May 27, 2009

TO: MEMBERS OF THE STATE BOARD OF HIGHER EDUCATION

Meetings of the State Board of Higher Education will be held on June 4-5, 2009. On Thursday, the OUS Research Council will be meeting from 10 a.m. until noon in Room 236 of PSU’s Smith Memorial Student Union; agenda items include a discussion of Sustainability Centers of Excellence.

On Friday at 7:30 a.m., the Board’s Finance & Administration Committee will convene a regular meeting in room 327/8/9 of Smith Memorial Student Union on the campus of Portland State. Agenda items include approval of action items (Ground Lease between the UO and TC Eugene and capital projects to be funded with COPs) and the Committee will discuss the proposed revised F&A Committee charter and calendar.

Immediately following the F&A Committee meeting, the Board will convene a regular meeting. Agenda items include: A request for emeritus status and the policies on undergraduate class size and undergraduate program demand. Additionally, the Chancellor, the president of the Interinstitutional Faculty Senate, and the chair of the Oregon Student Association will provide informational reports to the Board.

At the conclusion of the Board meeting, the Board will adjourn into Executive Session pursuant to ORS 192.660(2)(i) to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee, or staff member who does not request an open hearing. The public is excluded from attendance at the executive session portion of the meeting; however, representatives of the news media will be allowed to attend the executive session under ORS 192.660(4).

These meetings will be held in accordance with the time, location, and schedule listed below:

**Thursday, June 4, 2009**
10 a.m. – noon Board’s Research Council, Room 236 (Cascade Room), Smith Memorial Student Union, PSU
Friday, June 5, 2009
7:30-9:30 a.m.  Finance & Administration Committee meeting, SMSU 327/8/9
9:45 a.m. – 12:45 p.m. Full Board meeting, SMSU 327/8/9
12:45 – 4 p.m.  Executive Session, SMSU 326

Telephone messages for Board members and institution officials attending the meetings may be called to (541) 554-6450. If special accommodations are required, please contact the Board’s Office at (541) 346-5749 at least 72 hours in advance. All docket materials are available on the OUS website at http://www.ous.edu/sb_meet.htm.

Cordially,

Ryan J. Hagemann
Secretary of the Board
# SCHEDULE FOR BOARD MEETINGS AND BOARD MEMBER CAMPUS VISITS

Locations in bold-type signify a Board campus visit.

## 2009

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OREGON STATE BOARD OF HIGHER EDUCATION
SMITH MEMORIAL STUDENT UNION
1825 SW BROADWAY, PORTLAND STATE UNIVERSITY
PORTLAND, OREGON

REGULAR MEETING OF THE BOARD COMMITTEE
ON FINANCE & ADMINISTRATION
SMSU ROOMS 327/8/9
JUNE 5, 7:30 – 9:30 A.M.

AGENDA

1. CALL TO ORDER/ROLL CALL/WELCOME

2. ACTION ITEMS

   a. UO, Ground Lease between UO and TC Eugene, 800 Riverfront Parkway, Riverfront Research Park (Kenton/Dyke) .......................................................... 1
      The University of Oregon seeks Board approval to enter into a long-term ground lease affecting 4.32 acres of property located in the Riverfront Research Park.

   b. Certificates of Participation Approval (Kenton) .......................................................... 5
      Due to the policy change of allowing COPs that are funded with tuition or self-supporting funds, OSU, PSU, and the UO are requesting to sell a total of $8.8 million of COPs to fund technology projects where the debt service will be funded with tuition, indirect cost recoveries, or other university revenues.

3. DISCUSSION ITEM

   a. F&A Revised Charter and Meeting Schedule (Kenton) .............................................. 19
      The purpose of this docket item is to contemplate a revised Finance and Administration Charter, discuss where decisions are more appropriately made, and contemplate a schedule for the 2009-10 fiscal year.

4. ADJOURNMENT
REGULAR MEETING OF THE
STATE BOARD OF HIGHER EDUCATION (#828)
SMSU ROOMS 327/8/9
PORTLAND STATE UNIVERSITY
JUNE 5, 9:45 A.M. – 12:45 P.M.

AGENDA

1. CALL TO ORDER/ROLL CALL/WELCOME

2. REPORTS
   a. Chancellor’s Report
   b. Interinstitutional Faculty Senate (IFS) President (Gilkey)
   c. Oregon Student Association (OSA) Chair

3. CONSENT ITEMS
   a. UO, Ground Lease between UO and TC Eugene, 800 Riverfront Parkway, Riverfront Research Park
      ........................................................................................................................................... 1
      The University of Oregon seeks Board approval to enter into a long-term ground lease affecting 4.32 acres of property located in the Riverfront Research Park.
   b. Certificates of Participation Approval.......................................................................................... 5
      Due to the policy change of allowing COPs that are funded with tuition or self-supporting funds, OSU, PSU, and the UO are requesting to sell a total of $8.8 million of COPs to fund technology projects where the debt service will be funded with tuition, indirect cost recoveries, or other university revenues.

4. ACTION ITEMS
   a. UO, Request for Emeritus Status (Kelly) ......................................................................................... 23
      In accordance with the Board’s policy and considerations of the accomplishments of President Frohnmayer, it is recommended that a resolution be adopted as an expression of the Board’s appreciation and in conformity with the guidelines as recommended in the accompanying president emeritus policy.
b. **Policies on Undergraduate Class Size and Program Demand** (Weeks) .................................. 25

In combination with the Board’s revised policy on academic program review, approved in November 2008, effective implementation of proposed Board policies will assure appropriate Board-level stewardship over academic programs and curricula, provide enough flexibility for university provosts to make exceptions where warranted, and require regular review and reporting to the Board through the Provosts’ Council’s annual report.

5. **COMMITTEE REPORTS**

   a. Standing Committee Reports

   b. Other Board Committees

6. **PUBLIC INPUT**

7. **BOARD COMMENTS**

8. **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.”

9. **ADJOURNMENT**
AGENDA

1. CALL TO ORDER/ROLL CALL

2. DISCUSSION ITEM
   a. Presidential Evaluations

3. 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.
Oregon State Board of Higher Education

June 5, 2009
Portland State University
Portland, Oregon

Board Materials
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UO, Request for Emeritus Status ........................................................................... 23
OUS, Policies on Undergraduate Class Size and Undergraduate Program Demand ....... 25
(The page intentionally left blank.)
UO, Ground Lease between UO and TC Eugene, 800 Riverfront Parkway, Riverfront Research Park

Summary:
The University of Oregon seeks Board approval to enter into a long-term ground lease with TC Eugene LLC, a private developer, consisting of 4.32 acres of property located in the Riverfront Research Park. The ground lease must be fully executed prior to commencing construction of the planned 79,800 square feet (SF), LEED Silver building, estimated to cost $17 million. The building will be 100 percent pre-leased; the Oregon Research Institute will lease 69,000 SF and the Educational Policy Improvement Center will lease 10,800 SF.

Background:
The Riverfront Research Park (RRP) project is a cooperative effort of the UO and private developers to build a university-related research park on a state-owned site adjacent to the university campus. The 67-acre science and technology park, including business technology incubator, is a catalyst for commercializing technology and connecting research with industry in an environment that fosters innovative technology businesses and start-up companies.

With 29 current tenants and over 400 employees, Research Park companies are expanding the regional economy in diverse fields including neuroscience, informatics, biotechnology, nanotechnology, optimization technology, behavioral science, disability research, and healthcare. These companies are addressing important societal concerns facing our future by developing products sold worldwide, including brainwave sensor nets used to diagnose medical conditions, including stroke, epilepsy, and monitor neonatal activity; marker genes used to target tumors in breast cancer research; and assays testing cell reaction to improve the development of new drugs with fewer side effects.

Previously, the RRP has entered into two long-term ground leases with private developers. The first, a Salt Lake City developer, constructed a 60,000 SF research office building in 1992. The second, a Portland developer, constructed a 47,000 SF office and lab building in 1998. Both buildings are privately managed and are fully leased. In addition, the Research Park operates the Riverfront Innovation Center, a technology incubator for start-up companies and UO spin-offs.

TC Eugene, LLC, a single-purpose entity of the Trammell Crow Company (TCC), is developing this privately-owned building. Founded in 1948, TCC is one of the nation’s leading developers and investors in real estate. It has developed or acquired over 500 million SF of buildings with a value exceeding $50 billion. TCC is an independently operated subsidiary of CB Richard Ellis Group, Inc., the world’s largest real estate services firm.

Project:
TC Eugene plans to start construction in August 2009 and complete the four-story building, parking, and landscaping for occupancy by September 2010, while the UO plans to construct a public street and related infrastructure in the summer/fall of 2009.
Tenants: The building's primary tenant company is the Oregon Research Institute (ORI), a major behavioral science research organization. Founded in 1960, with 250 employees, ORI conducts research and develops products focusing on adolescent depression, tobacco and drug use and prevention, chronic pain, and diet and exercise. Due to the specialized nature of ORI's work with families, youth, children, and aging populations, the new facilities will provide features such as one-way observation rooms, kitchen for clients to learn more about diet and healthy cooking techniques, equipment and machines for mental and physical exercise, small interview rooms, confidential areas, and other unique spaces. The Educational Policy Improvement Center (EPIC), a UO spin-off, consults with school systems nationwide on ways to modify and improve high school curriculum to better prepare students for the transition to college.

Design Features: TCC is constructing a 79,800 SF LEED Silver building. The building, designed by Soderstrom Architects of Portland, Oregon, will meet the LEED Silver nationally accepted benchmark for design and construction of the world's greenest, most energy efficient, and high-performing buildings. Among other features, it will use reduced-flow fixtures reducing water usage; landscape with native vegetation and efficient irrigation systems; install high-efficiency lighting, roof insulation, and low-e insulated windows to reduce overall energy consumption; use low VOC products to eliminate pollutant sources during and after construction; and divert on-site generated construction waste from landfills, among other features.

Terms of the Proposed Ground Lease Being Considered:
The UO's ground lease is typical in that it covers many topics related to the long-term nature of allowing private developers to construct and manage buildings, parking, and landscaping on university property. The ground lease income is used to manage and operate the Riverfront Research Park as an auxiliary and for RRP infrastructure improvements, including the extension of the public street, utilities, and making bike bath and related improvements. The following is a brief overview of certain key terms and conditions:

Premises: 4.32 acres

Term: 55 years, with possibility of four 10-year renewals

Rent: Prepaid rent of $1,466,608 for initial 55-year term; paid in four installments between October 2009 and September 2010; in renewal terms, rent is based on fair market value of land.

Covenants: Tenants must engage in research and/or development or author ideas, inventions, services or products that complement the research and educational activities of the UO. Research, development or production that destroys or injures human life, and the design, development, production or deployment of offensive or defensive weapons are prohibited.

Design Review: Schematic and Design Development phases of design are reviewed by a University-appointed Design Advisory Committee.
Construction/Repair: Lessee is obligated to construct, repair, and maintain the building and site in accordance with strict standards.

Insurance/Lien Free: Lessee is required to provide general liability and casualty insurance and maintain the site free from liens.

Condemnation: Lease sets forth rights/responsibilities of each party in event of a taking.

Default/Waiver and Remedies: Lease covers acts of Lessee default, waivers, performance by Lessor, and various Lessor remedies.

Assignment, Sublease, Sale: Voluntary assignment requires Lessor's prior written consent; in event of sale, Lessor has right of first offer.

Subleases: Requires tenant subleases to conform to applicable provisions of the Ground Lease.

Staff Recommendations to the Finance and Administration Committee:
Staff recommends that the OUS Committee approve the proposed ground lease and forward to the full Board for approval of the ground lease between State of Oregon Acting by and through the State Board of Higher Education on behalf of the University of Oregon and TC Eugene LLC.

(Committee action required.)
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OUS, Capital Projects to be Funded with Certificates of Participation

Background:
Last year, we learned that Oregon Department of Justice (DOJ) and Oregon Bond Counsel had adopted a new interpretation regarding the use of Article XI-F(1) bonds that precluded their use to acquire pre-existing facilities, unless such acquisitions were to acquire a site for redevelopment. Although OUS had used Article XI-F(1) bonds for this purpose since its inception in 1950, we had no choice but to follow this advice. In June 2008, because of this interpretation, we investigated whether we could use Certificates of Participation (COPs) to acquire pre-existing facilities but were told by the Department of Administrative Services (DAS) that, due to the State’s limited debt capacity, these projects would not be approved.

Last month, in a meeting with Treasury, Bond Counsel, and DAS, we were told that they had agreed to bifurcate COP projects between 1) those that would be repaid with General Funds and, therefore, would count against the State’s debt capacity; and 2) those that would be paid with Other (self-supporting) Funds, including tuition, that would not count against the State’s debt capacity. Because of this policy change, we are now requesting to use COPs to fund the acquisition of four projects, two each at Oregon State University and Portland State University.

In addition, as part of the 2009-2011 budget request process, OUS requested $18 million in COPs for technology projects; however, due to constraints in the State’s debt capacity, only $2.9 million was recommended in the Governor’s Recommended Budget. Due to the policy change of allowing COPs that are funded with tuition or self-supporting funds, OSU, PSU, and the UO would like to sell a total of $8.8 million of COPs to fund technology projects where the debt service will be funded with tuition, indirect cost recoveries, or other university revenues. Thus, these three universities are seeking the additional $5.9 million in COP authority for the technology projects listed in Attachment A.

Project Descriptions:

Oregon State University:
1. Acquisition of Sonpark Associated Facility
   
   This land (approximately 3.01 acres), located at 3731 SW Jefferson Way in Corvallis, is owned by OSU but currently held under a land lease with Sonpark Associates through June 2021. At the expiration of this land lease, the improvements are to revert back to OSU. The area of the land lease is made up of two buildings; an approx. 24,536 square foot (SF) building, leased to the EPA, and a 3,912 SF building leased to OSU and used as a daycare facility (Growing Oaks). The land lease also encompasses approximately 0.93 acres of bare land, providing the potential for construction of an additional 25,000 to 30,000 SF facility.

   The GSA/USGS is currently looking for a site on campus to build a +/- 30,000 SF facility to house their entire Corvallis operation. Due to the extensive research collaborations with
OSU, the location of USGS on campus would be advantageous to the OSU community and campus planning agrees that the 0.93 acre of bare land associated with this property would be an ideal location on campus for this use. Furthermore, much of the infrastructure needed to support an additional building is already located on-site (street improvements, ample parking in on-site parking lot, etc.), which would make construction of this building more profitable for OSU as less infrastructure costs would be incurred as a result of the additional construction, allowing for greater potential rent revenue.

Due to the fact that Sonpark Associates currently owns the infrastructure in place, including the two buildings and also controls this land under their land lease until 2021, we are not able to enter into negotiations on this 0.93 acre site with GSA/USGS at this time. We have approached Sonpark Associates with the concept of purchasing the buildings sometime in the near future and they are amenable to this. In November of 2008 we obtained an appraisal on this purchase to help us establish a value and have since had this figure updated to provide an accurate, monthly valuation from June through November 2009. From our discussions, we believe that Sonpark Associates is in agreement with using this valuation as the purchase price for these buildings and improvements.

Our cash flow estimate and summary demonstrates that the EPA building revenue at the site is more than able to support the monthly payment of approximately $12,250 associated with COP funding needed ($1,900,000 at 6 percent for 25 years) to support the early buyout. We currently have an understanding that GSA/EPA will extend their tenancy for another 10 years once OSU owns the building, which will provide greater security for this revenue stream. The daycare building could also be a potential source of revenue down the road, should the building be leased out to a separate entity other than OSU. The additional revenue derived from construction of the USGS building is estimated at $660,000 annually ($55,000 monthly: $27 per SF per year; Full-Service – 30,000 SF, less operating expenses of $5 per SF per year). We estimate that this revenue stream, together with the EPA building revenue stream, would be more than ample to support the monthly payment of approximately $58,000 associated with COP funding needed (approximately $9,000,000 at 6 percent for 25 years) for construction of a facility to suit USGS’ needs. No impact on tuition is projected for this use of COP funds.

Thus, acquisition of this site and construction of a building through COP funds would provide a means by which OSU could further strengthen its collaboration with the Federal Government, regain control of developable land and existing improvements, and also tap into a revenue resource above and beyond what would be needed to finance the project.

See Financial pro forma in Attachment B
2. **Warehouse Acquisition**

This facility would be used to house Bob Collier and Jack Barth of the COAS (The College of Oceanic and Atmospheric Sciences) and to support OSU’s participation in the Ocean Observatories Initiative. This would be a 10-year (with a possible second 10-year renewal) project funded by NSF to deploy and maintain an underwater “observatory.” As a part of this initiative, OSU would be responsible for moorings and autonomous gliders operating off the coast of Oregon and Washington and this facility would be needed to support instrument testing, refurbishing, maintenance, and eventually construction of large pieces of sea-going equipment. Both warehouse and laboratory space is needed for this use, as well as a small amount of office space, which this building is designed to provide. Furthermore, this facility is located on the edge of the campus boundary and proximity of these operations to campus is strategically desirable to the COAS.

The monthly payment of approximately $7,200 associated with COP funding needed ($1,000,000 at 6 percent for 20 years) to purchase and renovate this facility would be made through the COAS, as a reduction in available Education & General money, for the first 10 years and would be handled by the University thereafter. This COP-funded project would have no impact on tuition.

See Financial pro forma in Attachment C

3. **Enhance Communications Infrastructure**

OSU is requesting authorization to secure $2 million in COP funding for key communications infrastructure updates for OSU as part of an ongoing initiative to comprehensively upgrade the entire OSU campus. Funds for this phase will be used to upgrade communications wire plant in OSU buildings with sub-standard infrastructure, upgrade the voicemail system, and complete an upgrade of a core communications data center. These upgrades are part of a multi-phase upgrade that will allow OSU to increase staff productivity by providing advanced voice messaging features integrated with Microsoft Exchange email for all OSU staff and increasing the overall reliability of voice- and data-networking campus-wide.

**Portland State University:**

1. **1900 Fourth Avenue Building City of Portland Tower Acquisition**

PSU and the City of Portland jointly own the condominium property located at 1900 SW Fourth Avenue in downtown Portland. The two acre site is adjacent to PSU’s Maseeh College of Engineering and Computer Science and in close proximity to the Unitus Building, the PSU Science & Education Center, and the Market Center Building. Portland State currently owns and utilizes three of the four parcels included in the condominium for classrooms, parking, academic, and research space. The fourth parcel consists of a 161,000 gross square foot City of Portland Tower, constructed in 1999-2000 in air rights above PSU’s existing parcels.
The City of Portland and PSU have renewed discussions regarding PSU’s acquisition of the City Tower. The parties previously discussed PSU’s acquisition and lease back of the Tower to the City in 2004, and a $1 place holder was included in PSU’s 2005-2007 Capital Budget. Appraisals prepared as part of that analysis indicated an acquisition price of $27-$28 million. PSU’s estimated annual debt service payments based on the this price, based on 138,000 rentable square feet and 30 year debt would be $14.98 to $15.54 per square foot. Alternatively, PSU may be able to assume the City’s remaining 15 year debt that exists on the Tower, and utilize 30 year debt for the remaining portion. This would increase debt service to $22.00 per square foot through 2018, after which the debt service per square foot would drop to $6.05 for the remainder of the 30 year term. Donations may be available to further reduce the amount of debt financing required.

PSU’s funding sources supporting this building would include tuition revenues, indirect cost recoveries from funded research, and redeckation of funds previously devoted to lease of academic and research space. In addition, the City has expressed interest in leasing back all or a portion of the Tower in the near term, allowing PSU to assume use of the space gradually over time, and providing an additional offsetting rental revenue stream. No new tuition increases are anticipated to support this building. PSU’s total debt ratio inclusive of this and other planned purchases is projected to be 6 percent. New construction of this type and size would cost approximately $48 million, or $350 per rentable square foot.

See Financial pro forma in Attachment D.

2. Market Center Building Acquisition

PSU has the opportunity to acquire the Market Center building, a nine-story, 121,800 rentable SF facility located adjacent to the University District at 1600 SW Fourth Avenue in Portland. This building is in close proximity to the Urban Plaza on Fifth Avenue and the new NWCEST and the Fourth Avenue building. PSU currently leases approximately two-thirds of the building, which houses classrooms, research, academic, and administrative space, as well as a black box theater and PSU’s College of Fine & Performing Arts. Built in 1968, the building includes two additional floors of parking for a total of 164 spaces. The non-PSU occupied space in the building is leased by one major tenant through 2012, with the likelihood of lease renewal. Similar new construction would cost the University and the State $47-$48 million, or $385 per rentable SF, including parking.

Current lease payments for the building would be re-directed toward debt service for the purchase. PSU’s full service lease rate for the facility beginning in 2010 will be $22.50 per SF. PSU’s estimated net debt service payments for acquiring the facility, after taking into consideration lease income from the external tenant, would be $22.08 per sq foot full service, assuming 30 year debt at 7 percent taxable, 6 percent non-taxable
respectively. Fund sources supporting this building include rental revenues as well as tuition and indirect cost revenues. No new tuition rate increases are anticipated to support this building. PSU’s total debt ratio inclusive of this and other planned purchases is projected to be 6 percent.

See Financial pro forma in Attachment E.

3. **Storage and Server Expansion** ................................................................. $600,000

PSU has over 300 host computers (servers) providing critical services for academic, administrative, and public service functions. Demand on these servers is always changing and in almost all cases is increasing. The security and reliability on these systems have become increasingly vital to university operations. There is an ongoing need to keep these systems up to date and to ensure adequate capacity for campus operational and academic needs.

**Project Budget**
- Server Hardware: $360,000
- Storage Hardware: 180,000
- Racking Hardware: 30,000
- Consulting/Contracted Project Labor: 30,000
- Total: $600,000

4. **Virtualization of Datacenter** ................................................................. $400,000

PSU hosts over 100 servers in its co-location datacenter. These servers are run by various small IT operations on campus, such as the PSU Library and Facilities departments. Each server consumes a fixed amount of power regardless of utilization levels. The server capacity is grossly underutilized and the owners (departments) must maintain their own hardware. The current model is not cost effective nor is it environmentally sustainable.

This project will provide a virtual server environment, managed centrally, for all campus server needs.

**Project Budget**
- Blade Server Hardware: $300,000
- Virtualization Storage Software: 50,000
- Racking Hardware: 25,000
- Consulting/Contracted Project Labor: 25,000
- Total: $400,000

5. **Enterprise Backups and Disaster Recovery** ........................................... $400,000

PSU has been investing heavily in storage and currently hosts approximately 45 terabytes of data on its SAN. Our enterprise backup systems and disaster recovery
model need to catch up with this growth. We are approaching a critical point in the capacity of our current backup architecture and further investment is required.

The purpose of this project is to identify and implement a new strategy for enterprise backups and disaster recovery that will minimize the use of tape. New technology has entered the marketplace in the last few years that uses sophisticated technology to minimize the storage requirements of data backed up directly to disk. This technology also allows data to be replicated off-site with very low bandwidth requirements.

**Project Budget**

Disc-based Backup Appliance: .......... $350,000  
Consulting/Contracted Project Labor: . . $50,000  
Total: ................................................... $400,000

6. **PSU Desktop and Security Upgrades** ................................................................. $400,000

PSU’s Office of information Technologies attempts to maintain minimum equipment standards for desktop workstations on campus. Periodically an upgrade is required to replace the oldest workstations on campus with moderately priced new machines. Upgrading these desktops will improve the workstation performance for faculty and staff, reduce maintenance time, and hold down costs for ongoing technical support.

During this upgrade, we will also enhance the existing workstations of select faculty and staff users with software that will help detect and prevent intrusion and/or inappropriate access to systems. This software will allow central control of security profiles for key machines on the PSU network.

This project will bulk purchase approximately 325 new, low cost workstations/monitors for faculty and staff use. Funds will also cover the costs of a special staff team for software and station installation. This equipment would replace the oldest departmental equipment, and the oldest equipment on campus would be removed from service. It will also improve the security and privacy management of PSU desktops used as primary workstations by faculty and staff.

**Project Budget**

Apple Mac Computers: .......................... $100,000  
PC Computers: ........................................... 200,000  
Desktop Security Tools (Firewalls, IDS Tools): ...... 60,000  
Consulting/Contracted Project Labor: ............... $40,000  
Total: ................................................................ $400,000

**The University of Oregon:**

The University of Oregon requests the sale of $5 million in Certificates of Participation in May 2009, which will be paid off using System resources in subsequent years. The UO
expects to use the proceeds from this sale to fund Classroom & Laboratory Upgrades and Information Technology Projects at the University of Oregon.

1. **Classroom and Laboratory Upgrades** .................................................. $3,000,000
   Evolving technology and pedagogy demand improvements on an ongoing basis to recruit, educate, challenge, and graduate outstanding students. Many spaces require basic environmental improvements including more efficient lighting, accommodating new media equipment, and improved heating and ventilation. The requirements for laboratory space are continually changing to meet the research requirements.

   The project includes classroom renovations to create flexible and versatile instruction space, basic environmental improvements to lighting systems, heating and ventilation systems, building controls, and instruction media equipment.

2. **Information Technology Equipment and Software** ......................... $ 2,000,000
   Information technology is critical to almost every aspect of the university. Faculty and students depend on IT services to access academic resources, communicate with each other, perform computational work, and publish their scholarship. Administrators depend on IT to access and use administrative systems for work in human resource, financial, student records, and other areas. Everyone depends on basic IT services like the Internet and email. IT infrastructure including servers, storage, data networks, labs, and security are integral to these services being available to faculty, students, and staff.

   The project provides for timely refreshment and upgrades to IT infrastructure that support services to faculty, students, and staff. Examples of projects include upgrades to the campus data network, replacement and enhancement of equipment to serve academic and administrative services, addition of equipment to meet growing demand for services, and equipment and software for IT security needs.

   *Staff Recommendation to the Committee:*
   Staff recommends that the Committee approve and forward to the full Board for subsequent approval of the purchase of the four properties, two each at OSU and PSU, as detailed above using certificates of participation and/or by assuming the city’s debt in a financing agreement and authorize the Chancellor, or designee, to seek Legislative authorization for such in the 2009-2011 capital budget. The Board further authorizes the Chancellor or designee to seek the additional $5.9 million in COP authority in the 2009-2011 operating budget needed for technology projects as detailed above.

   *(Committee action required.)*
ATTACHMENT A

Oregon University System
Revised COP Request for 2009-2011
Note: All projects to be repaid using Other Funds Limited

<table>
<thead>
<tr>
<th></th>
<th>COPs</th>
<th>Other Debt</th>
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<tbody>
<tr>
<td><strong>Oregon State University</strong></td>
<td></td>
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<tr>
<td>Purchase of Sonpark Property and Construction of USGS Facility</td>
<td>$10,900,000</td>
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<tr>
<td>Purchase of 960 Washington St. Warehouse for COAS Research Project</td>
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<td>Building Rewiring</td>
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<td><strong>Portland State University</strong></td>
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<tr>
<td>Storage Server Expansion</td>
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<td>Virtualization Storage Expansion</td>
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<td>Enterprise Backups and Disaster Recovery</td>
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<td>Desktop and Security Upgrades</td>
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<td>Market Center Building Acquisition</td>
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<tr>
<td>1900 4th Ave Bldg City of Portland Tower Acquisition</td>
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<td>$16,100,000</td>
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<tr>
<td>New COPs</td>
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<tr>
<td>Assume City's Debt</td>
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<td>$16,100,000</td>
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<tr>
<td><strong>University of Oregon</strong></td>
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<tr>
<td>Classrooms, Laboratories, and IT Upgrades</td>
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<td><strong>Totals</strong></td>
<td>$59,100,000</td>
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<td>COPs Authority Included in GRB</td>
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<td><strong>New Authority Sought</strong></td>
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<td>Less the Amount approved in GRB</td>
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<td>Capital</td>
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<td>Total Capital</td>
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</table>

**Note:** All projects to be repaid using Other Funds Limited.
### COP Request - Sonpark Property & Proposed USGS Building Combined

#### Property Description
- **Name:** Proposed USGS Building
- **Property Type:** Office (Low-rise)
- **Address:** 3731 SW Jefferson Way
  - Corvallis, OR 97333
- **Assessor’s Parcel #:** 11533 Tax Lot 301
- **Size:** 3.01 acres (0.93 acres not improved)
- **Seismic Zone:** Three

#### Improvement Description
- **Net Rentable Area (SF):** 58094
- **Design:** Multi-Tenant
- **Year Built:** 1991 - 2011
- **Occupancy:** 100%
- **# of Total Buildings:** Two

#### Transaction Details
- **# of SF to be Constructed:** 30,000
- **Construction Price Per SF:** $300
- **Total Construction Cost:** $9,000,000
- **Cost of Building Purchase:** $1,900,000
- **Total Cost:** $10,900,000
- **Fund Sources:** COPs
- **Assumed Interest Rate:** 0.50% 6%
- **Assumed Payback Period:** 300 25

<table>
<thead>
<tr>
<th>Estimated Total Monthly COP Payment</th>
<th>Estimated Monthly COP Pmt at</th>
<th>Estimated Payment Associated with Building Purchase</th>
<th>Estimated Payment Associated with Building Purchase and 50% of new construction complete</th>
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<tr>
<td>$-70,228.85</td>
<td>$1,900,000 Pmt at</td>
<td>$1,900,000.00</td>
<td>$6,400,000.00</td>
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<tr>
<td>$-12,241.73</td>
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<tr>
<td>$-41,235.29</td>
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#### Estimated Monthly COP Pmt at
- **$6,400,000 Draw:** $-41,235.29

#### Reimbursement Resolution
- Repayment of the COPs funding will be serviced through GSA/EPA & USGS lease payments.

#### Key Assumptions
- USGS - 10 year renewable lease agreement 2011 - 2021
- **USGS Est. Annual Rent:** $810,000
- **USGS Est. Building Expenses - 2010:** $150,000
- **EPA - Renewal of existing lease agreement through 2021**
- **USGS est. building operating expenses are based on figures compiled from EPA Building; escalated at 5%**
### 10 Year Pro Forma

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated EPA Bldg Cash Flow</th>
<th>Estimated COP Payment</th>
<th>Net</th>
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<tr>
<td>2010</td>
<td>$245,786</td>
<td>-$146,900.72</td>
<td>-$98,885.28</td>
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<tr>
<td>2011</td>
<td>$253,552</td>
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</table>

#### Estimated Cash Flows:
- **2010 Estimated EPA Bldg Cash Flow:** $245,786  
  - Represents COP Payment for Building Purchase
- **2010 Estimated COP Payment:** -$146,900.72  
  - Represents COP Payment for Building Purchase
- **2010 Net:** $98,885.28  
  - Represents COP Payment for Building Purchase

#### Additional Details:
- 2011 Estimated USGS Cash Flow: $330,000.00  
  - Represents revenue received once construction is complete - 6 months of revenue only
- 2011 Estimated COP Payment: -$668,784.85  
  - Represents full COP payment for 6 months, once construction is complete and 6 months at 50% complete.

#### Annual Estimated Cash Flows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Estimated EPA Bldg Cash Flow</th>
<th>Annual Estimated USGS Bldg Cash Flow</th>
<th>Annual Estimated COP Payment</th>
<th>Annual Net</th>
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<tr>
<td>2012</td>
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<td>$387,723</td>
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- Full COP monthly payment projected to start in 2012

---

*Oregon State Board of Higher Education*

**F&A Committee**

**Page 14**
### 960 Washington Property - 20 Year Pro Forma

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Estimated COP Payment:</th>
<th>Annual Estimated Operating Expenses:</th>
<th>Total Annual Expense:</th>
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<td>$85,972</td>
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<td>$85,972</td>
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<td>2025</td>
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<td>2026</td>
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<td>2028</td>
<td>$85,972</td>
<td>$28,617</td>
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<td>2029</td>
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</tbody>
</table>

**Assumptions:**
- Operating Expense Estimates
  - Utilities: $0.09/SF/MO
  - Maintenance/Repair: $0.03/SF/MO
  - Janitorial: $0.05/SF/MO
  - Insurance: Self insured
  - Taxes: Tax Exempt
  - *Expenses escalated 3% annually

**Payments**
- Years 1-10 to be paid through COAS indirect cost recovery funds
- Years 11-20 to be paid by University indirect cost recovery funds
**City Tower Purchase Analysis**

**5/6/2009**

**Assumptions:**
- Rentable Sq Ft: 138,000
- Gross Sq Ft: 161,000
- Year Built: 1999
- 2005 Operating Expense: $788,000
- Assumed Annual Operating Exp Increase: 3%
- Stories: 7
- External Lease Space (Unitus Credit Union): 711
- Assessed Value, 2008: $20,538,340
- Appraised Value, 2004: $27,000,000
- COP Bonds Outstanding, 2009: $16,100,000
- Remaining Amount to Finance: $10,900,000
- Non-taxable D/S Rate: 6.00%
- Non-taxable D/S per Million: $76,977
- Enrollment Growth: 2%

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<tr>
<td>Tuition</td>
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<td>1,429,998</td>
<td>1,512,898</td>
<td>1,598,285</td>
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**Debt Service**
- COP Existing (15 year debt): $2,200,275
- PSU Additional (30 year debt): $834,689
- Total Debt Service: $3,034,964

**Net Profit/(Loss):**
- $1,528

*Does not reflect additional revenue for debt service from lease of space back to the City of Portland.*

PSU would increasing its occupancy of space in the building in future years, with debt service being funded through tuition generated through rededication of existing lease payments and/or enrollment growth.
### Market Center Purchase Analysis

**Assumptions:**
- **Assumed Purchase Price:** $27,500,000
- **Year Built:** 1968
- **Year Renovated:** 1991
- **Gross Sq Footage:** 123,171
- **Usable Sq Footage:** 121,800
- **Stories:** 9
- **Load Factor:** 15%
- **External Lease Space:** 40,967 (34%)
- **PSU Space:** 80,833 (66%)
- **Parking Spaces:** 164
- **Reserved Space Rate:** $99
- **Non-taxable DS Rate:** 6.00%
- **Non-taxable DS per Million:** $72,649
- **Taxable DS Rate:** 7.00%
- **Taxable DS per Million:** $88,295
- **Parking Escalation:** 3.00%
- **Operating Expense Escalation:** 3.00%
- **Enrollment Growth:** 2.00%

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<td><strong>Total Income</strong></td>
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<td>$2,142,566</td>
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<td>$2,142,566</td>
<td>$2,142,566</td>
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<tr>
<td><strong>Net Profit/(Loss):</strong></td>
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<td>$210,116</td>
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OUS, Finance and Administration Committee

Background:
Effective July 1, 2009, the Board of Higher Education intends to change its Board meeting schedule from meeting ten times per year to four. Because many of the activities relating to the finance and administrative activities of our campuses require transactions that require Board oversight, the Finance and Administration Committee may need to meet more frequently, or consider delegating certain authorities that currently reside with the Board or one of its subcommittee to the Chancellor or institutional presidents. The purpose of this docket item is to contemplate a revised Finance and Administration Charter, discuss where decisions are more appropriately made and contemplate a schedule for the 2009-10 fiscal year.

This month will include a discussion of alternatives and seeking Board guidance on the appropriate balance between Board, subcommittee, chancellorial, and presidential authorities. After input is received in June, a final version of the charter and proposed schedule will be adopted in July.

DRAFT FOR DISCUSSION

Finance & Administration Committee Charter

The Finance & Administration Committee is a standing committee of the Oregon State Board of Higher Education. To assist the State Board of Higher Education in achieving its statewide objectives and responsibilities, the Committee shall:

(1) With the assistance of the Governance & Policy Committee, develop and implement a policy framework that permits the Committee to:
   (a) Advise the Board on the management of the ongoing financial and administrative affairs of the Oregon University System;
   (b) Focus the business functions of the Oregon University System on supporting the System’s mission and the Board’s priorities; and
   (c) Evaluate, monitor, and advise the Board on financial risk posed by, but not limited to, capital projects, debt, and budget allocations.

(2) To accomplish this policy framework outlined above, the Committee will undertake the following activities:
   • General Responsibilities:
     o With the assistance of the Governance & Policy Committee, develop and recommend administrative rules and policies necessary to ensure System and institutional resources are managed prudently, efficiently, and effectively;
     o Develop and recommend for Board adoption, with the assistance of the Governance & Policy Committee, the policy for operational and transactional
authority to be delegated to the Chancellor, Vice Chancellor for Finance & Administration, and institution presidents, including reporting requirements and evaluation mechanisms; and
  o Develop and monitor a set of financial performance and accountability measures for the Oregon University System and the OUS institutions, including reporting requirements and evaluation mechanisms.

- Operating Budget Issues:
  o Review and recommend the biennial operating budget to the Board of Higher Education for submission to the Governor each biennium;
  o Approve annual campus and Chancellor’s Office general fund allocations, operating budget and expenditure limitation allocations, and any changes thereto each year;
  o Approve quarterly budget management reports for the campuses and the Chancellor’s Office; and
  o Approve the annual management report and the annual financial statement analyses.

- Capital Budget Issues:
  o Review and recommend the capital construction budgets and project prioritization criteria to the Board of Higher Education for submission to the Governor each biennium;
  o Approve changes to capital project expenditure limitations and provide authorization to the Chancellor’s staff to seek Legislative approval of such where necessary; and
  o Approve transfers of interest in Board-owned real property in accordance with Board rules.

- Audit Issues:
  o Review and approve the internal audit mission statement, charter, and other governance actions related to internal auditing activities and organization;
  o Review and approve the annual internal audit plan;
  o Review and approve quarterly audit reports for the campuses and the Chancellor’s Office detailing the results of recommendations and follow-up procedures;
  o Review and approve the annual external audit of the OUS financial statements and A-133 federal compliance procedures. The review will include any recommendations made by the Oregon Secretary of State Audits Divisions or their designated audit firm; and
  o With approval of the Board of Higher Education and the Secretary of State, hire external audit firms as needed to perform special engagements.

- Finance and Investment Management:
  o Review and approve cash management policies;
  o Approve Certificate of Participation (COP) projects and sales;
  o Review and approve the investment policy guidelines as needed; and
  o Approve the quarterly and annual investment reports.
• Human Resources:
  o With the assistance of the Governance & Policy Committee, develop and recommend policies addressing human resources and labor relations, including, but not limited to, grievance procedures, sexual harassment, criminal background checks, collective bargaining, and recruitment processes; and
  o Provide oversight of the OUS defined contribution retirement and savings plans.

• Other:
  o Provide oversight of the OUS procurement policies, including, but not limited to monitoring minority, women-owned and emerging small business utilization, sole source, and emergency procurements;
  o Provide oversight of OUS risk management policies;
  o Provide oversight of OUS information security policies, including, but not limited to System standards, disaster recovery plans, and incident response plans; and
  o Perform other duties as assigned and delegated.
## Oregon University System
### Board of Higher Education
#### Finance & Administration Committee - Planning Schedule

<table>
<thead>
<tr>
<th>Potential Date:</th>
<th>Topic:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009 - Summer/Early Fall</td>
<td>2009-10 budget allocations, PSU long-term lease for housing,</td>
</tr>
<tr>
<td></td>
<td>Central bank placeholder, Review retrenchment plans, if any</td>
</tr>
<tr>
<td>2009 - September/October</td>
<td>Quarterly investment, audit, and management reports, 2008-09 Financial</td>
</tr>
<tr>
<td></td>
<td>Statement Analysis, Oregon Sustainability Center - project update and</td>
</tr>
<tr>
<td></td>
<td>procurement approval, Capital project placeholder, COP sale</td>
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<tr>
<td>2009 - November</td>
<td>Quarterly investment, audit, and management reports, Capital project</td>
</tr>
<tr>
<td></td>
<td>placeholder</td>
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<tr>
<td>2010 - January</td>
<td>Annual Audit Report from Moss Adams, Capital project status report,</td>
</tr>
<tr>
<td></td>
<td>Capital project placeholder, Review Summer session tuition and fees</td>
</tr>
<tr>
<td>2010 - February</td>
<td>Quarterly investment, audit, and management reports, Debt management</td>
</tr>
<tr>
<td></td>
<td>reports, Capital project placeholder</td>
</tr>
<tr>
<td></td>
<td>(Possible Special Legislative Session)</td>
</tr>
<tr>
<td>2010 - May</td>
<td>Quarterly investment, audit, and management reports, Review investment</td>
</tr>
<tr>
<td></td>
<td>guidelines/policies, Capital project placeholder</td>
</tr>
<tr>
<td>2010 - June/July</td>
<td>2010-11 budget allocations, Review academic year tuition and fees</td>
</tr>
</tbody>
</table>

**Other Issues for Consideration:**
- Collective bargaining updates
- Emergency Board meetings
- Risk management updates/reports
- Procurement reporting - MWESB utilization, emergency and sole source reports
- Affirmative action reports
- Information security reports
UO, Request for Emeritus Status

Background:
The Oregon University System has enjoyed the exemplary services of presidents providing service to its institutions. It has become the recognized practice in academe to recognize successful and productive service by bestowing the title of “president emeritus” of the institution served. The Oregon University System has, on numerous occasions, bestowed this and similar titles of honor on persons who provided such service. The Board, desiring to establish consistent expectations and standards for the bestowing of this honor accordingly, approved the following policy at the June 2007 meeting:

It is the policy of the State Board of Higher Education of the Oregon University System that presidents serving Oregon University System institutions for a significant period, sufficient to demonstrate meaningful contribution to higher education in Oregon, and upon the recommendation of the Chancellor, shall be accorded the title of President Emeritus of [specific institution name]. It is the intent of this policy that the designated individual shall be accorded the right to use this designation from the date of issuance forward, to signify this singularly significant professional honor. This title shall at a minimum include the privilege of parking on all campuses of OUS, the continued ability to use institutional e-mail, have internet access, mail privileges, campus library privileges, and have provided, upon request, a business office, consistent with the institutional polices of the campus served. The costs of the above privileges shall be the responsibility of the institution served by the designated president. The Board reserves the discretion to award additional individual privileges as warranted. An individual institution shall have the right to grant additional presidential emeritus privileges as it, in its discretion, deems appropriate.

In accordance with the policy and, given President Dave Frohnmayer’s plans to retire at the end of this month, with the evaluation of the Chancellor and staff, and considerations of the accomplishments of President Frohnmayer, it is recommended that the following resolution be adopted as an expression of the Board’s appreciation and conformity with the guidelines as recommended in the accompanying president emeritus policy.

Staff Recommendation to the Board:
Staff recommends the Board approve the adoption of resolution honoring Dave Frohnmayer.

(Board action required.)
RESOLUTION GRANTING UNIVERSITY OF OREGON PRESIDENT DAVE FROHNMAYER PRESIDENT EMERITUS STATUS

WHEREAS President Dave Frohnmayer has been the second longest serving President of Oregon’s only AAU university; and

WHEREAS President Frohnmayer has served as a clarion voice for the importance of higher education to our society and for the role that a university can play in transforming lives; and

WHEREAS President Frohnmayer has provided national prominence to the University of Oregon through his distinguished leadership in national higher education associations; and

WHEREAS President Frohnmayer has provided leadership that increased dramatically student enrollments at the University from 16,500 to 20,400 and increased dramatically research funding during the last fifteen years from $45.5 million a year to almost $100 million; and

WHEREAS President Frohnmayer led the largest capital campaign for any organization in the history of the State of Oregon, raising over $1 billion during his tenure in private gifts to support the University through student scholarships, faculty research, academic programs, and new buildings; and

WHEREAS President Frohnmayer has led the University in successful and historic steps to provide access and equity, including establishment of Pathway Oregon, the University's Residency by Aboriginal Right Initiative, the Office of Institutional Equity and Diversity; and

WHEREAS Each year during his tenure, President Frohnmayer has directly served undergraduate education and the University's students by offering a highly popular and often life-changing seminar for freshmen on "Theories of Leadership;" and

WHEREAS President Frohnmayer has made internationalization of the University of Oregon a hallmark of his administration, including becoming a founding member of and providing leadership within the Association of Pacific Rim Universities; and

WHEREAS the values and achievements of President Frohnmayer throughout his life have shown that an individual truly can make a difference;

NOW THEREFORE, BE IT RESOLVED by the State Board of Higher Education of the State of Oregon as follows:

Based on the recommendation of the Chancellor and the above accomplishments and his long-standing service, the State Board of Higher Education bestows upon President Dave Frohnmayer the status of President Emeritus of the University of Oregon as of the date of his departure as President of the University of Oregon.
OUS, Policies on Undergraduate Class Size and Undergraduate Program Demand

The Board’s curricular oversight responsibility for OUS and its institutions is guided by the Board’s policy governing curricular allocations,¹ which states:

“The Board of Higher Education seeks to be sensitive to and aware of the educational needs of the state, needs that the Oregon University System ought, within its general mission, to serve.

“The Board welcomes the efforts of its institutions to plan vigorously for meeting the changing needs for public higher education in Oregon, consistent with the missions of the institutions...

“It is to be emphasized that curricular planning includes not alone identification of unmet educational needs and the development of coursework designed to serve them; it includes, as well, the responsibility to evaluate existing programs in some systematic, orderly way, and to reduce or to eliminate those whose continuance at current levels cannot be justified by defensible criteria.”

Balancing the objectives of meeting the educational needs of the state, advancing Board goals within the array of university missions, employing the best learning formats and approaches, and managing instructional resources in an efficient manner requires policies and processes that provide both clear parameters and reasonable flexibility. At its April 2009 meeting, the Board discussed the scope and content of two such policies: one addressing undergraduate class size and the other addressing undergraduate program demand. Incorporating the comments and suggested changes from that discussion, these policies are now proposed for Board approval.

In combination with the Board’s revised policy on academic program review, approved in November 2008, effective implementation of these Board policies will assure appropriate Board level stewardship over academic programs and curricula, provide enough flexibility for university provosts to make exceptions where warranted, and require regular review and reporting to the Board through the Provosts’ Council’s annual report. Neither of the two policies proposed here addresses graduate programs, largely because of the particularized nature of graduate programs, both in the quantity and type of coursework required and in the purpose and expectations regarding degree production.

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¹ Excerpted from Oregon State Board of Higher Education Policies, Chapter 21, “Policies and Procedures Governing Curricular Allocations,” developed during the period from 1973 to 1976 by the Board and its Committee on Instruction, Research, and Public Service Programs.
Undergraduate Class Size

The proposed policy on undergraduate class size updates a similar Board policy adopted in April 1962. The new policy conveys the expectation that normally undergraduate lecture classes enrolling fewer than 10 students either will not be scheduled or will be cancelled. The policy recognizes that upper-division courses may more often enroll fewer than 10 students and it permits provosts to make exceptions where warranted, such as when an upper-division course sequence is needed for students to make timely progress toward their degree. The policy also exempts course formats that, for sound pedagogical reasons, are intended to be small.

### Board Policy on Undergraduate Class Size

Unless a compelling educational or financial reason exists, an on-campus undergraduate lecture course offered for credit during the regular academic year and enrolling fewer than 10 students normally will not be scheduled or will be cancelled. It is recognized, nonetheless, that some electives and required sequences in specialized curricula, particularly at the upper division level, may make it necessary to offer classes below the standard of 10 students. The responsibility for determining whether a compelling educational or financial reason exists for a particular class and for approving exceptions to this policy will be exercised by institution presidents through their provosts/chief academic officers.

Certain instructional formats are intended for sound pedagogical reasons to enroll fewer than 10 students. Such courses may include seminars, thesis study, laboratory or discussion sections, reading and conference, independent study, music performance, individual research, senior project, and internship courses. These courses, as well as those offered exclusively online, primarily computer- or video-based, or as correspondence courses, are excluded from this minimum class size policy.

Because of the particularized nature of graduate study, no specific standard related to class size is proposed at the post-baccalaureate level.

Each university will provide an annual report to the Provosts’ Council regarding exceptions approved and their justification. These reports will be periodically audited by the OUS Internal Audit Division. The Provosts’ Council will include the information from these reports in its annual report to the Board of Higher Education.

This policy supersedes the former policy on class size adopted by the Board on April 25, 1962.

To assist the Provosts’ Council review, the Chancellor’s Office will annually provide the Council detailed data on enrollment in lecture classes, by course level. A summary of the most recent data on the distribution of undergraduate course sections by class size and institution is displayed here.
Distribution of Undergraduate Course Sections by Class Size and Institution, Fall 2007
(Lecture Courses)

<table>
<thead>
<tr>
<th>Class Size</th>
<th>EOU</th>
<th>OIT</th>
<th>OSU-Corv</th>
<th>OSU-Casc</th>
<th>PSU</th>
<th>SOU</th>
<th>UO</th>
<th>WOU</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 10</td>
<td>58</td>
<td>66</td>
<td>99</td>
<td>19</td>
<td>121</td>
<td>29</td>
<td>54</td>
<td>117</td>
<td>563</td>
</tr>
<tr>
<td>10-19</td>
<td>73</td>
<td>128</td>
<td>155</td>
<td>22</td>
<td>341</td>
<td>90</td>
<td>133</td>
<td>193</td>
<td>1,135</td>
</tr>
<tr>
<td>20-29</td>
<td>66</td>
<td>138</td>
<td>195</td>
<td>11</td>
<td>346</td>
<td>141</td>
<td>343</td>
<td>208</td>
<td>1,448</td>
</tr>
<tr>
<td>30-39</td>
<td>25</td>
<td>40</td>
<td>158</td>
<td>5</td>
<td>269</td>
<td>91</td>
<td>208</td>
<td>102</td>
<td>898</td>
</tr>
<tr>
<td>40-49</td>
<td>13</td>
<td>14</td>
<td>120</td>
<td>1</td>
<td>186</td>
<td>37</td>
<td>141</td>
<td>53</td>
<td>565</td>
</tr>
<tr>
<td>50-99</td>
<td>11</td>
<td>20</td>
<td>258</td>
<td>0</td>
<td>182</td>
<td>25</td>
<td>163</td>
<td>28</td>
<td>687</td>
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<tr>
<td>100-199</td>
<td>1</td>
<td>0</td>
<td>96</td>
<td>0</td>
<td>34</td>
<td>7</td>
<td>85</td>
<td>6</td>
<td>229</td>
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<tr>
<td>200+</td>
<td>0</td>
<td>0</td>
<td>52</td>
<td>0</td>
<td>7</td>
<td>2</td>
<td>52</td>
<td>0</td>
<td>113</td>
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<tr>
<td>Total</td>
<td>247</td>
<td>406</td>
<td>1,133</td>
<td>58</td>
<td>1,486</td>
<td>422</td>
<td>1,179</td>
<td>707</td>
<td>5,638</td>
</tr>
</tbody>
</table>

NOTES:
- Students are counted as enrolled if they were registered on the first day of classes.
- Numbers include class sections taught all or in part on campus, including those at OIT Metro and OSU Marine Science Center, and extended enrollment class sections.
- Numbers exclude sections taught exclusively by distance delivery, and OHSU Nursing classes.
- EOU-OSU agribusiness courses taught in La Grande are reported under EOU.
- If cross-listed classes (i.e., the same class listed under different categories) include both undergraduate and graduate sections, the class is considered graduate level and is not reported here.


Undergraduate Program Demand

This is a new Board policy intended to flag undergraduate degree programs that may not be in sufficient demand, using the number of undergraduate degrees awarded as an indicator. There may be good reasons for the apparent low demand in a program: in some cases, programs may show a high level of course enrollment, even if they award few degrees, because of the demand from non-majors for general education or other degree requirements; in other cases, the low number of degrees awarded in a given year may be an anomaly and not representative of the program’s normal productivity, or may reflect the newness of a program just building up to a higher level of ongoing degree production. The proposed policy would require institutions to provide specific information that would serve to explain and contextualize the demand for those programs.
Board Policy on Undergraduate Program Demand

The Provosts’ Council will review annually the number of bachelor’s degrees awarded in all undergraduate programs offered by each university. For programs that award fewer than five bachelor’s degrees at the institution in a given year, each university will provide a report to the Provosts’ Council that addresses:

1. The degrees and enrollment trends of the program for the most recent five years;
2. The connection of the program to the institution’s mission and strategic priorities;
3. The program’s relationship to the institution’s general education requirements;
4. The faculty resources needed to offer the program relative to the program’s enrollment;
5. Potential changes under consideration for the program;
6. Any other contextual information that would help to understand the relatively low demand.

The Provosts’ Council will include the information from these reports in its annual report to the Board of Higher Education.

Nothing in this policy should be construed as supplanting ongoing reviews that take place at an individual institution.

To assist the Provosts’ Council review, the Chancellor’s Office will annually provide the Council detailed data on undergraduate degrees awarded and FTE enrollment by discipline, which will permit provosts to note the disciplines in which fewer than five degrees were awarded and to place those degrees in the larger context of the institution’s array of programs offered, enrollment demand, and degrees awarded.

Staff Recommendation to the Board:

Staff recommends that the Board adopt the proposed policies on Undergraduate Class Size and Undergraduate Program Demand.

(Board action required.)