by the Board meeting on March 2, 2007. If these items prove legally feasible, the Committee will want to discuss changes to this charter in order to recommend changes to the full Board. Thus, this is a discussion item only for this meeting, but could manifest into an action item at the next Board meeting.

The Finance and Administration Committee serves as a subcommittee of the State Board of Higher Education to:

- Advise the Board on the management of the ongoing financial and administrative affairs of the Oregon University System;
- Focus the business functions of the Oregon University System on supporting the System mission and the Board’s priorities; and
- Recommend policies to ensure that System resources are managed prudently, efficiently, and effectively.
Specifically, the Committee is charged with the following:

**Audit**
Review and recommend to the Board the internal audit mission statement, charter, and other governance documents related to both internal and external auditing activities in the Oregon University System. This Committee is delegated oversight responsibility to ensure that the System management is performing their duties of financial reporting, effective and efficient internal controls, and compliance with laws, regulations and ethics as prescribed in the audit charter (see attached).

Review the annual internal audit plan and discuss the extent to which it addresses high-risk areas with the internal auditor.

Assure that the audit function reviews the system of internal controls and the adequacy of the accounting, financial, and operational policies and practices related to financial, accounting, and compliance and ethics reporting.

Receive quarterly internal audit updates regarding progress on the audit plan and other reviews. Review the annual report on the accomplishments of the internal audit department and discuss significant issues of internal control and compliance with the internal auditor and management.

Discuss the planned scope of the annual independent audit and other engagements with the independent certified public accountants. Review the results of the audit(s), reviews, and other engagements with the auditors, reviewers, and management.

Receive and review the annual financial report with the independent certified public accountants and management.

**Budget and Finance**
Consider and recommend to the Board on policy matters relating to budgeting for operating and capital needs, financial management, and long-range financial planning for the Oregon University System.

Monitor the financial performance of the institutions of the Oregon University System, including quarterly review of enrollment and managerial reports from each institution. The managerial reports will contain information and projections on enrollments, budgeted and actual revenues, expenses, fund balances, and other financial performance measures as determined by the Committee.

Request additional financial reports and analysis from management as required to assure a thorough review of financial activity.
Develop and monitor a set of financial performance and accountability measures for the Oregon University System.

Develop the investment policy guidelines and asset allocation, select investment managers, and evaluate investment and investment manager performance as needed. Review quarterly investment reports on pooled endowment funds and make recommendations regarding the selection of investment consultants.

Review and approve debt issuances and policies including refunding strategies.

Approve transfers from the Chancellor’s Office fund balance that exceed $250,000 or that aggregate to $1 million or more annually.

**Real Estate**
Consider and recommend to the Board on policy matters relating to facilities and real estate administration, including long-range planning; the purchase, sale, or lease of real estate; capital construction programs; capital repair/maintenance; and debt financing.

**Human Resources and Personnel**
Consider and recommend to the Board on matters relating to human resources and personnel policies, programs, and labor relations presented by the Chancellor.

**Operating Guidelines**
Certain docket items related to business and financial matters will be considered directly by the Board rather than referred to the Committee, including:

- Approval of Oregon Administrative Rules
- Approval of OUS Annual Operating and Capital Budgets

In general, docket items that require policy decisions should go to the Committee as “Items for Future Action” to allow sufficient time for discussion and consideration.

These items will be presented as “Action Items” at the subsequent meeting.

The Committee Chair will confer with staff and the Board President to determine when other docket items should be considered by the full Board.
Audit Responsibilities
The Oregon State Board of Higher Education has oversight responsibility to ensure that Oregon University System (OUS) management is performing their duties of financial reporting, effective and efficient internal controls, and compliance with laws, regulations, and ethics. As part of this oversight responsibility, the Oregon State Board of Higher Education shall have the following responsibilities and powers and shall perform the following functions as it relates to audits.

External Audit Duties
The Secretary of State Audits Division shall provide the Oregon State Board of Higher Education notice of the external auditors selected to complete the annual financial statement and A-133 audit of the Oregon University System.

The Oregon State Board of Higher Education shall meet with the external auditors annually to review the scope and nature of the annual audit and to review the results of the auditing engagement.

Internal Audit Duties
The Oregon State Board of Higher Education shall approve annually the Internal Audit Division’s audit plans and budget.

The Oregon State Board of Higher Education shall review at least semi-annually the results of Internal Audit recommendations and follow-up procedures. More frequent meetings will be held as deemed necessary.

The Oregon State Board of Higher Education shall approve, as recommended by the Chancellor, the appointment or removal of the Director of Internal Audit Division.

General Duties and Powers
The Oregon State Board of Higher Education shall review any recommendations the external auditors or OUS staff may have for improving internal accounting controls, management systems, or choices of accounting principles.

Any financial irregularity resulting in losses in excess of $10,000 or involving a member of senior management shall be brought to the attention of the Chancellor and the Oregon State Board of Higher Education.

The Oregon State Board of Higher Education shall devote, as necessary, a portion of the audit meetings to an executive session at which only the

Oregon State Board of Higher Education
F&A Committee
Page 6
DISCUSSION ITEMS
Director of Internal Audit Division and the external auditors are present with the Board to discuss matters exempt from public disclosure under Oregon Revised Statute Public Records Policy 192.

The Oregon State Board of Higher Education shall have and exercise all other powers as it shall deem necessary for the performance of its duties.

The Oregon State Board of Higher Education has delegated these audit duties to the Finance and Administration Committee. The Finance and Administration Committee shall report the results of internal and external audit findings to the full Board at least once a year.

*Board Approved: September 10, 2004.*
Finance and Administration Committee 2007 Proposed Key Initiatives

The following is a listing of proposed key initiatives for the Finance and Administration Committee to consider for 2007. Following this outline is a proposed calendar for the year that shows the schedule of these activities during 2007. This is a draft document for discussion purposes only. Obviously, if changes are made to the Finance and Administration charter, those changes could affect these processes.

Finance and Administration Committee – Proposed Key Initiatives for 2007:
(Note: These are in addition to the recurring quarterly updates, tuition/fee approvals and capital projects approvals.)

Proposed F&A Membership for 2007:
- Don Blair, Chair
- Gerry Blakney
- Kirby Dyess
- Henry Lorenzen
- John Von Schlegell
- Tony Van Vliet

Budget Model:
- Future directions
- Development of guiding principles
- Costs analysis
  - Update to cost of instruction study

Purchasing:
- Update of OUS Administrative Rules:
  - 580-40 – Competitive Procedures for the Purchasing, Procurement, and Contracting of Goods and Services
  - 580-50 – Real Property, Facilities and Campus Planning
- Minority, Women-owned and Emerging Small Business (MWESB) utilization expectations and performance measures
- Buy Oregon campaign and expectations and performance measures

Tuition and Fee Policies:
- Resource fee discussion
- Fee remissions
- Other

Capital Approval processes:
- Implementation of legislative concept regarding approval of self-supporting capital projects (assumes legislative concept is approved)
- Finance agreements/third party contract policy issues
Cash and Debt Management:
  • Development of policy framework (assuming legislative concepts are approved):
    o Cash management
    o Investment management
    o Variable rate debt
    o Synthetic fixed rate debt
    o Chancellor’s Office staffing

Human Resources/Labor Relations (Assumes Committee would work in executive/closed session):
  • Presidential evaluation
    o Performance expectations
    o Evaluation criteria
  • 2007-2009 bargaining goals and expectations
    o Periodic bargaining updates (as needed)

Tax Deferred Investment (TDI) and Optional Retirement Plan (ORP) Updates:
  • New framework discussion and approvals:
    o Investment policies
    o Plan document
    o Master record-keeper contract

Internal Audit:
  • Annual audit plan approvals
  • Other

Financial Sustainability – per strategic plan:
  • Portfolio project – in conjunction with Strategic Initiatives Committee
  • Expanded financial analysis data:
    o Peer institution ratios
    o Revenue and expense trend information
    o Enhanced costs analysis

Information Security Policies:
  • Policy discussion and rule adoption

Athletics:
  • Annual financial report
  • Other issues
### 2007 Proposed Agendas and Work Plan for OUS Board and Committees

**March 1-2, 2007 – Western Oregon University, Monmouth, Oregon**
- **Executive Committee:**
  - SOU retrenchment
- **Finance and Administration:**
  - Consideration of F&A Charter approved July 2005
  - Finance and Administration proposed key initiatives
  - Board schedule
  - Revenue and expenditure analysis
  - PSU lease of classroom facility
- **Consent:**
  - PSU lease of classroom facility
- **Full Board:**
  - OSU-Cascades strategic vision and goals (Ray)
  - PreK-20 budget and financial analysis (Sager and Heiligman)
  - LFO requested 1%–4% budget reduction
  - Committee work plans – discussion

**April 5-6, 2007 – Western Oregon University, Monmouth, Oregon**
- **Campus visitation**
- **Strategic Initiatives Committee**
- **Finance and Administration:**
  - 580-50 capital projects revised rules discussion
  - Information Security policy discussion
  - Capital project placeholder
- **Full Board:**
  - OIT strategic vision and goals
  - Tuition and fee policy issues discussion
  - 580-50 capital projects rule adoption
  - Annual diversity report
  - ORP/TDI:
    - Investment policy discussion
    - Plan document discussion

**May 3-4, 2007 – Chemeketa Eola Northwest Viticulture Center, Salem, Oregon**
- **Strategic Initiatives Committee**
- **Finance and Administration:**
  - Quarterly updates:
    - Audit
    - Investment
    - Managerial report
  - Capital project placeholder
  - Cash, investment, and debt management policy discussion (Legislative Concept)
• Full Board:
  o SOU strategic vision and goals
  o Information Security policy adoption
  o Tuition and fee policy discussion (continued)
  o ORP/TDI:
    ▪ Investment policy adoption
    ▪ Plan document approval
    ▪ Master administrator contract approval

June 7-8, 2007 – OIT Metro Center, Clackamas, Oregon
• Strategic Initiatives Committee
• Finance and Administration:
  o Capital project placeholder
  o Self-supporting capital policy discussion (Legislative Concept)
  o Cash, investment, and debt management policy approval (Legislative Concept)
  o Budget model
    ▪ Background and history
• Full Board:
  o EOU strategic vision and goals
  o 2007-08 tuition and fee policy approval
  o Executive session:
    ▪ Annual presidential evaluations – report

July 12-13, 2007 – Portland State University
• Board Renewal – Move to November after campus presentations are completed?
• Strategic Initiatives Committee
• Finance and Administration:
  o Capital project placeholder
  o Self-supporting capital policy adoption (Legislative Concept)
  o Budget model:
    ▪ Future directions
    ▪ Principles
  o Executive Session:
    ▪ Labor relations update (if needed)
• Full Board:
  o 2007-08 Operating budget discussion and possible adoption depending on legislative session outcomes
  o WOU strategic vision and goals
  o Oregon BEST update
August 2-3, 2007 – Portland State University or Telephonic (if needed)
  • Strategic Initiatives Committee
  • Finance and Administration:
    o Capital project placeholder
  • Full Board:
    o 2007-08 operating budget discussion and possible adoption

September 6-7, 2007 – OSU Cascade Campus, Bend, Oregon
  • Campus visitation
  • Strategic Initiatives Committee
  • Finance and Administration:
    o Quarterly updates:
      ▪ Audit
      ▪ Investment
      ▪ Managerial report
    o Financial Statement analysis:
      ▪ Key ratios
      ▪ Peer ratios
      ▪ Revenue and expenditure trends
      ▪ Enrollment trends
      ▪ Research and sponsored projects trends
      ▪ Philanthropy trends
    o Capital project placeholder
    o Discussion of new self-supported capital projects approval process (if approved)
  • Full Board:
    o UO strategic vision and goals
    o Bond sale resolution (if needed)
    o 2007-08 operating budget adoption

October 4-5, 2007 – Portland State University
  • Strategic Initiatives Committee
  • Finance and Administration:
    o Capital project placeholder
    o Athletics financial report
    o 580-40 procurement rule discussion
  • Full Board:
    o PSU strategic vision and goals
November 1-2, 2007 – N. Willamette Research Center, Aurora, Oregon

- Strategic Initiatives Committee
- Finance and Administration:
  - Quarterly updates:
    - Audit
    - Investment
    - Managerial report
  - Financial statement analysis
  - Capital project placeholder
- Full Board:
  - Enrollment update
  - 580-40 procurement rule adoption
  - OUS portfolio: integrated strategic vision and goals (renewal/retreat?)

December 7, 2007 – Portland State University or telephonic (if required)

January 2008 – Portland State University

- Strategic Initiatives Committee
- Finance and Administration:
  - External audit annual report
  - Capital project placeholder
- Full Board:
  - Summer tuition and fee approval
  - Bond sale resolution
Authorization to Award Honorary Degrees, OSU and PSU

Summary:
The State Board of Higher Education policy permits institutions, with the concurrence of their faculty, to award honorary degrees. Each institution proposing the award of honorary degrees has received the Chancellor’s approval of criteria and procedures for selection that ensure the award honors distinguished achievement and outstanding contributions to the institution, state, or society.

Oregon State University
Oregon State University submits the names of two candidates to be considered for conferral of the honorary doctorate at OSU's June 2007 Commencement: Mr. Mike Rich and Ambassador Mary Carlin Yates.

Mike Rich is one of the most successful and acclaimed screenwriters working in the motion picture industry today. Recognized for his storytelling genius and success with family-oriented projects, he has provided an elegant written framework for seven award-winning films over the past decade, including such beloved pictures as “Finding Forrester,” “Radio,” and “The Nativity Story.”

Rich attended the College of Business at Oregon State University in the early 1980s before beginning work as a talk-show host on KINK radio in Portland. But writing was his passion and he indulged it in his spare time by writing short stories and, later, screenplays. In 1998, he submitted his script for “Finding Forrester” to the prestigious Nicholl Fellowships competition and won. Columbia Pictures quickly purchased rights to the script and Sean Connery signed on as executive producer and lead actor. The resulting box-office and critical success immediately made Rich one of Hollywood’s most sought-after writers.


Rich subsequently penned “Invincible,” the story of underdog Vince Papale, who in the 1970s became the oldest rookie in the history of the National Football League at the age of 30. The film was released in 2006 starring Oscar nominees Mark Wahlberg and Greg Kinnear.

His biggest project yet, “The Nativity Story,” filmed in 2006, last November became the first feature film ever to debut at the Vatican. An audience of more than 7,000 attended the screening at Pope Paul VI Hall, applauding a character-driven retelling of Mary and Joseph’s journey to Bethlehem.
He is poised for further success in 2007, with the pending release of “Manhunt,” starring award-winner Harrison Ford as Lt. Col. Everton Conger, who led U.S. Army forces in their search for the assassin of President Abraham Lincoln, John Wilkes Booth.

Rich, who still lives in the Portland area, is an Alumni Fellow of the OSU Alumni Association and a faithful supporter of OSU academic and athletics programs. He guides his work with an unwavering and simple principle: “Make films you’d be proud to show your grandchildren.”

**Ambassador Mary Carlin Yates** is political advisor to the Commander, United States European Command. She formulates and recommends policy options and provides counsel to leadership on all European Command political military affairs, which pertain to U.S. forces operating across more than 90 countries in Europe, Eurasia, Africa, and the Middle East.

A native of Portland, Ambassador Yates earned her B.A. in English from OSU and a masters in Comparative East West Humanities from New York University, where she also focused on Asian Studies at the doctoral level.

She then joined the Senior Foreign Service as a career member, Class of Minister Counselor, in 1980, working as press attaché for Ambassador Pamela Harriman. That was followed by an assignment to the U.S. Embassy, Paris, as senior cultural attaché. She served as U.S. ambassador to the Republic of Burundi from 1992 to 2002 and was confirmed as U.S. ambassador to the Republic of Ghana in 2002. Along the way, she also served in numerous U.S. State Department leadership capacities in Korea and the Philippines, including spokesperson for the U.S./Philippine Military Bases Talks. Ambassador Yates assumed her current duties in September 2005.

Ambassador Yates’ service in Ghana took place during one of that nation’s most challenging periods, as it sought to deal with the harrowing effects of both the HIV/AIDS pandemic and widespread malaria. As her tenure in Ghana concluded, the Ghana Chronicle recognized her leadership on those issues, as well as her advocacy for teacher training, assistance for primary and secondary schools, and work on behalf of key borehole drilling projects and food aid programs.

Ambassador Yates has been a featured speaker at the Claus M. Halle Institute for Global Learning, Emory University’s premier venue for visits by heads of state, distinguished policymakers, and influential public intellectuals from around the world. She has also been recognized with the U.S. Information Agency’s Lois Roth Award for Excellence in Information and Cultural Diplomacy, as well as three Superior Honor Awards and a Meritorious Honor Award.

She is married to Ambassador John Melvin Yates, who recently retired after having served as ambassador to the Republic of Cameroon and concurrently the Republic of Equatorial Guinea.
Ambassador Yates’ 27 years of international diplomatic experience and leadership have prepared her well for her current assignment. As she told the Senate during her 2002 confirmation hearings, “…my Foreign Service career and a decade preceding that as a teacher have been dedicated to the promotion of cross-cultural understanding. During my service, I have worked to share American values by promoting human rights and humanitarian initiatives.”

Portland State University
Portland State University requests authorization to award honorary doctorates at Portland State’s 2007 Commencement Ceremony. The University is proud to recognize the impressive achievements and contributions of Governor Barbara Roberts. President Bernstine is pleased to announce that Governor Roberts has graciously accepted an invitation to deliver PSU’s commencement address.

Barbara Roberts was inaugurated as Oregon’s first woman governor on January 14, 1991. She completed her term in 1995. A fourth generation Oregonian, Governor Roberts attended Portland State University, 1961-1964; the John F. Kennedy School of Government at Harvard University, 1989; and Marylhurst College.

She began her career in public service as an advocate for handicapped children. She served on the Parkrose School Board, the Mt. Hood Community College Board, and the Multnomah County Commission before her election to the Oregon House of Representatives in 1981. During her second term, she became Oregon’s first woman House majority leader. In 1984, she was elected secretary of state and became the first Democrat elected to that post in more than 100 years. She was re-elected in 1988. Significant achievements of Roberts’ terms as secretary of state include election reform legislation, the construction of a new archives building, and broader audit powers for the secretary of state.

During her term as governor, Roberts was recognized as a strong advocate for public education, human rights and services, environmental management, and streamlining state government. The Roberts administration was known for its strong gay rights advocacy and its appointment of women and minorities to significant positions in state government.

Governor Roberts decided not to seek reelection in 1994. Soon after she left office, she accepted a post at the Kennedy School of Government as director of the Harvard Program for Senior Executives in State and Local Government and, later, as a senior fellow to the Women and Public Policy Program. In 1998, Governor Roberts joined PSU’s Hatfield School of Government’s Executive Leadership Institute as Associate Director of Leadership Development. Governor Roberts retired from the Institute in 2005, but has continued her active role in the PSU community.

Governor Roberts is the immediate past board chair of the National Education for Women’s Leadership Oregon and currently serves as a board member. She will be honored on the PSU’s Walk of the Heroines and has been instrumental in helping raise
funds for the project. She has served on the planning committee for the Urban Pioneer Awards Event since its inception in 2001 and she has worked tirelessly to build the scholarship fund at PSU that honors her late husband, Frank Roberts. Governor Roberts has given of her resources as well as her time. She has donated her personal papers to the Millar Library and has encouraged other women political leaders to consider similar gifts.

Governor Barbara Roberts is a champion of public service and the public good. She is a great humanitarian and PSU is fortunate to have her as a friend and advocate.

Staff Recommendation to the Board:
Staff recommends the Board authorize Oregon State University to award honorary doctorates to Mr. Mike Rich and Ambassador Mary Carlin Yates and Portland State University to an award honorary doctorate to Governor Barbara Roberts at their June 2007 Commencement ceremonies.

(Board action required.)
OSU, Nomination to the Forest Research Laboratory Advisory Committee

Summary:
Pursuant to ORS 526.225, Oregon State University submits the following nominations to fill the four industry, one public, and one agency positions on the Forest Research Laboratory (FRL) Advisory Committee and to reappoint one industry and two public committee members and requests the Board make the recommended appointments.

Background:
ORS 526.225 specifies that the Board of Higher Education shall appoint a Forest Research Laboratory Advisory Committee composed of 15 members, nine of whom are to be individuals engaged, actively and principally, in timber management of forest lands, harvesting, or processing of forest products; three individuals who are the heads of state and federal public forestry agencies; and three individuals from the public-at-large. Although the statute does not prescribe the terms of the Committee members, the practice has been to make appointments for a period of three years. Traditionally, those who are performing actively and effectively have been recommended for reappointment to a second three-year term, with all members replaced at the conclusion of a second term.

Recommendation by Forest Research Laboratory Director:
Dr. Hal Salwasser, director of the Forest Research Laboratory, with the concurrence of President Ed Ray, has made the following recommendations:

- Appoint Mr. Jerry Brodie, managing director of logging operations for The Campbell Group since 1993, for the industry position that was held for three years by Joel Nelson.

  Mr. Brodie has responsibility for managing ongoing logging operations on all managed timberland for The Campbell Group, as well as disposition strategy. He joined the company in 1993. Prior to coming to The Campbell Group, Mr. Brodie was vice president of WTD Industries from 1987-1993, managing forest operations. Between 1983 and 1987, he served as president of Brodie Industrial Services, Inc., and vice president of Plant and Machinery, Inc., where he was responsible for industrial plant and equipment liquidations. Since 1975, Mr. Brodie has been involved in all phases of the wood products industry.

- Appoint Mr. Ed Shepard, state director of Bureau of Land Management (BLM), to fill the agency position recently vacated by Elaine Brong, who served five years on the FRL Advisory Committee and has retired from the BLM.

  This is Mr. Shepard’s fourth tour of duty in Oregon for the BLM, where he began as a public lands forester 26 years ago in Medford. Prior to his position, Mr. Shepard began his career as a forester in Rawlins, Wyoming. His other assignments with the BLM include assistant director for Renewable Resources
and Planning in the Washington Office; deputy state director for Resource Planning, Use, and Protection in Oregon/Washington; deputy director of the Office of Fire and Aviation at the National Interagency Fire Center in Boise; district manager of the Coos Bay District; chief of the Division of Forestry in the Washington Office; and area manager in the Roseburg District Office. Mr. Shepard is a certified forester with the society of American Foresters (SAF) and held several elected and appointed offices and committee assignments with SAF. He was elected Fellow in 2006.

- Appoint Mr. Lee Miller, CEO of Miller Timber Services, for the industry position that was held for six years by Ron Stuntzner.

Mr. Miller formed Miller Timber Services in 1981 to provide reforestation services to small and large timberland owners. Miller Timber Service has since grown to provide all service in forestry from site preparation through final harvest, employing 104 full-time and 40 seasonal employees from their office in Philomath, Oregon.

Mr. Miller holds a B.S. in Forest Engineering from Oregon State University (1980). He worked for 22 years as a crew boss on wildland fires. He is the current treasurer of the National Wildfire Suppression Association and serves as a committee member of the Oregon Smoke Management Committee. He is past president of the Western Oregon Protection Association, past chapter chair of Associated Oregon Loggers, and a small woodlot owner in Benton and Lincoln counties.

- Appoint Mr. Rick Brown, senior resource specialist for Defenders of Wildlife, to fill the public position vacated by Jason Miner, who served for three years.

Mr. Brown has served in the Defenders of Wildlife’s Northwest Office in Oregon since October 2000. A biologist by training, he has spent 30 years working in and for forests of the Northwest, first as a graduate student at PSU, then with the Forest Service, and some 20 years with conservation NGOs. He has served on several advisory committees for the State of Oregon and the Oregon Department of Forestry. He currently works to implement a statewide strategy for conserving biological diversity, focusing on forest-related issues and emphasizing collaborative and incentive-based approaches. In 2001, Defenders published his report *Thinning, Fire, and Forest Restoration: A Science-based Approach for National Forests in the Interior Northwest*.

- Appoint Ms. Carol Whipple, owner/manager of Rocking C Ranch, LLC, to fill the industry position recently vacated by Bill Arsenault, who served six years on the FRL Advisory Committee.

Ms. Whipple has been the owner/manager of Rocking C Ranch, a 8100 acre timber/forage operation since 1984. Before that, she served as operations
manager at Whipple Ranch and Whipple Log Products. Ms. Whipple received a B.S. in crop science from Oregon State in 1970 and a M.S. in 1972 from Colorado State University. She also continues to serve as a senior fellow for American Leadership Forum, Oregon Chapter, since 1987, a member and chair of the State of Oregon Environmental Quality Commission since 1990, Partnership for Umpqua Rivers Watershed Council (2004-present), Oregon Water Trust (1997-present), Douglas Timber Operators Director (present), Douglas County Museum Foundation (present), Oregon Forest Resources Institute Director (2001-present), Oregon Forest Industry Council member (present), Oregon Small Woodlands Association member (present), and Douglas County Small Woodlands Association member (present). She has also served as chair of the State of Oregon Governor’s watershed Enhancement Board, the Southwestern Oregon Regional Advisory Committee of the Oregon Transportation Initiative, the Federal Reserve Bank of San Francisco, the Portland Branch, and the Umpqua Basin Land Exchange Project Chair (1997-1997).

• Appoint Ms. Catherine Mater, president of Mater Engineering, to fill the industry position vacated by Dallas Stovall, who served on the FRL Committee for six years.

Ms. Mater has served as an engineer and market specialist in the wood products industry for over 30 years. Mater Engineering, Ltd., has been servicing forestry and forest products clients throughout the world for over 60 years. Since 1997, Mater has also served as a senior fellow with the Pinchot Institute for Conservation (PIC) in Washington, DC, where she has spearheaded sustainable forestry and forest certification projects on both public and private forestlands across the U.S. As a senior fellow for PIC, she currently heads the U.S. Forest Service (USFS) forest certification pilot project being conducted on nine national forests across the U.S.; and has recently completed two benchmark research projects focused on private woodland owner drivers to family forest fragmentation and conversion. These private woodland owner research projects were the first of their kind to be undertaken in the U.S. – focusing on what ‘non-joiner’ NIPFs and their offspring think regarding opportunities and constraints to maintaining forestlands in family hands.

The USFS and BLM in Washington, DC, have just contracted with Ms. Mater to undertake the nation’s first pilot projects in coordinating fuel-load reduction supply efforts between public and private lands across the U.S. to reduce the risk of catastrophic fires. Through implementation of CROP—a Coordinated Resource Offering Protocol model developed by Ms. Mater—six regions covering 25 million acres of the nation’s federal forests have been selected by the USFS and BLM for CROP pilots to be completed within the next 12 months.

Ms. Mater is also co-author of The Business of Sustainable Forestry published by the John D. and Catherine T. McArthur Foundation. She has just been appointed
by the Secretary of the U.S. Department of Agriculture to the Forestry Research Advisory Council. The Council advises the Secretary of the Department of Agriculture on regional and national planning and coordination of forestry research within federal and state agencies concerned with sustaining, developing, and utilizing the nation’s forest resources on both public and private forestlands.

Reappoint Gary Hartshorn and Bettina von Hagen for another three-year term. Mr. Hartshorn, president of the World Forestry Center, and Ms. von Hagen, vice president of Forest Ecotrust, both serve the committee as a public representatives.

*Staff Recommendation to the Board:*
Staff recommends that the Board approve the above appointments to the Forest Research Laboratory Advisory Committee.

*(Board action required.)*
OSU, B.S. in Accountancy

The Bachelor of Science (B.S.) in Accountancy is designed to provide a professionally-oriented program to prepare students for successful careers in public and private accounting. Accounting education within the College of Business (COB) focuses on providing the necessary knowledge, skills, and abilities for economic analysis. This is a 180-credit degree program that includes 36 credits from accounting courses (28 credits from required courses and 8 credits from an elective designed to further prepare students for specializations within the accounting profession), 50 credits from the COB’s business core, and 48 credits from OSU’s baccalaureate core.

The proposed B.S. in Accountancy elevates to a major a current option in accounting within the business administration major. The purpose of this is to increase the sense of pride that business students have in their field of study, to create learning cohorts to promote a greater awareness of professionalism, and to better enable minimum standards for entry into the College of Business. The elevation of the option to a major is regarded as an administrative change rather than a curricular change as the current accounting program at OSU is fully and separately accredited by the Association to Advance Collegiate Schools of Business (AACSB) and currently meets or exceeds all educational requirements set by the Oregon State Board of Accountancy as well as the educational guidelines recommended by the American Institute of Certified Public Accountants.

Because the accounting option currently exists within the COB, there are no new resource demands. No shifting of costs within the COB or within OSU are anticipated or requested. No adverse effects on other institutional programs are anticipated.

An identifiable need for accounting graduates is evinced from the current nationwide demand for accounting graduates and the placement of OSU accounting program graduates. Accounting is the number one college major across the country over the last two years and the number one college major in terms of job offers.

Accounting at OSU regularly solicits input on the program as part of an ongoing accreditation by the AACSB. OSU received comments on the proposed major from our students, alumni, and the firms that hire our students. Comments on an accounting major have been positive from all our constituencies. Typical comments cite direct benefits for students who would be able to differentiate their degree when applying for accounting positions.

The target population is current OSU students. The accounting program at OSU does not intend to increase enrollments above its enrollment plan of 90 new students per year. Current demand for accounting education at OSU exceeds OSU's capacity to offer accounting education, a situation that is not expected to change in the near future. Therefore, no projected impacts on other OUS intuitions or programs are anticipated.
All appropriate University committees and the OUS Provosts’ Council have positively reviewed the proposed program.

Recommendation to the Board:
The OUS Provosts’ Council recommends that the Board authorize Oregon State University to establish an instructional program leading to the B.S. in Accountancy, effective Spring 2007.

(Board action required.)
PSU, Graduate Certificate in Software Engineering

Portland State University proposes a graduate certificate in Software Engineering, with a minimum of 15 credits (5 required courses, each 3 credits), in addition to an admission requirement of at least two years of prior hands-on software development experience in industry. The Graduate Certificate in Software Engineering will be composed of five specific three-credit courses, all of which are currently offered in the approved Oregon Masters of Software Engineering (OMSE) program.

Software engineering has long been recognized as a critical success factor in the construction of software-intensive systems and products. In the late 1990s, poor quality software in the dot-com industry led to numerous business failures. More recently, virus attacks, electronic fraud, and identity theft have received much publicity. These examples illustrate the need for better software engineering in practice. This proposed certificate comprises a coherent unit of study in software engineering principles and reinforces the related foundational areas of computer science. The objectives of the program are to educate working professionals in the emerging field of software engineering by (a) increasing access for software industry practitioners to enhance their software engineering knowledge and skills for immediate application to challenges in the workplace; (b) providing professional education in best software practices for engineers who may already have masters or doctoral degrees; and (c) offering a stepping stone for students seeking to achieve a more advanced software engineering degree by applying credits toward the OMSE degree.

The five required courses are: Principles of Software Engineering; Managing Software Development; Professional Communication Skills for Software Engineers; Software Quality Analysis; and Software Requirements Engineering. A significant portion of each required course focuses on the real-world experiences each student has in industry, allowing students to share problems and discuss possible approaches, solutions, and outcomes.

The program anticipates 15-25 graduates in the program each year.

All appropriate University committees and the OUS Provosts’ Council have positively reviewed the proposed program.

Recommendation to the Board:
The OUS Provosts’ Council recommends that the Board authorize Portland State University to establish an instructional program leading to the Graduate Certificate in Software Engineering, effective Spring 2007.

(Board action required.)