December 23, 2009

TO: MEMBERS OF THE STATE BOARD OF HIGHER EDUCATION

Meetings of the State Board of Higher Education will be held on January 7 and 8, 2010.

On Thursday, the Board will participate in a Tri-Board Invitational Forum and Joint Boards of Education Meeting. The Forum is hosted by the Joint Boards of Education and the Oregon Business Council Board, in partnership with the Association of American Colleges and Universities (AAC&U). Speakers will include Oregon leaders along with AAC&U President and vice presidents. The Forum seeks to promote dialogue about the broad learning and transferable skills all students need from college today and into the future and how to focus public and campus attention upon them. We will address essential learning outcomes of high quality 21st Century college learning and practices with greatest influence on student success in college—public schooling through baccalaureate. The Oregon forum is part of AAC&U’s national campaign, Liberal Education and America’s Promise (LEAP), which champions the importance of liberal education for all college students. The LEAP initiative calls for and facilitates far-reaching changes and improvements in the educational programs through which all students may achieve the essential outcomes of a college education. Within LEAP, AAC&U is working in selected states and regions to define the action steps necessary to achieve a bold and achievable vision for higher education in the 21st Century.

On Friday, the Board’s Finance & Administrative Committee will meet and agenda items include the following action items: requests for bonding limitation increases for the 1) Oregon State’s Hallie Ford Center, the McAlexander Fieldhouse and recreation field turf renovation; 2) Portland State’s Market Center Building Acquisition and renovation of Lincoln Hall’s east entrance; and 3) the University of Oregon’s Cheryl Ramberg Ford and Allyn Ford Alumni Center. The 2009 annual financial audit and Internal Audit progress reports and the 2009-10 enrollment settle-up and retention incentives will be presented for approval. The Committee will also hear a report on the draft HB 2500 implementation (the Financial Transparency Act).

At the conclusion of the F&A Committee, the full Board will convene. The Board will take action on the proposed tuition and fee recommendations for the 2010 summer session and the approval of the 2009-10 academic year fee book as a permanent rule. The Board will also receive three items from the Governance & Policy Committee for action: Sexual Assault Misconduct Policy, proposed Board Policy on Policies and IMDS), and Board Bylaw revisions. The Board will then discuss anticipated budget reductions and a proposed amendment to Constitutional Articles XI-F(1) and XI-G. 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.

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

**Thursday, January 7, 2010, PSU’s Smith Memorial Student Union**
- 10 a.m.-1:30 p.m. Business-Education Forum, Grand Ballroom
- 1:45-2:30 p.m. Joint Boards of Education—adoption items
- 2:30-4 p.m. Panel and discussions
- 4-5 p.m. Concluding Session
- 5 p.m. Reception, Vanport Room

**Friday, January 8, 2010, Smith Memorial Student Union, Rooms 327/8/9**
- 7:30-10:30 a.m. Board’s Finance & Administration Committee
- 10:30 a.m.-3:30 p.m. Full Board meeting

For directions on parking, go to [http://www.pdx.edu/map.html](http://www.pdx.edu/map.html); parking permits are available at parking facility kiosks. 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](http://www.ous.edu/sb_meet.htm).

Cordially,

Ryan J. Hagemann
Legal Counsel and Secretary of the Board
Oregon State Board of Higher Education
Committee Assignments, 2009-10

Academic Strategies Committee
- Francesconi (chair)
- Fisher
- Miller-Jones
- Powers
- Pulliams

Student Participation and Completion Subcommittee
- Miller-Jones (chair)
- Fox
- Powers

Sustainability Initiatives Subcommittee
- Yaden (chair)
- Fisher
- Francesconi

Executive Committee
- Kelly (chair)
- Fisher (student)
- Francesconi (VP)
- Miller-Jones (faculty)
- Van Vliet (VP)

Governance & Policy Committee
- Kelly (chair)
- Ford
- Powers
- Schueler
- Yaden

Subcommittee on Sexual Assault
- Miller-Jones
- Powers
- Van Vliet

Finance & Administration Committee
- Schueler (chair)
- Donegan
- Ford
- Fox
- Van Vliet

Tuition Policy Work Group
- Fox (chair)

Delegation Assignments

Joint Boards
Unified Education Enterprise
- Miller-Jones
- Pulliams
- Van Vliet

Budget Alignment
- Fox
- Powers

State
College Savings Board
- Kelly

Governor’s Reset
- Kelly
- Yaden

Education
OHSU Board
- Yaden

Postsecondary Quality Education Commission
- Van Vliet
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<tr>
<th>Month</th>
<th>Full Board</th>
<th>Board Finance &amp; Administrative Committee</th>
<th>Board Academic Strategies Committee</th>
<th>Board Governance &amp; Policy Committee</th>
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<tbody>
<tr>
<td>January</td>
<td>1/7, 10:00-6:00 Joint Boards, PSU</td>
<td>1/8, 8:00-10:00 PSU</td>
<td>1/14, 3-5 p.m. Videoconference</td>
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<td>1/7, 6:00-9:00 Joint Boards social hour &amp; dinner</td>
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<td>1/8, 10:00-3:00 Board meeting, PSU</td>
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<td>February</td>
<td>Telephonic, if needed.</td>
<td>2/5, 8:00-10:00 Videoconference*</td>
<td>2/11, 3:30-5:30 PSU</td>
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<td>March</td>
<td>3/5, 10:00-3:00 Board meeting, PSU</td>
<td>3/5, 8:00-10:00 PSU</td>
<td>3/4, 3:30-5:30 PSU</td>
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<td>April</td>
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<td>4/8, 3:30-5:30 PSU</td>
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<td>May</td>
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<td>5/7, 8:00-10:00 Videoconference*</td>
<td>5/13, 3:30-5:30 PSU</td>
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<td>June</td>
<td>Telephonic, if needed</td>
<td>6/4, 8:00-10:00 Videoconference*</td>
<td>6/3, 3:30-5:30 Videoconference</td>
<td>TBD</td>
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<td>July</td>
<td>7/9, 10:00-3:00 Board meeting, PSU</td>
<td>7/9, 8:00-10:00 PSU</td>
<td>7/8, 3:30-5:30 PSU</td>
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* F&A Committee Videoconferences are held in the four Chancellor’s Office sites, campus president’s offices, and OSU-Cascades.
Tri-Board Forum

College Learning and Oregon’s Future: Return on Investment for Students, the Economy, and our Communities

Oregon Joint Boards of Education
January 7, 2010
JOINT BOARDS OF EDUCATION
Meeting with the Oregon Business Council Board of Directors and the
Association of American Colleges & Universities
Thursday, January 7, 2010
10:00 am – 5:00 pm
Grand Ball Room, 3rd Floor, Smith Memorial Student Union
1825 SW Broadway, Portland, Oregon
Campus Map: http://www.pdx.edu/campus-map

AGENDA

10:00 am  Welcoming Remarks................................................. Duncan Wyse; Paul Kelly, Jr.; Steven Pratt
Setting the Stage—Framework for the Oregon Context—Accomplishments
and What Lies Ahead............................................................Chancellor George Pernsteiner

10:20 am  Keynote Address.......................................................... Carol Geary-Schneider, AAC&U

10:40 am  Innovative Practices & Opportunities Discussion ......................... Shawn Smallman, PSU;
David Douglass, Willamette University

11:10 am  Employers’ Views ....................................................Moderator: Duncan Wyse, Oregon Business Council

12:00 pm  Business-Academic Collaboration ............................ Moderator: Deborah Humphreys, AAC&U

JOINT BOARDS OF EDUCATION—ADOPTION ITEMS: 1:45 – 2:30 pm
1) Approval of May 2009 Minutes.........................................................Joint Boards’ Staff
2) Statewide International Baccalaureate Alignment Policy .........................Bob Turner, OUS
3) Outcomes and Criteria for Transferable General Education Courses in Oregon ..................................Karen Sprague, OUS/UO; Joe Holliday, OUS
4) Associate of Arts Oregon Transfer Degree Guidelines ..........................Karen Sprague, OUS/UO; Connie Green, CCWD

2:30 pm  PK-16 Connections Discussion.................................................Moderator: Susan Albertine, AAC&U
Dave Conley, UO; Kent Hunsaker, COSA; Susie Leslie, OSU;
Carol Schaafsm, LBCC; Karen Sprague, UO

3:15 pm  Achieving Outcomes, Assessing Success ........................................Moderator: Terry Rhodes, AAC&U
Sonja Christian, LCC; Dedra Demaree, OSU; Sarah Witte, EOU

4:00 pm  Concluding Session...............................................................Duncan Wyse, Carol Schneider

Staff: Jan McComb, State Board of Education: 503-947-5616; Marcia Stuart, State Board of Higher Education: 541-346-5749.
Joint Boards of Education meetings comply with open meeting laws and accessibility requirements. A request for an interpreter
for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the
meeting to Marcia Stuart at (541) 346-5749; TDD: 503-378-2892.
Oregon Joint Boards of Education
Action Items

1) Approval of May 2009 Minutes

2) Statewide International Baccalaureate Alignment Policy

3) Outcomes and Criteria for Transferable General Education Courses in Oregon

4) Associate of Arts Oregon Transfer Degree Guidelines
OUTCOMES:

Understand Oregon’s vision for 40-40-20
Understand the data for Oregon and the picture portrayed
Identify gaps in meeting the 40-40-20 vision
Identify ways to address the gaps
Identify next steps

Notes

Meeting participants included: OSBE Directors Jerry Berger, Art Paz, Leslie Shepherd, and Duncan Wyse; OSBHE directors Hannah Fisher, Brian Fox, Paul Kelly, Dalton Miller-Jones, Rosemary Powers, Kirk Schueler, Tony Van Vliet, and David Yaden.

Others participating included: Roger Bassett (PSQEC), Rita Cavin (LBCC), Connie Green (CCWD), Ryan Hagemann (OUS), Greg Hamann (Clatsop CC), Andrea Henderson (OCCA), Nancy Heiligman (OSU), Joe Holliday (OUS), Bob Kieran (OUS), Doug Kosty (ODE), Margie Lowe (Governor’s Office), David McDonald (WOU), George Pernsteiner (OUS), Gretchen Pierce (PSQEC), Nan Poppe (PCC Cascade), Camille Preus (CCWD), James Sager (Governor’s Office), Bob Turner (OUS), and Susan Weeks (OUS).

Facilitators: David Longanecker, WICHE; Pat Callan, NCPPHE; and Dennis Jones, NCHEMS.

1) Welcome, Introductions, and Overview of the meeting (Duncan Wyse and Paul Kelly)

At 1:10, Director Paul Kelly brought the meeting to order and greeted the participants; Director Duncan Wyse introduced the panel of consultants and thanked James Sager for his and the Governor’s support of the education enterprise in Oregon.

2) Oregon’s vision and context for 40-40-20 (James Sager)

Sager provided an overview of the meeting goals and explained the context for the 40-40-20 goal. The U.S. Census identified that in Oregon, currently 12 percent of the population have less than a high school diploma; 34 percent have graduated from high school; 26 percent have a 2-year degree or certificate, and 28 percent have a bachelor’s degree or higher.
3) Large picture of how Oregon compares internationally and nationally (Dennis Jones and Pat Callan)

David Longanecker encouraged participants to “think outside the box,” and to look at the big picture and what needs to be done to bring about that picture. Pat Callan invited the participants to look at the “Measuring Up” report and President Obama’s goals for higher education at the National Center for Public Policy and Higher Education website. Four areas must be included in the strategy: access, affordability, quality, and preparation.

Dennis Jones provided data to place Oregon in the national and international context. The United States is now 10th in the world in ranking of international educational attainment and Oregon is lower than the national ranking, and has slipped more than most other states. In the past two decades, the U.S. educational level has remained flat but Oregon will suffer when the “baby boomers” retire because the younger generations have not attained the educational level of the previous generations. He added that in moving toward the 40-40-20 goals, Oregon currently is heavier on the lower end of the scale (less than high school, 2-year degrees) than it should be. Oregon imports more college graduates than it produces. In order to meet the postsecondary goal and close the gaps, Oregon would need to increase the degree production by 66 percent (12,000 additional degrees every year until 2025). A small portion will come from normal population growth. Jones noted that the college participation rate is very low compared to other states and that Oregon has lost student participation since the early 1990s; regarding completion rates, the 4-year institutions are at 57 percent but the community colleges are much lower. To find the additional enrollment needed to advance the 40-40-20 goal, an increase of 30 percent at 4-year and 77 percent at 2-year in tuition and fees would be needed if the state were not to increase its portion. Currently, Oregon students pay higher rates than many other Western states.

Director Wyse asked for the panel’s opinion on why high school graduates are not attending college; Dennis Jones opined that it greatly depends on the how those students view the economic impact of attaining those degrees on their everyday lives; Pat Callan opined that the cost of attending college is a deterrent (tuition levels and availability of financial aid). David Longanecker acknowledged that the implementation of the Shared Responsibility Model is the perfect experiment to see the affect of financial aid availability. Director Miller-Jones noted that the most difficulty in participation is the first-generation (especially for minorities).

a) Connection to K-12, CC, and OUS goals (Doug Kosty, Cam Preus, and George Pernsteiner)

Doug Kosty noted that the Oregon Department of Education is trying to increase the number of high school graduates by improving their performance expectations by increasing dual enrollment and advanced placement options. Camille Preus offered the community college perspective, noting that 30-50 percent of community college students are enrolled not-for-credit and, although they are important, their status is overlooked in the statistics. Chancellor Pernsteiner stated that the effect of the high tuition/ no aid experiment since the 1990s has been a significant reduction in the level of college degree attainment. The State Board of Higher
Education has adopted four goals: raise the education level in all parts of Oregon by providing affordable access to a quality college education (requiring outreach connections focusing on student success, higher education partnerships, families, and the existing adult population). Even if we improve on all of the OSBHE goals, we will still not meet the broader statewide goals; therefore, we need to think differently as to how we reach the 40-40-20 goal.

4) **30,000 foot level conversation at tables: Do we like what we see – why and why not – and what are the boards’ perceived gaps? (David Longanecker)**

**Table 1 (Hagemann, recorder):** To not abandon the fight to keep the Shared Responsibility Model (SRM); tackle ineffective traditional remediation; look at proficiency, “to allow students to advance at their own speed;” incorporate language proficiency in the programs; and build a budget model for sectors to expand options.

**Table 2 (Holliday, recorder):** The most compelling high-altitude issue is that we have not established a college-going culture in Oregon (attainable, affordable, and important); rather, there is a culture of indifference and a lack of urgency; the loss of jobs in the present economy; how Measure 5 and the high tuition/low aid experiment took education out of our communities; place-bound education; changing the culture is expensive but, in the long term, well worth the effort; the present global economic forces; community college students are attending to obtain skills and not credentials; Measure 5 and the “lost generation” are examples of not funding students.

**Table 3 (Green, recorder):** The students have to know that there are postsecondary options available and they need them; dual credit/proficiency—how do we move away from the “silos” in the educational sector; an economic downturn educational fund to assist when individuals have time for learning.

**Table 4 (Weeks, recorder):** Change the pricing approach, recognizing that the budget/pricing structures incentivize and/or disincentivize, with consequences to affordability and access; devise completion strategies for the population of students or former students who have some college but no completion; provide opportunities/affordability for older working adults; reward excellence by providing financial incentives to perform well in all of the educational sectors.

**Table 5 (Turner, recorder):** Retention and the issues with a diverse student population and homogeneous population of educators; inform students of the economic effects of completing their education (good and bad consequences depending on choices made); retention—people who are laid off from industries that don’t require college degrees, the opportunities and economic benefits of obtaining a degree, and the value and elevation of employment career pathways made available by educational attainment; fund proficiency attainment in demonstrable productivity that is understandable to the public (i.e., number of jobs created or filled at a family wage).
Longanecker continued the discussion by ranking the gaps: 1) the percentage of high school graduates going on to college; 2) the retention in the 2-year college and advancing to 4-year institutions is too low; and 3) high cost and low aid. Jones noted that the adult population was only touched upon and is more crucial than Oregon perceives it; the regionality of the solution needs to be attended to (some population and regional groups are not addressed with dual enrollment or OUS institution access). Callan added that until we address the issue of affordability and/or aid (“the money part”) that pressures the innovative part of issue. How do we invent the system that fills all of the gaps that are mentioned? Director Fox added that capacity is another issue; if enrollment is increased, do institutions have the capacity to address the increase? (Either financial or physical structure requirements.)

Director Paz stated that the “diamond chart” does not recognize the private sector, which broadens the educational structure to respond. Oregon legislature has a funding silo mentality and it needs to broaden its viewpoint. Student access to pathways through the educational system is needed. President Cavin stated that in her communities, importing college-educated citizens is a smart way to increase knowledge; we need to show the gap of how Oregon loses in productivity when importing older ages. Callan agreed and added that those imported workers are more likely to leave the state after a short period of time. Director Yaden asked if one gap is our reluctance to change how we are organized. Callan asked how much can we expect that the additional state funding will be there? If we say that 80-85 percent of the money needed we already have, then what needs to change in the current structure? (In other words, take the money piece off of the table.) Ms. Weeks underscored the importance regionalizing our thinking, applying “localized thinking” in considering strategies. Bassett agreed and added that different parts of the states have different experiences and viewpoints on education. President Hamann noted that we should address the economic impact in regional areas (depending on the higher paying jobs in the regional area); is it advantageous for students to go to college if the higher-paying jobs are not in their area? Choosing not to go to college may be a rational decision. It was noted that “credit for life experience/credit for proficiency” is an important program in the postsecondary sectors and should be improved/increased. Director Miller-Jones stated that this conversation is viewed by faculty as interesting but not vital to their academic programs; how do we engage those communities? However, faculty tend not to know the data; but if they do know the data, do they believe it is true for their particular discipline or institution? Director Powers opined that a faculty culture is needed that supports diversity and retention. One important question is “Do Oregonians believe it is necessary to go to college?”

5) **500-foot level conversation at tables: What should Oregon be focused on to address these issues?**

Discussion: addressing the gaps. If you accept the hypothesis that you have the funding that you need, how is the way that you are spending it organized to systematically address the gaps? If you start with the supposition that adults are a big piece, what is it that we would do collectively (employers as a major partner) to radically increase the number of adults that achieve some level of postsecondary education? Break down remedial education and reinvent; fund differently, change pedagogy, and use as an avenue of success.
Table 1 (Poppe, recorder): Employer strategy—how to align employers’ interest with our ability to get their employees through the system; college-bound culture and expand peoples’ horizon to see their potential for postsecondary education.

Table 2 (Holliday): Proficiency was the key word: student-centered funding would pay for outcomes, including proficiency; focusing on proficiency would reduce the need for remediation; multi-faceted approach to diversity (reaching out to families and communities, not just the students); there is no silver bullet—this will require multiple strategies (not just adult learners, but all learners); foster and fund innovation and eliminate/reduce what isn’t working.

Table 3 (Green): Provide financial incentives across the system, based on outcomes; give tax benefits to retirees who volunteer and employers; how do you keep the natural connections to the communities (e.g., extension services)? Those connections bring those adult students back into the system. How do you encourage the private sector to get more involved in K-12 programs? The increased use of technology would increase efficiency (e.g., online learning).

Table 4 (Weeks): Address skill gaps and engaging employers in providing skill development; develop partnerships across the sectors and identify how to work with colleagues within the sectors; regionalize organization and delivery (partnerships among institutions in a region, including technology); institutional leadership is the key to making these things happen; if we set high enough expectations, students will rise to those expectations; broaden faculty perspectives on partnerships (instructional) across sectors and maintain regular communication within those local area partnerships. It was emphasized that institution leadership is the key to collaborations and effective service to a region.

Table 5 (Turner): Remediation in terms of filling in the gaps—do we fund the gaps? Funding should be based on proficiency attainment and must demonstrate productivity (family-wage job and understanding by public); business involvement; career pathways should be more obvious to employers and seek their input; giving certificates for skills and would be most effective if required by employers. Longanecker added that required certificates have been embraced by employers in South Carolina.

6) Ways other states are addressing “gaps” (Dennis Jones and Pat Callan)

Ohio State University has integrated workforce needs with program outcomes. The connections and cooperation that exists between the education sectors in Oregon have grown in the past 10 to 15 years. How do we build around a culture of innovation? Longanecker noted that if outcomes and proficiencies are funded sufficiently then goals are attained and these proficiencies become empowering. President Hamann advised that they are trying to build cultural models that address proficiencies in his region of the state. Callan said that incremental attainment is crucial; if we set the attainment of the goal in one step, then it is more likely to fail. Innovation must be stimulated from outside our institutions/sectors. Creating an
environment that promotes innovation rather than punishes (i.e., the incorrect way awards innovation only when discretionary funding is available).

7) 1,000-foot level conversation at tables: How far can we go with the information and tools we have now? What do we need? Are these gaps real? What needs to be done? (David Longanecker)

Table 1 (Wyse, recorder): What does ODE need to create the system? 1) A single identifier across the systems to connect the student-plan profile; 2) determine what is needed in the design of the data system (what kind of reports should be produced).

Table 2 (Holliday): Integrate the PK-20 data system that identifies data “to tell us if we’re making a difference” in proficiencies, timeliness, and overtime, for example; global data vs. specific data (the WOU/Beaverton School District example); with the staffing shortages, who is going to identify the gatekeeper for the data; the data needs to include teacher performance (vis-à-vis performance pay) and tie that performance to learning outcomes.

Table 3 (Green): We have the what and the who, we really want to know the why and the how (reports needed, why do students drop out)

Table 4 (Weeks): Need for statewide system view, that if a student is enrolled somewhere they are enrolled everywhere; a level of granularity to help high school and OUS to pinpoint problems in curriculum related to college performance; what data is being collected? How is it used? Do schools share the data? With whom? To the right people?

Table 5 (Turner): We don’t have defensible data; we need the ability to track students no matter what sector they’re in and the ability to define key results from the data; tracking data from PK-12 through community colleges, through universities to employment is theoretically possible with a longitudinal data system; regional solutions require regional data only; proficiency should not be defined just as being employed but includes life skills.

Once we have the data systems, we need the capacity to use the data. Director Van Vliet noted that data is useful when addressing or responding to the legislature. When thinking about the pipeline and designing the data, remember that secondary and postsecondary students may be or already are a part of the workforce.
8) **Next steps for Joint Boards (Duncan Wyse and Paul Kelly)**

Each table shared one of the following as the table’s key next step for Joint Boards to address in 2009-10:

1) Develop an in-depth understanding of the customer and their needs, their decision-making processes and those who stay and those who leave. Also understand our market as well as Nike understands their market.

2) Complete and a coordinate a PK-20 data system that is useable, flexible, and is able to place the students’ and teachers’ needs as number one priority.

3) Advocate to be a PK-20 system that serves students and clearly demonstrates value individuals, families, and legislators.

4) Bring in industry know-how to market the education value to all students of all ages so that Oregonians are successful in business, the military, and all careers.

5) Focus on solutions.

**ADDITIONAL COMMENTS:**

- Need to look at the legislature and invite them—lead them—into the next legislative session that this work by Joint Boards is important and is moving. Potentially ask a subset of legislators to commit on this work and get ready now for the next session.

- If we have a vision and PK-20 education enterprise focused on 40-40-20, we need to stick together and go side by side with all three system leaders and two board chairs and Governor and ask to be seen as “one.” We need to lead together. Budget process always separates the education agencies. The potential message might be “what you do to one, you do to all.” Progress as one voice and one commitment. The coordinated effort to make 40-40-20 may be meaningless unless we act as one. Success is in the future if we can act as an enterprise—not just “talk” about an enterprise.

- We began with joint hearings—that was a first. The Ways and Means Education Subcommittee understands the PK-20 enterprise. We need to keep the momentum and message clear.

- This session made some progress—we need to go for the framework and commitment to move this to the next level. Be positive that we can do this together. The transition between sessions and Governors is critical.

- We could ask for budget notes to continue the work. Ask for a PK-20 budget for next session.

- We have made progress. May 15th the budget outlook will not be good but the legislature can make it work and be done by June 30th. However, there may be more reductions with future forecasts. One of the issues to the education enterprise is the “mandated” cost of human services and corrections. Another issue is the most current survey of Oregonians that found the 30 percent of Oregonians believe that Oregon’s
state government has a financial problem, 20 percent do not know, and 50 percent believe that state government DOES NOT HAVE A FINANCIAL PROBLEM.

- We do not want five special sessions. What is sustainable? Can the Joint Boards and the agency leadership deliver a message that we can make this work and we will find the answers? We do not want to be overspent. We want to be wise, fiscally prudent and deliver to students’ access and success.
- Can the Governor use the “bully pulpit” more?
- The message could be “we can change the delivery system for better student success and fiscally prudent.” Place more money in E-Board for education rather than “x” cuts over and over.
- The public is skeptical there is a crisis, skeptical on the need for education, and skeptical on the cost to sustain the education enterprise.
- Educating the public, legislators, and students on the value of education is our responsibility.
- Our system is not sustainable—the state budget cannot sustain it. Education cannot keep the same structure and growth rates; therefore, there is a need for new revenue streams. People see buses on the road, students in classroom—thus we must not have any fiscal problems.
- We need the private sector and Joint Boards working together.
- There is no new money. We need to take the risk and take the first cuts. Can Presidents Kelly and Wyse communicate with legislative leadership to provide the leadership and a commitment to change the education enterprise and create a sustainable model?
- The past six years of Joint Boards working together and moving a common agenda is a tribute to James Sager’s leadership. We need to continue together to the vision.
- The Joint Boards commended Chancellor Pernsteiner, Commissioner Preus, and Superintendent Castillo for their leadership and collaboration.
- It was noted that it is difficult to separate this conversation from the past few weeks of presenting the next biennial budget with the Ways & Means Subcommittee. The legislature wants, and is suggesting how, to administer OUS. The OUS hearings have been steeped in details about how to spend resources. There have been ideas to abolish the Chancellor’s Office and have the legislature manage OUS.
- The Joint Boards needs to continue to take ownership of the enterprise. We can either accept what the legislature decides or focus on the seriousness and ask for an opportunity to achieve our goals with the resources given and lead. The legislature does not have unity—we do. We need to use our unity and our leadership.
- A warning was shared: We have eight days to convince the legislature leadership that we are in the position to make the decisions and lead the enterprise. We can convey the idea of change and innovation—that we are willing to lead the change.
• Castillo, Kelly, Pernsteiner, Preus, and Wyse, along with the Governor’s Office (Sager and Lowe), will meet at the beginning of the next week and work together on a plan.

• The budget is bad and it is not going to get better. We must work together. We meet because we were told to; we need to meet and work together in the future because we want to. We have an imperative. We need to look at our circles of influence and use them to make a difference.

With no further business to conduct, Chair Kelly adjourned the meeting at 7:30 p.m.
Statewide International Baccalaureate Alignment Policy
Background and Context

The International Baccalaureate (IB) Alignment Working Group of the Joint Boards’ Unified Educational Enterprise (UEE) Committee submits this proposed policy for statewide awarding of postsecondary credit for IB certificates and diplomas. This work is a continuation of that initiated in 2005, when the 73rd Oregon Legislative Assembly enacted Senate Bill 342 with the intent of ensuring a transparent, consistent, and equitable transfer of course credits among Oregon’s 17 community colleges and 7 public universities. A stipulation in Section 1.2. of that legislation states that: “…community colleges and state institutions of higher education shall:

...f) Develop uniform standards for awarding college credit for advanced placement test scores;

...(3) In addition to the requirements of subsection (2) of this section, community colleges and state institutions of higher education may also implement other measures to create an effective articulation and transfer framework for students.”

The Joint Boards’ of Education UEE Committee has already responded to this section of the legislation by developing a uniform statewide policy for awarding postsecondary credits for Advanced Placement (AP) exams and for monitoring and awarding credits for Dual Credit classes. The IB Alignment Working Group was charged by the UEE to produce a policy that similarly accomplishes statewide alignment of the awarding of postsecondary credits to students who have completed IB certificates and IB diplomas.

There are significant features of the IB program that set the context for this work and that may not be as widely understood as either AP or Dual Credit courses.

The International Baccalaureate program is global, with worldwide standards for its courses and their instructors. High school teachers must undergo significant professional development before being certified to offer IB courses, the high school must be judged to have adequate resources, the IB training costs $17,000, the high school must pay $10,000 annually, $135 per student, $92 per course, and is requested to provide 25% release time for a teacher to serve as an IB Coordinator.

The IB program is centered on the IB diploma, which requires that a student:

1. Completes one year-long course in each of six subject groups:
   The student’s First Language, Second language, Experimental Sciences, Arts, Mathematics and Computer Science, and Individuals and Society;

2. Completes three of the courses at High Level (240 hours) and three at Standard Level (150 hours);
3. Attains a minimum of 24 of a possible 42 points on end of course exams; and
4. Completes a three-part core consisting of an extended essay, a theory of knowledge course, and participation in a creativity/action/service project

Students at IB high schools may complete single High Level or Standard Level IB courses without completing an IB diploma and so earn an IB certificate.

There are currently about 12,500 students enrolled in over 800 IB course sections in 35 Oregon high schools and about 300 IB students currently attend OUS institutions. To provide context for these numbers, roughly 24,000 students are enrolled in over 2,200 AP course sections in about 170 Oregon high schools and about 2,900 AP students are attending OUS institutions.

After becoming familiar with the IB program, the members of the IB Alignment Working Group examined:

- The success of IB students at OUS institutions relative to non-IB students with comparable high school GPAs.
- Current practice at each of the six OUS institutions with respect to awarding postsecondary credit:
  - for Standard Level exams and High Level exams
  - the minimum score required on SL and HL exams to earn credit
  - the subject areas in which credit was awarded for each IB certificate
  - the number of credits awarded for SL and HL exams in each subject area
  - the number of credits awarded for IB diplomas
- Reviewed most of the practices in United States universities and university systems, with data kindly supplied by IB International.
- Reviewed transcripts provided by two of the OUS institutions to illustrate the processes for awarding credits for IB certificates and IB diplomas at each institution.

Deliberations over this material, in which the value of the IB diploma was routinely emphasized, produced the attached proposed policy.

It is important to emphasize that this working group did not compare the different types of “acceleration” programs—such as IB, AP, or Dual Credit—that might be available for high school students to earn postsecondary credits. Since the IB Alignment Working Group was not charged with making such comparisons, none of the decisions of this working group are to be used in any way to state, infer, or imply a preference on the part of the working group for any particular program. For example, the number of postsecondary credits awarded for work in an IB program is not to be compared to the number of postsecondary credits awarded for work in an AP or Dual Credit program in a way that implies, infers, or states an evaluation of the relative merit of the IB, AP, or Dual Credit programs.

On November 23, 2009, the working group submitted the proposed alignment policy to the UEE for approval. Following discussion, the members of the UEE approved the policy.
**Recommendation to the Joint Boards of Education:**
The members of the UEE and the IB Alignment Working Group recommend that the Joint Boards of Education approve the proposed International Baccalaureate Alignment Policy and the timeline for implementation.

*(Board action required.)*

Submitted by the International Baccalaureate Working Group of the Unified Educational Enterprise:
- Herb Chereck, Associate Vice President for Enrollment Services, University of Oregon
- Celeste Colasurdo, International Baccalaureate Coordinator, Southridge High School
- Connie Green, Staff, Unified Education Enterprise, and Policy Advisor, Department of Community Colleges and Workforce Development
- Don McNair, Executive Dean of Academic Affairs, Lane Community College
- Robert Mercer, Senator, Interinstitutional Faculty Senate, and Assistant Dean of Liberal Arts & Sciences, Portland State University
- Kent Neely, Provost, Western Oregon University
- Michele Sandlin, Director, Office of Admissions, Oregon State University
- Bob Turner, Staff, Unified Education Enterprise, and Special Assistant to the Chancellor, Oregon University System
STATEWIDE INTERNATIONAL BACCALAUREATE ALIGNMENT POLICY
APPROVED BY UNIFIED EDUCATIONAL ENTERPRISE ON NOVEMBER 23, 2009

1. The International Baccalaureate (IB) Alignment Working Group unanimously agreed upon the following policy for awarding credits for **IB certificates**:
   a. Postsecondary credit will be awarded for scores of 5, 6, or 7 on either Standard Level or High Level IB Exams;
   b. The number of postsecondary credits awarded will be those in the appended table prepared by Robert Mercer, Michele Sandlin, and Celeste Colasurdo; and
   c. Credit for the indicated IB certificates will be awarded in the subject area on the appended table or, when appropriate, as general elective credit. The specific course for which credit is awarded is left to the discretion of the most appropriate awarding department at each postsecondary institution.

2. The IB Alignment Working Group unanimously agreed upon the following policy for awarding credits for the **IB diploma**:
   a. A student must earn an IB diploma score of 30 or above to receive additional IB diploma credits.
   b. Each IB certificate within an IB diploma will be awarded credits as described in 1a, 1b, and 1c above
      i. Therefore, no credits will be awarded for any certificate within an IB diploma for which the student does not earn a score of 5 or above on either a Standard Level or a High Level exam.

3. The IB Alignment Working Group was unable to arrive at consensus concerning the number of credit to be awarded to a student who earned an IB diploma with a score of 30 or above. It was also not possible to define a consistent method for deciding upon the subject area(s) to which all IB diploma credits would be awarded. However, agreement was reached on a **temporary IB diploma policy**:
   a. A student may receive up to 45 credits for an IB diploma
      i. Specific additional credits will be determined and assigned by the awarding institution when the sum credits in 1a, 1b, and 1c above total is less than 45 credits.
   b. This policy will be reevaluated by UEE during the 2013-14 academic year.
   c. To provide the data necessary to reevaluate this component of the IB policy, each OUS institution will gather the following data during the 2010-11 through 2012-13 academic years for each IB student accepted by the institution:
      i. Scores on each certificate exam;
      ii. Number of credits and the specific course(s) for which credits were awarded according to the appended table;
      iii. Grades in any courses for which the course awarded IB credits is a prerequisite;
iv. Grade on the TOK (Theory of Knowledge) essay; and
v. Number of credits, the courses for which credits were awarded, and the method for deciding the number of credits to award, beyond the credits awarded according to the appended table.

This part of the **IB diploma policy** is temporary in order to provide an opportunity to gather consistent data that will be used to inform reconsideration of a statewide IB diploma alignment policy. It is also possible that this data may be of value to IB International during their future policy considerations.

4. The IB Alignment Working Group identified variables that were beyond their ability to resolve:
   a. According to material provided by IB International, in the U.S., fewer than one-third of postsecondary institutions award 45 quarter credits for an IB diploma;
   b. A uniform method for determining the academic subject area in which to award credits for an IB diploma in excess of those awarded for individual IB certificates according to the policy in 1a, 1b, and 1c above;
   c. The number of Oregon’s best high school graduates who will decide to attend Oregon postsecondary institutions because of the number of postsecondary credits awarded for completion of an IB diploma; and
   d. The absence of an IB program in well over half of Oregon high schools, particularly those in less advantaged districts.

**Timeline for Implementation of the IB Alignment Policy**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept 14, 2009</td>
<td>Bob Turner emails draft to IB Alignment working group</td>
</tr>
<tr>
<td>Sept 18, 2009</td>
<td>All edit suggestions returned to Bob</td>
</tr>
<tr>
<td>Sept 22, 2009</td>
<td>To Helen Stampe for distribution to Provosts’ Council and UEE staff. UEE staff will forward to CIA and UEE members. CIA suggests changes to IB alignment work group.</td>
</tr>
<tr>
<td>Oct 1, 2009</td>
<td>Provosts’ Council discussion and suggestions for revision to IB alignment work group.</td>
</tr>
<tr>
<td>Oct 2, 2009</td>
<td>IFS discussion and communication to campus/Faculty Senate; distribute timeline and request IFS comment by Oct 28 to IB alignment work group</td>
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<tr>
<td>Nov 5, 2009</td>
<td>Final draft to Provosts’ Council, CIA, and UEE.</td>
</tr>
<tr>
<td>Nov 23, 2009</td>
<td>Approved by UEE</td>
</tr>
<tr>
<td>Jan 7, 2010</td>
<td>Submit to Joint Boards for their approval</td>
</tr>
<tr>
<td>Fall 2010</td>
<td>Implementation of approved policy by those postsecondary institutions prepared to do so</td>
</tr>
<tr>
<td>Fall 2011</td>
<td>Implementation of approved policy by all public postsecondary institutions</td>
</tr>
<tr>
<td>B Certificate Course</td>
<td>Certificate Earned with Standard Level Exam Score of 5, 6, or 7</td>
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<td>------------------------------------------</td>
<td>-----------------------------------------------------------------</td>
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<tr>
<td>Anthropology</td>
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<tr>
<td>Art</td>
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<td>Biology</td>
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<td>3 to 4</td>
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<td>Economics</td>
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<td>Environmental Systems and Societies</td>
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<td>Geography</td>
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<td>History: Africa</td>
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<tr>
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<td>Language 2: 2nd Language Competency</td>
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<tr>
<td>Film</td>
<td>3 to 4</td>
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<tr>
<td>French A &amp; B</td>
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<tr>
<td>German A</td>
<td>4 to 5</td>
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<tr>
<td>Info &amp; Tech in a Global Society</td>
<td>3 to 4</td>
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<td>German B</td>
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<tr>
<td>Islamic History</td>
<td>3 to 4</td>
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<tr>
<td>Japanese A &amp; B</td>
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<td>Mandarin B</td>
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<tr>
<td>Spanish A &amp; B</td>
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<td>Swedish B</td>
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<td>Math Studies</td>
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<td>Music</td>
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<tr>
<td>Visual Arts</td>
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Outcomes and Criteria for Transferable General Education Courses in Oregon

APPROVED BY THE JOINT BOARDS’ ARTICULATION COMMITTEE ON NOVEMBER 9, 2009
APPROVED BY THE COUNCILS OF THE CHIEF ACADEMIC OFFICERS AND PROVOSTS ON NOVEMBER 13, 2009
APPROVED BY UNIFIED EDUCATIONAL ENTERPRISE ON NOVEMBER 23, 2009

BACKGROUND
This work was inspired by the need to identify the fundamental principles that shape General Education in colleges and universities throughout Oregon. The intent was to use the principles in two ways: (1) to create a rational basis for determining the equivalency of courses intended to transfer; and (2) to enhance General Education throughout Oregon by encouraging direct dialog among faculty in each of the disciplines within this rich curriculum. We recognized that these goals were ambitious, but we were optimistic because of the collegial attention that had already been given to General Education in Oregon. Creation of the Associate of Arts Oregon Transfer (AAOT) degree in the late 1980s was possible because of our shared vision of the key disciplinary elements of General Education and, in 2005, the same spirit generated the Oregon Transfer Module (OTM). Our common understanding of the importance and overall purpose of General Education was articulated by the OUS Provosts’ Council and endorsed by the Community Colleges’ Council of Instructional Administrators in Fall 2004.

The Purpose of General Education

The education of undergraduate students is an essential activity of all Oregon colleges and universities. While undergraduate education needs to provide discipline-specific knowledge and skills through concentrated work in an academic major, it must also help students develop the habits of mind that lead to thoughtful and productive global citizenship. All parts of a well-designed education encourage these habits, but an effective General Education curriculum has this as its explicit goal. To this end, it seeks to promote:

- The capacity for analytical thinking and problem solving;
- The ability to communicate effectively, including listening, observing, speaking, and writing;
- An understanding of the natural world and the role of humans in it;
- An appreciation of the arts and humanities and the richness of human experience and expression;
- An awareness of multiple perspectives and the importance of diversity;
• A sense of societal responsibility, community service, and global citizenship; and
• The ability to develop a sense of direction, with the self-discipline needed for the ethical pursuit of a purposeful life.

What was the problem?

Although colleges and universities in Oregon embrace the value of General Education, most have developed their own unique philosophies and curricula that support these ideals. These varied curricula are a valuable resource for Oregon students, but the underlying mechanics are complicated sets of course and credit specifications. Emphasis on these details can reduce this coursework to a mere check-list of requirements and fail to communicate the opportunities for delight and discovery it offers. Moreover, when students transfer, General Education credits may be “lost” because of incompatibilities among variant curricula – leading to understandable frustration in the face of seemingly arbitrary decisions.

What did we do about it?

As educators, we knew we had the responsibility for improving matters. While General Education curricula depend on course and credit requirements to shape the intellectual experiences we desire for students, we know that a variety of structures can promote the qualities we’re after. Thinking through the genetic underpinnings of cancer promotes analytical thinking, but so does dissecting the religious and cultural influences in 7th century Spain.

The Joint Boards Articulation Commission (JBAC) believed that what was needed was a collaboratively-developed framework within which to consider specific General Education courses. The framework would consist of two elements: (1) the broad outcomes we desire for students who take these courses and (2) the criteria for courses likely to achieve those outcomes. In addition to smoothing transfer, such a model had the potential to strengthen General Education in fundamental ways. By adhering to general principles rather than a rigid template, faculty would have the freedom to design General Education courses that exploit individual expertise and new insights. Students would benefit from faculty innovation in the classroom, while retaining assurance of the transferability of their coursework. Beginning in February 2006, JBAC led the effort to create this framework through the steps outlined below.

What results do we anticipate?

**Short-term:** A clear statement of the intended learning outcomes of a General Education curriculum, regardless of its particular design, will help all of us communicate the key role of General Education – to students, parents, and Oregon citizens. The definition of criteria for effective General Education courses will be immediately helpful to faculty as they improve existing General Education courses and design new ones.

**Long-term:** We hope that the criteria for effective General Education courses will form the basis of a new, faculty-led procedure for making thoughtful decisions about General Education coursework. At present, equivalency decisions can appear arbitrary because they are made
according to local campus guidelines that are not widely known. In the new system, transferability will not depend on identity of course numbering or content, but on more general characteristics that can be shared by courses on diverse topics. Perhaps most important, we hope that the new system will foster a culture of substantive curricular discussions among faculty from diverse institutions. The collegiality of such groups was demonstrated during the creation of these Outcomes and Criteria statements and we think their combination of disciplinary expertise and direct classroom experience is powerful. They are in the best position to communicate the nature of college-level work in their areas and to stimulate interest in high quality General Education for students throughout Oregon.

**Timeline for Creating General Education Outcomes and Criteria**

- **February and April 2006:** Statements drafted by disciplinary faculty groups
- **May – August 2006:** Informal comment on draft statements via the JBAC website
- **Fall 2006 – Fall 2007:** Discussion of draft statements on all community college and OUS campuses
  
  *Campus leaders collaborated with JBAC members to organize these discussions and encourage participation by faculty in the disciplines.*

- **Fall 2006 – Fall 2007:** Feedback from campus discussions collected by JBAC
  
  *Feedback from most community colleges and OUS campuses was collected and organized by JBAC.*

- **Fall 2007 – Fall 2008:** Feedback organized and revision process overseen by K. Sprague (on behalf of JBAC)

- **Winter 2008:** Feedback returned to Writing faculty committee for consideration
  
  *Feedback on the writing statements was the first to be organized and distributed to the original faculty drafters, many of whom were members of OWEAC (Oregon Writing and English Advisory Committee). OWEAC took the lead in responding to feedback and providing the final version of the statements.*

- **Winter 2009:** Feedback returned to other faculty committees (Speech, Mathematics, Arts & Letters, Social Science, Science/Computer Science) for consideration

- **Spring/Summer 2009:** Consensus on final versions of statements reached in each area

- **Fall 2009:** Review of final statements by JBAC, OUS Provosts, and CIA

- **Fall/Winter 2009:** Adoption of statements by the Joint Boards of Education and Higher Education

- **After Fall/Winter 2009** Adoption: Application of outcomes and criteria
Recommendation to the Joint Boards:
The Joint Boards Articulation Committee, with the endorsement of the Community Colleges Councils of Chief Academic Officers and Instructional Administrators, the OUS Provosts’ Council, and the Joint Boards of Education’s Unified Education Enterprise Committee, recommend that the Joint Boards of Education approve the proposed General Education Outcomes and Criteria as presented below.

(Board action required.)
Arts & Letters

OUTCOMES

As a result of taking General Education Arts & Letters* courses, a student should be able to:

- Interpret and engage in the Arts & Letters, making use of the creative process to enrich the quality of life; and
- Critically analyze values and ethics within a range of human experience and expression to engage more fully in local and global issues.

* “Arts & Letters” refers to works of art, whether written, crafted, designed, or performed and documents of historical or cultural significance.

CRITERIA

A course in Arts & Letters should:

1) Introduce the fundamental ideas and practices of the discipline and allow students to apply them.
2) Elicit analytical and critical responses to historical and/or cultural works, such as literature, music, language, philosophy, religion, and the visual and performing arts.
3) Explore the conventions and techniques of significant forms of human expression.
4) Place the discipline in a historical and cultural context and demonstrate its relationship with other discipline.
5) Each course should also do at least one of the following:
   - Foster creative individual expression via analysis, synthesis, and critical evaluation;
   - Compare/contrast attitudes and values of specific historical periods or world cultures; and
   - Examine the origins and influences of ethical or aesthetic traditions.
Cultural Literacy outcomes will be included in courses that meet the outcomes and criteria of a Discipline Studies requirement.

**OUTCOMES**

As a result of taking a designated Cultural Literacy course, learners would be able to:

- Identify and analyze complex practices, values, and beliefs and the culturally and historically defined meanings of difference.

**CRITERIA**

A course with the Cultural Literacy designation will:

1) Explore how culturally-based assumptions influence perceptions, behaviors, and policies.
2) Examine the historical bases and evolution of diverse cultural ideas, behaviors, and issues.

Each course *may* also do one or more of the following:

- Critically examine the impact of cultural filters on social interaction so as to encourage sensitivity and empathy toward people with different values or beliefs.
- Investigate how discrimination arises from culturally defined meanings attributed to difference.
- Analyze how social institutions perpetuate systems of privilege and discrimination.
- Explore social constructs in terms of power relationships.
Mathematics

OUTCOMES

As a result of taking General Education Mathematics courses, a student should be able to:

- Use appropriate mathematics to solve problems; and
- Recognize which mathematical concepts are applicable to a scenario, apply appropriate mathematics and technology in its analysis, and then accurately interpret, validate, and communicate the results.

CRITERIA

A collegiate level Mathematics course should require students to:

1) Use the tools of arithmetic and algebra to work with more complex mathematical concepts.
2) Design and follow a multi-step mathematical process through to a logical conclusion and judge the reasonableness of the results.
3) Create mathematical models, analyze these models, and, when appropriate, find and interpret solutions.
4) Compare a variety of mathematical tools, including technology, to determine an effective method of analysis.
5) Analyze and communicate both problems and solutions in ways that are useful to themselves and to others.
6) Use mathematical terminology, notation and symbolic processes appropriately and correctly.
7) Make mathematical connections to, and solve problems from, other disciplines.
Science or Computer Science

OUTCOMES

As a result of taking General Education Science or Computer Science courses, a student should be able to:

- Gather, comprehend, and communicate scientific and technical information in order to explore ideas, models, and solutions and generate further questions;
- Apply scientific and technical modes of inquiry, individually, and collaboratively, to critically evaluate existing or alternative explanations, solve problems, and make evidence-based decisions in an ethical manner; and
- Assess the strengths and weaknesses of scientific studies and critically examine the influence of scientific and technical knowledge on human society and the environment.

CRITERIA

A General Education course in either Science or Computer Science should:

1) Analyze the development, scope, and limitations of fundamental scientific concepts, models, theories, and methods.
2) Engage students in problem-solving and investigation, through the application of scientific and mathematical methods and concepts, and by using evidence to create and test models and draw conclusions. The goal should be to develop analytical thinking that includes evaluation, synthesis, and creative insight.
3) Examine relationships with other subject areas, including the ethical application of science in human society and the relevance of science to everyday life.

In addition,

A General Education course in Science should:

- Engage students in collaborative, hands-on and/or real-life activities that develop scientific reasoning and the capacity to apply mathematics and that allow students to experience the exhilaration of discovery;

and

A General Education course in Computer Science should:

- Engage students in the design of algorithms and computer programs that solve problems.
Social Science

OUTCOMES

As a result of taking General Education Social Science courses, a student should be able to:
  • Apply analytical skills to social phenomena in order to understand human behavior; and
  • Apply knowledge and experience to foster personal growth and better appreciate the diverse social world in which we live.

CRITERIA

An introductory course in the Social Sciences should be broad in scope. Courses may focus on specialized or interdisciplinary subjects, but there must be substantial course content locating the subject in the broader context of the discipline(s). Approved courses will help students to:
  1) Understand the role of individuals and institutions within the context of society.
  2) Assess different theories and concepts and understand the distinctions between empirical and other methods of inquiry.
  3) Utilize appropriate information literacy skills in written and oral communication.
  4) Understand the diversity of human experience and thought, individually and collectively.
  5) Apply knowledge and skills to contemporary problems and issues.
Speech/Oral Communication

OUTCOMES

As a result of taking General Education Speech/Oral Communication courses, a student should be able to:

- Engage in ethical communication processes that accomplish goals;
- Respond to the needs of diverse audiences and contexts; and
- Build and manage relationships.

CRITERIA

A course in Speech/Oral Communication should provide:

1) Instruction in fundamental communication theories.
2) Instruction and practice of appropriate oral communication techniques.
3) Instruction and practice in the listening process.
4) Instruction and practice in comprehension, interpretation, and critical evaluation of communication.
5) Instruction and practice in adapting verbal and non-verbal messages for the listener and communication contexts.
6) Instruction in the responsibilities of ethical communicators.
7) Instruction in the value and consequences of effective communication.
Writing

OUTCOMES

As a result of completing the General Education Writing sequence, a student should be able to:
- Read actively, think critically, and write purposefully and capably for academic and, in some cases, professional audiences;
- Locate, evaluate, and ethically utilize information to communicate effectively; and
- Demonstrate appropriate reasoning in response to complex issues.

CRITERIA

A course in Writing should:
1) Create a learning environment that fosters respectful and free exchange of ideas.
2) Include college-level readings that challenge students and require the analysis of complex ideas.
3) Provide guided discussion and model practices that help students listen to, reflect upon, and respond to others’ ideas.
4) Foster students’ ability to summarize and respond in writing to ideas generated by reading and discussion.
5) Require a substantial amount of formal and informal writing.
6) Emphasize writing as a recursive process of productive revision that results in complete, polished texts appropriate to audience needs and rhetorical situations.
7) Foreground the importance of focus, organization, and logical development of written work.
8) Guide students to reflect on their own writing, to provide feedback on peers’ drafts, and to respond to peer and instructor comments.
9) Direct students to craft clear sentences and to recognize and apply the conventions of Edited Standard Written English.
10) Provide students with practice summarizing, paraphrasing, analyzing, synthesizing, and citing sources using a conventional documentation system.
11) Require appropriate technologies in the service of writing and learning.

Information Literacy outcomes and criteria will be embedded in the Writing Foundational Requirements courses.
Information Literacy

*Information Literacy outcomes and criteria will be embedded in the Writing Foundational Requirements courses.*

### OUTCOMES

As a result of taking General Education Writing courses infused with Information Literacy, a student who successfully completes should be able to:

- Formulate a problem statement;
- Determine the nature and extent of the information needed to address the problem;
- Access relevant information effectively and efficiently;
- Evaluate information and its source critically; and
- Understand many of the economic, legal, and social issues surrounding the use of information.

### CRITERIA

A Writing course infused with Information Literacy should include:

1) Instruction and practice in identifying gaps in knowledge and recognizing when information is needed.
2) Instruction and practice in finding information efficiently and effectively, using appropriate research tools and search strategies.
3) Instruction and practice in evaluating and selecting information using appropriate criteria.
4) Instruction and practice in research strategies that are recursive and involve multiple stages such as modification of the original strategy and revision of the topic.
5) Instruction and practice in the ethical and legal use of information and information technologies.
6) Instruction and practice in creating, producing, and communicating understanding of a subject through synthesis of relevant information.
The Outcomes and Criteria statements in **Arts & Letters** were developed from 2007-2009 by:

<table>
<thead>
<tr>
<th>Name</th>
<th>discipline</th>
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<tbody>
<tr>
<td>Susan Agre-Kippenhan</td>
<td>Art</td>
<td>Portland State University</td>
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<tr>
<td>Barbara Altmann</td>
<td>Romance Languages</td>
<td>University of Oregon</td>
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<tr>
<td>Nia Bauer</td>
<td>Arts &amp; Letters</td>
<td>Umpqua Community College</td>
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<td>Nora Brodnicki</td>
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<td>Liz Charman</td>
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<td>Florence Sage</td>
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<td>Donald Wolfe</td>
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The Outcomes and Criteria statements in **Mathematics** were developed from 2007-2009 by:

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<tr>
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<td>Umpqua Community College</td>
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<td>Janet Brougher</td>
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<td>Tom Dick</td>
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<td>Michael Ward</td>
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<tr>
<td>Jim Whittaker</td>
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The Outcomes and Criteria statements in **Science/Computer Science** were developed from 2007-2009 by:

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<td>Bill Becker</td>
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<td>Catherine Otto</td>
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<tr>
<td>Richard White</td>
<td>Urban Studies &amp; Planning</td>
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### The Outcomes and Criteria statements in Speech/Oral Communications were developed from 2007-2009 by:

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<td>Nancy Wendt</td>
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<tr>
<td>Doris Werkman</td>
<td>Speech</td>
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### The Outcomes and Criteria statements in Writing were developed from 2007-2009 by the membership of the Oregon Writing and English Advisory Council and:

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<td>Vicki Tolar Burton</td>
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The Outcomes and Criteria statements in **Cultural Literacy** were developed from 2008-2009 by:

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<td>Andrew Cohen</td>
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<td>Angela Dahlin</td>
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<td>Barbara Bessey</td>
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<td>Callie Palmer</td>
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<tr>
<td>Susan Lewis</td>
<td>Inst. Coordinator</td>
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The Outcomes and Criteria statements in Information Literacy were developed from 2007-2009 by:

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<td>Natalie Beach</td>
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<td>Michelle Burke</td>
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<td>Randall Colver</td>
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<td>Richenda Hawkins Wilkinson</td>
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<tr>
<td>Tina Hovekamp</td>
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<td>Southern Oregon University</td>
</tr>
<tr>
<td>Pierina Parise</td>
<td>Distance Education</td>
<td>Emporia State University</td>
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BACKGROUND AND INTENT OF THE DEGREE

The AAOT (Associate of Arts Oregon Transfer) degree was created in the late 1980s, through collaboration between Oregon community college faculty and Oregon University System faculty, to reduce bureaucratic obstacles for students transferring from an Oregon community college to an OUS institution. Variation in the requirements to earn AAOT degrees at different community colleges was not a problem because all of the degrees transferred smoothly to OUS. Increasingly, however, the degree has been used by students transferring among community colleges and, in these cases, distinctive requirements sometimes reduced transferability. Recognizing the fundamental purpose of the degree, community colleges agreed in 2008 to standardize their AAOT degree requirements so as to maximize the efficient transfer of credit for students. The requirements of the revised, freely-transferable degree are listed below, but past experience suggests the utility of some additional explanation of what the degree can and cannot provide. Students and advisors should be aware of the opportunities created by the AAOT, but should also be mindful of its limitations, as summarized in the explanatory notes that follow the description of the degree itself.

Any student having the Associate of Arts Oregon Transfer (AAOT) degree recognized on an official college transcript will have met the lower division General Education requirements of baccalaureate degree programs of any institution in the Oregon University System.

Students transferring under this agreement will have junior status for registration purposes. Course, class standing, or GPA requirements for specific majors, departments, or schools are not necessarily satisfied by an AAOT degree.

Every Oregon community college offering an AAOT degree will meet these guidelines beginning Fall term 2010.

GUIDELINES

A student must complete a total of 90 quarter credits to be awarded the AAOT.

All courses should be aligned with the student’s intended program of study and the degree requirements of the baccalaureate institution to which the student plans to transfer. A student is encouraged to work with an advisor in the selection of courses.
All Foundational Requirements and Discipline Studies courses must be a minimum of 3 credits, except for Health/Wellness/Fitness courses, which may be any number of credits. All Elective courses may be any number of credits.

All courses must be passed with a grade of "C–" or better. Students must have a minimum cumulative GPA of 2.0 at the time the AAOT is awarded.

FOUNDATIONAL REQUIREMENTS

► **Writing**: Students taking writing classes of three credits each must take WR 121, 122, and either WR 123 or 227. Students taking writing classes of 4 credits each must take WR 121 and either WR 122 or 227. A student must have eight credits of Writing.
  ➢ Information Literacy will be included in the Writing Requirement.

► **Oral Communication**: One course in the fundamentals of speech or communication designated by the college as meeting the statewide criteria for speech communication.

► **Mathematics**: One course in college-level mathematics, for which Intermediate Algebra is a prerequisite.

► **Health/Wellness/Fitness**: One or more courses totaling at least three credits.

DISCIPLINE STUDIES

➢ **Cultural Literacy**: Students must select one course from any of the discipline studies that is designated as meeting the statewide criteria for cultural literacy.

► **Arts and Letters**: Three courses chosen from two or more disciplines.

► **Social Sciences**: Four courses chosen from two or more disciplines.

► **Science/Math/Computer Science**: Four courses from at least two disciplines including at least three laboratory courses in biological and/or physical science.

ELECTIVES

► Any college-level course that would bring total credits to 90 quarter hours including up to 12 credits of Career and Technical Education courses, designated by the college as acceptable.
NOTES AND CLARIFICATIONS
[The following notes are not intended to be part of the "Guidelines" (above) but, rather, serve to clarify them for participating institutions.]

1. Community colleges may not add requirements at the local level. The total credits should not exceed the number required to meet these course requirements within the college’s credit structure.

2. Writing courses must meet the specific course outcomes as identified by Oregon Writing and English Advisory Council. In addition, the group of courses that is sufficient for meeting this requirement must, together, provide all of the content recommended by the Oregon Writing and English Advisory Committee (OWEAC), including a research component. Further information can be found at OWEAC.

3. Although they are important in terms of preparation, courses that are developmental in nature are designed to prepare students for college-level work and are not counted in the 90 quarter hours required for the AAOT.

4. The "Foundational Requirements" above represent minimal skill competencies. As such, they may be open to demonstration of competency. Each community college is encouraged to establish how students may demonstrate competency in lieu of completing the course(s).

5. Computer Science courses used in the Science/Math/Computer Science area must meet Oregon Council of Computer Chairs criteria for a science course. See list of courses at (Oregon Council of Computer Chairs). Math courses listed in the Science/Math/Computer Science area must meet the outcomes and criteria for Mathematics. These can be found at (website URL TBD).

6. All Foundational Requirement courses and Discipline Studies courses must meet the statewide outcomes and criteria for the specific area. These can be found at (website URL TBD).

7. The second year of a foreign language, but not the first year, may be included among courses that count toward the Arts and Letters requirement. American Sign Language (ASL) is considered a foreign language.

8. WR 115 may be included in the AAOT degree as an elective providing that the WR 115 course at the community college has been approved by the Department of Community Colleges and Workforce Development as meeting statewide learning outcomes for the course.

9. The principal advantage of the AAOT is that it fulfills the lower-division (freshman / sophomore) General Education requirements for baccalaureate degrees at all OUS institutions. It does not necessarily meet all of the degree requirements that an OUS
institution might have beyond the requirements for majors. The AAOT guarantees that all General Education credits that a student earned will be accepted as the General Education requirements at the receiving institution.

10. In some cases, students may also be able to use AAOT General Education courses to meet certain lower-division requirements in their intended majors. Here, caution is required, however, since the AAOT degree was not intended for this purpose. Students who have a major in mind, and also want to maximize the amount of AAOT coursework that will count toward it, should work closely with an academic adviser and make use of the ATLAS system when designing their AAOT degrees. For students intending to become teachers, specific recommendations on structuring their AAOT degrees are given at: How to become an Oregon Teacher. General transfer information is available at: http://www.ous.edu/stucoun/prospstu/transfer.php

11. Because the amount of coursework required for an AAOT degree corresponds to two academic years, degree recipients are considered juniors for purposes of registration at an Oregon University System institution. Students should keep in mind, however, that the AAOT does not guarantee that two additional years will suffice to earn a baccalaureate degree. That is because the AAOT does not give students junior-standing in their majors. Neither does it guarantee entrance into a competitive major. Students may need to take additional introductory work to prepare for certain majors and should check with an advisor regarding availability at their local community colleges. In addition, it’s not uncommon for students to change their majors and find that they must go back and take introductory work in the new area.

12. Students and academic advisers should recognize that although the AAOT provides an excellent structure for many students—particularly those who are unsure of their primary academic focus—it is not ideal for everyone. In particular, it does not articulate well with certain majors such as engineering, biological and physical sciences, and the fine and performing arts. Students contemplating these majors cannot easily accommodate their highly-specific prerequisite coursework into the AAOT framework. In general, an AAOT recipient who is pursuing any course of study that is credit-heavy at the major lower-division level may have to take additional lower-division coursework, specific to the major, after transfer. Students contemplating such majors should consult closely with an advisor.

Recommendation to the Joint Boards:
The Joint Boards Articulation Committee, with the endorsement of the Community Colleges Councils of Chief Academic Officers and Instructional Administrators, the OUS Provosts’ Council, and the Joint Boards of Education’s Unified Education Enterprise Committee, recommend that the Joint Boards of Education approve the proposed Associate of Arts Oregon Transfer Degree Guidelines as presented above.

(Board action required.)
Oregon State Board of Higher Education

January 8, 2010
Portland State University
Portland, Oregon

Board Materials
AGENDA

1. CALL TO ORDER/ROLL CALL/WELCOME

2. ACTION ITEMS

   a. OSU, Hallie Ford Center Project (Kenton/McCambridge) ........................................................ 1
      OSU has received a $5.0 million dollar gift for this project and would like to proceed by selling $5.0 million in bonds; expenditure limitation in the amount of $12 million was approved during 2009-2011 legislative session ($6 million Article XI-G bonds and $6 million Other Funds).

   b. OSU, Recreational Sports Field and Field House Renovation (Kenton/McCambridge) ........... 3
      OSU is seeking authority to issue $10.7 million in Article XI-F Bonds and $800,000 in Other Funds to finance a mostly student fee-funded project authorized by OSU students.

   c. PSU, Market Center Building Acquisition (Kenton/Desrochers)............................................... 5
      PSU requests the approval of a $24.0 million purchase price for the acquisition of the Market Center Building at 1600 SW Fourth Avenue in Portland.

   d. PSU, Lincoln Hall (New East Entrance) (Kenton/Desrochers)................................................... 9
      PSU requests the approval to seek an addition of $4.5 million in Other Funds expenditure limitation for this project during the February 2010 Legislative Special Session.

   e. UO, Project Update on Cheryl Ramberg Ford and Allyn Ford Alumni Center (Kenton/Dyke)......................................................................................................................... 11
      University of Oregon (UO) seeks Board approval for the sale of $9.975 million in Article XI-F(1) bonds for the Cheryl Ramberg Ford and Allyn Ford Alumni Center in anticipation of the sale of bonds as part of the spring 2010 bond sale.

      The Annual Audit Statements will be presented to the Board for their acceptance. External auditor observations regarding internal controls and compliance with federal grants and contracts, and management’s responses to those observations, will also be discussed.
g. OUS, Internal Audit Progress Report (Snopkowski) ................................................................. 31
   In accordance with the charter, IAD will present the 2009 Final Progress Report and the
   2010 Annual Audit Plan as directed. IAD notes that the audit report recommendations
   made over the past quarter were all adequately addressed by management.

h. OUS, 2009-10 Enrollment Settle-up and Retention Incentives (Kenton) ................................. 39
   The 2009-10 enrollment settle-up and distribution of retention incentives were based
   on projected 2009-10 enrollment based on the fall term 4th week enrollments and fall
   2008 to fall 2009 retention information.

3. REPORT ITEMS

   a. OUS, DRAFT House Bill 2500 Implementation (Kenton) ..................................................... 43
      House Bill 2500, referred to as the Financial Transparency Act, requires all state
      agencies, including OUS, to publish financial information on a publicly accessible
      website.

4. ADJOURNMENT
3. **ACTION ITEMS**

   a. Tuition and Fee Recommendations, Residence Hall and Food Service Charges, and
      Amendment to OAR 580-040-0035, 2010 Summer Session Fee Book (Meara) ................. 49
      Staff is requesting the approval of proposed OUS tuition and fee rates, related policies,
      and campus room and board rates for the 2010 Summer Session as they are presented
      in the accompanying draft of the Summer Session Fee Book.

   b. Amendment of OAR 580-040-0040, Approval of the 2009-10 Academic Year Fee
      Book as a Permanent Rule (Meara) .................................................................................. 65
      Due to the Legislative schedule, the Board approved the 2009-10 Academic Year Fee
      Book as a temporary rule on July 10, 2009. On September 25, 2009, the Board also
      approved the following three amendments to the Fee Book: adopt a Nonresident
      Veteran Fee Remission policy, a housing rate change at Eastern Oregon University, and a
      program fee change at the University of Oregon. No other material changes have been
      made to the 2009-10 Academic Year Fee Book approved by the Board on July 10, 2009.

   c. Update on the Board’s Oversight Committee on Sexual Assault and the Approval of
      the Sexual Assault Misconduct Policy (Lorenzen/Hagemann)
      Recommend that Board adopt policy, with additional recommendation that the
      Chancellor convene a task force of OUS representatives and attorneys to devise a model
      centralized response mechanism, for presentation by January 2011

   d. Approval of Proposed Board Policy on Policies and Internal Management Directives
      (Kelly/Hagemann)
      In order to manage the affairs of the Board and the System and its constituent
      institutions efficiently and effectively in accord with the Board's strategic plan for the
      benefit of the State of Oregon, the Governance & Policy Committee has identified
      categories of authority and the principles and processes governing policy development.

   e. Approval of Board Bylaw Revisions (Kelly/Hagemann)
      Recommend, after proper notice, that the Board adopt at January 8, 2010, meeting
      appropriate housekeeping changes to the Board Bylaws.

4. **DISCUSSION ITEMS**

   a. Budget Reduction (Kenton)
      At its January 2010 meeting, the Board will discuss 10 percent budget reduction options
      in order to update the information requested by the Legislative Fiscal Office. Additional
      information regarding this item will be available at the January meeting.

   b. Proposed Constitutional Amendment/Revision (Kenton) ............................................ 67
      Proposed amendments to Articles XI-F(1) and XI-G in legislative counsel amendment
      form is provided showing DOJ and bond counsels’ suggested amendments. Counsels
      believe that these amendments need to be presented to the voters either as separate
      amendments (separately voted on) or as one revision to the Constitution (voted on as
      one measure).
5. **REPORT ITEMS**

   a. Update on the Board’s Standing Committees

6. **PUBLIC INPUT**

7. **BOARD COMMENTS**

8. **ADJOURNMENT**
Meetings of the Oregon State Board of Higher Education and F&A Committee
Portland State University
Smith Memorial Student Union, Room 327/8/9
Portland, Oregon
January 8, 2010

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Full Board
Tuition and Fee Recommendations, Residence Hall and Food Service Charges,
and Amendment to OAR 580-040-0035, 2010 Summer Session Fee Book .......... 49
Amendment of OAR 580-040-0040, Approval of the 2009-10 Academic Year Fee
Book as a Permanent Rule ........................................................................... 65
Proposed Constitutional Amendment/Revision ............................................ 67
OSU, Hallie Ford Center Project

Background:
During the 2009-2011 Legislative Session, the $12.0 million OSU Hallie Ford Health, Children, and Families Center project was approved. The approved project limitation of $12.0 million consisted of $6.0 million in Article XI-G bonds and $6.0 million in Other Funds.

Senate Bill 5506, which authorized this project, contains the following requirement:

SECTION 13. Notwithstanding ORS 351.345 and section 6 of this 2009 Act, the State Board of Higher Education may issue bonds for a project listed in section 6 (1)(b) and (d), (2), (3), (4)(b), (c) and (d), (5)(a), (6)(b) and (7)(a) of this 2009 Act:
(1) If the total amount from other revenues, including federal funds, identified for the project in the expenditure limitation in section 6 of this 2009 Act has been received by the State Board of Higher Education; or
(2) After reporting to the Emergency Board or the Joint Committee on Ways and Means, if the total amount from other revenues, including federal funds, identified for the project in the expenditure limitation in section 6 of this 2009 Act has not been received by the State Board of Higher Education. (emphasis added)

Action Requested:
Oregon State University has received a $5.0 million dollar gift for this project and would like to proceed by selling $5.0 million in bonds. Moving this project forward at this time will take advantage of favorable construction pricing and will provide jobs and economic stimulus at this critical time.

Staff Recommendation to the Committee:
Staff recommend that the Finance and Administration Committee of the Board authorize the Chancellor, or designee, to report OSU plan to proceed with the Hallie Ford Center project at the January 14, 2010, Joint Ways and Means Committee meeting.

(Committee action required.)
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OSU, Recreational Sports Field and Field House Renovation

BACKGROUND:
Oregon State University (OSU) is seeking authority to issue $10.7 million in Article XI-F Bonds and $800,000 in Other Funds to finance a mostly student fee-funded project authorized by OSU students. During the 2007 session, the legislature authorized the “Intramural Synthetic Turf” project for $3.25 million in Other Funds. OSU is requesting that the description of this authorization be updated to “Recreational Sports Field and Field House Renovation.” OSU is also requesting the expenditure limitation be raised to a total of $11.5 million, with $10.7 million in Article XI-F(1) bond fees and $800,000 in Other Funds.

Last spring, OSU students approved a referendum to add a student fee to fund this project to upgrade their recreational sports facilities. This project would enable renovation of the McAlexander Fieldhouse, which is heavily used for intramural sports and other recreational sports activities. Originally constructed in 1911, the building has not been upgraded since the 1980s and does not adequately serve the needs of the students.

The scope of work includes the installation of an artificial turf indoor field for soccer and similar activities, a climbing wall, challenge course, and new restrooms, as well as seismic, mechanical, electrical, and ADA upgrades.

Demand for existing recreational facilities has increased at a greater rate than student enrollment increases. Upgrading McAlexander Fieldhouse will allow more students to participate in intramural and recreation activities. Additionally, it will provide a greater variety of activities for the students.

This project will also enable the development of additional fields, including adding synthetic turf for all-weather use, fencing, field lights, restrooms, new (replacement) tennis courts, bike parking, landscaping, and other amenities. The existing grass fields are difficult to use and hazardous during much of the academic year.

Staff Recommendation to the Committee:
Staff recommend that the Finance and Administration Committee of the Board authorize the Chancellor, or designee, to seek legislative approval for the change in project scope and expenditure limitation in the February 2010 Legislative Special Session.

(Committee action required.)
PSU, Market Center Building Purchase

**Background:**
Portland State University (PSU) requests the approval of a $24.0 million purchase price for the acquisition of the Market Center Building at 1600 SW Fourth Avenue in Portland.

In June 2009, the OUS Board approved the purchase of the Market Center Building pending final purchase price determination. The original estimate was $27.0 million. During the 2009-2011 legislative budget process, the State Legislature also approved the purchase pending a final price determination. The campus has now negotiated with Washington Capital (a REIT) and agreed on a purchase price of $24.0 million. This price reflects a favorable real estate market for the University and is in the range of appraised values.

The Market Center Building, a nine-story, 121,800 rentable square feet facility, located adjacent to the University District, is well suited to the needs of the rapid growth at PSU. The building is proximate to the Urban Plaza on Fifth Avenue, the Northwest Center for Engineering, Science, and Technology, and the 1900 Fourth Avenue Building. PSU currently leases approximately two-thirds of the building for classrooms, research, academic, and administrative space, including a black box theater and space for PSU’s College of Fine and Performing Arts. PSU has grown over 10 percent in student enrollments within the last two years and will continue to grow. Finding classroom space and faculty office space is critical to achieving PSU’s instructional and research mission.

The Market Center building was originally constructed in 1968 and underwent major renovation in 1991. The facility includes nine floors as well as two floors of parking (164 spaces). Similar new construction would cost the University and the state $42 to $45 million, or $345.00 per rentable square foot, including parking. The non-PSU occupied space in the building is currently leased by one major tenant through 2012 with the likelihood of renewal. This tenant occupies three floors totaling approximately 41,000 square feet (33.6 percent of the building). The tenant is a compatible use with the PSU uses. In the event PSU does not retain this tenant, other local tenants would be sought, or the University, over time, would occupy the space.

**Financial Impacts:**
Current lease payments for the space in Market Center will be re-directed toward debt service for the purchase. PSU’s full service lease rate for the facility in 2010 is $22.50 per sq. ft. PSU’s estimated net cost after acquiring the facility, taking into consideration operating expenses, reserves, and lease income from the external tenant and parking, would be approximately $20.00 per sq. ft. full service, assuming 25 year COP (Certificates of Participation) debt at 6.75 percent taxable, 5.14 percent non-taxable, respectively. Fund sources supporting this building include rental revenues as well as tuition and indirect cost revenues. See attached financial pro forma projections.
No new tuition rate increases are anticipated to support this building, and no General Funds will be used for debt service on the project either now or in the future. COP proceeds would be needed in Spring 2010 for the purchase. PSU’s total debt ratio inclusive of this and other planned purchases is projected to remain at or below 5.8 percent.

**Staff Recommendation to the Committee:**
Staff recommend that the Finance and Administration Committee of the Board approve the purchase of the Market center Building for a price no to exceed $24.0 million and authorize the Chancellor, or designee to seek COP expenditure limitation for such purchase in the February 2010 Legislative Special Session.

*(Committee action required.)*
### Market Center Purchase Analysis

**Assumptions:**

- **Assumed Purchase Price:** $24,000,000
- **Year Built:** 1968
- **Year Renovated:** 1991
- **Gross Sq Footage:** 123,171
- **Usable Sq Footage:** 121,800
- **Stories:** 9
- **External Lease Space:** 40,967 (34%)
- **PSU Space:** 80,833 (66%)
- **Parking Spaces:** 164
- **Reserved Space Rate:** $99.00

**25-Year COP Debt:**

- **Non-taxable DS Rate:** 5.14%
- **Non-taxable D/S per Million:** $72,649
- **Taxable DS Rate:** 6.75%
- **Taxable D/S per Million:** $88,295

**Parking Escalation:** 3.00%

**Operating Expense Escalation:** 3.00%

**Enrollment Growth:** 2.00%

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* Tuition revenue used to cover academic, administrative, and classroom space only. Tuition above reflects 2008-09 tuition funding levels prior to any increases anticipated as part of 2009-10 budget reductions. No General Fund monies will be used for debt service either now or in the future.
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PSU, Lincoln Hall Project Expansion

**Background:**
In the 2007-2009 Legislative Session, the Lincoln Hall Deferred Maintenance project was approved as a $29.2 million project. During the past year, the State of Oregon authorized an additional $1.5 million for the Lincoln Hall project as a part of the Go Oregon state stimulus package. The total current project limitation is $30.7 million. The project is currently underway and as construction pricing has been favorable, a broad scope of deferred maintenance items is being achieved in the historic building. Once completed, the Lincoln Hall project will significantly extend the life of this important building on the campus; very significantly improve energy usage and the comfort level of occupants. The Lincoln Hall project has afforded the campus an opportunity to envision some additional improvements that are desirable for the building and especially the School of Fine and Performing Arts and its profile in the larger Portland Community.

Lincoln Hall, a campus icon building, houses the Departments of Theatre Arts, Film, and Music and it serves as a major classroom building (12 percent of campus total), as well as a performance venue for the campus arts. Performance spaces in Lincoln are well known throughout the Portland Arts Community and such community partners as the White Bird Dance, Friends of Chamber Music, and other arts groups use the venue. The building is located on the Park Blocks and its main entrance is on that west side. The building also runs along Broadway (at Market), but there is no entry to the building on this side, although the location is a critical corner for urban interaction and entry to the PSU campus.

**Campus Request:**
PSU is proposing to seek gifts funds to allow the expansion of the current deferred maintenance project to finish some additional deferred maintenance work; to create a new, more attractive Broadway entrance to the building; an entrance that would be suitable for performance venues and would blend with the several arts venues along Broadway, including the Center Stage and Schnitzer Hall locations; and to expand space for acting studios, film studios, a dedicated dance studio, plus other spaces. Additional deferred maintenance work would include better ADA access. The new Broadway entrance and ADA improvements would cost approximately $1.4 million; a large, three-story glass tower facing Broadway that would include a Marquee advertising the University performances, would cost approximately $2.9 million; and the residual costs would be in the range of $200,000. The campus proposes to fund these additions to the projects entirely with gift funds and is therefore requesting a $4.5 million limitation for this purpose.

The Dean of Fine and Performing Arts has begun organization of a fundraising campaign with naming opportunities for the new spaces that would be created.
Staff Recommendation to the Committee:
Staff recommend that the Finance and Administration Committee of the Board authorize the Chancellor, or designee, to seek an addition of $4.5 million in Other Funds expenditure limitation for this project during the February 2010 Legislative Special Session.

(Committee action required.)
UO, Project Update on Cheryl Ramberg Ford and Allyn Ford Alumni Center

Summary:
The University of Oregon (UO) seeks Board approval for the sale of $9.975 million in Article XI-F(1) bonds for the Cheryl Ramberg Ford and Allyn Ford Alumni Center in anticipation of the sale of bonds as part of the spring 2010 bond sale. The project is located on the corner of 13th Avenue and Columbia Street, immediately adjacent to the Matthew Knight Arena, above the Underground Parking Structure, and in close proximity to Bean and Hamilton housing complexes. The project is currently estimated to cost between $31.0 and $32.5 million. However, preliminary bids for the project are being evaluated and project costs are likely to reflect the current competitive bidding environment. In addition to proceeds from the sale of the Article XI-F(1) bonds, the UO will use up to $22.5 million from gifts and other private sources. The UO has already received pledges of $19.1 million, of which $18.6 million is in signed pledges. As required for Article XI-F(1) bonds, the project is self-liquidating and self-supporting. Debt service on the Article XI-F(1) bonds will be paid from revenues generated from leases with the building's tenants (see attached pro forma).

Staff Report to the Board:

Project Description
The UO is scheduled to break ground for the Cheryl Ramberg Ford and Allyn Ford Alumni Center in February 2010. The four-story, 60,000 square foot building will have offices for staff of the UO Foundation, UO Alumni Association, development program, student orientation program, and some work units from the department of public and government affairs. The building will also have state-of-the-art conference and meeting space for campus- and community-wide workshops and seminars, formal and informal meeting space, and a 225-person ballroom capable of accommodating major formal dining or conference seating events. The University expects the Ford Alumni Center to play a critical role as a welcome center for the entire University. For example, it will be the gathering point for all campus tours for prospective students and their families. The main floor atrium of the building will have interactive and static displays designed to promote and celebrate the University's history and culture of creativity, innovation, and excellence. It is currently targeting to receive LEED Gold Certification.

The UO is currently completing negotiations with the UO Foundation and the UO Alumni Center for 10-year renewable leases. Revenue from the leases, along from revenue generated by Public and Governmental Affairs activities including Trademark Management, will provide revenue to service the debt. The debt service on the building will be slightly under $700,000 per year due to the generosity of donors who have already agreed to fund more than two-thirds of the cost of construction.

History
This project was originally conceived in 1996–1997 by the UO Alumni Association and Alumni Center Task Force that, after a year of study, recommended the UO invest in an Alumni Center.
The project was subsequently approved for inclusion in *Campaign Oregon*. The 2003 Oregon Legislature authorized the expenditure of $21.2 million of Other Funds for the project. In June 2006, after additional study of the feasibility of the project and the UO’s fundraising efforts on its behalf, Cheryl Ramberg Ford and Allyn Ford pledged the lead gift to the project. Additional and early significant support was provided by the Giustina family. General fundraising for the Alumni Center began in late 2006. Project design began during the spring of 2007. As the project evolved, it was decided to place it adjacent to the Matthew Knight Arena and above the underground parking structure. The architects for the project have worked cooperatively with architects for the Matthew Knight Arena and the John E. Jaqua Academic Learning Center for Student Athletes to develop complementary designs. The project is managed by JMI Sports; the same project development manager that is managing the Matthew Knight Arena and the Underground Parking Structure. The 2009 Oregon Legislature authorized an increased expenditure limitation of $9.975 million to reflect project cost increases and approved sale of Article XI-F(1) bonds to fund the increase.

**Staff Recommendation to the Committee:**

Staff recommends that the Finance and Administration Committee of the Board find that the UO Cheryl Ramberg Ford and Allyn Ford Alumni Center conservatively appears to be wholly self-liquidating and self-supporting as contemplated by Article XI-F(1), Section 2, of the Oregon Constitution and recommends to the Board, at the appropriate time, the sale of $9.975 million of Article XI-F(1) bonds for the Alumni Center project.

*(Committee action required.)*
## UO Alumni Center

### 10-Year Financial Pro Forma

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<td>$245,000</td>
<td>$245,000</td>
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<tr>
<td>3 UO Alumni Association Lease</td>
<td>$200,000</td>
<td>$200,000</td>
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<td>$200,000</td>
<td>$200,000</td>
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</tr>
<tr>
<td>4 Operating Fund Allocation</td>
<td>$270,000</td>
<td>$280,800</td>
<td>$292,032</td>
<td>$303,713</td>
<td>$315,862</td>
<td>$328,496</td>
<td>$341,636</td>
<td>$355,302</td>
<td>$369,514</td>
<td>$384,294</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>$960,000</td>
<td>$970,800</td>
<td>$982,032</td>
<td>$993,713</td>
<td>$1,005,862</td>
<td>$1,018,496</td>
<td>$1,031,636</td>
<td>$1,045,302</td>
<td>$1,059,514</td>
<td>$1,074,294</td>
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<tr>
<td><strong>Expenses</strong></td>
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<tr>
<td>6 Utilities/Custodial/Garbage at $3.25 per square foot</td>
<td>$195,000</td>
<td>$202,800</td>
<td>$210,912</td>
<td>$219,348</td>
<td>$228,122</td>
<td>$237,247</td>
<td>$246,737</td>
<td>$256,607</td>
<td>$266,871</td>
<td>$277,546</td>
</tr>
<tr>
<td>7 Repair and Maint. at $1.25 per square foot</td>
<td>$75,000</td>
<td>$78,000</td>
<td>$81,120</td>
<td>$84,365</td>
<td>$87,739</td>
<td>$91,249</td>
<td>$94,899</td>
<td>$98,695</td>
<td>$102,643</td>
<td>$106,748</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$270,000</td>
<td>$280,800</td>
<td>$292,032</td>
<td>$303,713</td>
<td>$315,862</td>
<td>$328,496</td>
<td>$341,636</td>
<td>$355,302</td>
<td>$369,514</td>
<td>$384,294</td>
</tr>
<tr>
<td>9 <strong>Net Operating Income</strong></td>
<td>$690,000</td>
<td>$690,000</td>
<td>$690,000</td>
<td>$690,000</td>
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<tr>
<td><strong>Distributions</strong></td>
<td></td>
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</tr>
<tr>
<td>10 Debt Service (30 Year bonds @ 5.5%)</td>
<td>$688,000</td>
<td>$688,000</td>
<td>$688,000</td>
<td>$688,000</td>
<td>$688,000</td>
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<tr>
<td>11 Distribution Total</td>
<td>$688,000</td>
<td>$688,000</td>
<td>$688,000</td>
<td>$688,000</td>
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<td>$688,000</td>
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<tr>
<td>12 <strong>Balance</strong></td>
<td>$2,000</td>
<td>$2,000</td>
<td>$2,000</td>
<td>$2,000</td>
<td>$2,000</td>
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<td>$2,000</td>
<td>$2,000</td>
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</tbody>
</table>

### Notes:

1. UO Foundation 10-year renewable lease with the UO. The UO Foundation currently leases space off-campus.
2. PGA 10-year renewable MOU for various PGA departments, including Trademark Management (TM). TM currently leases space in Thompson Center and generates revenue from management of UO licensing program.
3. UO Alumni Association (UOAA) 10-year renewable lease with the UO. The UOAA currently is housed in Agate Hall. The UOAA generates revenue from membership programs, licensing agreements, and include from quasi-endowments.
OUS, 2009 Annual Financial Report

Summary:
The report titled *2009 Annual Financial Report* (see [http://www.ous.edu/cont-div/reports/annfinst_fy2009.php](http://www.ous.edu/cont-div/reports/annfinst_fy2009.php)) was prepared by the Chancellor’s Office and the financial statements included within were audited by Moss-Adams, LLP, under contract to the Secretary of State, Audits Division. The audit opinion issued by Moss-Adams, LLP, is an unqualified opinion, which means that their opinion as to the fair presentation of the financial statements was issued without qualification.

In conjunction with the audit, Moss-Adams, LLP, has issued a letter to OUS Management communicating observations and recommendations relating to OUS internal controls. OUS Management has issued a letter in response to these observations and recommendations that includes general agreement with the observations and planned actions in response. None of the observations made by Moss-Adams, LLP, represented a significant deficiency or a material weakness in the design or operation of internal control for 2009.

As part of the financial statement audit, Moss-Adams, LLP, is required to communicate certain matters related to the conduct of the audit to those who have responsibility for oversight of the financial reporting process.

Staff Recommendation to the Committee:
Subject to the report of Moss-Adams, LLP, staff recommends that the Finance and Administration Committee of the Board accept the *2009 Annual Financial Report*.

(Board action required.)
OREGON UNIVERSITY SYSTEM

Communication With Those Charged With Governance

JUNE 30, 2009
COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Audit Committee of the
Oregon State Board of Higher Education
And the Oregon Secretary of State Audits Division

We have audited the financial statements of the Oregon University System (the “System”) for the year ended June 30, 2009, and have issued our report thereon dated November 11, 2009. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As discussed with the Audit Committee Chair on July 15, 2009 as well as per our contract with the Oregon Secretary of State Audits Division, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Oregon University System solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We encountered no significant findings as a result of performing and completing our audit.
Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Oregon University System’s audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you.

Qualitative Aspects of Accounting Practices

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Oregon University System are described in Note 1 to the financial statements. No new accounting policies were adopted and there were no changes in the application of existing policies during 2009. We noted no transactions entered into by the System during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were allowance for uncollectible accounts receivable at June 30, 2009, the useful lives of capital assets, and the actuarial determined liability related to other post employment benefit obligations.
Financial Statement Disclosures

The disclosures in the financial statements are consistent, clear and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosures affecting the financial statements were Note 13 and 14 related to retirement plans and postretirement benefits and Note 18 related to the component units. Due to the adoption of GASB Statement No. 45, there were additional disclosures in the financial statements for fiscal year 2008 related to the cost and obligations related to post employment healthcare and other non-pension benefits.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no corrected or uncorrected misstatements detected as a result of the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain written representations from management that are included in the management representation letter dated November 11, 2009.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the System’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.
Other Significant Audit Findings or Issues

In the normal course of our professional association with the Oregon University System, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the System’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Independence

We are required to disclose to those charged with governance, in writing, all relationships between the auditors and the System, which in our professional judgment, may reasonably be thought to bear on our independence. We know of no such relationships. We confirm that, in our professional judgment, we are independent of the Oregon University System within the meaning of professional standards.

This information is intended solely for the use of Audit Committee of the Oregon State Board of Higher Education, the Oregon Secretary of State Audits Division and management of the Oregon University System and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP
November 11, 2009
November 11, 2009

Oregon Secretary of State Audits Division
Salem, Oregon

Oregon State Board of Higher Education
Eugene, Oregon

In planning and performing our audit of the financial statements of Oregon University System for the year ended June 30, 2009, we considered its internal controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal controls.

However, during our audit we became aware of other matters that are an opportunity for strengthening internal controls and operating efficiency as well as considering industry best practices. The attachment that accompanies this letter summarizes our comments, suggestions and best practices regarding those matters. We would like to mention that these matters are not significant to the financial statements and accordingly have not been categorized as material weaknesses or significant deficiencies. This letter does not affect our report dated November 11, 2009, on the financial statements of Oregon University System.

We have discussed these comments with Oregon University System personnel, and would be pleased to discuss them in greater detail at your convenience, to perform any additional study of these matters or to assist you in implementing these recommendations.

This report is intended solely for the use of the Oregon Secretary of State Audits Division, the Oregon State Board of Higher Education, management and others within the System and is not intended and should not be used by anyone other than these specified parties.

Very truly yours,

Scott Simpson
For Moss Adams LLP
Approval of Manual Journal Entry Uploads (UO)

During our audit we identified that a limited number of departments and users at the University of Oregon have the ability to use a manual journal entry upload process into Banner. These entries do not route through Banner online approval queues and are therefore not subject to the same level of review and authorization as automated journal entries made within Banner.

Recommendation: We recommend the University of Oregon route manual journal entry uploads through Banner online approval queues to ensure these entries are reviewed, validated, authorized and properly recorded in the appropriate accounting period.

Student Billing and Receipting Credit Adjustments (EOU, OIT, OSU, SOU)

During our audit procedures in the areas of student billing and receipting we noted that Oregon Institute of Technology and Oregon State University had not implemented policies and procedures to detect unauthorized credit adjustments made to student accounts.

In addition, we noted that Eastern Oregon University had implemented a process to review a report of credit adjustments, but did not include certain transaction detail codes in the report that could be used to make unauthorized credit adjustments to student accounts.

Finally, we noted that Southern Oregon University had implemented a process to review a report of credit adjustments. However, only certain detail codes on this report were being reviewed on a regular basis to detect unauthorized credit adjustments made to student accounts.

Recommendation: We recommend Oregon Institute of Technology and Oregon State University implement credit adjustment review procedures to detect unauthorized adjustments to student accounts. We further recommend Eastern Oregon University review and modify their current report in order to capture all transaction detail codes that could be used to make unauthorized adjustments to student accounts. Finally, we suggest that Southern Oregon University review all detail codes on their current report that could result in unauthorized credit adjustments to student accounts on a regular basis.
Expenditure Approval (OIT)

During our audit we noted manual signatures on invoices to document payment authorization. The accounts payable department does not have a formal listing of authorized approvers’ signatures to refer to when reviewing and approving invoices. Instead, accounts payable department personnel rely on informal knowledge to determine if the signature is that of an authorized approver for departmental expenditures.

Recommendation: We recommend that Oregon Institute of Technology create and maintain a formal listing of signatures of personnel who are authorized to approve departmental expenditures.

Inventory of Equipment (OIT)

During our audit we noted that a physical inventory of equipment was not completed by the Oregon Institute of Technology within the required two-year period. While this institution has policies and procedures in place, it had not completed a physical inventory of equipment within the required timeframe. This institution has a policy which requires a biannual inventory of equipment as does OMB Circular A-133 which requires equipment purchased by federal funds to be inventoried every two years.

Recommendation: We recommend that Oregon Institute of Technology develop a process to ensure that physical inventories of equipment are completed within the required timeframe in the future. This process will identify equipment that may have been disposed of but remains on the fixed asset listing, or equipment that has been acquired but has not yet been accounted for and capitalized.

Fixed Assets Depreciation (EOU)

During our audit we selected a sample of fixed assets at Eastern Oregon University and discovered that these assets were not being depreciated within the Banner fixed asset module. Upon further inquiry it was noted the fixed asset accountant was not consistent in populating certain fields within the fixed asset module that are required to initiate the calculation of depreciation.

Recommendation: We recommend that Eastern Oregon University provide training to Banner fixed asset software users to ensure appropriate input within software. We further recommend that Eastern Oregon University implement policies and procedures to provide for monthly review of asset depreciation to ensure that all assets are depreciating.
Fixed Assets Depreciation (PSU, UO)

During our audit we selected a sample of fixed assets at the University of Oregon and Portland State University. We noted that depreciation on certain of these assets was not appropriately calculating within Banner. Upon further inquiry we were informed that these errors were due to a software deficiency incurred upon upgrading to a new version of Banner.

Recommendation: We recommend that the University of Oregon and Portland State University implement policies and procedures to provide for monthly review of asset depreciation to ensure that depreciation is calculating correctly.
December 8, 2009
Moss Adams LLP
975 Oak Street, Suite 500
Eugene OR 97401

Subject: Communication of Other Matters and Best Practices Resulting From FY 2009
Financial Statement Audit

Thank you for the observations and recommendations in the Communications of Other Matters and Best Practices letter that resulted from the FY 2009 financial statement audit. We recognize that the observations and recommendations are part of the ongoing effort to continually improve the accounting and financial reporting of the Oregon University System (OUS).

The following responses are to the observations and recommendations noted in the Communication of Other Matters and Best Practices letter.

University-Specific Observations and Recommendations

Approval of Manual Journal Entry Uploads (UC)

We concur with the observation and partially concur with the recommendation. At the time of the observation, upload journal entries were posted into Banner FIS using the ID of the person who runs the nightly processing program. We have since modified Banner FIS such that the upload journal entries now retain the originating user with the transaction posting. This provides a much cleaner audit trail in case of anomalies.

Upload journal entries can include thousands of lines of transactions and are primarily used to reallocate expenses from a central index/account (e.g., telecommunication charges). As such, they can touch numerous FOAPAL elements (Fund/Org/Account). Routing these entries to a Banner approval queue would require modifications to the feed processes within Banner, as the attractors for the approval queues are typically based upon the Document Type and FOAPAL elements. Due to the complexities of the upload journal entries, they cannot be drawn into an approval queue through the usual process.
Moss Adams LLP
Communication of Other Matters and Best Practices Resulting From FY 2009 Financial Statement Audit
December 8, 2009
Page 2

Upload journal entries are easily distinguished within the Banner accounting records, as their document number all start with “Z”, a document prefix not used with any other posting. Effective immediately UO will produce a monthly report, prior to the close of books, that lists all “Z” documents posted in that month. This report will be reviewed for reasonableness and any anomalies researched and corrected. We believe this detective control, in addition to the limited access to the upload journal entry process, will provide the level of oversight needed over upload journal entries.

Student Billing and Receipting Credit Adjustments (EOU, OIT, OSU, SOL)

Eastern Oregon University:

We concur with the observation and recommendation. The business office reviews a report of credit adjustments to student accounts. The business office is working with our IT department to ensure that the report captures all transaction detail codes that could be used to make credit adjustments to student accounts. The updated report should be in place by January 1, 2010.

Oregon Institute of Technology:

We concur with the observation and recommendation. A process to review credit adjustments to student accounts has required a technological solution. As of October 31, 2009, our IT department has developed the necessary reports on credit adjustments from the accounting system. As of December 1, 2009, these reports are generated monthly and reviewed as part of the month-end closing process.

Oregon State University:

We agree with the observation and recommendation. OSU will develop a series of reports or workflow processes to assist in detecting unauthorized credit adjustments on student accounts. In addition, we will continue to control access to the accounting system detail codes by users to only those pertinent to their area of responsibility.

OSU solicited information on the practices of the other institutions with procedures in place. We also considered the source and types of potential unauthorized credit (negative charge) entries. Our approach will be to conduct post-transactions audits by means of a Banner report or a workflow notification process. We will request a custom Banner report designed with parameter flexibility. The intent is to be able to review all non-system generated credit entries with data to include: student ID and name; credit entry amount, date, and term; charge detail and category code; some enrollment data; and the user name that generated the transaction. The flexibility we desire would allow analysis from many views, such as large dollar entry, user name, random selection, time period, or type of charge. The creation of this custom report will require development and programming time/resources, therefore we anticipate implementing this by February 2010. An alternative would be to use the new tool of SCT Workflow to trigger notifications to a manager of when a defined transaction occurs, such as data entry of a
negative charge on a student account. However, this is not yet a tested tool. In the interim, we will perform a monthly review of Banner Data Warehouse queries for negative charge transactions with a non-system user ID. The outcome of the reviews/audits will be documented and retained.

Southern Oregon University:

We concur with the observation and recommendation. To guard against unauthorized credit adjustments to student accounts, SOU restricts access to the detail codes required to record credit adjustments and reviews a report of all credit adjustments to student accounts. Review of the report includes scanning the credits that are automatically generated by the accounting system and focusing on manual credit adjustments. The report is shared with other offices for their review of the manual credit adjustments associated with their units.

Business Services review of the report is primarily focused on higher dollar volume, higher risk, types of credit adjustments. Before close of fiscal year 2010, Business Services will review and document its risk assessment pertaining to unauthorized credit adjustments and document the types of manually adjusted credit adjustments (by detail code) to be reviewed on a monthly basis.

Expenditure Approval (OIT)

We concur with the observation and recommendation. OIT will complete its file of signature authorizations so the Accounts Payable staff will have access to a formal listing of signatures when reviewing and approving invoice payments. We plan to complete the compilation during this fiscal year ending June 30, 2010.

Inventory of Equipment (OIT)

We concur with the observation and recommendation. Physical inventories have been performed but due to the staffing transitions, available records were not complete to show completion of the physical inventory. This task has since been assigned to the purchasing manager, who will complete the coordination of physical inventories by each custodial department. Our plan is to complete the physical inventory of fixed assets during this fiscal year ending June 30, 2010.

Fixed Assets Depreciation (EOU)

We concur with the observation and recommendation. The Controller’s Division has created a report to identify fixed asset records not being depreciated. As part of our monthly process for running the program to calculate and record depreciation expense, EOU will run the automated report that lists all fixed assets that are not depreciating. EOU will use this report to ensure that the accounting system is recording depreciation expense on all EOU assets subject to depreciation.
Moss Adams LLP
Communication of Other Matters and Best Practices Resulting From FY 2009 Financial Statement Audit
December 8, 2009
Page 4

Fixed Assets Depreciation (PSU UO)

We concur with the observation and recommendation. The most recent software upgrade to the accounting system used by OUS contained a software bug when calculating the depreciation expense for some asset records. The software bug was communicated to the software vendor and the software vendor acknowledged the software bug as a “high-level” defect. The software vendor has since provided a correction patch which OUS is currently testing. In the meantime, all OUS universities have reverted to an earlier bug-free version of the software that calculates the depreciation.

OUS has over 23,000 fixed asset records. Recalculating accumulated depreciation for all records would duplicate the function of the fixed assets software, and comparing the results to each of 23,000 fixed asset records would be very time consuming and resource intensive.

To help substantiate the accuracy of depreciation expense, the Controller’s Division will develop an exception report to identify any fixed assets records where the accumulated depreciation is greater than the capitalized cost; and will compare total monthly depreciation with prior month depreciation and review for significant differences. These steps will take place this fiscal year and will be incorporated in the preparation of the fiscal year 2010 financial statements.

Thank you again for the opportunity to respond to the observations and recommendations. Should you have any questions or concerns regarding the above management responses, please let me know.

Sincerely,

George Pernsteiner
Chancellor
OUS, Internal Audit Progress Report

Background:
The Oregon State Board of Higher Education Finance and Administration Committee Charter outlines that the Committee is to review and approve on a quarterly basis the Oregon University System Internal Audit Division’s (IAD) audit reports. The charter also outlines that the committee is to review and approve the annual internal audit plan. In accordance with the charter, IAD will present the 2009 Final Progress Report and the 2010 Annual Audit Plan as directed. IAD notes that the audit report recommendations made over the past quarter were all adequately addressed by management.

Staff Recommendation to the Committee:
Staff recommends that the Finance and Administration Committee of the Board approve the Internal Audit 2009 Final Progress Report and 2010 Annual Audit Plan.

(Committee action required.)
Oregon University System
Internal Audit Division
2009 Final Progress Report
&
2010 Annual Audit Plan
I. Executive Summary

The Oregon State Board of Higher Education (the Board) has oversight responsibility to ensure that the Oregon University System (OUS) is performing its duties of financial reporting, ensuring effective and efficient internal controls, and complying with laws, regulations, and ethics. The OUS Internal Audit Division (IAD) is charged with assisting the Chancellor and the Board with their oversight responsibility.

This report contains an overview of the IAD organization, a summarization of the internal reports issued over the past quarter, progress made toward completing the 2009 calendar year audit plan, and the 2010 calendar year audit plan. This report is being provided in accordance with the IAD charter, which outlines responsibilities for:

- Developing and implementing an annual internal audit plan that outlines the engagements to be performed using an appropriate risk-based methodology. The annual plan is to include the consideration of any risks or control concerns identified by management and is reviewed and approved by the Chancellor and the Finance and Administration Committee of the State Board of Higher Education.

- Issuing quarterly progress reports to the Chancellor and the Finance and Administration Committee summarizing the results of engagement activities.

The IAD charter was developed in accordance with internal auditing standards promulgated by the International Institute of Internal Auditors.

Standard 2010 “The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organization’s goals. The internal audit activity’s plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.”

Standard 2020 “The chief audit executive must communicate the internal audit activity’s plans and resource requirements, including significant interim changes, to senior management and the board for review and approval.”

Standard 2060 “The chief audit executive must report periodically to senior management and the board on the internal audit activity’s purpose, authority, responsibility, and performance relative to its plan....”

The information provided documents how IAD works with management to mitigate risks and identify improvements to OUS operations. The audit report recommendations made over the past quarter are all adequately addressed by management.
II. Organizational Chart and Staff Profile

As of January 2010

Profile of 11 professional auditors
- 141 years of combined professional career experience
  - 46 years of OUS experience
- 16 Professional Audit Certifications
  - 6 Certified Public Accountants
  - 4 Certified Internal Auditors
  - 5 Certified Information Systems Auditors
  - 1 Certified Fraud Examiner
- Chief Auditor/Executive Director - Masters of Business Administration (MBA)
### III. 2009 Audit Reports Issued - 4th Quarter

During the period from October through December 2009, the IAD issued reports pertaining to the following topics:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Engagement Title</th>
<th>Assurance Provided Based Upon Procedures Performed</th>
</tr>
</thead>
<tbody>
<tr>
<td>OUS EOU OSU CO</td>
<td>Payroll Operations</td>
<td>Scheduled engagement – Evaluated security over payroll file transmission, application access, and authorization of payroll advance draws and overload payments. IAD noted opportunities for improvement and control strengths, which were shared in a Systemwide report. IAD also noted opportunities to further automate timekeeping and leave reporting systems used throughout the System.</td>
</tr>
<tr>
<td>OUS</td>
<td>Information Security Policy</td>
<td>Scheduled engagement – Evaluated the implementation and effectiveness of the OUS Information Security Policy. IAD noted the OUS policy was implemented and that campuses are continuing to implement policies. Areas of improvement and control strengths were shared in a Systemwide report.</td>
</tr>
<tr>
<td>EOU UO</td>
<td>President Transition Review</td>
<td>Scheduled engagement – Evaluated the fiscal controls and exit procedures within the President’s Office noting appropriate control structure and implementation of exit procedures.</td>
</tr>
<tr>
<td>OIT</td>
<td>Exit Procedures and Contract Review</td>
<td>Management request – Evaluated, at the request of the President, contracting processes employed by the university and exit procedures for former VP. IAD noted appropriate exit procedures were implemented and made recommendations for improving contracting processes.</td>
</tr>
<tr>
<td>OSU</td>
<td>Business Center Model</td>
<td>Scheduled engagement – Evaluated the control structure of the new business model designed to enhance the University’s internal control structure. IAD noted that the model will continue to further enhance the control structure of the university. IAD will continue to work with management on evaluation throughout implementation.</td>
</tr>
<tr>
<td>UO</td>
<td>Business Affairs Office Safekeeping Program Review</td>
<td>Management request - Evaluated the segregation of duties and account balances of a prepaid student deposit program established under a prior university business officer. Funds were deposited on behalf of students. IAD noted that accounts have been adequately confirmed and are being distributed. Future funds will not be received by the university because the program has been discontinued.</td>
</tr>
</tbody>
</table>
## IV. 2009 Calendar Year Audit Plan - Final Status

The following table outlines the status of IAD planned activities for calendar year 2009. These activities were presented and approved in February 2009.

### Status of 2009 Scheduled Activities

<table>
<thead>
<tr>
<th>Scheduled Projects Completed</th>
<th>Added Projects Completed (Approved 10/09)</th>
<th>Projects Cancelled (Approved 10/09)</th>
<th>Projects In Progress</th>
<th>Other Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Payroll Operations (OUS, EOU, OSU, CO)</td>
<td>• OUS Cashiering and Vault Count</td>
<td>• OUS Financial Aid</td>
<td>• Internal control training and advising</td>
</tr>
<tr>
<td></td>
<td>• OSU Business Center Model</td>
<td>• OUS Procurement Card Program</td>
<td>• UO Dept Information System – campus operations</td>
<td>• Information security breach advising</td>
</tr>
<tr>
<td></td>
<td>• Presidential Transition Reviews (UO, EOU)</td>
<td>• WOU International Student Programs</td>
<td>• Projects In Progress</td>
<td>• External Audit Liaison</td>
</tr>
<tr>
<td></td>
<td>• NCAA Football Attendance Certifications (OSU, UO)</td>
<td>• OIT Exit Procedures and Contract Review</td>
<td></td>
<td>o Moss Adams – financial statement &amp; A-133 audits, NCAA agreed-upon procedures</td>
</tr>
<tr>
<td></td>
<td>• OUS Information Security Policy</td>
<td></td>
<td></td>
<td>o Secretary of State Audits Division</td>
</tr>
<tr>
<td></td>
<td>• American Recovery and Reinvestment Act (ARRA) Compliance Monitoring</td>
<td></td>
<td></td>
<td>o Construction audit contractor management</td>
</tr>
<tr>
<td></td>
<td>• Financial irregularity hotline and special management requests (nine reports issued)</td>
<td></td>
<td></td>
<td>o Internal Revenue Service</td>
</tr>
<tr>
<td></td>
<td>• Follow-up of prior audit recommendations</td>
<td></td>
<td></td>
<td>• Professional association leadership and presentations</td>
</tr>
</tbody>
</table>

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Oregon State Board of Higher Education
F&A Committee
Page 36
ACTION ITEMS
V. 2010 Calendar Year Audit Plan

As outlined in the Oregon University System Internal Audit Division charter, IAD is an independent, objective, assurance and consulting activity designed to add value and improve the organization's operations. In order to meet this responsibility, IAD annually develops an audit plan to provide comprehensive audit coverage and deploy audit resources in an effective and efficient manner.

IAD performed a macro-level risk assessment using industry trends, past audit experience, fiscal analysis, and management input in order to determine the audit plan for the upcoming year. Our assessment utilized the Internal Control Integrated Framework components as published by the Treadway Commission’s Committee of Sponsoring Organizations (COSO).

A major portion of internal audit resources are allocated to performing scheduled audits. IAD has segmented OUS into nine major functions in order to ensure comprehensive coverage across OUS. The following audits are scheduled audit topics to be completed in 2010:

<table>
<thead>
<tr>
<th>Major Functions</th>
<th>Planned Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance/Leadership</td>
<td>• Consultation on policy infrastructure development</td>
</tr>
<tr>
<td>Instruction and Academic Support</td>
<td>• Coordination of Secretary of State Audits Division academic performance audit</td>
</tr>
<tr>
<td>Research and Development</td>
<td>• State and federal stimulus funding audit engagement</td>
</tr>
<tr>
<td></td>
<td>• Follow-up on conflict of interest policy implementation</td>
</tr>
<tr>
<td>Student Services</td>
<td>• Financial aid audit engagement of security of sensitive student information and efficiencies</td>
</tr>
<tr>
<td>Human Resources Management</td>
<td>• Follow-up on background check policy implementation</td>
</tr>
<tr>
<td>Fiscal/Asset Management</td>
<td>• Purchasing and contracting audit engagement of delegated authority and rule compliance</td>
</tr>
<tr>
<td></td>
<td>• Treasury management audit engagement of the newly established function’s internal control structure</td>
</tr>
<tr>
<td>Plant Operations</td>
<td>• Facilities management information system audit engagement</td>
</tr>
<tr>
<td></td>
<td>• Contracted construction fiscal closeout audit coordination</td>
</tr>
<tr>
<td>Auxiliaries and Services</td>
<td>• Athletics – NCAA ticket count certifications</td>
</tr>
<tr>
<td>Information Technology</td>
<td>• General internal control audit engagements</td>
</tr>
<tr>
<td></td>
<td>• Selected application control audit engagements</td>
</tr>
</tbody>
</table>
V. **2010 Calendar Year Audit Plan (continued)**

In addition to completing the scheduled audits listed on the previous page, IAD will perform a number of other activities in 2010. These activities are designed to add value and improve organizational effectiveness. These activities include:

- Complaint investigation and special management request audits
- Audit follow-up activities for all previously issued audit reports
- External audit liaison:
  - Moss-Adams – financial statement & A-133 audits, NCAA agreed-upon procedures
  - Secretary of State Audits Division – hotline call follow-up, academic performance audit
  - Construction audit contractor management
  - Internal Revenue Service
- Internal control training sessions, orientation, and advising
- Professional association leadership and presentations
OUS, 2009-10 Enrollment Settle-up and Retention Incentives

Background
As a reminder, the following guiding principles for the 2009-2011 budget allocation process were adopted by the Board in October 2009:

1. Compliance with the OUS Board’s expectations, budget request justifications, and progress toward Board’s priorities;
2. Compliance with Legislative expectations and representations;
3. To the extent feasible, maintaining access to education for all qualified students;
4. Uses the Resource Allocation Model (RAM) to provide a basis of distributing General Fund support among campuses;
5. Creation of incentives to serve added Oregon students;
6. Creation of incentives to improve retention, increase graduates, improve student success, and achieve other Board goals;
7. Striving to more evenly distribute enrollment throughout the System to address capacity issues;
8. Acknowledging campus differences while striving to maintain the financial integrity of all campuses within OUS;
9. Ensuring that no institution would have fewer nominal dollars from State General Funds and other funds limited revenues in 2009-10 than it had in 2008-09 (Statewide Public Services at OSU excepted due to line-item appropriations); and
10. In determining the campus allocations a reserve of $16.6 million in state General Fund will be withheld in 2009-2011. Said reserve shall be used first to offset any additional cuts to the state’s General Fund budget during the 2009-2011 biennium and second for incentives for retention, graduation, other Board priorities, and as enrollment settle up.

Process and Distribution of Enrollment Settle-up and Retention Incentive for 2009-10:
The 2009-10 enrollment settle-up and distribution of retention incentives were based on projected 2009-10 enrollment based on the fall term 4\textsuperscript{th} week enrollments and fall 2008 to fall 2009 retention information. This information drives the proposed distribution of $6,596,499 from OUS reserves as follows:

a) To settle-up for the 2009-10 fundable enrollments, we adjusted the enrollment-driven funding based on the difference between the budgeted fundable enrollments to the projected fundable enrollments. This adjustment resulted in a positive adjustment to each campus’ 2009-10 enrollment funding for a total positive budget adjustment of $4,033,573 – see Attachment A, “Increased Funding for Enrollment Growth.”

b) To settle-up for the enrollment-driven targeted programs (regional university support, engineering technology undergraduates at OIT, and graduate engineering students at
OSU and PSU), we adjusted the 2009-10 amounts based on projected 2009-10 enrollments. This resulted in a $148,606 negative budget adjustment to the affected campuses – see Attachment A, “Enrollment Driven Targeted Program Adjustments.”

c) To incentivize improved retention rates for freshmen to sophomore levels for first-time, full-time freshmen, we have rewarded both improved overall retention percentage rates and the number of students from each cohort that were positively impacted by this action. This resulted in a positive allocation of $1,033,500 to the participating campuses – See Attachment A, “Total Retention Incentive.” Note: all incentives are one-time, non-recurring budget allocations.

d) As previously discussed in the October Board meeting, enrollment growth subsequent to 2002-03 was funded at 50 percent of pre-2002-03 enrollment. The remainder of the $6.6 million reserve for 2009-10 has been provided to increase funding for enrollment growth from 2002-03 to 2009-10 from 50 percent to 57 percent. This resulted in a positive budget allocation of $1,678,032 – See Attachment A, “Total to Fund Enrollment Growth from 2002-03 to 2009-10 at 57.0%.”

**Implication to the 2010-11 Enrollment Settle-up, Retention Incentives and the remaining $10 million reserve:**

With projected enrollment growth anticipated to be greater than originally budgeted in both 2009-10 and 2010-11, approximately $6 million of the remaining $10 million reserve will be needed to fund 2010-11 projected fundable enrollments and another $2 million will be needed to fund enrollment growth from 2002-03 to 2010-11 at the 57 percent rate. The remainder of approximately $2 million is expected to be available for 2010-11 retention incentives.

**Staff Recommendations to the Committee:**

Staff recommends that the Finance and Administration Committee of the Board approve the 2009-10 enrollment settle-up process and retention incentives as described and as itemized in Attachment A and as reflected in the 2009-10 budget summary in Attachment B.

*(Committee action required.)*
Oregon University System
Settle-up and Incentive Funding Adjustments
Fiscal Year 2009-10

EOU OIT OSU OSU-CC PSU SOU UD WOU Total
2009-10 Budgeted Fundable Enrollments
2,615 2,153 16,841 318 17,844 3,465 15,011 4,002 62,049
2009-10 Projected Fundable Enrollments (based on Fall 09- 4th week)
2,825 2,235 17,361 385 18,101 3,460 15,419 4,005 63,850
Increase/(decrease) from Budget
210 82 720 66 257 (24) 408 83 1,801
% Increase/(decrease) from Budget
8.0% 3.8% 4.3% 20.8% 1.4% -0.7% 2.7% 2.1% 2.9%
2009-10 Approved Budget
8,281,540
7,884,069
69,093,104
792,853
58,131,872
11,484,403
57,013,967
12,550,832
225,232,640
2009-10 Adjusted Budget based on projected enrollment
8,576,412
8,031,150
70,914,216
898,984
58,591,670
11,544,871
57,682,486
13,035,424
229,266,213
Increased Funding for Enrollment Growth
294,872
147,081
1,821,112
106,131
459,798
60,468
668,519
475,592
4,033,573
Adjustments to Targeted Programs for Enrollment Growth:
Regional University Support Adjustment
(78,496)
(29,529)
-
(14,578)
-
-
-
(167,457)
Engineering Technology Undergraduate Program
-
(54,883)
-
-
-
-
-
(54,883)
Engineering Graduate Program
-
-
51,712
-
22,022
-
-
73,734
Enrollment Driven Targeted Program Adjustments
(78,496)
(84,412)
51,712
(14,578)
22,022
(19,063)
-
(148,606)
Retention Information:
Freshman Retention
Actual Fall 2007 cohort retained in Fall 2008
54.1% 68.7% 80.8% 68.5% 66.2% 82.3% 72.5%
Actual Fall 2008 cohort retained in Fall 2009
72.2% 70.9% 82.6% 70.1% 67.6% 83.5% 71.0%
Increase/(decrease) 07-08 to 08-09
18.1% 2.2% 1.8% 1.6% 1.4% 1.2% -1.5%
Freshman cohort headcount - Fall 2008
313
344
3,006
1,567
675
4,193
884
Increase in students retained by improved retention rate
57
8
54
25
9
50
Incentives:
Retention Incentives
Annual Increase (07-08 to 08-09) ($20K/%) $362,000
44,000
36,000
32,000
28,000
24,000
- $526,000
Headcount Increase (07-08 to 08-09) ($2,500/student) 142,500
20,000
135,000
62,500
22,500
125,000
- 507,500
Total Retention Incentive $504,500
64,000 $171,000 $94,500 $50,500 $149,000 $ - $1,033,500
Funding for Enrollment Growth from 2002-03 to 2009-10 @ 57.0%
$65,487
35,097
903,915
52,866
744,462
(53,516)
89,189
64,756
1,902,256
Vet. Med. Program adjustment - (224,224)
Total to Fund Enrollment Growth from 2002-03 to 2009-10 @ 57.0%
65,487
35,097
679,691
52,866
744,462
(53,516)
89,189
64,756
1,678,032
Total Settle-up and Incentive Funding Adjustments $786,363
161,766 $2,723,515 $144,419 $1,320,782 $38,389 $906,708 $514,557 $6,596,499
* Freshman retention percentages represent full-time freshman who entered and returned to the same OUS institution for a second year.
<table>
<thead>
<tr>
<th>Category</th>
<th>2009-10 General Fund</th>
<th>2009-10 Federal Stimulus</th>
<th>Total Targeted Programs</th>
<th>Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate Funding</td>
<td>7,559,226</td>
<td>7,974,925</td>
<td>43,172,584</td>
<td>49,616,734</td>
</tr>
<tr>
<td>Graduate Funding</td>
<td>1,017,186</td>
<td>56,225</td>
<td>27,741,632</td>
<td>28,908,000</td>
</tr>
<tr>
<td>Retention and Enrollment Incentives</td>
<td>504,500</td>
<td>64,000</td>
<td>171,000</td>
<td>188,500</td>
</tr>
<tr>
<td>Regional University Funding</td>
<td>3,381,993</td>
<td>3,465,945</td>
<td>3,064,899</td>
<td>9,912,837</td>
</tr>
<tr>
<td>Regional Access</td>
<td>953,560</td>
<td>410,331</td>
<td>-</td>
<td>1,363,891</td>
</tr>
<tr>
<td>Engineering Technology Undergraduate</td>
<td>-</td>
<td>-</td>
<td>1,510,788</td>
<td>1,510,788</td>
</tr>
<tr>
<td>Sponsored Research</td>
<td>41,172</td>
<td>6,985</td>
<td>2,014,146</td>
<td>2,083,629</td>
</tr>
<tr>
<td>Dispute Resolution</td>
<td>385,818</td>
<td>716,519</td>
<td>1,102,337</td>
<td>1,102,337</td>
</tr>
<tr>
<td>Oregon Solutions</td>
<td>1,264,105</td>
<td>1,264,105</td>
<td>1,264,105</td>
<td>1,264,105</td>
</tr>
<tr>
<td>Health Professions Programs</td>
<td>307,566</td>
<td>2,521,404</td>
<td>-</td>
<td>2,828,970</td>
</tr>
<tr>
<td>Rural Access</td>
<td>281,993</td>
<td>281,993</td>
<td>281,993</td>
<td>281,993</td>
</tr>
<tr>
<td>Building Maintenance/ SWPs</td>
<td>1,988,288</td>
<td>1,988,288</td>
<td>1,988,288</td>
<td>1,988,288</td>
</tr>
<tr>
<td>Information Technology Undergraduate Program</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Central Services</td>
<td>6,456,411</td>
<td>427,674</td>
<td>6,884,085</td>
<td>6,884,085</td>
</tr>
<tr>
<td>Total General State Higher Education</td>
<td>38,326,838</td>
<td>3,641,680</td>
<td>41,968,518</td>
<td>41,968,518</td>
</tr>
<tr>
<td>Total Federal Stimulus</td>
<td>3,706,163</td>
<td>2,412,981</td>
<td>6,119,144</td>
<td>6,119,144</td>
</tr>
<tr>
<td>Total Targeted Programs</td>
<td>3,063,358</td>
<td>45,205</td>
<td>3,518,563</td>
<td>3,518,563</td>
</tr>
<tr>
<td>Total Budget</td>
<td>3,063,358</td>
<td>45,205</td>
<td>3,518,563</td>
<td>3,518,563</td>
</tr>
</tbody>
</table>
OUS, DRAFT House Bill 2500 Implementation

**Background:**
House Bill 2500—see-complete text below—is to be implemented on January 1, 2010. This act, referred to as the Financial Transparency Act, requires all state agencies, including OUS, to publish financial information on a publicly accessible website. Required information (see SECTION 2; Subsection 3(a)(i) below) to be posted to this website includes information relating to agency revenues, expenditures, contracts, employee compensation, tax expenditures, audit reports, etc., along with a description of the agency’s mission and number of individuals served, etc.

In addition, the act establishes the Transparency Oregon Commission to oversee this effort. Mike Green, Associate Vice Chancellor and Controller, has been appointed by the Governor as the Executive Department administrator on this commission.

Some important caveats that will be displayed with this information include:

“A report is provided for each OUS division (each institution and the Chancellor’s Office).”

“These reports include payments made to vendors by OUS universities and Chancellor’s Office for capital assets (tangible), capital outlay (capitalized), inventories, merchandise for resale or redistribution, prepaid expense, sales and services, services and supplies, sub-contracts & sub-grants.”

**Additional notation:**

- Payments are from all funding sources, including restricted funds (grants)
- Individual vendor payments have been rolled up into a single summary payment based on Account Category
- Summarized vendor payments less than $1 are not included
- Travel reimbursements to a single vendor may include costs for a group of travelers, such as athletic teams, etc.
- Some payments to vendors may be reimbursed at a later date from an outside organization, such as an affiliated foundation
- As OUS has only one payroll center, all employee benefit costs are shown in the Chancellor’s Office data and not on individual campus information

**Staff Recommendation to the Committee:**
This is a report item only. No action is necessary at this time.
HOUSE BILL 2500

Sponsored by Representatives ROBLAN, J SMITH, THATCHER, WHISNANT, Senator DEVLIN; Representatives BENTZ, BRUUN, CAMERON, CANNON, DEMBROW, C EDWARDS, D EDWARDS, ESQUIVEL, FREEMAN, GARRARD, GILLIAM, GILMAN, HANNA, HARKER, HUFFMAN, KAHL, KENNEMER, KOMP, KRIEGER, MATTHEWS, RICHARDSON, G SMITH, STIEGLER, THOMPSON, VANORMAN, WEIDNER, WINGARD, Senators BONAMICI, FERRIOLI, GEORGE, KRUSE, MONNES ANDERSON, MORRISETTE, MORSE, SCHRADER, STARR, WALKER, WHITSETT, WINTERS

AN ACT

Relating to public finance; appropriating money; and declaring an emergency.

Whereas the Seventy-fifth Legislative Assembly finds that taxpayers should be able to easily access the details on how the state is spending their tax dollars and what performance results are achieved for those expenditures; and
Whereas Oregon is currently facing a deep budget shortfall and is seeking efficiencies wherever possible; and
Whereas there currently is no single, easily accessible interactive website that allows taxpayers to track state revenues and expenditures; and
Whereas current technology affords the state an opportunity to provide citizens with a transparent look at the state's finances; and
Whereas the Oregon Progress Board found in 2008 that only 12 percent of Oregonians could correctly identify both the income tax as Oregon's largest source of state income and education as the largest General Fund expenditure; and
Whereas future investments in state government information technology should strive for integrated systems and data exchange designed to provide meaningful information to the public, policy makers and state agencies; and
Whereas the Seventy-fifth Legislative Assembly finds that the creation of an interactive website detailing the location, purpose and results of taxpayer investments in state government is beneficial to our state; now, therefore,

Be It Enacted by the People of the State of Oregon:

SECTION 1. { + As used in sections 1 to 4 of this 2009 Act, 'state agency' means any officer, board, commission, department, division or institution of state government, as defined in ORS 174.111. 'State agency' does not mean the State Treasurer. + }

SECTION 2. { + (1) The Oregon Department of Administrative Services shall develop and make available an Oregon transparency website. The website shall allow any person to view information that is a public record and not exempt from disclosure under ORS 192.410 to 192.505, including but not limited to information described in subsection (3) of this section. }
(2) State agencies, to the extent practicable and subject to laws relating to confidentiality, when at no additional cost, using existing data and existing state agency resources and without reallocation of resources, shall:
   (a) Furnish information to the Oregon transparency website by posting reports and providing links to existing information system applications in accordance with standards established by the Oregon Department of Administrative Services; and
   (b) Provide the information in the format and manner required by the Oregon Department of Administrative Services.

(3) To the extent practicable and subject to laws relating to confidentiality, when at no additional cost, using existing data and existing state agency resources and without reallocation of resources, the Oregon transparency website shall contain information about each state agency, including but not limited to:
   (a) Annual state agency revenues;
   (b) Annual state agency expenditures;
   (c) Annual state agency human resources expenses, including compensation;
   (d) Annual state agency tax expenditures, including, where possible, the identity of the recipients of each tax expenditure;
   (e) State agency contracting and subcontracting information, to the extent allowed by law;
   (f) A prominently placed graphic representation of the primary funding categories and approximate number of individuals served by the state agency;
   (g) A description of the mission, function and program categories of the state agency;
   (h) Information about the state agency from the Oregon Progress Board; and
   (i) A copy of any audit report issued by the Secretary of State for the state agency.

(4) In creating, operating, refining and recommending enhancements to the Oregon transparency website, the Oregon Department of Administrative Services and the Transparency Oregon Advisory Commission created in section 3 of this 2009 Act shall consider and, to the extent practicable, adhere to the following principles:
   (a) The website must be accessible without cost and be easy to use;
   (b) Information included on the Oregon transparency website must be presented using plain, easily understandable language; and
   (c) The website should teach users about how state government works and provide users with the opportunity to learn something about how state government raises and spends revenue.

(5) If a state agency is not able to include information described in this section on the Oregon transparency website because of the lack of availability of information or cost in acquiring it, the Transparency Oregon Advisory Commission created in section 3 of this 2009 Act shall list the information that is not included for that state agency in the commission's report to the Legislative Assembly required under section 3 of this 2009 Act.

SECTION 3. { + (1) There is created the Transparency Oregon Advisory Commission consisting of nine members appointed as follows:
   (a) The President of the Senate shall appoint two members from among members of the Senate, one from the majority party and one from the minority party.
(b) The Speaker of the House of Representatives shall appoint two members from among members of the House of Representatives, one from the majority party and one from the minority party.

(c) The Governor shall appoint one member from an executive branch agency.

(d) The Director of the Oregon Department of Administrative Services shall appoint one member.

(e) The Legislative Fiscal Officer shall appoint one member.

(f) The President of the Senate and the Speaker of the House of Representatives shall each appoint one member of the public with experience or interest in public finance, public relations, Measurement of performance outcomes or technology.

(2) The commission shall advise and make recommendations to the Oregon Department of Administrative Services regarding the creation, contents and operation of, and enhancements to, the Oregon transparency website.

(3) A majority of the members of the commission constitutes a quorum for the transaction of business.

(4) Official action by the commission requires the approval of a majority of the members of the commission.

(5) The commission shall elect one of its members to serve as chairperson. The chairperson shall be selected not later than October 1 of each odd-numbered year.

(6) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.

(7) The commission shall meet at times and places specified by the call of the chairperson or of a majority of the members of the commission.

(8) The commission may adopt rules necessary for the operation of the commission.

(9) The commission shall use the services of permanent staff of the Legislative Fiscal Office to the greatest extent practicable to staff the commission. The Oregon Department of Administrative Services may provide additional assistance.

(10) Members of the commission who are not members of the Legislative Assembly are not entitled to compensation or reimbursement for expenses and serve as volunteers on the commission.

(11) All agencies of state government, as defined in ORS 174.111, are directed to assist the commission in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the commission consider necessary to perform their duties.

(12) The commission shall report to the Legislative Assembly not later than January 15 of each odd-numbered year. The report shall describe:

(a) Enhancements made to the Oregon transparency website during the previous two calendar years;

(b) Possible future enhancements to the website, including but not limited to the inclusion of information relating to:

(A) Performance outcomes that measure the success of state agency programs in achieving goals;

(B) State agency bond debt;

(C) State agency expenses for capital improvements;
(D) Numbers and descriptions of jobs created through state agency contracts and subcontracts;
(E) Lists of businesses and individuals receiving tax credits, deductions, refunds, rebates and other subsidies from a state agency;
(F) Lists of the names of contractors who received a contract from a state agency, including the number of contracts and compensation received; and
(G) Lists by contracting state agency of the number of contracts entered into during a biennium and the amount of moneys spent on the contracts; and
(c) The feasibility of including an interactive application where citizens can simulate balancing a biennial budget for the state.

(13) The term of office of each member is four years, but a member serves at the pleasure of the appointing authority. Before the expiration of the term of a member, the appointing authority shall appoint a successor whose term begins on January 1 next following. A member is eligible for reappointment. If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective for the unexpired term.

SECTION 4. { (1) The Transparency Oregon Advisory Commission may accept contributions of moneys and assistance from the United States Government or its agencies or from any other source, public or private, and agree to conditions placed on the moneys not inconsistent with the duties of the commission.
(2) There is established in the State Treasury, separate and distinct from the General Fund, the Transparency Oregon Advisory Commission Fund. The fund consists of moneys received by the commission under this section and such other moneys as may otherwise be made available by law. Interest earned on the fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the commission and may be used only for the performance of the functions of the commission.

SECTION 5. { (1) Section 2 of this 2009 Act becomes operative on January 1, 2010.
(2) The Oregon Department of Administrative Services may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the department to exercise, on and after the operative date specified in subsection (1) of this section, all the duties, functions and powers conferred on the department by this 2009 Act.

SECTION 6. { Notwithstanding the term of office specified by section 3 of this 2009 Act, of the members first appointed to the Transparency Oregon Advisory Commission:
(1) Three shall serve for terms ending January 1, 2011.
(2) Three shall serve for terms ending January 1, 2012.
(3) Three shall serve for terms ending January 1, 2013.

SECTION 7. { This 2009 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect on its passage.
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Tuition and Fee Recommendations, Residence Hall and Food Service Charges, and Amendment to OAR 580-040-0035, 2010 Summer Session Fee Book

Summary:
Staff is requesting the approval of proposed OUS tuition and fee rates, related policies, and campus room and board rates for the 2010 Summer Session as they are presented in the accompanying draft of the Summer Session Fee Book. Tuition and fee proposals include tuition, building, incidental, health, recreation center, resource, and one-time fees. Tuition and fee rates are established by student classification (undergraduate, graduate, and doctoral), residency, and credits hours taken. Summer tuition and fee revenue supports the mission of OUS institutions.

Summer Session Background:
Prior to 1999, summer session programs did not receive direct state General Fund support. However, with the approval of the Resource Allocation Model by the Governor and Legislature during the 1999-2001 Legislative Session, funding relationships for summer sessions changed. Currently, the Resource Allocation Model provides state General Fund support for fundable summer enrollment.

Tuition and Fee Setting Process:
The process for determining summer session tuition and fee rates is based on internal and external considerations of System- and state-level funding, as well as relevant policy issues. To determine the recommended rates, institutions must balance the fiscal requirements of their summer session programs with market considerations, including tuition rates of competing education providers. Summer session fees are established through campus internal processes that include the participation of student and staff advisory committees in developing the proposed fees.

Institutions may assess summer session tuition on the current per-credit-hour basis or align summer rates with the preceding academic year structure.

Tuition and fees for summer term are generally assessed on a per-credit-hour basis, without tuition plateaus for full-time students. Institutions are not required by policy to make a residency determination for summer term, but may choose to do so.

Public Hearing:
In compliance with the requirements of the Oregon rule-making process and in order to provide OUS students with sufficient opportunity to comment on the proposed tuition and fee recommendations, public hearings were conducted on December 8 and December 10, from 10–11 a.m., in conference room 214B in the Kerr Administration building on the Oregon State University Campus and on December 18, from 10-11 a.m., in room 242C of Susan Campbell Hall on the University of Oregon Campus. An email reminder containing an electronic copy of the
2010 Summer Session Fee Book Draft was sent to student body presidents and campus staff prior to each hearing. No written or oral testimonies were submitted during the hearings.

Definitions:
Building Fee: The building fee is the same for all institutions and in the past has been approximately 75 percent of the academic year rate. For Summer 2010, the rate remains unchanged at $34 per student. ORS 351.170 allows OUS to assess up to $45 per student per term to finance debt service for construction associated with student centers, health centers, and recreational facilities constructed through the issuance of Article XI-F(1) bonds.

Incidental Fee: Incidental fee recommendations are made by student committees on each campus in accordance with the Board-approved incidental fee policy (OAR 580-010-0090). In some instances, student committee recommendations are supported by general campus student referenda.

Revenue generated by incidental fees are used for “student union activities, educational, cultural, and student government activities, and athletic activities.” The president of each institution reviews and submits the student committee recommendations to the Chancellor to submit to the Board for final review and approval.

Health Services Fee: This fee is used to support each institution’s student health services that operate as an auxiliary enterprise on a self-sustaining basis. Optional health insurance policies are also made available by some institutions. During summer sessions, student health services operations function at reduced levels or are not provided at all. The recommended rates reflect these lower levels of activity.

Recreation Center Fee: This fee is used to fund the construction and operation of Student Recreation Centers. It is assessed to provide additional funding as the Building Fee is not adequate to fully fund or operate projects of this scale.

One-time Fees: The Matriculation (all campuses) and Transcript for Life (OIT) Fees are examples of one-time fee charges to new or transfer students. This fee is a one-time assessment and was developed to reduce the large number of enrollment-related fees for student orientation, course schedules (drop/add fees), transcripts, degree applications, and re-enrollment. The fee is also used to support academic programming for Freshman Interest Groups and Learning.

Resource Fees: Resource fees have two forms: universal fees assessed to all students and programmatic fees assessed only to students admitted to specific academic programs. Institutions have the option of assessing resource fees during the summer session at rates comparable to those assessed in the preceding academic year.

In January 2008, this Board approved a policy change to transition resource fees into tuition.

Adopted policy changes include:
1. No new undergraduate resource fees of any type (one-time, universal, or programmatic) will be initiated after this policy change is adopted.

2. All universal resource fees (technology and energy surcharges) assessed to undergraduate students will be rolled into tuition no later than Fall term 2011. Undergraduate students enrolled in the WOU tuition promise program who entered with the Fall 2007 cohort will be exempted.

3. Programmatic resource fees assessed to undergraduate students will be eliminated no later than Fall 2011 by: a) increasing tuition for all students in an amount equivalent to that generated by undergraduate resource fees; or b) by creating differential tuition for certain programs in accordance with the guidelines outlined above; or some combination of a) and b) above.

4. One-time matriculation resource fees would be replaced by an approved matriculation fee to be defined in the Academic Year Fee Book and assessed as a one-time charge for new students when they matriculate to an institution.

5. The disposition of universal and programmatic resource fees assessed to graduate students will be determined after further study by a subgroup appointed by the Provosts’ Council and resolution of the impacts this change will have on the recruitment and retention of graduate assistants and related collective bargaining agreements.

6. Staff tuition rates and policies will need to be modified to recover lost resource fee income associated with these proposed policy changes as staff members currently pay a reduced tuition amount but 100 percent of all applicable resource fees.

In accordance with these guidelines, the campuses are proposing the following changes in their resource fee structure for the 2010 Summer Session:

*Summary of Proposed Resource Fee Structural Changes by Institution:*

**EOU** – Eastern Oregon University is proposing no changes for the 2010 Summer Session.

**OIT** – Oregon Institute of Technology is proposing no changes for the 2010 Summer Session.

**OSU** – Consistent with their 2009-10 Academic Year schedules, Oregon State University is proposing to eliminate all universal and programmatic resource fees for all undergraduate students by rolling them into base tuition and implementing differential tuition in business, engineering, and honors program majors.

OSU is continuing with current resource fee practices for graduate students for the 2010 Summer Session.
PSU – Consistent with their 2009-10 Academic Year schedules, Portland State University is proposing differential rates for the Fine and Performing Arts – (undergraduate resident and graduate students) and for the College of Liberal Arts (graduate students – level 1 & 2).

SOU – Southern Oregon University is proposing no changes for the 2010 Summer Session.

UO – Consistent with their 2009-10 Academic Year schedules, The University of Oregon is proposing the elimination of all universal resource fees for graduate students by rolling them into base tuition. The UO does not assess programmatic resource fees for the Summer Session.

WOU – Western Oregon University is proposing no changes for the 2010 Summer Session.
Summary Undergraduate Tuition and Fees:
The following tables 1 through 4 summarize the 2010 Summer Session Tuition, Mandatory Enrollment, and Universal Resource fee rates for undergraduate students enrolled for 6, 9, 12, and 15 credit hours as compared to rates assessed during the 2009 Summer Session. As noted above, the rates reflect the transition of selected resource fees into tuition where applicable.

| Table 1 |
| Summer Term 2010 Tuition and Fees |
| Undergraduate - 6 Credit Hours |

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Residents</td>
<td>$714</td>
<td>$684</td>
<td>$820</td>
<td>$820</td>
<td>$710</td>
<td>$750</td>
<td>$870</td>
<td>$755</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>$714</td>
<td>$684</td>
<td>$820</td>
<td>$820</td>
<td>$2,634</td>
<td>$750</td>
<td>$1,140</td>
<td>$2,226</td>
</tr>
</tbody>
</table>

| Fees |
| Building | $34 | $34 | $34 | $34 | $34 | $34 | $34 |
| Incidental | $50 | $62 | $151 | $20 | $55 | $69 | $48 | $59 |
| Health | $- | $50 | $134 | $- | $177 | $75 | $111 | $43 |
| Student Rec Center | $- | $- | $- | $- | $41 | $- | $41 | $- |
| Registration | $- | $- | $- | $- | $- | $- | $- | $- |
| Technology | $- | $27 | $- | $- | $- | $- | $- |
| Total Fees | $84 | $173 | $320 | $54 | $307 | $178 | $234 | $136 |

| Total Tuition and Fees |
| Residents | $798 | $857 | $1,140 | $874 | $1,017 | $928 | $1,104 | $891 |
| Nonresidents | $798 | $857 | $1,140 | $874 | $2,941 | $928 | $1,374 | $2,362 |

<p>| Percentage Increase over Prior Year |</p>
<table>
<thead>
<tr>
<th>Tuition</th>
<th>EOU</th>
<th>OIT</th>
<th>OSU Corvallis</th>
<th>OSU Cascades</th>
<th>PSU</th>
<th>SOU</th>
<th>UO</th>
<th>WOU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>-1.9%</td>
<td>5.6%</td>
<td>15.2%</td>
<td>15.2%</td>
<td>8.5%</td>
<td>0.0%</td>
<td>8.2%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>-1.9%</td>
<td>5.6%</td>
<td>15.2%</td>
<td>15.2%</td>
<td>12.3%</td>
<td>0.0%</td>
<td>6.1%</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

| Fees |
| Building | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Incidental | 6.4% | 55.0% | [3] | 1.1% | 0.0% | 0.0% | 7.8% | 0.0% | 5.4% |
| Health | 0.0% | 0.0% | 9.4% | 0.0% | 6.0% | 0.0% | 29.4% | [4] | 4.9% |
| Student Rec Center | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | [5] | 0.0% | 114.5% | [5] | 0.0% |
| Registration | 0.0% | 0.0% | -100.0% | -100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Technology | 0.0% | 0.0% | -100.0% | -100.0% | 0.0% | 0.0% | 0.0% | 0.0% |

| Total Tuition and Fees |
| Residents | -1.4% | 7.3% | 7.5% | 8.2% | 11.7% | 0.5% | 11.4% | 8.5% |
| Nonresidents | -1.4% | 7.3% | 7.5% | 8.2% | 13.0% | 0.5% | 9.0% | 5.9% |

Note: Amounts are rounded to nearest dollar.
[1] The first credit hour of tuition includes a $34.00 Summer Session administrative fee which is not subject to remission.
OSU resident and nonresident tuition rates include the roll-in of universal and certain programmatic fees.
[2] Resident rates are the 2009 undergraduate Promise rate. The percent increase shown for resident undergraduates compare the 2009 Promise rates to the 2008 Promise rates.
[3] The OIT Incidental Fee Commission approved an increase in the Incidental Fee to support planned summer activities aimed at increasing summer enrollment and retention.
[4] UO health services for students expanded due to increased demand during Summer Session.
[5] PSU instituted a Recreation Center fee to support the operations and debt service of its new recreation center.
## Table 2
### Summer Term 2010 Tuition and Fees
#### Undergraduate - 9 Credit Hours

<table>
<thead>
<tr>
<th></th>
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<td>$1,213</td>
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<td>$1,213</td>
<td>$3,951</td>
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### Fees

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<th>Health</th>
<th>Student Rec Center</th>
<th>Registration</th>
<th>Technology</th>
<th>Total Fees</th>
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<tr>
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<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>$50</td>
<td>$151</td>
<td>$20</td>
<td>$41</td>
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<td>$41</td>
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</table>

### Total Tuition and Fees

<table>
<thead>
<tr>
<th></th>
<th>EOU</th>
<th>OIT</th>
<th>OSU</th>
<th>PSU</th>
<th>SOU</th>
<th>UO</th>
<th>WOU</th>
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</thead>
<tbody>
<tr>
<td>Residents</td>
<td>$1,155</td>
<td>$1,533</td>
<td>$1,267</td>
<td>$1,395</td>
<td>$1,125</td>
<td>$1,506</td>
<td>$1,266</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>$1,155</td>
<td>$1,533</td>
<td>$1,267</td>
<td>$4,282</td>
<td>$1,303</td>
<td>$1,911</td>
<td>$3,475</td>
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</table>

### Percentage Increase over Prior Year

<table>
<thead>
<tr>
<th></th>
<th>EOU</th>
<th>OIT</th>
<th>OSU</th>
<th>PSU</th>
<th>SOU</th>
<th>UO</th>
<th>WOU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>-1.8%</td>
<td>5.6%</td>
<td>15.4%</td>
<td>15.4%</td>
<td>8.5%</td>
<td>0.0%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>-1.8%</td>
<td>5.6%</td>
<td>15.4%</td>
<td>15.4%</td>
<td>12.3%</td>
<td>0.0%</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

### Notes
- Amounts are rounded to nearest dollar.
- The first credit hour of tuition includes a $34.00 Summer Session administrative fee which is not subject to remission.
- OSU resident and nonresident tuition rates include the roll-in of universal and certain programmatic fees.
- Resident rates are the 2009 undergraduate Promise rate. The percent increase shown for resident undergraduates compare the 2009 Promise rates to the 2008 Promise rates.
- The OIT Incidental Fee Commission approved an increase in the Incidental Fee to support planned summer activities aimed at increasing summer enrollment and retention.
- UO health services for students expanded due to increased demand during Summer Session.
- UO Recreation Center summer session rates increased to match academic year rates.
- PSU instituted a Recreation Center fee to support the operations and debt service of its new recreation center.
Table 3
Summer Term 2010 Tuition and Fees
Undergraduate - 12 Credit Hours

<table>
<thead>
<tr>
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<tr>
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<td>$4,452</td>
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Fees

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<tbody>
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<td>$ 34</td>
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<td>$ 34</td>
<td>$ 34</td>
<td>$ 34</td>
</tr>
<tr>
<td>Incidental</td>
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<td>$111</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ 41</td>
<td>$ -</td>
<td>$ 41</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Technology</td>
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<td><strong>Total Fees</strong></td>
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Total Tuition and Fees

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<td>$1,568</td>
<td>$1,926</td>
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Percentage Increase over Prior Year

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</thead>
<tbody>
<tr>
<td>Residents</td>
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<td>5.6%</td>
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Fees

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<tr>
<td>Incidental</td>
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<td>Health</td>
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<td>100.0%</td>
<td>0.0%</td>
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<td>114.5%</td>
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<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
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<tr>
<td>Technology</td>
<td>0.0%</td>
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<td>-100.0%</td>
<td>0.0%</td>
<td>0.0%</td>
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Total Tuition and Fees

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<tbody>
<tr>
<td>Residents</td>
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<td>6.4%</td>
<td>8.8%</td>
<td>9.5%</td>
<td>10.1%</td>
<td>0.3%</td>
<td>10.4%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>-1.5%</td>
<td>6.4%</td>
<td>8.8%</td>
<td>9.5%</td>
<td>12.6%</td>
<td>0.3%</td>
<td>7.9%</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

Note: Amounts are rounded to nearest dollar.

[1] The first credit hour of tuition includes a $34.00 Summer Session administrative fee which is not subject to remission.

[2] Resident rates are the 2009 undergraduate Promise rate. The percent increase shown for resident undergraduates compare the 2009 Promise rates to the 2008 Promise rates.

[3] The OIT Incidental Fee Commission approved an increase in the Incidental Fee to support planned summer activities aimed at increasing summer enrollment and retention.

[4] PSU instituted a Recreation Center fee to support the operations and debt service of its new recreation center.
### Table 4
**Summer Term 2010 Tuition and Fees**
**Undergraduate - 15 Credit Hours**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>$1,785</td>
<td>$1,710</td>
<td>$1,999</td>
<td>$1,999</td>
<td>$1,774</td>
<td>$1,875</td>
<td>$2,076</td>
<td>$1,880</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>$1,785</td>
<td>$1,710</td>
<td>$1,999</td>
<td>$1,999</td>
<td>$6,585</td>
<td>$1,875</td>
<td>$2,751</td>
<td>$5,565</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fees</th>
<th>Building</th>
<th>Incidental</th>
<th>Health</th>
<th>Student Rec Center</th>
<th>Registration</th>
<th>Technology</th>
<th>Total Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>$34 $34</td>
<td>$34 $34</td>
<td>$34 $34</td>
<td>$34 $34</td>
<td>$34 $34</td>
<td>$34 $34</td>
<td>$84 $200</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>$34 $34</td>
<td>$34 $34</td>
<td>$34 $34</td>
<td>$34 $34</td>
<td>$34 $34</td>
<td>$34 $34</td>
<td>$320 $352</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Tuition and Fees</th>
<th>Residents</th>
<th>Nonresidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>$1,869</td>
<td>$1,869</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>$1,869</td>
<td>$1,869</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage Increase over Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
</tr>
<tr>
<td>Residents</td>
</tr>
<tr>
<td>Nonresidents</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fees</th>
<th>Building</th>
<th>Incidental</th>
<th>Health</th>
<th>Student Rec Center</th>
<th>Registration</th>
<th>Technology</th>
<th>Total Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Tuition and Fees</th>
<th>Residents</th>
<th>Nonresidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>-0.9%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>-0.9%</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

Note: Amounts are rounded to nearest dollar.

[1] The first credit hour of tuition includes a $34.00 Summer Session administrative fee which is not subject to remission.

[2] Resident rates are the 2009 undergraduate Promise rate. The percent increase shown for resident undergraduates compare the 2009 Promise rates to the 2008 Promise rates.

[3] The OIT Incidental Fee Commission approved an increase in the Incidental Fee to support planned summer activities aimed at increasing summer enrollment and retention.

[4] UO health services for students expanded due to increased demand during Summer Session.

[5] PSU instituted a Recreation Center fee to support the operations and debt service of its new recreation center.
Summary of Graduate Tuition and Fees:
Tables 5 through 8 shown below summarize the 2010 Summer Session tuition, Mandatory Enrollment, and Universal Resource fee rates for full-time graduate students enrolled for 6, 9, 12, and 15 credit hours as compared to rates assessed during the 2009 Summer Session. As noted above, the rates reflect the transition of selected resource fees into tuition where applicable.
Table 5  
Summer Term 2010 Tuition and Fees  
Graduate - 6 Credit Hours

<table>
<thead>
<tr>
<th>Tuition</th>
<th>EOU</th>
<th>OIT</th>
<th>OSU(1) Corvallis</th>
<th>OSU(1) Cascades</th>
<th>PSU</th>
<th>SOU</th>
<th>UO(2)</th>
<th>WOU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>$1,536</td>
<td>$1,596</td>
<td>$1,414</td>
<td>$1,414</td>
<td>$1,872</td>
<td>$1,650</td>
<td>$1,518</td>
<td>$1,698</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>$1,536</td>
<td>$1,596</td>
<td>$1,414</td>
<td>$1,414</td>
<td>$2,922</td>
<td>$1,650</td>
<td>$1,788</td>
<td>$2,784</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fees</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
</tr>
<tr>
<td>Incidental</td>
<td>$50</td>
<td>$62</td>
<td>$151</td>
<td>$20</td>
<td>$55</td>
<td>$69</td>
<td>$48</td>
<td>$59</td>
</tr>
<tr>
<td>Health</td>
<td>$-</td>
<td>$50</td>
<td>$134</td>
<td>$-</td>
<td>$177</td>
<td>$75</td>
<td>$111</td>
<td>$43</td>
</tr>
<tr>
<td>Student Rec Center</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$41</td>
<td>$-</td>
<td>$41</td>
<td>$-</td>
</tr>
<tr>
<td>Registration</td>
<td>$-</td>
<td>$-</td>
<td>$11</td>
<td>$11</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Technology</td>
<td>$-</td>
<td>$27</td>
<td>$31</td>
<td>$31</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Total Fees</td>
<td>$84</td>
<td>$173</td>
<td>$362</td>
<td>$96</td>
<td>$307</td>
<td>$178</td>
<td>$234</td>
<td>$136</td>
</tr>
</tbody>
</table>

Total Tuition and Fees:
- Residents: $1,620, $1,769, $1,776, $1,510, $2,179, $1,828, $1,752, $1,834
- Nonresidents: $1,620, $1,769, $1,776, $1,510, $3,229, $1,828, $2,022, $2,920

<table>
<thead>
<tr>
<th>Tuition</th>
<th>EOU</th>
<th>OIT</th>
<th>OSU(1) Corvallis</th>
<th>OSU(1) Cascades</th>
<th>PSU</th>
<th>SOU</th>
<th>UO(2)</th>
<th>WOU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>8.8%</td>
<td>9.0%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>11.8%</td>
<td>0.0%</td>
<td>11.4%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>8.8%</td>
<td>9.0%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>11.9%</td>
<td>0.0%</td>
<td>9.5%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

Percentage Increase over Prior Year:
- Building: 0.0%
- Incidental: 6.4%
- Health: 0.0%
- Student Rec Center: 0.0%
- Registration: 0.0%
- Technology: 0.0%

Total Tuition and Fees:
- Residents: 8.5%, 9.5%, 3.9%, 3.7%, 12.9%, 0.3%, 10.2%, 3.9%
- Nonresidents: 8.5%, 9.5%, 3.9%, 3.7%, 12.6%, 0.3%, 8.7%, 3.1%

Note: Amounts are rounded to nearest dollar.

1. The first credit hour of tuition includes a $34.00 Summer Session administrative fee which is not subject to remission.
2. UO resident and nonresident tuition rates include the roll-in of universal resource fees.
3. The OIT Incidental Fee Commission approved an increase in the Incidental Fee to support planned summer activities aimed at increasing summer enrollment and retention.
4. UO health services for students expanded due to increased demand during Summer Session.
5. PSU instituted a Recreation Center fee to support the operations and debt service of its new recreation center.
### Table 6
**Summer Term 2010 Tuition and Fees**  
*Graduate - 9 Credit Hours*

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>$2,304</td>
<td>$2,394</td>
<td>$2,104</td>
<td>$2,104</td>
<td>$2,808</td>
<td>$2,475</td>
<td>$2,244</td>
<td>$2,547</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>$2,304</td>
<td>$2,394</td>
<td>$2,104</td>
<td>$2,104</td>
<td>$4,383</td>
<td>$2,475</td>
<td>$2,649</td>
<td>$4,176</td>
</tr>
</tbody>
</table>

**Fees**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
</tr>
<tr>
<td>Incidental</td>
<td>$50</td>
<td>$62</td>
<td>$151</td>
<td>$20</td>
<td>$79</td>
<td>$69</td>
<td>$48</td>
<td>$59</td>
</tr>
<tr>
<td>Health</td>
<td>$1</td>
<td>$50</td>
<td>$134</td>
<td>$-</td>
<td>$177</td>
<td>$75</td>
<td>$111</td>
<td>$43</td>
</tr>
<tr>
<td>Student Rec Center</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$41</td>
<td>$-</td>
<td>$41</td>
<td>$-</td>
</tr>
<tr>
<td>Registration</td>
<td>$-</td>
<td>$-</td>
<td>$11</td>
<td>$11</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Technology</td>
<td>$-</td>
<td>$41</td>
<td>$46</td>
<td>$46</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total Fees</strong></td>
<td>$84</td>
<td>$187</td>
<td>$377</td>
<td>$111</td>
<td>$331</td>
<td>$178</td>
<td>$234</td>
<td>$136</td>
</tr>
</tbody>
</table>

**Total Tuition and Fees**

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>$2,388</td>
<td>$2,581</td>
<td>$2,481</td>
<td>$2,215</td>
<td>$3,139</td>
<td>$2,653</td>
<td>$2,478</td>
<td>$2,683</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>$2,388</td>
<td>$2,581</td>
<td>$2,481</td>
<td>$2,215</td>
<td>$4,714</td>
<td>$2,653</td>
<td>$2,883</td>
<td>$4,312</td>
</tr>
</tbody>
</table>

#### Percentage Increase over Prior Year

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>8.8%</td>
<td>9.0%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>12.0%</td>
<td>0.0%</td>
<td>10.6%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>8.8%</td>
<td>9.0%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>12.0%</td>
<td>0.0%</td>
<td>8.8%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

#### Fees

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Incidental</td>
<td>6.4%</td>
<td>55.0%[^3]</td>
<td>0.8%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>7.8%</td>
<td>0.0%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Health</td>
<td>0.0%</td>
<td>0.0%</td>
<td>9.2%</td>
<td>0.0%</td>
<td>6.0%</td>
<td>0.0%</td>
<td>29.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Student Rec Center</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>100.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Registration</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Technology</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-100.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

**Total Tuition and Fees**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>8.6%</td>
<td>9.3%</td>
<td>3.9%</td>
<td>3.8%</td>
<td>12.6%</td>
<td>0.2%</td>
<td>9.8%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>8.6%</td>
<td>9.3%</td>
<td>3.9%</td>
<td>3.8%</td>
<td>12.4%</td>
<td>0.2%</td>
<td>8.3%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

Note: Amounts are rounded to nearest dollar.

[^1]: The first credit hour of tuition includes a $34.00 Summer Session administrative fee which is not subject to remission.

[^2]: UO resident and nonresident tuition rates include the roll-in of universal resource fees.

[^3]: The OIT Incidental Fee Commission approved an increase in the Incidental Fee to support planned summer activities aimed at increasing summer enrollment and retention.

[^4]: UO health services for students expanded due to increased demand during Summer Session.

[^5]: UO Recreation Center summer session rates increased to match academic year rates.

[^6]: PSU instituted a Recreation Center fee to support the operations and debt service of its new recreation center.
### Table 7
**Summer Term 2010 Tuition and Fees**
**Graduate - 12 Credit Hours**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>$3,072</td>
<td>$3,192</td>
<td>$2,794</td>
<td>$2,794</td>
<td>$3,744</td>
<td>$3,300</td>
<td>$2,970</td>
<td>$3,396</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>$3,072</td>
<td>$3,192</td>
<td>$2,794</td>
<td>$2,794</td>
<td>$5,844</td>
<td>$3,300</td>
<td>$3,510</td>
<td>$5,568</td>
</tr>
</tbody>
</table>

**Fees**

<table>
<thead>
<tr>
<th>Building</th>
<th>Incidental</th>
<th>Health</th>
<th>Student Rec Center</th>
<th>Registration</th>
<th>Technology</th>
<th>Total Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>$34</td>
<td>$50</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$84</td>
</tr>
<tr>
<td>$34</td>
<td>$62</td>
<td>$134</td>
<td>$41</td>
<td>$11</td>
<td>$54</td>
<td>$200</td>
</tr>
<tr>
<td>$34</td>
<td>$20</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$61</td>
<td>$392</td>
</tr>
<tr>
<td>$34</td>
<td>$69</td>
<td>$75</td>
<td>$-</td>
<td>$-</td>
<td>$61</td>
<td>$352</td>
</tr>
<tr>
<td>$34</td>
<td>$48</td>
<td>$111</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$178</td>
</tr>
<tr>
<td>$34</td>
<td>$59</td>
<td>$136</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$234</td>
</tr>
<tr>
<td>$34</td>
<td>$136</td>
<td>$136</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$136</td>
</tr>
</tbody>
</table>

**Total Tuition and Fees**

| Residents | $3,156 | $3,392 | $3,186 | $2,920 | $4,096 | $3,478 | $3,204 | $3,532 |
| Nonresidents | $3,156 | $3,392 | $3,186 | $2,920 | $6,196 | $3,478 | $3,744 | $5,704 |

**Percentage Increase over Prior Year**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>8.9%</td>
<td>9.0%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>12.1%</td>
<td>0.0%</td>
<td>10.2%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>8.9%</td>
<td>9.0%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>12.1%</td>
<td>0.0%</td>
<td>8.5%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

**Fees**

<table>
<thead>
<tr>
<th>Building</th>
<th>Incidental</th>
<th>Health</th>
<th>Student Rec Center</th>
<th>Registration</th>
<th>Technology</th>
<th>Total Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0%</td>
<td>6.4%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>0.0%</td>
<td>55.0%</td>
<td>9.2%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>6.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>0.0%</td>
<td>0.8%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
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<tr>
<td>0.0%</td>
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<tr>
<td>0.0%</td>
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<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
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<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>0.0%</td>
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<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

**Total Tuition and Fees**

| Residents | $3,156 | $3,392 | $3,186 | $2,920 | $4,096 | $3,478 | $3,204 | $3,532 |
| Nonresidents | $3,156 | $3,392 | $3,186 | $2,920 | $6,196 | $3,478 | $3,744 | $5,704 |

Note: Amounts are rounded to nearest dollar.

[1] The first credit hour of tuition includes a $34.00 Summer Session administrative fee which is not subject to remission.

[2] UO resident and nonresident tuition rates include the roll-in of universal resource fees.

[3] The OIT Incidental Fee Commission approved an increase in the Incidental Fee to support planned summer activities aimed at increasing summer enrollment and retention.

[4] UO resident and nonresident tuition rates include the roll-in of universal resource fees.

[5] UO health services for students expanded due to increased demand during Summer Session.

[6] UO Recreation Center summer session rates increased to match academic year rates.

[7] PSU instituted a Recreation Center fee to support the operations and debt service of its new recreation center.
### Table 8
Summer Term 2010 Tuition and Fees
Graduate - 15 Credit Hours

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>$3,840</td>
<td>$3,990</td>
<td>$3,484</td>
<td>$3,484</td>
<td>$4,344</td>
<td>$4,125</td>
<td>$3,696</td>
<td>$4,245</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>$3,840</td>
<td>$3,990</td>
<td>$3,484</td>
<td>$3,484</td>
<td>$7,275</td>
<td>$4,125</td>
<td>$4,371</td>
<td>$6,960</td>
</tr>
</tbody>
</table>

### Fees

<table>
<thead>
<tr>
<th></th>
<th>EOU</th>
<th>OIT</th>
<th>OSU</th>
<th>OSU</th>
<th>PSU</th>
<th>SOU</th>
<th>UO</th>
<th>WOU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
<td>$34</td>
</tr>
<tr>
<td>Incidental</td>
<td>$50</td>
<td>$62</td>
<td>$151</td>
<td>$20</td>
<td>$100</td>
<td>$69</td>
<td>$48</td>
<td>$59</td>
</tr>
<tr>
<td>Health</td>
<td>$-</td>
<td>$50</td>
<td>$134</td>
<td>$-</td>
<td>$177</td>
<td>$75</td>
<td>$111</td>
<td>$43</td>
</tr>
<tr>
<td>Student Rec Center</td>
<td>$-</td>
<td>$-</td>
<td>$11</td>
<td>$11</td>
<td>$-</td>
<td>$-</td>
<td>$41</td>
<td>$-</td>
</tr>
<tr>
<td>Registration</td>
<td>$-</td>
<td>$-</td>
<td>$11</td>
<td>$11</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Technology</td>
<td>$-</td>
<td>$54</td>
<td>$76</td>
<td>$76</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total Fees</strong></td>
<td>$84</td>
<td>$200</td>
<td>$407</td>
<td>$141</td>
<td>$352</td>
<td>$178</td>
<td>$234</td>
<td>$136</td>
</tr>
</tbody>
</table>

### Total Tuition and Fees

<table>
<thead>
<tr>
<th></th>
<th>EOU</th>
<th>OIT</th>
<th>OSU</th>
<th>OSU</th>
<th>PSU</th>
<th>SOU</th>
<th>UO</th>
<th>WOU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>$3,924</td>
<td>$4,190</td>
<td>$3,891</td>
<td>$3,625</td>
<td>$4,696</td>
<td>$4,303</td>
<td>$3,930</td>
<td>$4,381</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>$3,924</td>
<td>$4,190</td>
<td>$3,891</td>
<td>$3,625</td>
<td>$7,627</td>
<td>$4,303</td>
<td>$4,605</td>
<td>$7,096</td>
</tr>
</tbody>
</table>

### Percentage Increase over Prior Year

<table>
<thead>
<tr>
<th></th>
<th>EOU</th>
<th>OIT</th>
<th>OSU</th>
<th>OSU</th>
<th>PSU</th>
<th>SOU</th>
<th>UO</th>
<th>WOU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>9.2%</td>
<td>9.0%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>12.0%</td>
<td>0.0%</td>
<td>10.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>9.2%</td>
<td>9.0%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>12.0%</td>
<td>0.0%</td>
<td>8.3%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

### Fees

<table>
<thead>
<tr>
<th></th>
<th>EOU</th>
<th>OIT</th>
<th>OSU</th>
<th>OSU</th>
<th>PSU</th>
<th>SOU</th>
<th>UO</th>
<th>WOU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Incidental</td>
<td>6.4%</td>
<td>55.0%[3]</td>
<td>0.8%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>7.8%</td>
<td>0.0%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Health</td>
<td>0.0%</td>
<td>0.0%</td>
<td>9.2%</td>
<td>0.0%</td>
<td>6.0%</td>
<td>0.0%</td>
<td>29.4%[4]</td>
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</tr>
<tr>
<td>Student Rec Center</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>100.0%[6]</td>
<td>0.0%</td>
<td>114.5%[6]</td>
<td>0.0%</td>
</tr>
<tr>
<td>Registration</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Technology</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-100.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

### Total Tuition and Fees

<table>
<thead>
<tr>
<th></th>
<th>EOU</th>
<th>OIT</th>
<th>OSU</th>
<th>OSU</th>
<th>PSU</th>
<th>SOU</th>
<th>UO</th>
<th>WOU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>9.1%</td>
<td>9.2%</td>
<td>3.9%</td>
<td>3.9%</td>
<td>12.4%</td>
<td>0.1%</td>
<td>9.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Nonresidents</td>
<td>9.1%</td>
<td>9.2%</td>
<td>3.9%</td>
<td>3.9%</td>
<td>12.2%</td>
<td>0.1%</td>
<td>8.0%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

Note: Amounts are rounded to nearest dollar.

[1] The first credit hour of tuition includes a $34.00 Summer Session administrative fee which is not subject to remission.
[2] UO resident and nonresident tuition rates include the roll-in of universal resource fees.
[3] The OIT Incidental Fee Commission approved an increase in the Incidental Fee to support planned summer activities aimed at increasing summer enrollment and retention.
[4] UO health services for students expanded due to increased demand during Summer Session.
[5] PSU instituted a Recreation Center fee to support the operations and debt service of its new recreation center.
[6] PSU Recreation Center summer session rates increased to match academic year rates.
Summary of Programmatic Resource Fees:
Programmatic Resource Fees, as shown in the table below, are assessed to students enrolled in specific programs to provide funding assistance for faculty, resource materials, equipment, and specialized services. The fees vary by institution and are assessed to students admitted to or enrolled in, a school, college or department, or degree program.

<table>
<thead>
<tr>
<th>2010 Summer Programmatic Resource Fees</th>
<th>2010 UG</th>
<th>2010 GR</th>
<th>% Change from 2009</th>
<th>% Change from 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>OIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paramedic Program ($10 per term for Student Activity)</td>
<td>$135</td>
<td>$135</td>
<td>22.7%</td>
<td>22.7%</td>
</tr>
<tr>
<td>Clinical Laboratory ($10 per term for Student Activity)</td>
<td>$135</td>
<td>$135</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>OSU - Corvallis</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering ($43 per credit hour up to $430 per term)</td>
<td>$430</td>
<td>-100.0%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>MBA Students ($35 per credit hour up to $350 per term)</td>
<td>$350</td>
<td>0.0%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Interdisciplinary Studies</td>
<td>$35</td>
<td>0.0%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Educational Resources</td>
<td>$50</td>
<td>-100.0%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Honors College</td>
<td>$250</td>
<td>0.0%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>OSU - Cascades</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational Resources</td>
<td>$50</td>
<td>0.0%</td>
<td>0.0%</td>
<td></td>
</tr>
</tbody>
</table>

[1] OIT increased the Summer Session Paramedic Program fee to align with the Academic Year rate.

2010 Room and Board Rates:
Summer Session room and board accommodations on each campus vary according to the need and demand of each campus community. They may include rates by day, week, multi-week or term. A combined room and board rate is typically offered, as well as rates for room only, board only, conference activities, etc. Rates are generally comparable to those for the academic year. Student housing facilities operate as auxiliary enterprises and are intended to function in a self-supporting manner.

The following table shows comparative examples of room and board rates for a basic dorm room with double occupancy. Each institution offers a variety of room and meal options at rates above and below those listed. Please refer to room and board section starting on page 43 of the 2010 Summer Session Fee Book Draft for an extensive list of available room and board options.
### Summer Session Housing Rates

<table>
<thead>
<tr>
<th>Institution</th>
<th>Plan Description</th>
<th>2010</th>
<th>2009</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EOU</td>
<td>Eight Weeks - Double (includes meals)</td>
<td>$1,048</td>
<td>$1,012</td>
<td>3.6%</td>
</tr>
<tr>
<td>OIT</td>
<td>Eight Weeks - Double (room only)</td>
<td>$590</td>
<td>$590</td>
<td>0.0%</td>
</tr>
<tr>
<td>OSU</td>
<td>Eight Weeks - Double (includes meals)</td>
<td>$2,058</td>
<td>$1,343</td>
<td>53.3%</td>
</tr>
<tr>
<td>PSU</td>
<td>Eight Weeks - Ondine Multiple (room only)</td>
<td>$1,205</td>
<td>$1,125</td>
<td>7.1%</td>
</tr>
<tr>
<td>SOU</td>
<td>Eight Weeks - Multiple (includes meals)</td>
<td>$1,781</td>
<td>$1,781</td>
<td>0.0%</td>
</tr>
<tr>
<td>UO</td>
<td>Eight Weeks - Multiple (includes meals)</td>
<td>$1,911</td>
<td>$1,792</td>
<td>6.6%</td>
</tr>
<tr>
<td>WOU</td>
<td>Eight Weeks - Heritage Multiple (room only)</td>
<td>$638</td>
<td>$638</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Note: Room and board rates shown above represent a sample of available options for comparison purposes.

[1] OSU expanded Summer Session services and beginning process for aligning Summer Session room & board rates with Academic Year rates.

**Staff Recommendation to the Board:**

The staff recommends that the Board approve the proposed 2010 Summer Session tuition, fees, and related policies incorporated in this docket. Specifically, an amendment to OAR 580-040-0035 to read as follows:

“The document entitled *Summer Session Fee Book 2010* dated January 8, 2010, is hereby amended by reference as a permanent rule. All prior adoptions of summer session fee documents are hereby repealed except as to rights and obligations previously acquired or incurred thereunder. Through the OAR amendment, the Board adopts the document entitled 2010 Summer Session Fee Book. The Chancellor, or designee, is authorized to implement minor adjustments to the final document, if necessary.”

*(Board action required.)*
Amendment of OAR 580-040-0040, Approval of the 2009-10 Academic Year Fee Book as a Permanent Rule

Background:
Due to the Legislative schedule, the Board approved the 2009-10 Academic Year Fee Book as a temporary rule on July 10, 2009. On September 25, 2009, the Board also approved the following three amendments to the Fee Book: adopt a Nonresident Veteran Fee Remission policy, a housing rate change at Eastern Oregon University, and a program fee change at the University of Oregon. No other material changes have been made to the 2009-10 Academic Year Fee Book approved by the Board on July 10, 2009. The Staff is now requesting the approval of OUS tuition and fee rates as well as related policies in the 2009-10 Academic Year as a permanent rule.

Public Hearings on 2009-10 Academic Year Fee Book:
Scheduled public hearings on the proposed 2009-10 Academic Year Fee Book were held Thursday, November 5, 2009 and Thursday, November 12, 2009, in Room 235 of Kerr Administration Building, on the Oregon State University campus. Prior to the hearings, campus reminders of the hearings were sent via email to our customary distribution list including but not limited to: student body presidents, budget directors, housing directors, registrars, vice presidents for student affairs, student advocates, and the Oregon Student Association. No students attended the hearings and no oral or written testimony was received.

Staff Recommendation to the Board:
Staff recommends that the Board adopt OAR 580-040-0040 as follows:

OAR 580-040-0040 Academic Year Fee Book
Through this action, the document entitled “Academic Year Fee Book” dated January 8, 2010, is hereby amended by reference as a permanent rule. All prior adoptions of academic year fee documents are hereby repealed except as to rights and obligations previously acquired or incurred there under. The Chancellor or designated staff are permitted to make revisions as needed to comport with any subsequent legislative actions as well as to authorize minor adjustments to the final document, if necessary.

(Board action required.)
Proposed Constitutional Amendment/Revision

Background:
Amending Article XI-F (1) and XI-G to Increase OUS’ Flexibility and Reduce OUS’ Costs
As previously reported to the Board, last year the Oregon Department of Justice (DOJ) and OUS Bond Counsel decided, after a thorough review of the Oregon Constitution, that OUS could no longer use Article XI-F(1) bonds to acquire pre-existing facilities. Due to the timing of this notice and the need for campuses to continue with needed projects in 2009-2011, the State Department of Administrative Services (DAS), the Legislative Fiscal Office (LFO), and the Legislature authorized OUS to instead use Certificates of Participation (COPs) for this purpose. However, DAS and LFO stated that this would be a one-time exception and that, in the interim, OUS should seek a Constitutional amendment to address this issue. In addition, DOJ, DAS, and LFO expressed some concern regarding the use of tuition to repay Article XI-F(1) bonds even though bond counsel had opined previously that this was an acceptable practice. Finally, given that seeking a Constitutional change was an expensive and time consuming endeavor, both the Department of Justice and bond counsel recommended other housekeeping changes to both Articles XI-F and XI-G of the Oregon Constitution.

The following background information was provided by Harvey Rogers, OUS Bond Counsel, and Cynthia Byrnes, DOJ Counsel assigned to State Treasury, to address these concerns:

Article XI-F(1) was adopted by the people in 1950; it allows state general obligation bonds to be issued for certain facilities that the State Board of Higher Education conservatively determines are “wholly self-liquidating and self-supporting from revenues, gifts, grants and building fees.” XI-F(1) bonds are paid by OUS from its revenues.

Article XI-G was adopted by the people in 1964; it allows state general obligation bonds to be issued for facilities for which OUS obtains a dollar-for-dollar appropriated match. XI-G bonds cannot be used to finance facilities that are wholly self-liquidating and self-supporting. XI-G bonds are paid from legislative appropriations.

Since XI-F(1) and XI-G were adopted, the needs and operations of OUS have changed and XI-F(1) and XI-G do not allow OUS to finance some facilities that both OUS and the legislature agree should be financed. The limitations in XI-F (1) and XI-G have forced OUS to use more expensive forms of financing (state COPs or ODOE loans) or to forego financing desirable projects altogether. In addition, lack of clarity in the provisions of XI-F(1) and XI-G requires regular, extensive, and expensive legal analysis that often has unpredictable results.

DOJ and Bond Counsel believe that amending Articles XI-F(1) and XI-G will increase OUS’ flexibility to finance its current needs and reduce costs. The amendments would:

- Expand both XI-F(1) and XI-G to allow bonds to be used to finance the acquisition of existing structures and clarify that XI-F(1) and XI-G can be used to finance any facilities that benefit higher education.
Urban campuses have opportunities to acquire existing structures that likely did not exist when the voters approved XI-F(1) and XI-G, and it is often cheaper to buy existing structures than to build new ones. In addition, it is not currently clear whether XI-F(1) and XI-G are limited to financing traditional higher education facilities as voters would have thought of them in the 1950s and 1960s.

- **Amend XI-F(1) to make it clear that tuition can be treated as revenue for purposes of determining whether a facility is “wholly self-liquidating and self-supporting.”**
  Tuition is now a very substantial source of revenue that OUS obtains from its operations. If tuition is not clearly available to be considered under XI-F(1), OUS will face increasing difficulty in financing assets under XI-F(1). That difficulty will drive it to use state COPs, which are a more expensive form of financing, and which can be paid from any of OUS’ revenues, including tuition. OUS believes that all funds OUS receives from charges paid by students and other third parties should be treated as revenues under Article XI-F(1) and the only funding source that OUS should not treat as a revenue is state general fund appropriations.

- **Delete the provision in XI-G that prohibits XI-G bonds from being used to finance facilities that are wholly self-supporting and self-liquidating.**
  This prohibition specifically allows single facilities that receive both XI-F(1) and XI-G financing, but gives no guidance on how this can be done. This, in turn, forces OUS to do artificial allocations of revenues for modern facilities with complex uses. OUS believes that XI-G should be available to OUS if it can raise a match and the legislature approves the financing. The prohibition on using XI-G bonds for self liquidating and self-supporting structures does not appear to serve any important public policy.

Finally, amending the Constitution is expensive and time consuming, thus Counsels thought that it would be prudent to offer all amendments to XI-F(1) to the voters at one time and all desirable amendments to XI-G should be offered to the voters at one time.

**Proposed Amendments/Revisions:**

The following are proposed amendments to Articles XI-F(1) and XI-G in legislative counsel amendment form showing (DOJ and bond counsels’) suggested amendments. Counsels believe that these amendments need to be presented to the voters either as separate amendments (separately voted on) or as one revision to the Constitution (voted on as one measure). A revision will require a two-thirds approval vote by the legislature to refer it to the people. Amendments to the Constitution require only a majority vote by the legislature to refer them to the people. Counsel believes that one bill can propose more than one amendment to the Constitution, even though the amendments will have to be presented separately to the voters. So, one bill could have two amendments to be voted on by the people separately (majority vote to refer) or one bill could have a bunch of changes to the Constitution (a revision, requiring two-thirds legislative approval) that would be presented to the voters as one package.

Proposed **additions are in bold; [deletions are italicized and are in brackets.]**

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**ARTICLE XI-F (1)**

**Section 1. State empowered to lend credit for higher education building projects.** The credit of the state may be loaned and indebtedness incurred in an amount which shall not exceed at any one-time three-fourths of one percent of the true cash value of all the taxable
property in the state as determined by law to provide funds with which to acquire, construct, improve, repair, equip and furnish buildings, structures, land, and other projects, or parts thereof, that the legislative assembly determines will benefit higher education institutions or activities [re redeem and refund outstanding revenue bonds issued to finance the cost of buildings and other projects for higher education, and to construct, improve, repair, equip, and furnish buildings and other structures for such purpose, and to purchase or improve sites therefore].

Section 2. Only self-liquidating projects authorized. Indebtedness shall not be incurred to finance projects described in Section 1 unless the constructing authority conservatively estimates that it will have sufficient revenues to pay the indebtedness and operate the projects financed with the indebtedness. For purposes of this article, “revenues” shall include all funds available to the constructing authority except amounts appropriated by the legislative assembly from the state’s General Fund. [The buildings and structures hereafter constructed for higher education pursuant to this amendment shall be such only as conservatively shall appear to the constructing authority to be wholly self-liquidating and self-supporting from revenues, gifts, grants, or building fees. All unpledged net revenues of buildings and other projects may be pooled with the net revenues of new buildings or projects in order to render the new buildings or projects self-liquidating and self-supporting.]

Section 3. Sources of revenue. Ad valorem taxes shall be levied annually upon all the taxable property in the state of Oregon in sufficient amount, with the aforesaid revenues, [gifts, grants, or building fees,] to provide for the payment of such indebtedness and the interest thereon. The legislative assembly may provide other revenues to supplement or replace such tax levies.

Section 4. Bonds. Bonds issued pursuant to this article shall be the direct general obligations of the state and be in such form, run for such periods of time, and bear such rates of interest, as shall be provided by statute. Such bonds may be refunded with bonds of like obligation. Unless provided by statute, no bonds shall be issued pursuant to this article for the construction of buildings or other structures for higher education until after all of the aforesaid outstanding revenue bonds shall have been redeemed or refunded.

Section 5. Legislation to effectuate Article. The legislative assembly shall enact legislation to carry out the provisions hereof. This article shall supersede all conflicting constitutional provisions.

ARTICLE XI-G

Section 1. State empowered to lend credit for financing higher education institutions and activities and community colleges. (1) Notwithstanding the limitations contained in Section 7, Article XI of this Constitution, and in addition to other exceptions from the limitations of such section, the credit of the state may be loaned and indebtedness incurred in an amount
not to exceed at any time three-fourths of one percent of the true cash value of all taxable property in the state, as determined by law.

(2) Proceeds from any loan authorized or indebtedness incurred under this section shall be used to provide funds with which to acquire, construct, improve, repair, equip and furnish [those] buildings, structures, land, and other projects or parts thereof, that [and to purchase or improve sites therefor, designated by] the Legislative Assembly determines will [for] benefit higher education institutions or [and] activities or [for] community colleges authorized by law to receive state aid.

(3) The amount of any loan authorized or indebtedness incurred under this section by means of bonds to be issued in any biennium shall not exceed the dollar amount appropriated from the General Fund for the same or similar purposes. Any dollar amounts appropriated to meet the requirements of this subsection shall be specifically designated therefor by the Legislative Assembly.

(4) Nothing in this section prevents the financing of [buildings, structures and] projects, or parts thereof, by a combination of the moneys available under this section, under Article XI-F(1) of this Constitution, and from other lawful sources. [However, moneys available under this section shall not be expended on or for any buildings, structures or projects, or parts thereof, that are wholly self-liquidating and self-supporting.]

Section 2. Bonds. Bonds issued pursuant to this Article shall be the direct general obligations of the state and shall be in such form, run for such periods of time, and bear such rates of interest as the Legislative Assembly provides. Such bonds may be refunded with bonds of like obligation.

Section 3. Sources of revenue. Ad valorem taxes shall be levied annually upon the taxable property within the State of Oregon in sufficient amount to provide for the prompt payment of bonds issued pursuant to this Article and the interest thereon. The Legislative Assembly may provide other revenues to supplement or replace, in whole or in part, such tax levies.

Conclusion:
The Chancellor’s Office is aware that Representative Chris Harker (D-Beaverton) has introduced legislation to refer the constitutional changes to the voters. This legislation may be considered in the February 2010 Suppelmental Session.

These changes have been discussed with, and have the support of, the State Treasurer and the Attorney General. This is a report item only. No action by the Board is needed at this time.